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If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document comprises an AIM admission document and has been drawn up in accordance with the requirements of the AIM Rules for Companies. This document contains no offer of transferable securities to the public within the meaning of sections 85 and 102B of the FSMA or the Act or otherwise and is not a prospectus as defined in the AIM Rules. Accordingly, this document has not been approved by the FCA pursuant to section 85 of the FSMA or any other competent authority.

The Company and the Directors, whose names appear on page 9 of this document, accept responsibility individually and collectively in accordance with the AIM Rules for Companies for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the ordinary share capital will commence on AIM on 25 October 2013.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The AIM Rules are less demanding than the listing rules of the UK Listing Authority. It is emphasised that no application is being made for admission of these securities to the Official List of the UK Listing Authority. The Existing Ordinary Shares are not dealt in on any other recognised investment exchange.

Prospective investors should read this document in its entirety. An investment into the Company includes a significant degree of risk and prospective investors should consider carefully the risk factors set out in Part II of this document.

Trakm8 Holdings plc

(A company incorporated and registered in England & Wales with registered number 05452547)

Proposed Acquisition of BOX Telematics Limited Issue of 9,409,090 New Ordinary Shares at 22p per Ordinary Share Admission of the Enlarged Issued Share Capital to trading on AIM and Notice of General Meeting

Nominated Adviser and Broker:

The logo for finnCap, featuring the word "finn" in a light green, lowercase sans-serif font, followed by "Cap" in a dark green, uppercase serif font.

finnCap Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to Trakm8 for the purposes of the AIM Rules for Companies and no one else in connection with the Fundraising and Admission and will not be responsible to any person other than Trakm8 for providing the regulatory and legal protections afforded to customers of finnCap nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it. The responsibilities of finnCap, as nominated adviser under the AIM Rules for Nominated Advisers, are owed solely to London Stock Exchange and are not owed to Trakm8 or any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance of any part of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by finnCap as to the contents of this document. No liability whatsoever is accepted by finnCap for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

Notice convening a general meeting of Trakm8 Holdings plc to be held at the offices of Trakm8 Holdings plc, Lydden House, Wincombe Business Park, Shaftesbury, Dorset SP7 9QJ at 9.30 a.m. on 24 October 2013 is set out at the end of this document. The accompanying Form of Proxy for use at the General Meeting should be completed and returned to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and to be valid must arrive by no later than 9.30 a.m. on 22 October 2013.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of finnCap at 60 New Broad Street, London, EC2M 1JJ, from the date of this document and for a period of one month from the date of Admission. This document will be available to download from Trakm8's website at www.trakm8.com.

IMPORTANT NOTICE

The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Admission, the Ordinary Shares and the distribution of this document. This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. This document should not be copied or distributed by recipients and, in particular should not be distributed, published, reproduced or otherwise made available by any means, including electronic transmission, in, into or from the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan or any other jurisdiction where to do so would be in breach of any other law and/or regulation. The Ordinary Shares have not been, and will not be, registered in the United States of America under the United States Securities Act of 1933 (as amended) (the "Securities Act") or under the securities laws of any state of the United States of America or under the securities laws of any of Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan and, subject to certain exemption, may not be offered or sold, directly or indirectly, within or into the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan. Neither this document nor any copy of it may be distributed in or sent to or taken into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan, nor may it be distributed to any US person (within the meaning of Regulation S under the Securities Act). In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful. Persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

No person has been authorised to give any information or to make any representation about Trakm8 and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in Trakm8's affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or regulation.

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Enlarged Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Enlarged Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Enlarged Group's present and future business strategies and the environment in which the Enlarged Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

BASIS ON WHICH INFORMATION IS PRESENTED

The report on financial information included in Part III of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its inclusion in this document appearing in Part VI of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document, including the Group's audited consolidated financial statements for the years ended December 2010, 2011 and 2012 and the notes to those financial statements, has been prepared in accordance with IFRS.

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

THIRD PARTY INFORMATION

Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data.

REFERENCES TO DEFINED TERMS

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

All times referred to in this document are, unless otherwise stated, references to London time.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	8 October 2013
Latest time and date for receipt of Forms of Proxy	9.30 a.m. on 22 October 2013
General Meeting	9.30 a.m. on 24 October 2013
Completion of the Acquisition	25 October 2013
Admission effective and dealings in the Enlarged Issued Share Capital expected to commence on AIM	25 October 2013
CREST accounts expected to be credited with the New Ordinary Shares	25 October 2013
Definitive share certificates for the New Ordinary Shares to be despatched by	8 November 2013

Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.

ADMISSION STATISTICS

Number of Existing Ordinary Shares	19,414,731
Number of New Ordinary Shares	9,409,090
Issue Price	22 pence
Enlarged Issued Share Capital on Admission	28,823,821
New Ordinary Shares expressed as a percentage of the Enlarged Issued Share Capital	32.6 %
Gross proceeds receivable by the Company pursuant to the Fundraising	£2.07 million
Market capitalisation of the Company at Admission based on the Issue Price	£6.34 million
ISIN on Admission	GB00BOP1RP10
TIDM	TRAK
SEDOL	BOP1RP1

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 2006, as amended
“Accountants’ Report”	the report on the historical financial information relating to BOX prepared by Crowe Clark Whitehill LLP which is set out in Part IV of this document
“Acquisition”	the Company’s proposed acquisition of BOX pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement between the Company and the Vendor relating to the Acquisition, details of which are set out in paragraph 10 of Part VI of this document
“Admission”	the admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers
“AIM Rules for Companies”	the rules for companies whose securities are admitted to trading on AIM published by the London Stock Exchange
“AIM Rules for Nominated Advisers”	the rules for nominated advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange
“applicable employee”	as defined in the AIM Rules for Companies
“Articles”	the articles of association of the Company in force on Admission, a summary of which is set out in paragraph 4 of Part VI of this document
“B2B”	business-to-business
“BOX”	BOX Telematics Limited, a company registered in England and Wales with company number 03947199
“CANbus”	controller area network
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (i.e. not in CREST)
“City Code” or “Takeover Code”	the City Code on Takeovers and Mergers
“Company” or “Trakm8”	Trakm8 Holdings plc, a company registered in England and Wales with company number 05452547
“Completion”	completion of the Acquisition in accordance with the terms of the Acquisition Agreement
“Corporate Governance Code”	the UK Corporate Governance Code issued from time to time by the Financial Reporting Council

“CREST”	the electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Direct Subscriptions”	the conditional subscriptions for the Subscription Shares at the Issue Price by the Executive Directors, Richard Clarke and Edmund Clarke pursuant to the Subscription Agreements;
“Directors” or “Board”	the directors of the Company at the date of this document, whose names are set out on page 9 of this document (each being a “Director”)
“Disclosure and Transparency Rules”	the disclosure and transparency rules issued by the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007
“EMI Schemes”	the Company’s Enterprise Management Incentive Share Option Scheme approved and adopted by the Board of Directors on 4 November 2005 (the “2005 EMI Scheme”), and the Enterprise Management Incentive Share Option Scheme approved and adopted by the Board of Directors on 26 July 2012 (the “2012 EMI Scheme”)
“Enlarged Group”	the Company and its subsidiaries (including BOX) following the Acquisition
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company following Completion comprising 28,823,821 Ordinary Shares being the Existing Issued Share Capital together with the New Ordinary Shares issued pursuant to the Placing and the Direct Subscriptions
“equity securities”	as defined in section 560 of the Act
“EU”	European Union
“Existing Issued Share Capital”	the issued ordinary share capital of the Company as at the date of this document
“Existing Ordinary Shares”	the existing 19,414,731 Ordinary Shares in issue
“Executive Directors”	the executive directors of the Company being John Watkins, James Hedges, Timothy Cowley, Madeline Cowley and Paul Wilson
“Facility Agreement”	means the facility agreement entered into on 7 October 2013 between (1) the Company (as borrower), (2) certain members of the Enlarged Group (as original guarantors) and (3) Clydesdale Bank plc (trading as Yorkshire Bank) (as lender) for the provision of a £2,500,000 term loan facility to the Enlarged Group, details of which are set out in paragraph 10 of Part VI of this document
“finnCap”	finnCap Ltd, nominated adviser and broker to the Company
“Form of Proxy” or “Proxy Form”	the form of proxy accompanying this document for use in connection with the General Meeting

“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Fundraising”	the Placing and the Direct Subscriptions
“General Meeting” or “GM”	the general meeting of the Company to be held at the offices of Trakm8 Holdings plc, Lydden House, Wincombe Business Park, Shaftesbury, Dorset SP7 9QJ at 9.30 a.m on 24 October 2013, notice of which is set out at the end of this document
“GPS”	Global Positioning System
“GPRS”	General Packet Radio Service, standard for wireless communications and a packet-switching technology that enables data transfers through cellular networks. It is used for mobile internet, messaging and other data communications, also informally known as “2.5G”.
“Group”	the Company and its subsidiaries prior to Admission
“HMRC”	HM Revenue & Customs
“IFRS”	International Financial Reporting Standards as adopted by the EU
“ISIN”	International Securities Identification Number
“Issue Price”	22 pence per New Ordinary Share
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the Subscription Shares and the Placing Shares
“Notice”	the notice convening the General Meeting which is set out at the end of this document
“OEM”	original equipment manufacturer
“Official List”	the Official List of the UK Listing Authority
“Options”	an option over Ordinary Shares granted by the Company
“Ordinary Shares”	ordinary shares of one penny each in the capital of the Company
“Placees”	the persons who have confirmed their agreement to participate in the Placing and to subscribe for the Placing Shares
“Placing”	the conditional placing by finnCap of the Placing Shares at the Issue Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 7 October 2013 between the Company, the Directors and finnCap, relating to <i>inter alia</i> , the Placing, details of which are set out at paragraph 10 of Part VI of this document
“Placing Shares”	the 4,999,999 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Prospectus Rules”	the rules published by the FCA under section 73A FSMA

“relevant system”	any computer based system and its related facilities and procedures that is provided by an operator and by means of which title to units of a security can be evidenced and transferred without a written instrument
“Remuneration Committee”	the remuneration committee of the Company as constituted from time to time
“Resolutions”	the resolutions to be proposed at the General Meeting (and each a “Resolution”)
“Share Option Schemes”	together, the EMI Schemes and the Unapproved Scheme
“Shareholders”	holders of Existing Ordinary Shares
“Subscription Agreements”	the conditional agreements dated 7 October 2013 between the Company, the Executive Directors and Richard Clarke and Edmund Clarke, relating to <i>inter alia</i> , the Direct Subscriptions, details of which are set out at paragraph 10 of Part VI of this document
“Subscription Shares”	the 4,409,091 new Ordinary Shares to be issued pursuant to the terms of the Subscription Agreements
“subsidiary”	a subsidiary undertaking (as defined by section 1162 of the Act) of the Company and “Subsidiaries” shall be construed accordingly
“substantial shareholder”	as defined in the AIM Rules for Companies
“Takeover Panel” or “Panel”	the Panel on Takeovers and Mergers
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity of competent authority for the purposes of Part IV of FSMA
“Unapproved Scheme”	the Unapproved Share Option Scheme approved and adopted by the Board of Directors on 29 July 2009
“uncertificated”	an Ordinary Share recorded on the Company’s register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“VCT” or “VCT Scheme”	Venture Capital Trust scheme under the provisions of Part 6 of the Income Tax Act 2007
“Vendor”	the executor of the estate of the late June E. Reynolds-Lacey
“£” or “sterling”	UK pounds sterling

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	John Ferris Watkins James Killingworth Hedges Keith Evans Timothy Adam Cowley Madeline Joanna Cowley Paul Wilson
Company Secretary and Registered Office	James Hedges Lydden House Wincombe Business Park Shaftesbury Dorset SP7 9QJ
Website on Admission	www.trakm8.com
Nominated Adviser & Broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Reporting Accountants	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Auditors to the Company	Milsted Langdon LLP Winchester House Deane Gate Avenue Taunton TA1 2UH
Solicitors to the Company	Osborne Clarke Apex Plaza Reading RG1 1AX
Solicitors to finnCap	K&L Gates LLP One New Change London EC4M 9AF
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Public Relations to Trakm8	MHP Communications 60 Portland Street London W1W 7RT

PART I

LETTER FROM THE CHAIRMAN OF TRAKM8 HOLDINGS PLC

(Incorporated and registered in England and Wales with registered number 05452547)

Directors:

John Watkins
James Hedges
Keith Evans
Timothy Cowley
Madeline Cowley
Paul Wilson

Registered Office

Lydden House
Wincombe Business Park
Shaftsbury
Dorset SP7 9QJ

To Shareholders and, for information only, to holders of Options

Dear Shareholder,

**Proposed Acquisition of BOX Telematics Limited
Proposed Issue of 9,409,090 Ordinary Shares at 22p per Ordinary Share
Admission of the Enlarged Issued Share Capital to trading on AIM
and Notice of General Meeting**

1. INTRODUCTION

On 8 October 2013, the Company announced that it had conditionally agreed to purchase the entire issued share capital of BOX Telematics Limited for an initial cash consideration of £3.5 million, together with the repayment of a director's loan of £750,000, details of which are set out below.

The Acquisition constitutes a reverse takeover for the purposes of the AIM Rules for Companies and accordingly requires Shareholder approval, which is being sought at the General Meeting to be held at the registered office of the Company at Lydden House, Wincombe Business Park, Shaftesbury, Dorset SP7 9QJ at 9.30 a.m on 24 October 2013.

To part finance the Acquisition and to provide additional working capital for the Enlarged Group, the Company has today announced that it has conditionally raised £2.07 million (before expenses) by way of a placing and direct subscriptions for up to 9,409,090 new Ordinary Shares at a price of 22p per Ordinary Share. The Fundraising is not being underwritten. Upon completion of the Fundraising, the New Ordinary Shares will rank *pari passu* with the Existing Ordinary Shares. Application will be made for the admission of the Enlarged Issued Share Capital to trading on AIM.

The Acquisition and Fundraising are conditional upon, *inter alia*, the passing of the Resolutions and Admission. It is expected that Admission will become effective and, that dealings in the Enlarged Issued Share Capital will commence on AIM on 25 October 2013.

This document contains detailed information about BOX, the Acquisition and the Fundraising and explains why the Board considers that the Fundraising and the Acquisition are in the best interests of the Company and its Shareholders as a whole, and to recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. BOX TELEMATICS LIMITED

BOX, a vehicle telematics business, was founded in 1989 and began to focus on vehicle telematics in 2000. It has since become one of the leading providers of fleet management systems in the UK. BOX provides in-house telematics design, manufacturing, and services and has delivered OEM telematic solutions for several blue-chip clients. In addition BOX provides non-telematic third party contract manufacturing services.

BOX's products include BOXoptions, a customisable range of end-to-end telematic and vehicle tracking solutions; BOXtracker INSIGHT and BOXtrackerEco, vehicle tracking solutions; BOXsolo, a water resistant tracking device; iSpot, a smartphone based GPS tracker; and SpotOn, a data collection system.

3. BACKGROUND INFORMATION ON TRAKM8

3.1 Executive Summary

Trakm8 is based in Shaftesbury, Dorset and provides fleet management solutions. The Group distributes its hardware and software internationally through a network of distributors. In addition, the Group provides vehicle monitoring and tracking services direct to the B2B market. Trakm8's products allow vehicles and drivers to be monitored, allowing organisations to manage deliveries and services, or track stolen vehicles and plant equipment. Over the past 10 years Trakm8 has sold in excess of 175,000 units worldwide. Trakm8 has been extending the range of fleet management solutions beyond the Swift tracking product into fuel saving by a driver behaviour package "eco^N", logistics routing and Tachograph data integration. These solutions generate recurring revenue.

3.2 The Trakm8 Business

Trakm8's revenues fall into three segments:

- Solutions. Trakm8 supplies customers with a fully integrated service provision. Customers include the AA, Eon and Jewson. This solution is also provided through a partner in South Africa. Trakm8 currently has approximately 20,000 units reporting into its own servers.
- Products. Trakm8 supplies other telematics service providers with hardware solutions. In most cases this also includes Trakm8's unit configuration firmware.
- Engineering Services. Trakm8 undertakes bespoke software development for customers. Customer specific application engineering is a major feature of the product development team as larger customers often demand particular requirements. Engineering services provide consultancy revenues in themselves, but also help to integrate customers to Trakm8 solutions, and provide on-going support and maintenance revenues. Customers include Jewson and Gobain. Whilst this activity is a small percentage of the Group revenue, the Directors consider it to be a key differentiator, skill and value added capability. These engineering services also assist in ongoing improvement of Trakm8's core products.

Trakm8's products include:

- Trakm8 Prime, which provides location and vehicle route information in real time and as a historical reporting function. It can show the vehicles current location, the current journey and the associated speed. Trakm8 Prime will alert the fleet operator to activity within user defined points of interest and provide access to historical journey information.
- Trakm8 Swift offers three packages, Classic, Advanced and Premier, depending on the size of fleet and the functions needed. Options include vehicle tracking, time sheets, route replays, usage reports, speeding reports, fuel use analysis and CO₂ analysis.
- Trakm8 Secure, which provides accurate records of usage and whereabouts of vehicles to prevent misuse of company assets, deter theft and aid recovery of a vehicle if stolen.
- Trakm8 eco^N, which measures a fleet's performance in real time, enabling management to seek to reduce fuel cost and carbon dioxide emissions. The telematics unit measures factors which contribute to uneconomical driving such as over revving, excessive speeding, cornering, harsh breaking and idling. An in-cab light-bar display provides instant feedback on behaviours and a resultant driver score is generated and displayed for comparison.
- Trakm8 tacho analyser, which provides operators with driver and vehicle hours information required to monitor the legal compliance under the EU driver's hours regulations, and the UK domestic rules as enforced by the Vehicle and Operator Services Agency.

4. REASONS FOR ACQUISITION

The Board considers the opportunity represented by the Acquisition to be in the best interests of the Company and Shareholders for the following reasons:

- BOX will provide a large installed base of customers of its existing products. The Enlarged Group will have significant cross selling opportunities and will incorporate the Trakm8 CANbus, driver behaviour and tachograph technologies into the BOX solutions;

- the Enlarged Group will benefit from an additional route to market and will aim to leverage BOX's existing relationships;
- there is an inherent scale advantage from which the Enlarged Group will benefit. For example, the Enlarged Group will be able to amortise technology and engineering investment over a larger base of customers as well as generating economies of scale from suppliers;
- Trakm8 currently outsources all major manufacturing to third parties. The Enlarged Group will have access to BOX's manufacturing and assembly facilities. BOX's facilities have sufficient capacity to absorb anticipated Trakm8 production volumes and the Directors intend that this, combined with the scale advantages mentioned above, will in future lead to improved margins; and
- there is a substantial synergy opportunity arising from the similar operations of the two businesses being combined. The Directors intend to take advantage of these synergies to seek efficiency gains and costs savings.

5. BACKGROUND ON BOX

5.1 Summary financials

The following audited and unaudited financial information relating to BOX has been extracted from the Accountants' Report set out in Part IV of this document.

	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2010</i> <i>£'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2011</i> <i>£'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2012</i> <i>£'000</i>	<i>Unaudited</i> <i>Six months to</i> <i>30 June</i> <i>2013</i> <i>£'000</i>
Revenue	6,850	10,250	8,409	4,247
Gross profit	2,443	3,312	2,672	1,046
Profit/(loss) before tax	(384)	1,410	850	342
Net Assets	1,697	3,090	3,139	3,327

5.2 The BOX Business

BOX develops, manufactures and delivers GPS based vehicle tracking solutions to commercial fleets and vehicles providing complete fleet management solutions. BOX also supplies telematics hardware to other companies who have their own tracking software but do not manufacture their own hardware. BOX has a suite of products, with approximately 16,000 units reporting into its own servers.

BOX's products include:

- BOXoptions, a customisable range which allows a customer to choose from a range of telematic and vehicle solutions, including GPS tracking software, activity level monitoring and data collection/system integration from the gathered information;
- BOXtrackerINSIGHT, a fleet management tool for businesses seeking to reduce operational costs and improve efficiency. It enables management to know where their workers are and how they are driving;
- BOXsolo, a water resistant GPS tracking device with a long life battery. It is intended for installation in vehicles and equipment that will be left unattended and in harsh conditions for an extended period of time;
- iSpot, which turns a GPS enabled smartphone into a real time tracking device. BOX's system gives a customer the functionality of many 'black-BOX' tracking devices, but with no upfront costs;
- BOXtrackerECO is a vehicle tracking solution that gives businesses detailed insight into how their vehicles are being driven. It provides businesses with information to seek to reduce their fuel usage and save money; and
- SpotOn, a data collection portal that allows management and feedback from the range of BOX products.

In addition to own brand products, OEM products include a telematics hardware solution sold via a third party to JC Bamford Excavators Ltd to enable JCB Livelink. JCB Livelink is factory fitted across a number of JCB machines and can deliver data including maintenance reporting, machine health alerts, location, fuel reporting and driver behaviour to fleet managers.

BOX has a leasehold manufacturing facility located in Coleshill in the West Midlands, where it manufactures its own branded telematic products, original equipment manufacturer telematic products and also provides third party contract electronics manufacturing services. BOX offers manufacturing services to a portfolio of clients from industries as diverse as: LED lighting, automotive, healthcare, brewery trade, aerospace, subsea exploration and telematics.

6. MARKET OPPORTUNITY AND COMPETITIVE ENVIRONMENT

The provision of telematics is a very fragmented marketplace and encompasses a wide range of products and businesses. No single supplier accounts for more than 15 per cent. of the total market worldwide (Source: Fleet & Asset Management Report 2012 available at www.telematicsupdate.com). As such, the Directors believe that the scale opportunities and in-house manufacturing facilities presented by the Acquisition create a genuine opportunity for the Enlarged Group to gain further traction within the market. Furthermore, the Directors are of the opinion that the Enlarged Group, which will combine the benefits of an integrated manufacturing facility with flexible and technically skilled workforce, will be continue to deliver and support reliable products, services and solutions.

The penetration rate of the global telematics market remains below 20 per cent., according to the Fleet and Asset Management Report 2012 (available at www.telematicsupdate.com). The Directors believe that the range of products provided by the Enlarged Group, which go beyond vehicle location, and include feedback to drivers and fleet operators on driving behaviour, will assist customers to obtain vehicle running cost savings. In addition, the Directors believe the market opportunity for the Enlarged Group will be further enhanced because there is expected to be an increasing amount of government vehicle regulation in the future.

There are multiple competitors in this rapidly changing market that provide increasingly sophisticated products. Many have attempted to manage directly all the elements of selling, supporting, installing and developing their products without succeeding in becoming the market leader. Some of the other sizeable producers in the market place include: Masternaut, Ctrak, Tracker, Trimble, Quartix, Microlise and Navman.

7. INTELLECTUAL PROPERTY PROTECTION

Trakm8 has developed its own telematics solution that it sells worldwide. So far as the Directors are aware, the Group owns all intellectual property rights in respect of its own hardware, firmware, server solutions and web based software.

Trakm8's IP is divided into four key areas:

- Telematics hardware. Since 2001 Trakm8 have designed and developed five different generations of telematics hardware and are currently working on their latest device called the T10.
- Configuration Manager. This is a software tool that enables users to manage the firmware on large quantities of telematics units out in the field. It enables "over the air" updating and the management and control of sim cards in the devices.
- STREAM ("Scalable Telematics Real time Engine for Asset Management") Communication Platform. This is the server side hardware and software solution which is highly scalable and a reliable application engine.
- Trakm8 SWIFT web portal. This is a web portal that allows users to logon and, among other things, view their vehicles, call off reports, and set up email alerts.

Trakm8 also relies on trade secrets, design rights, copyrights and confidentiality provisions to establish and protect its proprietary technology and know-how. The "Trakm8" logo is a registered trademark in the EU.

BOX Telematics Limited holds two registered trade marks, two pending community trademarks and six unregistered trade marks.

Both Trakm8 and BOX rely on their intellectual property and the protection afforded by the rights therein to provide telematics solutions to their customers. The Directors anticipate that the Enlarged Group will continue to rely upon its intellectual property.

8. CURRENT TRADING, OPERATIONAL TRENDS AND FUTURE PROSPECTS FOR THE ENLARGED GROUP

Since the date to which the latest financial information included in this document has been prepared, Trakm8 and BOX have continued to renew existing contracts and win new business. The Directors are encouraged by trading conditions generally across their chosen markets and expect that the combined resources available following completion of the Acquisition will allow the Enlarged Group to prosper. The Fleet and Asset Management Report 2012 (available at www.telematicsupdate.com) forecasts the global telematics market to grow at a compound annual growth rate of 15.9 per cent. between 2010-2015.

The Directors believe there are several main underlying drivers for the telematics market as follows:

- the rising cost of fuel and maintenance. Across a large fleet of vehicles it is increasingly important to monitor driving patterns and routes in order to minimise fuel consumption. Telematics monitoring driver performance can help to decrease the wear and tear on the vehicles themselves and can encourage a reduction in sharp braking or speeding which can bring cost savings. This can even be achieved through immediate feedback with in-cab systems;
- the increased complexity in professional fleet management. Fleet management is a key skill required of any large enterprise and the Directors expect there to be an increasing amount of legislation requiring fleet managers to monitor carbon consumption, driver fatigue and performance on a regular basis. The provision of telematics solutions enables fleet managers to monitor fleet performance against any of these requirements;
- the increase in delivery services driven by internet shopping. Deliveries to the home have increased exponentially over the last decade as consumers become much more comfortable with the convenience of shopping using the internet. This requires greater fleets of delivery vehicles and the associated use of telematics to monitor them;
- the rising costs of insurance; both domestic and commercial. The increased cost of litigation and medical claims from accidents has seen an increase in insurance premiums for younger drivers in particular. The Directors believe that telematics will increasingly be used as a means of making vehicle insurance more affordable across all ages of drivers; and
- the increase in connectivity. Mobile communication coverage is improving and with this there is an attendant increase in data transfer capability, improving the scale and depth of services that can be offered by telematics businesses.

For the reasons set out above, the Directors believe that the Enlarged Group will be well positioned to take advantage of these opportunities and of any growth in the market.

9. DIRECTORS AND SENIOR MANAGEMENT

Details of the Directors, who are the key senior executives, are set out below. The Board comprises the following Directors:

John Watkins – *Executive Chairman (aged 60)*

John has over 25 years' national and international experience as a senior manager in the electronics and engineering industries. John was previously Chairman and Chief Executive of Omitec Group Ltd, a private equity backed electronics and software engineering company, which supplies automotive diagnostic and in-vehicle electronic equipment to global automotive companies. He also has extensive international sales, marketing and acquisition experience.

James Hedges – *Finance Director (aged 55)*

James is a Chartered Accountant and has over 25 years' national and international finance experience. James is a graduate of Exeter University in Engineering Science and qualified as an accountant with KMG

Thompson McLintock (now KPMG) in 1983. He has since been involved with a number of different companies including venture capital, property and private finance initiative projects with London Electricity plc.

Keith Evans – *Non-Executive Director (aged 59)*

Keith joined the Board as a Non-Executive Director in July 2013. Keith was previously a senior partner with PricewaterhouseCoopers, and brings with him over 25 years' of senior management, commercial and financial experience, having worked with companies operating in the financial services, automotive and information technology sectors. During his time at PwC Keith advised a wide range of organisations including Equiniti, Microfocus, Johnson Controls and SMR, together with a huge number of smaller operations.

Timothy Cowley – *Engineering Director (aged 47)*

Tim has 25 years' experience with a background in electronics, software development and team management. He has been involved in software and hardware design of unmanned aircraft systems, autopilot control and navigation software, digital mapping, range and direction finding equipment, ATC Radar display systems, sub-sea communication equipment and miniature GPS receivers. Tim has commercial and technical management experience of running various programmes.

Madeline Cowley – *Chief Technical Officer (aged 43)*

Madeline has over 20 years' experience developing leading edge real time embedded software in the telecommunications industry. She possesses broad engineering skills, which include server-side voice recognition, telephony switching, intelligent networks, and mobile communications such as TETRA, GSM and most recently GPRS & GPS. Madeline was awarded a Masters Degree in 1996 with distinction from the University of Oxford.

Paul Wilson – *Sales Director (aged 53)*

Paul has held senior sales and marketing positions for over 20 years. He has a background of business development and CRM experience in both the UK and internationally, with extensive experience in automotive distribution. Paul is a graduate in business studies and holds logistics qualifications and has experience of growing sales in challenging and complex markets. He has over many years managed the development and growth of £multi-million accounts. His background includes senior sales roles in household name companies such as Rawlplug and Unipart.

10. PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITION

On 7 October 2013, the Company entered into the Acquisition Agreement with the Vendor pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of BOX. The initial cash consideration for the Acquisition is £3.5 million. The Company will also procure the repayment by BOX of a director's loan of £750,000 within three business days following Admission.

Completion of the Acquisition Agreement is conditional, amongst other things, upon:

- Shareholder approval of the Resolutions; and
- Admission.

Additional information relating to the Acquisition Agreement is set out in paragraph 10 of Part VI to this document.

11. FINANCING OF THE ACQUISITION

The cash consideration payable by Trakm8 under the terms of the Acquisition will be funded from Trakm8's existing cash resources, proceeds from Direct Subscriptions by the Executive Directors and from £2.5 million of committed debt financing for the Acquisition pursuant to a facility agreement entered into by Trakm8 on 7 October 2013. Further details of the Facility Agreement are described in paragraph 10 of Part VI to this document.

12. THE FUNDRAISING

The Company plans to raise approximately £2.07 million (gross) pursuant to the Fundraising through the issue of the New Ordinary Shares at the Issue Price. The New Ordinary Shares will represent approximately 32.6 per cent. of the Enlarged Issued Share Capital immediately following Admission. Further details of the Placing Agreement and Subscription Agreements are described in paragraph 10 of Part VI to this document.

Under the Placing Agreement, finnCap has conditionally agreed to place, with institutional and other investors, the Placing Shares at the Issue Price. Under the Subscription Agreements, the Executive Directors, Richard and Edmund Clarke have conditionally agreed to subscribe for the Subscription Shares at the Issue Price.

The proceeds from the Direct Subscriptions by the Executive Directors will be used to finance the Acquisition and the remaining net proceeds of the Fundraising will be used to provide working capital for the Enlarged Group.

13. RELATED PARTY TRANSACTIONS

As part of the Fundraising, the following Shareholders, all of whom are related parties for the purposes of the AIM Rules for Companies by virtue of the size of their interests in Existing Ordinary Shares, or because they are Directors, have indicated that they will subscribe for New Ordinary Shares as follows:

<i>Name</i>	<i>Interest in Existing Shares</i>	<i>Percentage of voting rights in respect of Existing Shares</i>	<i>Number of New Ordinary Shares subscribed for</i>	<i>Percentage of voting rights in respect of issued share capital following completion of the Fundraising</i>
John Watkins*	4,581,162	24.05	1,818,182	22.49
Edric Property & Investment Company**	2,244,252	11.78	1,136,364	11.88
Timothy Cowley*	1,534,002	8.05	363,636	6.67
James Hedges*	1,470,808	7.72	681,818	7.57
Madeline Cowley*	1,269,203	6.66	272,727	5.42
Paul Wilson*	555,512	2.92	136,364	2.43

* the interests of these Directors includes the interests of their immediate families and any persons connected with them (within the meaning of section 252 of the Act).

** includes the interests of Edmund Clarke and Richard Clarke.

Keith Evans, the independent director, having consulted with finnCap, considers that the terms of the subscription by these Shareholders are fair and reasonable in so far as Shareholders are concerned.

14. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the net proceeds of the Fundraising and bank facilities, the Enlarged Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of the Admission.

15. DIVIDEND POLICY

The Board intends to commence the payment of dividends only when it becomes commercially prudent to do so, having regard to the availability of Trakm8's distributable profits and funds required to finance future growth.

16. CORPORATE GOVERNANCE

The Directors support high standards of corporate governance. Accordingly, the Board will meet regularly throughout the year and all necessary information will be supplied to the Directors on a timely basis to enable them to discharge their duties effectively. Additionally, special meetings will take place or other arrangements will be made when Board decisions are required in advance of regular meetings.

The Directors have established financial controls and reporting procedures which are considered appropriate given the size and structure of the Enlarged Group. It is the intention of the Directors that these controls will be reviewed regularly in light of the future growth and development of the Enlarged Group and adjusted accordingly.

Share dealing code

The Directors comply with Rule 21 of the AIM Rules for Companies relating to Directors' and applicable employees' dealings in the Company's securities. Accordingly, the Company has adopted a share dealing code for Directors and applicable employees and the Company will take all reasonable steps to ensure compliance by its Directors and applicable employees with the provisions of the AIM Rules for Companies relating to dealings in securities.

Compliance with the corporate governance code

The Board confirms that following Admission the Directors will continue to observe the requirements of the Corporate Governance Code to the extent that they consider appropriate in light of the Company's size, stage of development and resources.

The Board is comprised of six Directors consisting of five Executive Directors and one Non-Executive Director. The Corporate Governance Code states that the board should determine whether a Director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgment.

The Board considers that Keith Evans is independent within the meaning of the Corporate Governance Code

The Directors have formed, and have adopted terms of reference for, an audit committee and a remuneration committee.

Committees of the directors

Audit Committee

The audit committee comprises Keith Evans and John Watkins and is chaired by Keith Evans. It currently meets at least once a year. The audit committee receives and reviews reports from management and from the Company's auditors relating to the interim and annual accounts and to the internal control procedures that will be in use throughout the Enlarged Group. It is responsible for ensuring that the financial performance of the Enlarged Group is properly reported with particular regard to legal requirements, accounting standards and the AIM Rules for Companies. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

Remuneration Committee

The remuneration committee comprises Keith Evans and John Watkins and is chaired by Keith Evans. It currently meets at least once a year. It is responsible for determining and reviewing the terms and conditions of service (including remuneration) and termination of executive directors and senior employees and the grant of options under any share option scheme of the Company implemented from time to time.

17. GENERAL MEETING

Set out at the end of this document is a notice convening the General Meeting to be held on 24 October 2013 at the offices of Trakm8 Holdings plc, Lydden House, Wincombe Business Park, Shaftesbury, Dorset

SP7 9QJ at 9.30 a.m, at which the Resolutions will be proposed for the purposes of implementing the Fundraising and the Acquisition.

Resolution 1, which will be proposed as an ordinary resolution to approve the Acquisition for the purposes of Rule 14 of the AIM Rules for Companies.

Resolution 2, which will be proposed as an ordinary resolution and which is subject to the passing of Resolution 1 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, is to authorise the Directors to allot the New Ordinary Shares in connection with the Fundraising and to otherwise allot relevant securities up to £95,119 in nominal value (representing 33 per cent. of the issued share capital following Admission) provided that such authority shall expire on the date falling 18 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

Resolution 3, which will be proposed as a special resolution and which is subject to the passing of Resolutions 1 and 2 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the New Ordinary Shares in connection with the Fundraising and grants further authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £72,060 (representing 25 per cent. of the issued share capital following Admission) provided that such authority shall expire on the date falling 18 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

18. ADMISSION AND CREST SETTLEMENT

As the Acquisition constitutes a reverse takeover under the AIM Rules for Companies, Shareholder consent to the Acquisition is required at the General Meeting. If the Resolutions are duly passed at the General Meeting, the admission of the Company's Existing Ordinary Shares to trading on AIM will be cancelled (immediately prior to Admission) and the Enlarged Issued Share Capital will be admitted to trading on AIM.

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. Admission is expected to take place at 8.00 a.m. on 25 October 2013.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the requirements of CREST. The Articles permit the holding and transfer of Ordinary Shares to be evidenced in uncertificated form in accordance with the requirement of CREST. The New Ordinary Shares are eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in Ordinary Shares may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

19. TAXATION

Information regarding United Kingdom taxation is set out in paragraph 9 of Part VI of this document. If you are in any doubt as to your tax position, you should consult an appropriate professional adviser immediately.

HMRC has given provisional assurance that the Company is a qualifying company for the purposes of EIS and they would be able to authorise certificates on receipt of an EIS1 and that the New Ordinary Shares would be qualifying holdings for the purpose of VCT. No guarantee is given that the qualifying conditions will continue to be met such as to retain any qualifying status for VCT and EIS purposes and no assurance is given as to the investors' qualifying status.

20. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Part VI of this document which contains, among other things, further information on the Enlarged Group.

21. RISK FACTORS

Your attention is drawn to the Risk Factors set out in Part II and to the information contained in Parts III to VI of this document.

22. ACTION TO BE TAKEN

You will find accompanying this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Neville Registrars Limited, as soon as possible but in any event not later than 9.30 a.m. on 22 October 2013. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.

23. RECOMMENDATION

The Directors consider that the Fundraising and the Acquisition is in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the Resolutions at the General Meeting as they intend to do so in respect of their own beneficial holdings amounting, in aggregate, to 9,410,687 Existing Ordinary Shares, representing 48.47 per cent. of the Existing Ordinary Shares.

Yours faithfully

John Watkins
Executive Chairman

PART II

RISK FACTORS

This document contains forward looking statements, which have been made after due and careful enquiry and are based on the Board's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the risk factors described in this Part II. The Board believes that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

Factors that might cause a difference include, but are not limited to, those discussed in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. The Company disclaims any obligation to update any such forward looking statements in the document to reflect future events or developments.

Prior to making an investment decision in respect of the Ordinary Shares, prospective investors should consider carefully all of the information within this document, including the risk factors set out in this Part II. The Board believes these risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority.

If any of the following risks were to materialise, the Enlarged Group's business, financial condition, results or future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Board, or which the Board currently deem immaterial, may also have an adverse effect upon the Enlarged Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Enlarged Group.

1. The Acquisition may not complete

Completion of the Acquisition is subject to the satisfaction (or waiver) of a number of conditions precedent contained in the Acquisition Agreement including the approval of the Acquisition by the Shareholders at the General Meeting and Admission. If Shareholders do not approve the Acquisition at the General Meeting, the Acquisition will not complete.

There is no guarantee that these (or other) conditions will be satisfied (or waived) in which case the Acquisition will not be completed.

2. The Enlarged Group may not be able fully to realise the benefits of the Acquisition

The Enlarged Group's success will partially depend upon the Company's ability following the Acquisition to integrate BOX without significant disruption to its business. The Acquisition is the first major acquisition undertaken by Trakm8, and this integration may divert management's attention from the ordinary course operation of the business and raise unexpected issues and may take longer or prove more costly than anticipated. Although the Directors believe that such disruption is unlikely, issues may come to light during the course of integrating BOX into the Enlarged Group that may have an adverse effect on the financial condition and results of operations of the Enlarged Group. There is no assurance that the Company will realise the potential benefits of the Acquisition including, without limitation, potential synergies and cost savings (to the extent and within the time frame contemplated). If the Company is unable to integrate BOX successfully into the Enlarged Group then this could have a significantly negative impact on the results of operations and/or financial condition of the Enlarged Group.

Whilst the Directors do not expect the Acquisition to lead to any loss of customers, there is no certainty that customers of the Group (including BOXs' customers) will continue to be customers of the Enlarged Group following the Acquisition, particularly if customer service is affected whether before or after completion of the Acquisition.

The Enlarged Group's success will partially depend on there being no adverse change in BOX between the date of this document and the date of the completion of the proposed Acquisition.

3. The Enlarged Group may not realise the desired synergy benefits from the Acquisition

The Enlarged Group is targeting significant synergies from the Acquisition and the Enlarged Group's financial planning and funding strategies are based in part on realising these synergies. Achieving the advantages of the Acquisition will depend partly on the rapid and efficient management and co-ordination of the activities of BOX and Trakm8, two business that functioned independently and are located in different areas, with geographically dispersed operations and with potentially different business cultures and structures. There is a risk that synergy benefits from the Acquisition may fail to materialise or they may be lower than have been estimated. In addition, the cost of funding these synergies may exceed expectations. Such eventualities may have a material adverse effect on the financial position of the Enlarged Group.

4. Market Competition

The market in which the Enlarged Group operates is fragmented and competitive and may become more competitive. It is possible that developments by others will render the Enlarged Group's current and proposed products and services obsolete.

The Directors believe that the Enlarged Group's services and marketing strategy are targeted at markets where it has been successful in achieving market penetration.

The Enlarged Group's competitors may announce or develop new products, services or enhancements that better meet the needs of customers or changing industry standards. Further, new competitors, or alliances among competitors, could emerge. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Many of the Enlarged Group's competitors and potential competitors have significantly greater financial, technical, marketing, service or resources than the Enlarged Group and have a larger base of products, longer operating histories or greater name recognition. The Enlarged Group's relatively smaller size may therefore be considered negatively by prospective customers. In addition, the Enlarged Group's competitors may be able to respond more quickly than the Enlarged Group can to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products and to the development of new products.

Although the Directors believe that the Enlarged Group will compete favourably in its targeted markets, there can be no assurance that the Enlarged Group can maintain its competitive position against current and any potential competitors, especially those with greater financial, marketing, service, support, technical and other resources.

The Directors believe that the market for the Enlarged Group's products and services will continue to grow, however, there can be no assurance that growth in the market for its products and services will occur, or occur at the rate envisaged by the Directors.

5. Achievement of strategic aims

The value of an investment in the Enlarged Group is dependent on the Enlarged Group achieving its strategic aims. The Enlarged Group's strategy is to invest and grow the business through the manufacture and development of its hardware and software. While the Directors are optimistic about the prospects for the Enlarged Group, there is no certainty that it will be capable of achieving its strategy or the anticipated revenues or growth or be profitable. The Enlarged Group's future operating results will be highly dependent upon how well it manages its planned expansion strategy.

6. Technological change

The markets for the Enlarged Group's products are characterised by rapidly changing technology, and increasingly sophisticated customer requirements. Changing customer requirements and the introduction of products embodying new technology may render the Enlarged Group's existing products obsolete and unmarketable and may exert downward pressures on the pricing of existing products. It is critical to the success of the Enlarged Group to be able to anticipate changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. The Enlarged Group cannot give assurances that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhancing existing products by others, or changing customer requirements, will not render the Enlarged Group's products obsolete. The Enlarged Group's inability to develop products that are competitive in technology and price and that meet customer needs could have a material adverse effect on the Enlarged Group's business, financial condition or results of operations.

7. Intellectual Property Rights

The commercial success of the Enlarged Group depends in part on its ability to protect its intellectual property rights and to preserve the confidentiality of its own know-how. The Enlarged Group relies upon various intellectual property protections, including copyright, trademarks, trade secrets and contractual provisions, to preserve its intellectual property rights. No assurance is given that the Enlarged Group will be able to protect and preserve its intellectual property rights or to exclude competitors with similar technology or products.

Substantial costs may be incurred if the Enlarged Group is required to defend its intellectual property rights and trade marks against third parties. Other parties may copy without authorisation the Enlarged Group's intellectual property. Due to the Enlarged Group's size and resources, it may not be able effectively to detect and prevent any infringement of its intellectual property rights. Policing unauthorised use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as the laws of the United Kingdom. To protect the Enlarged Group's intellectual property, the Enlarged Group's may become involved in litigation, which, even if successful could result in substantial expense, divert the attention of its management, cause significant delays, materially disrupt the conduct of the Enlarged Group's business or adversely affect its revenue, financial condition and results of operations

In any event, the Enlarged Group's intellectual property rights may not provide meaningful commercial protection of its products.

While the Directors believe that the Enlarged Group's products and other intellectual property do not infringe upon the proprietary rights of third parties, there can be no assurance that the Enlarged Group will not receive communications from third parties asserting that the Enlarged Group's products and other intellectual property infringe, or may infringe, their proprietary rights. Any such claims, with or without merit, could be time consuming, result in costly litigation and the diversion of technical and management personnel, cause product delays or require the Enlarged Group to develop non-infringing technology or enter into royalty or licensing agreements or re-brand products. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Enlarged Group or at all. In the event of a successful claim of product infringement against the Enlarged Group and any failure or inability of the Enlarged Group to develop non-infringing products or licence the infringed or similar products, the Enlarged Group's business, operating results or financial condition could be materially adversely affected.

8. An impairment of goodwill or other intangible assets would adversely affect the Enlarged Group's financial condition and result of operations

Upon completion of the Acquisition, a portion of the difference between the purchase price, BOX's net assets at that date and the allocation of costs of the combination of assets acquisition and the liabilities assumed, will be recorded as goodwill. In addition, other intangible assets will be recorded as a result of the purchase price allocation. Under IFRS, goodwill and intangible assets with indefinite lives are not amortised but are tested for impairment annually, or more often if any event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives and reviewed for impairment whenever there is an indication of impairment. In

particular, if the combination of the businesses meets with unexpected difficulties, or if the business of the Enlarged Group does not develop as expected, impairment charges may be incurred in the future which could be significant and which could have an adverse effect on the Enlarged Group's results of operations and financial condition.

9. Financial resources

In the opinion of the Directors, having made due and careful enquiry, taking into account the net proceeds of the Fundraising and taking into account existing cash resources and the bank facilities available to the Enlarged Group the working capital available to the Enlarged Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

The Enlarged Group's future capital requirements will, however, depend on many factors, including its ability to maintain and expand its customer base, its sales, cash flow and control of costs and the execution of any material acquisitions. In the future, the Enlarged Group may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to holders of Ordinary Shares and any debt financing, if available, may require restrictions to be placed on the Enlarged Group's future financing and operating activities. The Enlarged Group may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Enlarged Group or investor sentiment (whether towards the Enlarged Group in particular or towards the market sector in which the Enlarged Group operates) are unfavourable. The Enlarged Group's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation.

In order to finance the Acquisition, the Enlarged Group has taken on an increased level of debt. An inability to repay or refinance these debt obligations when they become due would have a material adverse effect on the financial condition and results of operations of the Enlarged Group. The level of debt taken on by the Enlarged Group to finance the Acquisition may increase its exposure to general adverse economic and industry conditions. Failure to properly meet its repayment obligations could limit the Enlarged Group's ability to fund future working capital and capital expenditure or engage in future acquisitions or to otherwise realise the value of its assets and opportunities fully. Such consequences would place the Enlarged Group at a competitive disadvantage compared to those competitors who have less debt.

10. Venture Capital Trust Status and EIS

The Company has obtained assurance from HMRC that the Company qualifies as a qualifying company/holding for the purposes of EIS and that the New Ordinary Shares may comprise part of a qualifying holding for VCT purposes. The actual availability of EIS relief and qualifying status for VCT purposes will be contingent upon certain conditions being met by both the Company and the relevant investors. Neither the Company nor the Company's advisors give any warranties or undertakings that EIS relief or VCT qualifying status will be available or that, if initially available, such relief or status will not be withdrawn. Should the law regarding EIS or VCT change then any reliefs or qualifying status previously obtained may be lost.

If the Company ceases to carry on the business outlined in this document, changes the manner in which the business is undertaken or acquires or commences a business which is not insubstantial to the Company's activities at any time this could prejudice the status of the New Ordinary Shares under the VCT provisions. If these changes are made during the three year period from the last allotment of Ordinary Shares, this could prejudice the qualifying status of the Company (as referred to above) under the EIS provisions. Circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves the EIS or VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any shareholder.

If the Company does not employ all of the proceeds of an EIS share issue for qualifying trading purposes within 24 months of the date of issue of the New Ordinary Shares, the Company will not be a qualifying company and as such EIS relief will be withdrawn.

In respect of subscriptions for New Ordinary Shares made by a VCT if the Company does not employ the funds invested by the VCT for qualifying purposes within 24 months, the funds invested by the VCT would be apportioned pro rata and its qualifying holding would be equal to the VCT's funds that had been employed

for qualifying trade purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holding.

The above information is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company.

Any person who is in any doubt as to their taxation position should consult their professional taxation adviser.

11. Dependence upon key management personnel and executives

The Enlarged Group is dependent on a small number of key management personnel. The loss of the services of one or more of such key management personnel may have an adverse effect on the Enlarged Group. The Enlarged Group's ability to manage its financing and development activities will depend in large part on the efforts of these individuals. The Company has entered into incentivised employment agreements with its identified key executives and managers, as detailed further in Part VI.

12. Ability to attract employees

The Enlarged Group depends on qualified and experienced employees to enable it to generate and retain business. Should the Enlarged Group be unable to attract new employees or retain existing employees this could have a material adverse effect on the Enlarged Group's ability to grow or maintain its business.

13. The Enlarged Group will be dependent on UK, continental and other global economic conditions

The Enlarged Group's performance depends to a significant extent on a number of macroeconomic factors which impact consumer and commercial spending, all of which are outside its control and difficult to predict. Factors which impact on consumer income and level of industrial activity include, among other things, GDP growth, unemployment rates, consumer and business confidence, social and industrial unrest, the availability and cost of credit, interest rates, taxation, regulatory changes, commodity and utility prices and terrorist attacks. Each of these factors could have a material adverse effect on the Enlarged Group's business, financial condition and future prospects. If current volatile market conditions in the UK persist or worsen, the Enlarged Group's business and operating results could be materially and adversely impacted. Since the start of the global financial crisis in 2008, the global economy has been experiencing a period of significant turbulence. Although a number of economies have and continue to enjoy a degree of recovery, there can be no certainty that national or international growth rates are sustainable. Accordingly, the demand for the Enlarged Group's products may be adversely affected by a period of slow economic growth, which could have a material adverse effect on the future growth prospects, profitability and financial condition of the Enlarged Group's business.

14. The occurrence of major operational problems could have a material adverse effect on the Enlarged Group

The revenues of the Enlarged Group will depend to some extent on the continued operations of BOX's manufacturing facilities. Operational risks include fire, floods or other natural disasters, equipment failure, failure to comply with applicable regulations and industry standards, raw material supply disruptions, labour force shortages or work stoppages, and events impeding or increasing the cost of transporting the Enlarged Group's products.

If the Enlarged Group is unable to obtain timely replacement for damaged inventory or equipment, or if it is unable to find an acceptable third party manufacturer as a substitute for production facilities of the Enlarged Group damaged by a catastrophic event, then major disruptions to production would result which would have significant adverse effects on the operations and financial results of the Enlarged Group. The insurance cover that the Enlarged Group has in place may not be sufficient to cover certain damages or lost profits as a result of the disruption to its production. In addition, any disruption to the Enlarged Group's production or provision of services could have a materially adverse impact on its relations with customers which may impact the Group's business, financial condition and results of operations.

15. Commercial Contracts

Members of the Enlarged Group have and will continue to engage with customers and suppliers with more negotiating leverage than is available to the Enlarged Group. The standard commercial terms of such entities may not be subject to negotiation and the Enlarged Group may tolerate terms which are less than favourable than might be anticipated. If for any reason the Enlarged Group comes to breach such terms the financial and operational penalties could be severe and have a material adverse impact on the operations, financial condition and outlook of the Enlarged Group.

16. Unlimited indemnities

Some members of the Enlarged Group are party to agreements or arrangements with third parties under which they have agreed to indemnify the third party for any loss which such third party may suffer arising out of the agreement or arrangement without limit in time or amount. The Directors believe that a claim made under one or more of these indemnities may materially and adversely affect the financial or trading position of the Enlarged Group.

17. Product liability

The Enlarged Group's agreements with its customers typically contain provisions designed to limit its exposure to potential product liability claims. Despite this, it is possible that such limitation of liability provisions may not be effective as a result of existing or future laws or unfavourable judicial decisions. The Enlarged Group has not experienced any product liability claims to date. However, the sale and support of the Enlarged Group's products may entail the risk of such claims. A successful product liability claim could result in significant monetary liability and could seriously harm the Enlarged Group's business, operating results or financial condition.

18. Investment in AIM securities

Although the Company is applying for the admission of its share capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. Investment in shares traded on AIM is perceived to involve a higher degree of risk than investment in a company whose shares are listed on the Official List of the UK Listing Authority. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group. Investors may therefore realise less than, or lose all of, their investment.

19. Litigation risks

All industries are subject to legal claims, with and without merit. The Enlarged Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Enlarged Group's financial position or results of operations.

20. Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of or new services by the Enlarged Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company and news reports relating to trends in the Enlarged Group's markets. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Enlarged Group's performance.

21. Estimates in financial statements

Preparation of consolidated financial statements requires the Enlarged Group to use estimates and assumptions. Accounting for estimates requires the Enlarged Group to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. The Enlarged Group's

accounting policies require management to make certain estimates and assumptions as to future events and circumstances. In addition, the carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. If the estimates and assumptions are inaccurate, the Enlarged Group could be required to write down the value of certain assets. On an ongoing basis, the Enlarged Group re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

22. Holding company structure and restrictions on dividends

The Company's operating results and its financial condition are dependent on the trading performance of members of the Enlarged Group. The Company's ability to pay dividends will depend on the level of distributions, if any, received from the Company's subsidiaries. Members of the Enlarged Group may from time to time be subject to restrictions on their ability to make distributions to the Company, as a result of factors such as restrictive covenants contained within loan agreements, foreign exchange limitations, regulatory, fiscal or other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Enlarged Group's business, operating results and financial condition.

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors of the Company, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits.

The Company does not plan to pay cash dividends on its Ordinary Shares for the foreseeable future, although this will be reviewed periodically by the Board of Directors of the Company.

23. Possible conflicts of interest of Directors and officers of the Company

The Company expects that any decision made by its Directors and officers involving the Company will be made in accordance with their duty to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill which a reasonably prudent person would exercise in comparable circumstances but there can be no assurance in this regard. In addition, each of the Directors is required to declare any matter in which they are interested as required by the Act.

24. Investment Risk

An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time.

25. Ordinary Shares available for future sale

The Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following Admission. Any sales of substantial amounts of Ordinary Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Ordinary Shares.

26. Suitability

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor or accountant or other professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom.

The risks listed above do not necessarily comprise all those faced by the Enlarged Group and are not intended to be presented in any order of priority.

27. Certain Shareholders will continue to have substantial control over the Company following Admission

Following Admission, the Executive Directors, and any persons connected with them (within the meaning of section 252 of the Act) and principal Shareholders who hold three per cent. or more of the Enlarged Share Capital and whose names are set out in paragraph 6 of Part VI will beneficially own, in aggregate, approximately 67.5 per cent. of the Enlarged Issued Share Capital. As a result, these Shareholders will be able to exercise significant influence over the Enlarged Group and the Enlarged Group's operations, business strategy and those corporate actions that require the approval of the Shareholders.

PART III

HISTORICAL FINANCIAL INFORMATION ON TRAKM8 HOLDINGS PLC

Published report and accounts for each of the three financial years ended 31 March 2011, 31 March 2012 and 31 March 2013

Historical financial information

1. Pursuant to Rule 28 of the AIM Rules for Companies, the published Annual Report and Accounts of Trakm8 Holdings plc for each of the three financial years ended 31 March 2013 are not reproduced in this document and have been incorporated into this document by reference.
2. The accounts for each of the three financial years ended 31 March 2013 were prepared under International Financial Reporting Standards, as adopted by the EU ("IFRS").
3. The Annual Report and Accounts for each of the three financial years ended 31 March 2013 include, on the pages specified in the table below, the following information:

<i>For the year to 31 March</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
<i>Nature of information</i>	<i>Page</i>	<i>Page</i>	<i>Page</i>
Independent auditors' report	11	15	13
Consolidated statement of comprehensive income	13	17	14
Consolidated statement of changes in equity	14	18	15
Consolidated statement of financial position	15	19	16
Consolidated cash flow statement	16	20	17
Accounting policies	17	21	18
Notes to the financial statements	17	21	18

4. Milsted Langdon LLP of Winchester House, Deane Gate Avenue, Taunton TA1 2UH is a member of the Institute of Chartered Accountants in England and Wales and has issued unqualified audit opinions on the consolidated financial statements of Trakm8 and its subsidiaries included in the Annual Report and Accounts of Trakm8 for each of the three financial years ended 31 March 2013.
5. The published accounts can be viewed on the Company's website at: <http://www.trakm8.com/investors/reports-and-accounts>

PART IV

HISTORICAL FINANCIAL INFORMATION ON BOX TELEMATICS LIMITED

A: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BOX TELEMATICS LIMITED

8 October 2013



The Directors
Trakm8 Holdings PLC
Lydden House
Wincombe Business Park
Shaftesbury
Dorset SP7 9QJ

The Directors
finnCap Limited
60 New Broad Street
London EC2M 1JJ

Dear Sirs

Introduction

We report on the financial information of BOX Telematics Limited. This financial information has been prepared for inclusion in Part IV of the AIM Admission Document dated 8 October 2013 (the "Document") of Trakm8 Holdings PLC (the "Company"), on the basis of the accounting policies set out in note 3 to the financial information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 1(a) to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the underlying financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of BOX Telematics Limited as at the date stated and of the results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 1(c) to the financial information and has been prepared in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully

Crowe Clark Whitehill LLP

Chartered Accountants

HISTORICAL FINANCIAL INFORMATION ON BOX TELEMATICS LIMITED

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME

The pro forma statement of comprehensive income of BOX Telematics Limited for each of the three years ended 31 December 2010, 2011 and 2012 are set out below:

	Note	2010 £'000	2011 £'000	2012 £'000
Revenue	17	6,850	10,250	8,409
Cost of sales		<u>(4,407)</u>	<u>(6,938)</u>	<u>(5,737)</u>
Gross profit		2,443	3,312	2,672
Other income		<u>-</u>	<u>23</u>	<u>-</u>
Administrative expenses		2,443	3,335	2,672
Exceptional items	18	<u>(2,766)</u>	<u>(2,152)</u>	<u>(1,789)</u>
Finance Income		-	-	-
Finance costs		<u>(61)</u>	<u>(48)</u>	<u>(33)</u>
Profit/(Loss) before taxation	18	<u>(384)</u>	<u>1,410</u>	<u>850</u>
Income tax (expense)/income	20	<u>-</u>	<u>39</u>	<u>-</u>
Profit/(Loss) after taxation attributable to the holders of equity		<u>(384)</u>	<u>1,449</u>	<u>850</u>
Other comprehensive (expense)/income				
Revaluation reserve		-	(57)	-
Impairment losses on revalued assets		<u>(304)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the financial year attributable to the holders of equity		<u><u>(688)</u></u>	<u><u>1,392</u></u>	<u><u>850</u></u>
Earnings per share				
Basic and diluted, pence	19	<u>(51.52)</u>	<u>104.24</u>	<u>85.00</u>

The results for 2010 include the following amounts in respect of discontinued activities:

Revenue	656
Cost of sales	<u>(344)</u>
Gross profit	312
Administrative expenses	<u>(486)</u>
Operating loss	<u><u>(174)</u></u>

PRO FORMA STATEMENT OF FINANCIAL POSITION

The pro forma statement of financial position of BOX Telematics Limited at 31 December 2010, 2011 and 2012 are set out below:

	<i>Note</i>	<i>2010</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>	<i>2012</i> <i>£'000</i>
Non-current assets				
Intangible assets	4	127	156	271
Property, plant and equipment	5	1,027	1,049	859
Deferred tax assets	6	1,252	1,252	1,252
		<u>2,406</u>	<u>2,457</u>	<u>2,382</u>
Current assets				
Inventories	7	1,193	923	981
Trade receivables	8	1,731	1,799	1,607
Other receivables, deposits and prepayments	9	175	83	76
Cash and bank balances	10	–	369	446
		<u>3,099</u>	<u>3,174</u>	<u>3,110</u>
Current liabilities				
Trade payables	11	(1,796)	(940)	(761)
Other payables and accruals	11	(1,116)	(764)	(816)
Amount owing to related parties	12	(593)	(810)	(774)
Short-term borrowings	13	(122)	(25)	(2)
Provisions		(154)	–	–
		<u>(3,781)</u>	<u>(2,539)</u>	<u>(2,353)</u>
Total assets less current liabilities		1,724	3,092	3,139
Non-current liabilities				
Long-term borrowings	14	(27)	(2)	–
Net assets		<u>1,697</u>	<u>3,090</u>	<u>3,139</u>
Equity				
Share capital	16	336	336	1
Share premium		165	165	–
Revaluation reserve		598	511	340
Capital redemption reserve		–	–	335
Retained profits		598	2,078	2,463
Total equity		<u>1,697</u>	<u>3,090</u>	<u>3,139</u>

PRO FORMA STATEMENT OF CHANGES IN EQUITY

The pro forma statement of changes in equity of BOX Telematics Limited for each of the three years ended 31 December 2010, 2011 and 2012 are set out below:

	<i>Non distributable</i>			<i>Distributable</i>	
	<i>Share capital</i> £'000	<i>Share premium</i> £'000	<i>Revaluation reserve</i> £'000	<i>Retained profits</i> £'000	<i>Total equity</i> £'000
Balance at 1 January 2010	1	–	1,087	798	1,886
Issuance of shares	335	165	–	–	500
Loss after taxation	–	–	–	(384)	(384)
Other comprehensive expenses, net of tax					
Difference between actual and historical cost depreciation	–	–	–	(184)	184
Impairment losses on revaluation	–	–	(305)	–	(305)
Total comprehensive loss for the financial year	–	–	(489)	(200)	(689)
Balance at 31 December 2010	336	165	598	598	1,697
Profit after taxation	–	–	–	1,449	1,449
Other comprehensive income, net of tax					
Revaluation transfer	–	–	(31)	31	–
Revaluation in year	–	–	(56)	–	(56)
Total comprehensive income for the financial year	–	–	(87)	1,480	1,393
Balance at 31 December 2011	<u>336</u>	<u>165</u>	<u>511</u>	<u>2,078</u>	<u>3,090</u>

	<i>Non distributable</i>			<i>Distributable Capital</i>		<i>Total equity</i> £'000
	<i>Share capital</i> £'000	<i>Share premium</i> £'000	<i>Revaluation reserve</i> £'000	<i>Retained profits</i> £'000	<i>Redemption reserve</i> £'000	
Balance at 1 January 2012	336	165	511	2,077	–	3,089
Profit after taxation	–	–	–	850	–	850
Other comprehensive expenses, net of tax						
Purchase of own shares	(335)	(165)	–	(635)	335	(800)
Revaluation transfer	–	–	(171)	171	–	–
Total comprehensive income for the financial year	<u>(335)</u>	<u>(165)</u>	<u>(171)</u>	<u>386</u>	<u>335</u>	<u>50</u>
Balance at 31 December 2012	<u>1</u>	<u>–</u>	<u>340</u>	<u>2,463</u>	<u>335</u>	<u>3,139</u>

Retained profits represent the cumulative value of the profits not distributed to shareholders, but retained to finance the future capital requirements of BOX Telematics Limited.

The revaluation reserve is used to record increases in the fair value of plant and equipment, fixtures and fittings, motor vehicles and rental boxes, and decreases to the extent that such decrease relates to an increase of the same asset previously recognised in equity. The reserve can only be used to pay dividends in limited circumstances.

The capital redemption reserve relates to 335,189 “C” ordinary shares held by BOX Telematics Limited.

PRO FORMA STATEMENT OF CASH FLOWS

The pro forma statement of cash flows for BOX Telematics Limited for each of the three years ended 31 December 2010, 2011 and 2012 are set out below:

	2010 £'000	2011 £'000	2012 £'000
Cash flow from operating activities			
Profit/(Loss) before taxation	(384)	1,134	850
Adjustments for:			
Amortisation of intangible assets	32	47	88
Exceptional expenditure	–	(250)	
Depreciation of plant and equipment	272	131	258
Property, plant and equipment written off	32	1	5
Finance costs	61	48	33
	<hr/>	<hr/>	<hr/>
Operating cashflows before working capital changes	13	1,111	1,234
(Increase)/decrease in inventories	38	270	(58)
(Increase)/decrease in trade and other receivables	94	23	199
(Decrease) in other payables	(1,144)	(1,343)	(136)
	<hr/>	<hr/>	<hr/>
Cash flow from operations	(999)	61	1,239
Interest paid	(61)	(48)	(33)
Income tax received	–	39	–
	<hr/>	<hr/>	<hr/>
Net cash flow from operating activities	(1,060)	52	1,206
	<hr/>	<hr/>	<hr/>
Balance carried forward	(1,060)	52	1,206
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	2010 £'000	2011 £'000	2012 £'000
Balance brought forward	(1,060)	52	1,206
Cash flow used in investing activities			
Purchase of plant and equipment	(49)	(215)	(73)
Purchase of intangibles	(159)	(76)	(203)
Sale of tangible fixed assets	52	5	–
Net cash flow used in investing activities	<u>(156)</u>	<u>(286)</u>	<u>(276)</u>
Cash flow from/(used in) financing activities			
Repurchase of own shares	–	–	(800)
New loan during the year	75	–	–
Capital repayments in year	(4)	–	–
Amounts introduced by directors	480	200	–
Amounts withdrawn by directors	–	–	(28)
Insurance claim proceeds	–	525	–
Repayment of term loans	(23)	(25)	(25)
Proceeds from issuance of share capital	500	–	–
Net cash flow from/(used in) financing activities	<u>1,028</u>	<u>700</u>	<u>(853)</u>
Net (decrease)/increase in cash and cash equivalents	(188)	466	77
Cash and cash equivalent at beginning of the financial year	91	(97)	369
Cash and cash equivalent at end of the financial year	<u>(97)</u>	<u>369</u>	<u>446</u>

NOTES TO THE FINANCIAL INFORMATION

1. General information

a. *The business*

BOX Telematics Limited is a private company limited by shares and incorporated under the Companies Act 1985. BOX Telematics Limited is domiciled in the United Kingdom.

Registered office and principal place of business:

Roman Park
Roman Way
Coleshill
West Midlands
B46 1HG

b. *Principal activities*

The principal activity of the business was that of a global telematics provider offering a wire free data collection centre and solution service to an approved dealer network which promotes asset tracking products, the research and development of new solutions for the m2m market and that of continued after sales support and services of digital devices, and the processing and manufacture of electronic products.

c. *Basis of preparation*

The pro forma financial information have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") issued by the International Accounting Standards Board ("IASB"), including related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The pro forma financial information presents the results of BOX Telematics Limited for each of the three years ended 31 December 2012.

The financial information is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial information of the BOX Telematics Limited is presented in pounds sterling ("currency"), which is the presentation currency for the financial information. All financial information presented in £ has been rounded to the nearest thousand unless otherwise stated.

2. Standards, amendments and interpretations to published standards not yet effective

BOX Telematics Limited has not applied the new IFRSs that have been issued but are not yet effective. The transfer to these new or revised standards and interpretation is not expected to have a material impact on the combined financial statements.

At the date of this financial information, the following standards and interpretations were in issue but not yet approved by the European Union:

IFRS 9 Financial instruments; and
IFRS 10, 12 and 27 (amended) Investment Entities.

At the date of this financial information, the following standards and interpretations had been issued by the IASB but not yet effective:

IAS 1 (amended) – Presentation of items of other comprehensive income;
IAS 19 (amended) – Employee benefits;
IFRS 1 (amended – applicable only to first time adopters of IFRS) – Government loans;
IFRS 10 Consolidated financial statements;
IFRS 11 Joint arrangements;
IFRS 12 Disclosure of Interests in other entities;
IFRS 13 Fair value measurement;
IAS 12 (amended) – Deferred tax: Recovery of underlying assets;
IAS 27 Separate financial statements;
IAS 28 Investments in associates and joint ventures;
IAS 32 (amended) – Offsetting of financial assets and financial liabilities
IAS 36 (amended) Recoverable Amount Disclosures for non-Financial Assets;
IAS 39 (amended) Novation of Derivatives and Continuation of Hedge Accounting;
IFRIC 20 Stripping costs in the production phase of a surface mine; and
IFRIC 21 Levies.

3. Summary of significant accounting policies

a. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as stated below:

(i) *Deferred Tax Asset*

The recognition of the deferred tax asset is based upon whether it is more likely than not that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. BOX Telematic Limited has been profitable for the past 2 years, is currently today profitable and, based on management forecasts, is expected to generate profits going forward. As a result it is management's estimate that sufficient taxable profits will become available.

b. Functional and foreign currencies

Transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

c. Financial instruments

Financial instruments are recognised in the statements of financial position when BOX Telematics Limited has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when BOX Telematics Limited has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- Financial assets at fair value through profit or loss
As at the end of the reporting period, there were no financial assets classified under this category.
- Held-to-maturity investments
As at the end of the reporting period, there were no financial assets classified under this category.
- Loans and receivables financial assets
Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.
- Available-for-sale financial assets
As at the end of the reporting period, there were no financial assets classified under this category.

(ii) *Financial liabilities*

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(ii) *Equity instruments*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

d. Intangible assets

Development costs are stated at cost less accumulated amortisation and impairment losses, if any.

Amortisation is calculated under the straight-line method to write off the depreciable amount of the assets over their useful lives.

Development costs are amortised evenly over 5 years.

e. Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives.

The principal annual rates used for this purpose are:

Computers	1-5 years
Furniture and fittings	1-14 years
Motor vehicles	4 years
Plant and Machinery	3-15 years
Boxes	2-3 years

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to BOX Telematics Limited and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which BOX Telematics Limited is obligated to incur when the asset is acquired, if applicable.

An item of property and equipment is derecognised upon disposal. Any gain or loss arising from disposal of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

f. Impairment

Impairment of non-financial assets

The carrying values of assets, other than those to which IAS 36 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

g. Income taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

h. Inventories

Inventories are valued on an average purchase cost basis at the lower of cost and net realisable value. Cost includes all expenditure incurred during the normal course of business in bringing in inventories to their present location and condition. Net realisable value is based on the estimated useful selling price less further costs expected to be incurred to completion and subsequent disposal.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j. Employee benefits

Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of BOX Telematics Limited.

k. Provisions, contingent liabilities and contingent assets

Provisions are recognised when BOX Telematics Limited has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the business. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the business. BOX Telematics Limited does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

I. Revenue and other income

(i) Sale of goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Services

Revenue is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue contract is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on completion of a physical proportion of the contract work.

(iii) Interest income

Interest income is recognised as other income on an accrual basis based on the effective yield on the investment.

m. Operating segments

An operating segment is a component of the business that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the business's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. BOX Telematics Limited operates as a single operating segment.

4. Intangible assets

	<i>Development costs £'000</i>	<i>Total £'000</i>
Cost		
At 1 January 2010	–	–
Additions	159	159
At 31 December 2010	159	159
Additions	76	76
At 31 December 2011	235	235
Additions	203	203
At 31 December 2012	438	438
Accumulated Amortisation		
At 1 January 2010	–	–
Charge for year	32	32
At 31 December 2010	32	32
Charge for the year	47	47
At 31 December 2011	79	79
Charge for the year	88	88
At 31 December 2012	167	167
Net Book Value		
At 31 December 2010	127	127
At 31 December 2011	156	156
At 31 December 2012	271	271

5. Property, plant and equipment

	<i>Rental boxes £'000</i>	<i>Furniture and fittings £'000</i>	<i>Motor vehicles £'000</i>	<i>Plant and machinery £'000</i>	<i>Total £'000</i>
Valuation					
At 1 January 2010	11	740	123	1,101	1,976
Additions	–	25	–	24	49
Disposals	–	(11)	(108)	(47)	(166)
Impairment	–	(207)	–	(271)	(478)
At 31 December 2010	11	547	15	807	1,380
Additions	–	50	–	166	216
Disposals	–	–	(15)	–	(15)
Revaluation	(5)	(250)	–	(277)	(532)
At 31 December 2011	6	347	–	696	1,049
Additions	–	42	31	73	
Revaluations	(6)	–	–	–	(6)
At 31 December 2012	–	389	31	696	1,116
Accumulated Depreciation					
At 1 January 2010	3	142	52	140	337
Charge for year	4	129	12	127	272
Eliminated on disposal	–	(6)	(56)	(20)	(82)
Impairments	–	(55)	–	(119)	(174)
At 31 December 2010	7	210	8	128	353
Charge for the year	2	106	–	23	131
Eliminated on disposal	–	–	(8)	–	(8)
Revaluation	(9)	(316)	–	(151)	(476)
At 31 December 2011	–	–	–	–	–
Charge for the year	1	168	6	83	258
Eliminated on disposal	(1)	–	–	(1)	–
At 31 December 2012	–	168	6	83	257
Net Book Value					
At 31 December 2010	4	337	6	680	1,027
At 31 December 2011	6	347	–	696	1,049
At 31 December 2012	–	221	25	613	859

Included in the property, plant and equipment of BOX Telematics Limited at the end of the reporting period are the rental boxes which were leased to customers on operating leases.

During 2010 an impairment review was carried out by the directors. This resulted in assets being impaired with a net book value of £303,612.

All tangible fixed assets held at 31 December 2011 were valued on the basis of depreciated replacement cost in January 2012 by CA4 Partnership Limited in accordance with the practice statements in the Royal Institution of Chartered Surveyors and Appraisal and Valuation Manual by a valuer who conforms to the requirements of these practice statements. This resulted in assets being impaired with a net book value of £56,905.

6. Deferred tax assets

	2010 £'000	2011 £'000	2012 £'000
At 1 January – brought forward	1,252	1,252	1,252
Recognised in profit or loss	–	–	–
At 31 December – carried forward	<u>1,252</u>	<u>1,252</u>	<u>1,252</u>

The above deferred tax assets are recognised to the extent that it is probable that the future taxable profits will allow the deferred tax assets to be recovered.

The inclusion of a deferred tax asset in the accounts in each of the three years ended 31 December 2012 is based on the future utilisation of available trading losses.

7. Inventories

	2010 £'000	2011 £'000	2012 £'000
Work in progress	369	324	430
Raw materials	699	463	462
Finished goods	125	136	89
	<u>1,193</u>	<u>923</u>	<u>981</u>

The value of inventories (being materials used and consumables) recognised as an expense was:

	2010 £'000	2011 £'000	2012 £'000
	<u>3,525</u>	<u>5,789</u>	<u>4,749</u>

8. Trade receivables

	2010 £'000	2011 £'000	2012 £'000
Trade receivable	1,731	1,855	1,644
Allowance for impairment losses	–	(56)	(37)
	<u>1,731</u>	<u>1,799</u>	<u>1,607</u>

Impairment losses:

	2010 £'000	2011 £'000	2012 £'000
At 1 January			(56)
Addition during the financial year	–	(56)	(37)
Write back during the financial year	–	–	56
At 31 December	<u>–</u>	<u>(56)</u>	<u>(37)</u>

BOX Telematics Limited's normal trade credit term is 30 to 60 days. Other credit terms are assessed and approved on a case by case basis.

9. Other receivables, deposits and prepayments

	2010 £'000	2011 £'000	2012 £'000
Sundry receivables	12	19	7
Prepayments	163	64	69
	<u>175</u>	<u>83</u>	<u>76</u>

10. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2010 £'000	2011 £'000	2012 £'000
Cash and bank balances	–	369	446
	<u>–</u>	<u>369</u>	<u>446</u>

11. Trade payables, other payables and accruals

	2010 £'000	2011 £'000	2012 £'000
Trade payables			
Trade payables	1,796	940	761
Other payables and accruals			
Social security & other taxes	334	225	210
Sundry payables	782	539	606
	<u>1,116</u>	<u>764</u>	<u>816</u>
	<u>2,912</u>	<u>1,704</u>	<u>1,577</u>

All trade payables, other payables and accruals are payable within one year.

12. Amounts owing to related parties

	2010 £'000	2011 £'000	2012 £'000
Current			
Non-trade balances	593	810	774
	<u>593</u>	<u>810</u>	<u>774</u>

The amounts owing to related parties are unsecured, interest-bearing and repayable on demand. The amounts owing are to be settled in cash.

13. Short-term borrowings

	2010 £'000	2011 £'000	2012 £'000
Term loans (Note 15)	25	25	2
Bank overdraft	97	–	–
	<u>122</u>	<u>25</u>	<u>2</u>

14. Long-term borrowings

	2010 £'000	2011 £'000	2012 £'000
Term loans (Note 15)	27	2	–
	<u>27</u>	<u>2</u>	<u>–</u>

15. Term loans

	2010 £'000	2011 £'000	2012 £'000
Current portion (Note 13):			
– not later than one year	25	25	2
Non-current portion (Note 14):			
– later than one year and not later than two years	25	2	–
– later than two years and not later than five years	2	–	–
	<u>52</u>	<u>27</u>	<u>2</u>

Details of the repayment terms are as follows:

Term loan	Number of instalments	Monthly instalment	Date of commencement of repayment	Amount outstanding		
				2010 £'000	2011 £'000	2012 £'000
Lombard Asset Finance	36	2.6	Feb 10	52	27	2
				<u>52</u>	<u>27</u>	<u>2</u>

The term loans are secured by:

- (i) Fixed and floating legal charges over the assets of BOX Telematics Limited.

16. Share capital

The authorised and paid-up share capital of BOX Telematics Limited;

The pro forma aggregated authorised and paid up share capital is as follows:

	2010	2011	2012	2010 £'000	2011 £'000	2012 £'000
	<i>Number of Shares</i>					
Ordinary shares of						
A: 0.001p						
B: 50p						
C: £1						
Allotted, issued, fully paid						
A Ordinary Shares	1,000,000	1,000,000	1,000,000	1	1	1
B Ordinary Shares	225	225	113	–	–	–
C Ordinary Shares	335,189	335,189	–	335	335	–
	<u>1,335,414</u>	<u>1,335,414</u>	<u>1,000,113</u>	<u>336</u>	<u>336</u>	<u>1</u>

17. Revenue

	2010 £'000	2011 £'000	2012 £'000
Products	4,540	8,059	6,079
Services	2,310	2,191	2,330
	<u>6,850</u>	<u>10,250</u>	<u>8,409</u>

Material revenues attributable to individual foreign countries are as follows:

	2010 £'000	2011 £'000	2012 £'000
United Kingdom	6,590	9,654	7,677
Rest of the European Union	95	352	267
Rest of the World	165	244	465
	<u>6,850</u>	<u>10,250</u>	<u>8,409</u>

There were no material non current assets located outside the United Kingdom.

Revenues derived from major customers, which individually represent 10 per cent. or more of total revenue are as follows:

	2010 £'000	2011 £'000	2012 £'000
Customer A	8	1,836	2,428
Customer B	380	2,216	429
Other customers	6,462	6,198	5,552
	<u>6,850</u>	<u>10,250</u>	<u>8,409</u>

18. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2010 £'000	2011 £'000	2012 £'000
Depreciation and amortisation	304	178	346
Loss/(Profit) on disposal of fixed assets	32	1	4
Auditors' remuneration	14	14	14
Foreign exchange differences	(4)	1	31
Operating lease rentals – vehicles and equipment	67	67	4
Operating lease rentals – rent	69	69	69
Directors' remuneration	125	111	114
Exceptional items (see below)	–	275	–
	<u>–</u>	<u>275</u>	<u>–</u>

During the year ended 31 December 2011, £525,000 was received from insurers in settlement of a fraud claim. In the same year there was an exceptional write down of obsolete stock with a book value of £250,158.

19. Pro forma earnings/(loss) per share

It is of limited significance to calculate earnings per share based on the historical equity of BOX Telematics Limited. Accordingly, a pro forma earnings per share has been included based on the relevant number of shares in the Company following the acquisition but prior to the issue of shares by the Company to raise new funds. The calculation of earnings per share is based on the following earnings and number of shares.

	2010 £'000	2011 £'000	2012 £'000
(Loss)/profit after tax attributable to owners of BOX Telematics Limited	(688)	1,392	850
Weighted average number of shares:			
Basic and diluted, pence	1,335,414	1,335,414	1,000,113
Earnings per share:			
Basic and diluted, pence	<u>(51.52)</u>	<u>104.24</u>	<u>85.00</u>

20. Income tax (expense)/income

	2010 £'000	2011 £'000	2012 £'000
Current tax (expense)/income:			
– for the financial year	–	–	–
– under/(over)provision in the previous financial year	–	39	–
	<u>–</u>	<u>39</u>	<u>–</u>

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the BOX Telematics Limited are as follows:

	2010 £'000	2011 £'000	2012 £'000
Profit/(loss) before taxation	(384)	1,410	850
Tax at the applicable statutory tax rate of 28%	(108)	395	238
Tax effects of:			
Temporary timing differences	44	(54)	36
Permanent adjustments	(36)	(18)	(54)
Loss relief	135	(315)	(158)
Prior year under-provision	–	(39)	–
Other adjustments	(35)	(8)	(62)
Income tax expenses/(income) for the financial year	<u>–</u>	<u>(39)</u>	<u>–</u>

21. Related party disclosures

BOX Telematics Limited carried out the following transactions with related parties during the financial years:

Year Ended 31 December 2010

During the year Mrs J E Reynolds-Lacey provided additional loans to BOX Telematics Limited of £480,000 (2009: £100,000). At 31 December 2010 the balance outstanding included in creditors was £580,000 (2009: £100,000). Interest of £23,834 (2009: £nil) was charged in the year and was payable at 31 December 2010 (2009: £nil).

During the year BOX Telematics Limited transferred a motor vehicle to Mrs J E Reynolds-Lacey with a market value of £30,000 as part of her remuneration package.

Mr D C Reynolds-Lacey, director of BOX Telematics Limited, is also the sole proprietor of Areley Wood Enterprises. During the year BOX Telematics Limited sold a fixed asset to Areley Wood Enterprises amounting to £30,000 (2009: £nil). This amount was fully paid before the balance sheet date.

Mrs J E Reynolds-Lacey, director and controlling party of BOX Telematics Limited, is also a director of Berkeley Associates Tax Advisers Limited. During the year BOX Telematics Limited incurred costs of £13,620 (2009: £16,284) from Berkeley Associates Tax Advisers Limited. At the balance sheet date an amount of £12,730 (2009: £4,909) was due to Berkeley Associates Tax Advisers Limited.

Year Ended 31 December 2011

During the year Mrs J E Reynolds-Lacey provided additional loans to BOX Telematics Limited of £199,177 (2010: £480,000). At 31 December 2011 the balance outstanding included in creditors was £779,177 (2010: £580,000). Interest of £30,256 (2010: £23,834) was charged in the year and interest of £9,177 was payable at 31 December 2011 (2010: £23,834).

Mr D C Reynolds-Lacey is also the sole proprietor of Areley Wood Enterprises. During the year Areley Wood Enterprises invoiced BOX Telematics Limited, £30,000 for consultancy fees. This amount remains outstanding at the balance sheet date.

Mrs J E Reynolds-Lacey is also a director of Berkeley Associates Tax Advisers Limited. During the year, BOX Telematics Limited made purchases amounting to £13,835 (2010: £13,620) from Berkeley Associates Tax Advisers Limited. At 31 December 2011 the amount due to Berkeley Associates Tax Advisers Limited was £1,200 (2010: £12,730).

Year Ended 31 December 2012

Mrs J E Reynolds-Lacey was a director until 25 November 2012.

During the year Mrs J E Reynolds-Lacey advanced funds to BOX Telematics Limited of £nil (2011: £199,177). At 31 December 2012 the balance due to The Estate of Mrs J E Reynolds-Lacey included in creditors was £751,402 (2011: £779,177). Interest of £28,048 (2011: £30,256) was charged in the year and interest of £1,402 was payable at 31 December 2012 (2011: £9,177).

Mr D C Reynolds-Lacey, director of BOX Telematics Limited, is also the sole proprietor of Areley Wood Enterprises. During the year Areley Wood Enterprises charged £20,000 (2011: £30,000) to BOX Telematics Limited in respect of consultancy work. At the year-end BOX Telematics Limited owed Areley Wood Enterprises £20,000 (2011: £30,000).

Mrs J E Reynolds-Lacey, who ceased being a director and controlling party on 25 November 2012, was also a director of Berkeley Associates Tax Advisers Limited. During the year BOX Telematics Limited incurred costs of £17,462 (2011: £13,835) from Berkeley Associates Tax Advisers Limited. At the balance sheet date an amount of £2,640 (2011: £1,200) was due to Berkeley Associates Tax Advisers Limited.

Details of the nature and amount of each element of the emoluments of each member of key management for each of the financial years ended 31 December 2010, 2011 and 2012 are set out below:

<i>Short-term employee benefits</i>	<i>Total 2010 £'000</i>	<i>Total 2011 £'000</i>	<i>Total 2012 £'000</i>
Mrs J E Reynolds-Lacey	125	102	107
Mr S R A Jones	–	9	7
	<u>125</u>	<u>111</u>	<u>114</u>

22. Financial instruments

BOX Telematics Limited's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. BOX Telematics Limited's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on BOX Telematics Limited's financial performance.

(a) Financial risk management policies

BOX Telematics Limited's policies in respect of the major areas of treasury activity are as follows:

(i) Market risk

(i) Foreign currency risk

BOX Telematics Limited is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Great Britain Pound. The currencies giving rise to this risk are primarily United States Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

BOX Telematics Limited maintains a natural hedge whenever possible, by matching the cash inflows (revenue stream) and cash outflows used for purposes such as capital expenditure, operational expenditure and debt service requirements in the respective currencies.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. BOX Telematics Limited's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. BOX Telematics Limited's policy is to obtain the most favourable interest rates available. Any surplus funds of BOX Telematics Limited will be placed with licensed financial institutions to generate interest income.

Information relating to BOX Telematics Limited's exposure to the interest rate risk of the financial liabilities is disclosed in Note 31(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

A 100 basis points strengthening/weakening of the interest rate as at the end of the reporting period would have immaterial impact on profit after taxation and/or equity. This assumes that all other variables remain constant.

(iii) Equity price risk

BOX Telematics Limited does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit risk

BOX Telematics Limited's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. BOX Telematics Limited manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), BOX Telematics Limited minimises credit risk by dealing exclusively with high credit rating counterparties.

BOX Telematics Limited establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

As BOX Telematics Limited does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Credit risk concentration profile

BOX Telematics Limited's major concentration of credit risk relates to the amounts owing by customers.

Ageing analysis

The ageing analysis of BOX Telematics Limited's trade receivables as at each of the three years ended 31 December 2012 is as follows:

	<i>Gross Amount £'000</i>	<i>Individual impairment £'000</i>	<i>Carrying value £'000</i>
2012			
Not past due	591	–	591
Past due:			
– less than 3 months	944	–	944
– 3 to 6 months	109	(37)	72
	<u>1,644</u>	<u>(37)</u>	<u>1,607</u>
2011			
Not past due	661	–	661
Past due:			
– less than 3 months	1,070	–	1,070
– 3 to 6 months	124	(56)	68
	<u>1,855</u>	<u>(56)</u>	<u>1,799</u>
2010			
Not past due	455	–	455
Past due:			
– less than 3 months	931	–	931
– 3 to 6 months	345	–	345
	<u>1,731</u>	<u>–</u>	<u>1,731</u>

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

BOX Telematics Limited believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

(iii) *Liquidity risk*

Liquidity risk is the risk that BOX Telematics Limited will not be able to meet its financial obligations as they fall due. BOX Telematics Limited's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

BOX Telematics Limited maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

(b) Capital risk management

BOX Telematics Limited defines capital as the total equity of the business. BOX Telematics Limited's objectives when managing capital are to safeguard company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, BOX Telematics Limited may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

BOX Telematics Limited manages its capital based on debt-to-equity ratio. BOX Telematics Limited's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of BOX Telematics Limited as at the end of the reporting period was as follows:

	2010 £'000	2011 £'000	2012 £'000
Term loans	52	27	2
Other payables and accruals	1,116	764	816
Amount owing to related parties	593	810	774
	<u>1,761</u>	<u>1,601</u>	<u>1,592</u>
Less: fixed deposits with licensed banks			
Less: cash and bank balances	97	(369)	(446)
Net debt	<u>1,858</u>	<u>1,232</u>	<u>1,146</u>
Total equity	<u>1,697</u>	<u>3,090</u>	<u>3,139</u>
Debt-to-equity ratio	<u>1.09</u>	<u>0.40</u>	<u>0.37</u>

(c) Classification of financial instruments

	2010 £'000	2011 £'000	2012 £'000
Financial assets			
Loans and receivables financial assets			
Trade Receivables	1,731	1,799	1,607
Other receivables and deposits	175	83	76
Cash and bank balances	–	369	446
	<u>1,906</u>	<u>2,251</u>	<u>2,129</u>
Financial liabilities			
Other financial liabilities			
Hire purchase payables			
Term loans	52	27	2
Other payables and accruals	1,116	764	816
Amount owing to related parties	593	810	774
	<u>1,761</u>	<u>1,601</u>	<u>1,592</u>

As at 31 December 2012, there were no financial instruments carried at fair value.

23. Lease commitments

BOX Telematics Limited had total commitment at the end of each financial year in respect of non-cancellable operating leases of:

	<i>2010</i>	<i>2011</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Property leases			
Payable within one year	69	69	69
Payable within 2-5 years	224	155	86
Vehicles and equipment leases			
Payable within one year	15	4	–
Payable within 2-5 years	37	–	–
	<u>345</u>	<u>228</u>	<u>155</u>

BOX Telematics Limited leases premises located at Roman Park, Roman Way, Coleshill, West Midlands, B46 1HG under an operating lease. The lease agreement was entered into on 25 March 2001 for 15 years.

BOX Telematics Limited leased vehicles and equipment under various operating leases in the years ended 31 December 2010 and 31 December 2011.

24. Ultimate controlling party

The Estate of the late Mrs J E Reynolds-Lacey is the ultimate controlling party by virtue of its controlling interest in the equity share capital of BOX Telematics Limited.

25. Subsequent events

On 7 October the Company entered into a share purchase agreement to acquire the entire issued share capital of BOX Telematics Limited.

26. Nature of financial information

The financial information presented above does not constitute statutory financial statements for BOX Telematics Limited for each of the three years ended 31 December 2012.

B. UNAUDITED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2013 FOR BOX TELEMATICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	<i>Unaudited 6 months ended 30 June 2013 £'000</i>	<i>Unaudited 6 months ended 30 June 2012 £'000</i>	<i>Audited year ended 31 December 2012 £'000</i>
Revenue	4,247	4,586	8,409
Cost of sales	<u>(3,201)</u>	<u>(3,205)</u>	<u>(5,737)</u>
Gross profit	1,046	1,381	2,672
Administrative expenses	(672)	(726)	(1,789)
Finance Income	–	–	–
Finance costs	<u>(32)</u>	<u>(22)</u>	<u>(33)</u>
Profit before taxation	342	633	850
Income tax	<u>–</u>	<u>–</u>	<u>–</u>
Profit after taxation attributable to the holders of equity	<u>342</u>	<u>633</u>	<u>850</u>
Total comprehensive income for the financial period attributable to the holders of equity	<u><u>342</u></u>	<u><u>633</u></u>	<u><u>850</u></u>
Earnings per share			
Basic and diluted, pence	2 <u>34.20</u>	<u>47.20</u>	<u>85.00</u>

STATEMENT OF FINANCIAL POSITION

	<i>Unaudited 6 months ended 30 June 2013 £'000</i>	<i>Unaudited 6 months ended 30 June 2012 £'000</i>	<i>Audited year ended 31 December 2012 £'000</i>
Non-current asset			
Intangible assets	288	226	271
Property, plant and equipment	694	959	859
Deferred tax assets	1,252	1,252	1,252
	<u>2,234</u>	<u>2,437</u>	<u>2,382</u>
Current asset			
Inventories	1,023	824	981
Trade receivables	1,729	2,144	1,607
Other receivables, deposits and prepayments	122	113	76
Cash and bank balances	801	549	446
	<u>3,675</u>	<u>3,630</u>	<u>3,110</u>
Current liabilities			
Trade payables	(1,021)	(836)	(761)
Other payables and accruals	(808)	(741)	(816)
Amount owing to related parties	(753)	(753)	(774)
Short-term borrowings	–	(14)	(2)
	<u>(2,582)</u>	<u>(2,344)</u>	<u>(2,353)</u>
Total assets less current liabilities	<u>1,093</u>	<u>1,286</u>	<u>3,139</u>
Net assets	<u>3,327</u>	<u>3,723</u>	<u>3,139</u>
Equity			
Share capital	1	336	1
Share premium	–	165	–
Revaluation reserve	246	511	340
Capital redemption reserve	335	–	335
Retained profits	2,745	2,711	2,463
Total equity	<u>3,327</u>	<u>3,723</u>	<u>3,139</u>

STATEMENT OF CHANGES IN EQUITY

	<i>Non distributable</i>			<i>Distributable Capital</i>		<i>Total equity £'000</i>
	<i>Share capital £'000</i>	<i>Revaluation reserve £'000</i>	<i>Share premium £'000</i>	<i>Retained profits £'000</i>	<i>Redemption reserve £'000</i>	
Balance at 1 January 2013	1	340	–	2,463	335	3,139
Profit after taxation	–	–	–	342	–	342
Other comprehensive expenses, net of tax	–	–	–	(60)	–	(60)
Dividend	–	–	–	–	–	–
Revaluation transfer	–	(94)	–	–	–	(94)
Total comprehensive income for the period	–	(94)	–	282	–	188
Balance at 30 June 2013	1	246	–	2,745	335	3,327
Balance at 1 January 2012	336	511	165	2,078	–	3,090
Profit after taxation	–	–	–	633	–	633
Other comprehensive expenses, net of tax	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	633	–	633
Balance at 30 June 2012	336	511	165	2,711	–	3,723
Balance at 1 January 2011	336	165	511	2,077	–	3,089
Profit after taxation	–	–	–	850	–	850
Other comprehensive expenses, net of tax	–	–	–	–	–	–
Company purchase of own shares	(335)	(165)	–	(635)	335	(800)
Revaluation transfer	–	–	(171)	171	–	–
Total comprehensive income for the financial year	(335)	(165)	(171)	386	335	50
Balance at 31 December 2012	1	–	340	2,463	335	3,139

STATEMENT OF CASH FLOWS

	<i>Unaudited 6 months ended 30 June 2013 £'000</i>	<i>Unaudited 6 months ended 30 June 2012 £'000</i>	<i>Audited year ended 31 December 2012 £'000</i>
Cash flow from operating activities			
Profit/(Loss) before taxation	342	633	850
Adjustments for:-			
Amortisation of intangible assets	50	34	88
Depreciation of plant and equipment	62	127	258
Property, plant and equipment written off	–	–	5
Finance costs	33	22	33
	487	816	1,234
Operating profit before working capital changes			
(Increase)/decrease in inventories	(42)	99	(58)
(Increase)/decrease in trade and other receivables	(168)	(375)	199
(Decrease)/increase in other payables	252	(127)	(136)
	529	413	1,239
Cash flow from operations			
Interest paid	(33)	(22)	(33)
Income tax received/(paid)	–	–	–
	496	391	1,206
Net cash flow from operating activities			
Cash flow used in investing activities			
Purchase of plant and equipment	–	(37)	(73)
Purchase of intangibles	(67)	(104)	(203)
Sale of tangible fixed assets	9	–	–
Net cash flow used in investing activities	(58)	(141)	(276)
	(116)	(282)	(552)
Net cash flow used in investing activities			
Cash flow used in financing activities			
Repurchase of own shares	–	–	(800)
Amounts withdrawn by directors	(21)	(57)	(28)
Repayment of term loans	(2)	(13)	(25)
Proceeds from issuance of share capital (Div paid)	(60)	–	–
	(83)	(70)	(853)
Net cash flow used in financing activities			
Net (decrease)/increase in cash and cash equivalents	355	180	77
Cash and cash equivalent at beginning of the financial year	446	369	369
	801	549	446
Cash and cash equivalent at end of the financial year			

1. Basis of preparation

BOX Telematics Limited is a private company limited by shares and incorporated under the UK Companies Act. BOX Telematics Limited is domiciled in the United Kingdom.

Registered office and principal place of business:

Roman Park
Roman Way
Coleshill
West Midlands
B46 1HG

The condensed unaudited interim financial statements of BOX Telematics Limited for the six months ended 30 June 2013 has otherwise been prepared using the same accounting policies, presentation, method of computation and estimation techniques adopted in the financial information of BOX Telematics Limited for the year ending 31 December 2012 set out in Part IV (section A) of the AIM Admission Document and are expected to be adopted for the year ending 31 December 2013.

The auditors have reported on the statutory accounts for the year ended 31 December 2012. Their report was unqualified and did not contain a statement under section 498 (2), or Section 498 (3). A copy of those financial statements has been filed with the Registrar of Companies. The audited accounts for the year ended 31 December 2012 were, however, prepared in accordance with UK GAAP. The comparative financial information for the year ended 31 December 2012 has been restated in compliance with IFRS.

The condensed un audited interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted in the EU.

The condensed un audited interim financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which BOX Telematics Limited operates.

2. Earnings per share

	<i>Unaudited 6 months ended 30 June 2013 £'000</i>	<i>Unaudited 6 months ended 30 June 2012 £'000</i>	<i>Audited year ended 31 December 2012 £'000</i>
Profit after tax attributable to owners of BOX Telematics Limited	342	633	850
Weighted average number of shares			
Basic and diluted	1,000,113	1,335,414	1,000,113
Earnings per share			
Basic and diluted, pence	34.20	47.40	85.00

3. Analysis of revenue by geographical area and major customers

Material revenues attributable to individual foreign countries are as follows:

	<i>Unaudited 6 months ended 30 June 2013 £'000</i>	<i>Unaudited 6 months ended 30 June 2012 £'000</i>	<i>Audited year ended 31 December 2012 £'000</i>
United Kingdom	3,904	4,208	7,677
Rest of the European Union	90	101	267
North America	–	–	–
Asia	–	–	–
Rest of the World	<u>253</u>	<u>277</u>	<u>465</u>
	<u>4,247</u>	<u>4,586</u>	<u>8,409</u>

Revenues derived from major customers, which individually represent 10 per cent. or more of total Company revenue are as follows:

	<i>Unaudited 6 months ended 30 June 2013 £'000</i>	<i>Unaudited 6 months ended 30 June 2012 £'000</i>	<i>Audited year ended 31 December 2012 £'000</i>
Customer A	1,332	1,413	2,428
Customer B	–	–	429
Customer C	–	–	–
Other customers	<u>2,915</u>	<u>3,173</u>	<u>5,552</u>
	<u>4,247</u>	<u>4,586</u>	<u>8,409</u>

There were no material non current assets located outside the United Kingdom.
Revenues are derived from the following:

Revenue from products	3,157	3,349	6,079
Revenue from services	<u>1,090</u>	<u>1,237</u>	<u>2,330</u>
	<u>4,247</u>	<u>4,586</u>	<u>8,409</u>

4. Income tax expense

The tax charge on profits assessable has been calculated at the rates of tax prevailing, based on existing legislation, interpretation and practices in respect thereof.

5. Share capital

The authorised and paid-up share capital of BOX Telematics Limited;

The pro forma authorised and paid up share capital is as follows:-

	<i>Unaudited 6 months ended 30 June 2013</i>	<i>Unaudited 6 months ended 30 June 2012</i>	<i>Audited Year ended 31 December 2012</i>	<i>Unaudited 6 months ended 30 June 2013</i>	<i>Unaudited 6 months ended 30 June 2012</i>	<i>Audited Year ended 31 December 2012</i>
	<i>Number of Shares</i>			<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Ordinary shares of						
A: 0.001p						
B: 50p						
C: £1						
Allotted, issued, fully paid						
A Ordinary Shares	1,000,000	1,000,000	1,000,000	1	1	1
B Ordinary Shares	113	225	113	–	–	–
C Ordinary Shares	–	335,189	–	–	335	–
	<u>1,000,113</u>	<u>1,335,414</u>	<u>1,000,113</u>	<u>1</u>	<u>336</u>	<u>1</u>

6. Subsequent events

On 7 October the Company entered into a share purchase agreement to acquire the entire issued share capital of BOX Telematics Limited.

7. Nature of financial information

The financial information does not constitute Statutory Accounts for the period under review.

PART V

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

8 October 2013



The Directors
Trakm8 Holdings PLC
Lydden House
Wincombe Business Park
Shaftesbury
Dorset SP7 9QJ

The Directors
finnCap Limited
60 New Broad Street
London EC2M 1JJ

Dear Sirs

Introduction

We report on the pro forma financial information set out in Part V of the AIM Admission Document (the "Document") dated 8 October 2013 of Trakm8 Holdings PLC (the "Company"), which has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the acquisition of BOX Telematics Limited ("BOX") might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 March 2013. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the pro forma financial information in accordance with Schedule Two of the AIM Rules for Companies. It is our responsibility to form an opinion on the financial information as to the proper compilation of the pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the Directors of the Company.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Crowe Clark Whitehill LLP

Set out below is an unaudited pro forma statement of net assets of the Company, which has been prepared on the basis of the audited consolidated financial information of the Company at 31 March 2013 and the unaudited financial information of BOX at 30 June 2013, as adjusted to show the acquisition of BOX and the Placing as set out in the notes below. The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, the pro forma statement of net assets addresses a hypothetical situation and, therefore, does not reflect the Enlarged Group's actual financial position.

	<i>The Company</i> £'000 <i>Note i</i>	<i>BOX</i> £'000 <i>Note ii</i>	<i>Pro forma Adjustments</i> £'000 <i>Note iii – v</i>	<i>Pro forma Net Assets</i> £'000
Assets				
Non current assets				
Goodwill	–	–	423	423
Intangible assets	869	288	–	1,157
Property and equipment	560	694	–	1,254
Deferred income tax asset	110	1,252	–	1,362
Total non current assets	<u>1,539</u>	<u>2,234</u>	<u>423</u>	<u>4,196</u>
Current assets				
Inventories	548	1,023	–	1,571
Trade and other receivables	643	1,729	–	2,372
Current tax asset	101	122	–	223
Cash and cash equivalents	1,405	801	(336)	1,870
Total current assets	<u>2,697</u>	<u>3,675</u>	<u>(336)</u>	<u>8,036</u>
Total assets	<u>4,236</u>	<u>5,909</u>	<u>87</u>	<u>10,232</u>
Current liabilities				
Trade and other payables	(1,532)	(1,829)	–	(3,361)
Amounts owing to related parties	–	(753)	753	–
Borrowings	(47)	–	–	(47)
Bank loan	–	–	(500)	(500)
Total current liabilities	<u>(1,579)</u>	<u>(2,582)</u>	<u>253</u>	<u>(3,908)</u>
Non current liabilities				
Borrowings	(116)	–	–	(116)
Provisions	(18)	–	–	(18)
Bank loan	–	–	(2,000)	(2,000)
Total non current liabilities	<u>(134)</u>	<u>–</u>	<u>(2,000)</u>	<u>(2,134)</u>
Total liabilities	<u>(1,713)</u>	<u>(2,582)</u>	<u>(1,747)</u>	<u>(6,042)</u>
Net assets	<u>2,523</u>	<u>3,327</u>	<u>(1,660)</u>	<u>4,190</u>

Notes

- i. The net assets of the Company as at 31 March 2013 have been extracted without adjustment from the audited financial statements for the year ended 31 March 2013. No adjustments have been made to reflect the activities of the Company subsequent to 31 March 2013.
- ii. The net assets of BOX have been extracted from the unaudited financial information set out in Section B of Part IV of this Document. No adjustments have been made to reflect the activities of BOX since the subsequent to 30 June 2013.
- iii. An adjustment has been made to reflect the estimated goodwill of £423,000 arising on the acquisition of BOX. This is an approximation only and may differ from the goodwill in the consolidated financial statements of the Enlarged Group. In calculating goodwill, no fair value adjustments have been made as a result of the acquisition of BOX.
- iv. The pro forma statement of net assets assumes an acquisition cost of £3.75 million, the repayment of related party creditors of £753,000, the issue of 9,409,090 New Ordinary Shares at 22 pence per share to raise gross proceeds of £2.07 million and new bank facilities of £2.45 million (after deduction of fees and expenses of £50,000).
- v. The net proceeds of the Fundraising, after deduction of fees, expenses and commissions of £353,000, are expected to be approximately £1,717,000.

PART VI
ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered as a public limited company in England and Wales under the Companies Act 1985 on 13 May 2005 with the name Elegy (no.13) plc and with registered number 05452547. A certificate to commence trading was issued by the Registrar of Companies in England and Wales on 7 November 2005. On 20 October 2005, the Company changed its name to Trakm8 Holdings plc.
- 1.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 1.3 The head and registered office of the Company is at Lydden House, Wincombe Business Park, Shaftesbury, Dorset SP7 9QJ. The telephone number of the Company is 01747 858 444.

2. Share capital

- 2.1 As at 1 April 2010, being the first day covered by the historical financial information relating to the Company set out in Part III of this document, the issued share capital of the Company, all of which was fully paid up, was as follows:

	<i>Number</i>	<i>Amount</i>
Ordinary Shares	18,764,731	£187,647.31

- 2.2 On 9 September 2011, the Company issued 100,000 Ordinary Shares at a price of 5.25 pence per Ordinary Share in connection with the exercise of options by a participant in the Company's EMI Schemes.
- 2.3 On 4 May 2012, the Company issued 550,000 Ordinary Shares at a price of 6 pence per Ordinary Share in connection with the exercise of options by participants in the Company's Share Option Schemes.
- 2.4 On 25 September 2012, the Company purchased 370,000 of its own Ordinary Shares at a price of 15.5 pence per Ordinary Share and which are held in treasury.
- 2.5 As at 31 March 2013, being the latest date to which audited accounts for the Company have been prepared, and as at the date of publication of this document, the issued share capital of the Company, all of which was fully paid up, was as follows:

	<i>Number</i>	<i>Amount</i>
Ordinary Shares	19,414,731	£194,147.31

- 2.6 The issued share capital of the Company, all of which will be fully paid up on or before Admission, as it is expected to be immediately following Admission is as follows:

	<i>Number</i>	<i>Amount</i>
Ordinary Shares	28,823,821	£288,238.21

2.7 Details of the total number of options (all granted for nil consideration) under the Share Option Schemes outstanding as at 7 October 2013 (being the latest practicable date prior to the publication of this document) are as follows:

<i>Share Option Scheme</i>	<i>Date of grant</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
2005 EMI Scheme	31 July 2011	100,000	12.5	30 July 2012 – 30 July 2014
2012 EMI Scheme	30 July 2012	1,075,000	13.0	31 July 2015 – 31 July 2022
Unapproved Scheme	30 July 2012	150,000	13.0	31 July 2015 – 31 July 2022
2012 EMI Scheme	25 April 2013	400,000	19.5	24 April 2016 – 24 April 2023
2012 EMI Scheme	25 July 2013	200,000	17.0	24 July 2016 – 24 July 2023
Total		1,925,000		

2.8 Pursuant to the Act (and the regulations made thereunder) and to a special resolution of the Company dated 29 July 2010 the limit on the maximum amount of shares that may be allotted by the Company was removed.

2.9 At the General Meeting, Shareholders will be asked to pass an ordinary resolution of the Company, authorising the Directors pursuant to section 551 of the Act to allot shares and grant rights to subscribe for or to convert any security into shares (such shares and rights to subscribe for or to convert any security into shares being "**relevant securities**") up to an aggregate nominal amount of £189,210 such authority to be limited to the allotment of:

- (a) 9,409,090 Ordinary Shares pursuant to the Fundraising;
- (b) relevant securities other than pursuant to sub-paragraph (a) above, having an aggregate nominal value equal to £95,119,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 18 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of relevant securities after the expiry of such period.

2.10 At the General Meeting, Shareholders will be asked to pass a special resolution of the Company empowering the Directors pursuant to section 570(1) of the Act, to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by paragraph 2.9 above, as if the provisions of section 561 of the Act did not apply to such allotment provided that this power is limited to:

- (a) the allotment of equity securities which fall within sub-paragraph (a) of paragraph 2.9 above; and
- (b) the allotment (other than pursuant to the power referred to in sub-paragraph (a) above) of equity securities up to an aggregate nominal value equal to £72,060,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 18 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of equity securities after the expiry of such period.

2.11 The provisions of section 561 of the Act (to the extent not disapplied pursuant to section 570 of the Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash and apply to the authorised but unissued equity share capital of the Company. These provisions will be disapplied to the extent referred to in paragraph 2.10 above.

2.12 Save as set out in this paragraph 2:

- (a) no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

- (b) there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
 - (c) there are no outstanding convertible securities issued by the Company; and
 - (d) no share capital or loan capital of the Company or any of its subsidiaries (other than intra-group issues by wholly-owned subsidiaries) is in issue and no such issue is proposed.
- 2.13 None of the Ordinary Shares has been sold or made available to the public in conjunction with the application for Admission.
- 2.14 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.
- 2.15 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by. The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00B0PIRP10.
- 2.16 The Issue Price of 22 pence per Ordinary Share represents a premium of 21 pence over the nominal value of one pence per Ordinary Share and is payable in full on Admission under the terms of the Placing Agreement and the Subscription Agreements.

3. Subsidiary undertakings

- 3.1 The Company is the holding company of the Group.

The Company currently has the following significant subsidiaries:

<i>Name</i>	<i>Registration number</i>	<i>Status</i>	<i>Place of incorporation</i>	<i>Percentage of voting share capital held</i>
Trakm8 Limited	04415597	Active	England & Wales	100
Trakm8 s.r.o.	256 76 105 27	Active	Czech Republic	100

- 3.2 Immediately following Admission, the Company will have in addition to the significant subsidiaries listed in paragraph 3.1 above, the following subsidiary:

<i>Name</i>	<i>Registration number</i>	<i>Status</i>	<i>Place of incorporation</i>	<i>Percentage of voting share capital held</i>
BOX Telematics Limited	03947199	Active	England & Wales	100

4. Summary of the Articles of Association of the Company

The Articles, which were adopted by a special resolution of the Company passed on 29 July 2010, contain, *inter alia*, provisions to the following effect:

- (a) *Objects*

The Company has passed a resolution to remove the objects previously set out its memorandum of association which would otherwise be deemed to form part of the Articles pursuant to section 28 of the Act. Accordingly, there are no restrictions on the objects of the Company.

(b) *Rights attaching to Ordinary Shares*

(i) *Voting rights*

Subject to the provisions of the Act and the Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one member has one vote and a proxy appointed by more than one member has one vote, if instructed to vote in the same way by all those members, and is entitled to one vote for and one vote against, if instructed to vote in different ways by those members. On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder. A member of the Company shall not be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid.

(ii) *Dividends*

Subject to the provisions of the Act and of the Articles and to any special rights attaching to any shares, the Company may, by ordinary resolution, declare that out of profits available for distribution dividends be paid to members of the Company according to their respective rights and interests in the profits of the Company. However, no such dividend shall exceed the amount recommended by the Board. Interim dividends may be paid provided that they appear to the Board to be justified by the profits available for distribution and the position of the Company.

Except as otherwise provided by the Articles or by the rights attached to shares, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid shares or debentures of any other company.

The Board may, with the prior authority of an ordinary resolution of the Company and provided the Company has sufficient undistributed profits or reserves to give effect to it, offer the holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid in whole or in part instead of cash in respect of the whole or some part of any dividend specified in the resolution.

Any dividend unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

(iii) *Return of capital*

On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares or the liquidator may, with the sanction of a special resolution of the Company (and any other sanction required by law), divide amongst the members in specie the whole or any part of the assets of the Company in such manner as shall be determined by the liquidator.

(c) *Transfer of shares*

Save in the case of shares which have become participating securities for the purposes of the CREST Regulations, title to which may be transferred by means of a relevant system such as CREST without

a written instrument, all transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

- (i) in respect of a share which is fully paid up;
- (ii) in respect of a share on which the Company has no lien;
- (iii) in respect of only one class of shares;
- (iv) in favour of a single transferee or not more than four joint transferees;
- (v) duly stamped (if so required); and
- (vi) delivered for registration to the registered office of the Company (or such other place as the Board may from time to time determine) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board may not exercise such discretion in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

The Board shall register a transfer of title to any uncertificated share, except the Board may refuse (subject to any relevant requirements of the London Stock Exchange) to register the transfer of an uncertificated share which is in favour of more than four persons jointly or in any other circumstances permitted by the CREST Regulations.

If the Board refuses to register a transfer of a share it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for refusal.

(d) *Disclosure of interests in shares*

The provisions of rule 5 of the Disclosure and Transparency Rules govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. Inter alia, this requires a person who is interested in 3 per cent. or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent. or more). In addition, the City Code contains further provisions pursuant to which a person may be required to disclose his interests in the share capital of the Company.

Pursuant to the Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "**default shares**") to give the Company the information thereby required within the prescribed period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may, at least 14 days after service of the notice, serve on the holder of such default shares a notice ("**disenfranchisement notice**") pursuant to which the following sanctions shall apply:

- (i) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) where the default shares represent at least 0.25 per cent. in nominal value of their class:
 - (A) any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and

- (B) subject, in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
- the member is not himself in default as regards supplying the information required; and
 - the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

(e) *Purchase of own shares*

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

(f) *Variation of rights*

Subject to the provisions of the Act and of the Articles, if at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any share or class of share in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held as provided in the Articles (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation.

The quorum for such separate general meeting of the holders of the shares of the class shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question.

(g) *General meetings*

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine. The Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members in accordance with the Act.

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- in the case of an annual general meeting, at least 21 clear days; and
- in any other case, at least 14 clear days.

The accidental omission to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person(s) entitled to receive the same shall not invalidate the proceeding at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to

place as he shall determine. The chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 30 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

(h) *Board authorisation of conflicts*

Subject to and in accordance with the Act and the provisions of the Articles, the Board may authorise any matter or situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation shall be effective only if:

- (i) any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director;
- (ii) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director; and
- (iii) the conflicted Director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the matter or situation which is the subject of the conflict or possible conflict.

(i) *Directors' interests*

Provided permitted by any relevant legislation and provided that he has disclosed to the Board the nature and extent of his interest in accordance with the Articles, a Director, notwithstanding his office:

- (i) may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (ii) may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;
- (iii) may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (iv) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit.

(j) *Directors' ability to vote and count for quorum*

A Director shall not vote on or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, save that a Director shall be entitled to vote and be counted in the quorum in respect of any resolution at such meeting if the resolution relates to one of the following matters:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;

- (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing 1 per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

A Director may not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment as the holder of any office or position of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more Directors to offices or position of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

(k) *Directors*

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £200,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (save where any Director has held office for less than the whole of the relevant period in respect of which the fees are paid).

Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director (including going or residing abroad in connection with the conduct of any of the affairs of the Company), may be paid such extra remuneration by way of lump sum, salary, commission, percentage of profits, or otherwise as the Directors may determine.

(l) *Pensions and benefits*

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or who has at any time been a Director or any director of a subsidiary company of the Company or allied to or associated with the Company or such subsidiary or predecessor in business of the Company or any such subsidiary (and for any member of his family including a spouse or former spouse or civil partner or former civil partner or any person who is or was dependent on him). For this purpose the Board may, *inter alia*, establish, maintain, subscribe and contribute to any scheme, institution, club, trust or fund and pay premiums.

(m) *Indemnification of Directors*

Subject to, and to the fullest extent permitted by, law, every Director and every director of any associated company, former Director, alternate Director secretary or other officer of the Company (other than an auditor) shall be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him in relation to anything done, omitted or alleged to have been done by him in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the Articles.

(n) *Borrowing powers*

Subject to the provisions of the Act and to the provisions set out in the Articles, the Board may exercise all the powers of the Company to borrow money to guarantee, to indemnify and to mortgage or charge its undertaking, property assets (present or future) and uncalled capital, or any part or parts thereof, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

5. Directors and employees

5.1 The Directors and each of their respective functions are set out in Part I of this document.

5.2 The business address of the Directors is Lydden House, Wincombe Business Park, Shaftesbury, Dorset SP7 9QJ.

5.3 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member in addition to their directorships of the Company and its subsidiary undertakings are set out below:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Madeline Cowley	–	–
Timothy Cowley	–	–
Keith Evans	Markpro Ltd EVANS7 Limited	Price Waterhouse Coopers LLP
James Hedges	Miljam Properties (Kennington) Ltd	–
John Watkins	Kidd Farm Machinery Ltd Cranstead Mill Ltd	AutoDiagnos Limited Crypton Limited Dieseltune Technology Limited Equiptech Limited Mechtric Engineering Limited P-TEC Automotive Limited Omitec Group Limited Omitec Limited Omitec Information Services Limited Omitec Trustees Limited Omitec Instrumentation Limited
Paul Wilson	–	Gemco Service (MSI)

5.4 James Hedges was a director of Treble Quote Job Limited (company number 02242031, and known as William Sheppee Limited at the time of Mr Hedges' appointment) between 16 September 1998 and 27 January 2003. Treble Quote Job Limited was placed into an administrative receivership on 15 July 2003.

5.5 John Watkins was a director of Solvera plc between 4 June 1996 and 12 March 1998. Solvera plc went into administration on 5 February 1999.

5.6 Save as disclosed in paragraphs 5.4 and 5.5 above, as at the date of this document none of the Directors named in this document:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or has entered into an individual voluntary arrangement;
- (c) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (d) was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (e) has had his assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or
- (f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

5.7 Details of the number of the Group's employees for each of the three financial years ended 31 March 2013 are as follows:

<i>Financial year ended</i>	<i>Average number of employees</i>
31 March 2013	53
31 March 2012	45
31 March 2011	31

5.8 As at 7 October 2013, the employees of the Group were employed as follows:

Office and management	10
Technical	22
Sales and marketing	27
Total	59

5.9 Details of the number of BOX's employees for each of the three financial years ended 31 December 2012 are as follows:

<i>Financial year ended</i>	<i>Average number of employees</i>
31 December 2012	83
31 December 2011	83
31 December 2010	99

5.10 As at 7 October 2013, the employees of BOX were employed as follows:

Office and management	11
Data collection and service	11
Manufacturing	58
Total	80

6. Directors' and other interests

6.1 The interests of the Directors, their immediate families and any persons connected with them (within the meaning of section 252 of the Act) (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

<i>Director</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage</i>	<i>Number of Ordinary Shares</i>	<i>Percentage</i>
		<i>of issued Ordinary Shares</i>		<i>of issued Ordinary Shares</i>
Madeline Cowley	1,269,203	6.54	1,541,930	5.35
Timothy Cowley	1,534,002	7.90	1,897,638	6.58
Keith Evans	–	–	–	–
James Hedges	1,470,808	7.58	2,152,626	7.47
John Watkins	4,581,162	23.60	6,399,344	22.20
Paul Wilson	555,512	2.86	691,876	2.40

- 6.2 Details of the total number of options granted to the Directors under the Share Option Schemes outstanding as at 7 October 2013 (being the latest practicable date prior to the publication of this document) are as follows:

EMI Schemes:

<i>Name</i>		<i>Date of grant</i>	<i>Exercise price per Ordinary Share (p)</i>	<i>Number of Ordinary Shares under Option</i>	<i>Exercise period</i>
Madeline Cowley	2012 EMI Scheme	30 July 2012	13	150,000	31 July 2015 – 31 July 2022
Timothy Cowley	2012 EMI Scheme	30 July 2012	13	150,000	31 July 2015 – 31 July 2022
James Hedges	2012 EMI Scheme	30 July 2012	13	200,000	31 July 2015 – 31 July 2022
John Watkins	2012 EMI Scheme	30 July 2012	13	275,000	31 July 2015 – 31 July 2022
Paul Wilson	2012 EMI Scheme	30 July 2012	13	150,000	31 July 2015 – 31 July 2022

- 6.3 Save as disclosed above, none of the Directors nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.
- 6.4 In addition to the interests of the Directors set out in paragraphs 6.1 to 6.3 above, as at the date of this document, insofar as is known to the Company, the following persons are, or will at Admission be, interested in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage</i>	<i>Number of Ordinary Shares</i>	<i>Percentage</i>
		<i>of issued Ordinary Shares</i>		<i>of issued Ordinary Shares</i>
Edric Property & Investment Company	2,244,252	11.56	3,380,616	11.72
Hargreave Hale Limited	–	–	2,199,999	7.63
Miton Capital Partners LTD	–	–	1,181,819	4.10
Barclayshare Nominees	778,790	4.01	778,790	2.70
Dawson Buck	641,994	3.31	641,994	2.23
HSDL Nominees Limited	624,152	3.21	624,152	2.17
L R Nominees Limited	579,168	2.98	579,168	2.01

- 6.5 Save as disclosed above, there are no persons, so far as the Company is aware, who are or will be immediately following Admission interested in 3 per cent. or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 6.6 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.
- 6.7 The Company's share capital consists of one class of ordinary shares with equal voting rights (subject to the Articles). No major Shareholder of the Company has any different voting rights from the other Shareholders.
- 6.8 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company or the Group during the current or immediately preceding financial year or which were effected during any earlier financial year and remain in any respect outstanding or unperformed.
- 6.9 There are no outstanding loans or guarantees provided by the Company or the Group or to or for the benefit of any of the Directors.
- 6.10 Save as disclosed in the notes to the published Annual Report and Accounts of Trakm8 Holdings plc for part of the financial year ended 31 March 2013, 31 March 2012 and 31 March 2011 which, pursuant to Rule 28 of the AIM Rules for Companies, is incorporated into Part III of this document by reference, there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002 that the Company has entered into since 1 April 2010.
- 6.11 Save as disclosed below there are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties he or she may have.
- 6.12 No Director nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

7. Directors' remuneration and service agreements

- 7.1 John Watkins was appointed as a Director on 29 January 2007 and is employed as executive chairman pursuant to the terms of a service agreement with the Company dated 1 July 2012. The agreement is terminable by either party on not less than six (6) months' written notice. For the financial year ending 31 March 2013, Mr Watkins was paid a basic annual salary of £101,656 and is entitled to participate in the Group's profit sharing bonus scheme in the event that the Group achieves certain performance objectives. His basic salary and bonus are subject to annual review by the Remuneration Committee. Mr Watkins is also entitled to a company car, which for the financial year ending 31 March 2013 had a benefits-in-kind value of £11,047. Mr Watkins is subject to certain non-competition and non-solicitation covenants for a period of six (6) months' following the termination of his employment. The agreement is governed by English law.
- 7.2 James Hedges was appointed as a Director on 25 September 2008 and is employed as finance director pursuant to the terms of a service agreement with the Company dated 25 September 2008. The agreement is terminable by either party on not less than six (6) months' written notice. For the financial year ending 31 March 2013, Mr Hedges was paid a basic annual salary of £82,106 and is entitled to participate in the Group's profit sharing bonus scheme in the event that the Group achieves certain performance objectives. His basic salary and bonus are subject to annual review by the Remuneration Committee. Mr Hedges is also entitled to a company car, which for the financial year ending 31 March 2013 had a benefits-in-kind value of £5,770. Mr Hedges is subject to certain non-competition and non-solicitation covenants for a period of six (6) months' following the termination of his employment. The agreement is governed by English law.

- 7.3 Timothy Cowley was appointed as a Director on 20 October 2005 and is employed as engineering director pursuant to the terms of a service agreement with the Company dated 26 May 2006. The agreement is terminable by either party on not less than six (6) months' written notice. For the financial year ending 31 March 2013, Mr Cowley was paid a basic annual salary of £82,106 and is entitled to participate in the Group's profit sharing bonus scheme in the event that the Group achieves certain performance objectives. His basic salary and bonus are subject to annual review by the Remuneration Committee. Mr Cowley is also entitled to a company car, which for the financial year ending 31 March 2013 had a benefits-in-kind value of £5,581. Mr Cowley is subject to certain non-competition and non-solicitation covenants for a period of six (6) months' following the termination of his employment. The agreement is governed by English law.
- 7.4 Paul Wilson was appointed as a Director on 29 June 2010 and is employed as sales director pursuant to the terms of a service agreement with the Company dated 23 February 2009. The agreement is terminable by either party on not less than three (3) months' written notice. For the financial year ending 31 March 2013, Mr Wilson was paid a basic annual salary of £75,338 and is entitled to participate in the Group's profit sharing bonus scheme in the event that the Group achieves certain performance objectives. His basic salary and bonus are subject to annual review by the Remuneration Committee. Mr Wilson is also entitled to a company car and a fuel allowance, which for the financial year ending 31 March 2013 had a benefits-in-kind value of £9,429. Mr Wilson is subject to certain non-competition and non-solicitation covenants for a period of six (6) months' following the termination of his employment. The agreement is governed by English law.
- 7.5 Madeline Cowley was appointed as a Director on 20 October 2005 and is employed as chief technical director pursuant to the terms of a service agreement with the Company dated 24 November 2005. The agreement is terminable by either party on not less than six (6) months' written notice. For the financial year ending 31 March 2013, Madeline Cowley was paid a basic annual salary of £78,925 and is entitled to participate in the Group's profit sharing bonus scheme in the event that the Group achieves certain performance objectives. Her basic salary and bonus are subject to annual review by the Remuneration Committee. Madeline Cowley is also entitled to a company car, which for the financial year ending 31 March 2013 had a benefits-in-kind value of £5,581. Madeline Cowley is subject to certain non-competition and non-solicitation covenants for a period of six (6) months' following the termination of her employment. The agreement is governed by English law.
- 7.6 Keith Evans was appointed as a Non-executive Director on 1 July 2013 pursuant to the terms of a letter of engagement with the Company dated 1 July 2013. Mr Evans has agreed to serve as a Non-executive Director for an annual fee of £25,000 (exclusive of VAT). This appointment is for a fixed term of one year and is terminable by either party on not less than (3) months' notice but will terminate automatically if Mr Evans is removed from office by a resolution of the Shareholders or is not re-elected to office.
- 7.7 Save as disclosed in this document there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company or the Group.
- 7.8 In the financial year ended 31 March 2013 (being the last completed financial year of the Company) the aggregate remuneration paid, including pension contributions and benefits in kind granted to the Directors, was £518,468.
- 7.9 On the basis of the arrangements in force at the date of this document it is estimated that the aggregate remuneration payable including pension contributions and benefits in kind granted to the Directors for the year ending 31 March 2014 (being the current financial year of the Company) will be £560,000.

8. The Share Option Schemes

- 8.1 The following is a summary of the key features of the EMI Schemes:

(a) *Eligibility*

All employees, executive directors and non-executive directors of the Company and its subsidiaries, who spend at least 25 hours a week or, if less, at least 75 per cent. of their working time and who do not have a material interest (as defined in paragraphs 29 to 33 of Schedule 5

of the Income Tax Earnings and Pensions Act 2003 (“ITEPA”) in the Company or an employing subsidiary, are eligible to participate in the EMI Scheme.

(b) *Grant of Options*

Options may be granted by the board of directors or duly authorised committee during the period of 42 days commencing on the date of announcement of the Company’s results for the previous financial year or half-year or during the period of 14 days commencing on the date when the participant to whom Options are granted first becomes eligible to participate. Options may be granted at any other time if the directors consider the circumstances to be exceptional. If the Company is prohibited at any time from granting Options by statute, order, regulation or otherwise (including under the Model Code or any comparable code adopted by the Company), Options may be granted within the 42 day or 14 day period following the lifting of that restriction. No Options may be granted after the tenth anniversary of the date of adoption of the EMI Scheme.

(c) *Options personal to participant*

Options granted under the EMI Scheme are personal to a participant and, except on his death may not be transferred, charged or otherwise alienated and shall lapse immediately if the participant purports so to do.

(d) *Options not pensionable or remuneration*

Options granted under the EMI Scheme (or the benefit of Options) do not form part of the participants’ remuneration for pension or other purposes. Participation in the EMI Scheme does not give a participant the right to claim compensation if he ceases to be employed by a group company due to his dismissal.

The EMI Scheme does not form part of any contract of employment between any eligible employee and any group company and does not confer any legal or equitable rights (save as an option holder) on a participant against any group member and does not give rise to any claim or cause of action at common law under statute or in equity.

(e) *Performance targets*

When granting Options the board of directors may specify objective performance targets and further conditions to be satisfied before those Options can be exercised. Details of the performance targets and, if applicable, further conditions must be set out in the Option certificate at the date of grant.

The board of directors may, acting fairly and reasonably, if they consider it appropriate, vary the performance target or the further conditions, provided that such performance target remains objective and that the objective criteria against which the participant will be measured will be a fairer measure of performance or will afford a more effective incentive and will not be materially more difficult for the participant to satisfy than the original performance target was when first set.

(f) *Exercise price*

The exercise price shall be determined by the Board, in their absolute discretion, but shall be at least equivalent to the nominal value of an ordinary share in the capital of the Company.

(g) *Individual limits*

No Option may be granted to a participant which would result in the aggregate market value of ordinary shares comprised in all qualifying EMI options and HMRC approved CSOP options granted to the participant exceeding the limit specified in Schedule 5 to ITEPA. (This limit is currently £250,000, measured at the date of grant of each unexercised Option).

Where a participant has already been granted EMI options or CSOP options by the Company or by any other member of the Company's group in respect of ordinary shares with an aggregate market value measured at the date of grant of those options of £250,000, any further Option granted within 3 years of the date of grant of the most recently granted EMI option or CSOP option will be an unapproved option. Options that have been exercised, renounced, lapsed or which have otherwise become incapable of exercise are taken into account for the purposes of this calculation.

(h) *Exercise, lapse and exchange of Options*

Options may normally be exercised in whole or in part during the period between the date set out in a participant's Option certificate and the tenth anniversary of grant, provided any performance targets specified at the date of grant have been achieved. Following a participant's death or if the participant's employment ceases in certain specified circumstances listed below, the board has discretion to waive the requirement that performance targets are satisfied before the Option can be exercised.

Options lapse automatically on the tenth anniversary of the date of grant.

Options are satisfied by the allotment and issue of ordinary shares.

Options normally lapse on cessation of employment save that at the discretion of the board of the directors or remuneration committee a participant may exercise all or any of their Options during the period of six months after they cease, provided that no Options may be exercised after the tenth anniversary of grant. . However, following cessation of employment for specified "good leaver" reasons, including injury, disability, redundancy, retirement or the participant's employer no longer remaining a member of the same group of companies as the Company, exercise is permitted during the period of 6 months from the date of cessation.

In the event of a takeover, reconstruction or liquidation of the Company, the Board may in its absolute discretion, by notice in writing to all participants, declare all outstanding Options exercisable during the period specified by the board and to the extent that the Options are not so exercised during that period, they shall lapse immediately.

If a notice is given for the voluntary winding-up of the Company an Option may be exercised within 40 days from the date of the resolution.

There are also provisions for the exchange of Options in specified circumstances.

(i) *Limits on the issue of shares*

The maximum number of new ordinary shares in respect of which Options may be granted under the EMI Scheme and any other share incentive arrangement operated by the Company, when added to the number of ordinary shares placed under Option in the preceding ten years, shall not exceed 10 per cent. of the Company's issued share capital.

Options or other rights to acquire ordinary shares which lapse or have been released or were granted prior to admission of the Company's shares to trading on AIM, and Options which were granted prior to the date when the ordinary shares under option were first admitted, do not count towards this limit.

(j) *Adjustments*

The number of ordinary shares comprised in an outstanding Option and/or the exercise price and the number of ordinary shares in respect of which any Option is capable of being exercised in any period may be varied or adjusted by the board in such manner as the auditors confirm in writing as being fair and reasonable, if any capitalisation issue, rights issue or any sub-division, reduction or consolidation of the Company's share capital occurs.

(k) *Rights attaching to Ordinary Shares*

All ordinary shares allotted under the EMI Scheme will rank *pari passu* with all other ordinary shares in issue, save that they will not rank for any dividend or other distribution of any kind of the Company declared, made or paid on or by reference to a date prior to the date of exercise.

If at the date of exercise the ordinary shares are admitted to trading on AIM the Company will apply to the UK Listing Authority for admission to AIM (as the case may be) of all ordinary shares allotted pursuant to an Option as soon as reasonably practicable following allotment.

(l) *Amendments*

The Board may at any time amend the EMI Scheme provided that prior sanction of an ordinary resolution of the Company in a general meeting is obtained for amendments where the amendment extends the class of persons eligible for the grant of Options or alterations to the EMI Schemes to the advantage of participants.

No such amendment or alteration shall be made which would operate to affect materially any right already acquired by a participant unless the Board have invited every participant to give an indication as to whether or not they approve the alteration or addition and the alteration or addition is approved by a majority of those participants.

(m) *Administration*

The board is responsible for, and has conduct of the administration of the EMI Schemes. The board may terminate or from time to time suspend the grant of Options under the EMI Schemes, but the provisions of the EMI Schemes shall remain in force in relation to subsisting Options.

(n) *Income tax and national insurance*

Where a group company is liable to account to any revenue or other authority for any tax or social security liability, the Option may not be exercised, cancelled, waived, released or exchanged unless the participant has made such reasonable arrangements in advance as the board requires to meet the cost of any such liabilities. Reasonable arrangements include making a cash payment to the appropriate group company, appointing the Company as agent or attorney for the sale of sufficient shares to cover the liabilities and/or entering into a joint National Insurance contributions election whereby the group member's liability to pay employer's secondary Class 1 National Insurance contributions is transferred to the participant on terms set out in the election and approved by HMRC.

8.2 The following is a summary of the key features of the Unapproved Scheme:

(a) *Eligibility*

All executive directors and non-executive directors of the Company and its subsidiaries are eligible to participate in the Unapproved Scheme.

(b) *Grant of Options*

Options may be granted by the board of directors or duly authorised committee during the period of 42 days commencing on the date of announcement of the Company's results for the previous financial year or half-year or during the period of 14 days commencing on the date when the participant to whom Options are granted first becomes eligible to participate. Options may be granted at any other time if the directors consider the circumstances to be exceptional. If the Company is prohibited at any time from granting Options by statute, order, regulation or otherwise (including under the Model Code or any comparable code adopted by the Company), Options may be granted within the 42 day or 14 day period following the lifting of that restriction. No Options may be granted after the tenth anniversary of the date of adoption of the Unapproved Scheme.

(c) *Options personal to participant*

Options granted under the Unapproved Scheme are personal to a participant and, except on his death may not be transferred, charged or otherwise alienated and shall lapse immediately if the participant purports so to do.

(d) *Options not pensionable or remuneration*

Options granted under the Unapproved Scheme (or the benefit of Options) do not form part of the participants' remuneration for pension or other purposes. Participation in the Unapproved Scheme does not give a participant the right to claim compensation if he ceases to be employed by a group company due to his dismissal.

The Unapproved Scheme does not form part of any contract of employment between any eligible employee and any group company and does not confer any legal or equitable rights (save as an option holder) on a participant against any group member and does not give rise to any claim or cause of action at common law under statute or in equity.

(e) *Performance targets*

When granting Options the board of directors may specify objective performance targets and further conditions to be satisfied before those Options can be exercised. Details of the performance targets and, if applicable, further conditions must be set out in the Option certificate at the date of grant.

The board of directors may, acting fairly and reasonably, if they consider it appropriate, vary the performance target or the further conditions, provided that such performance target remains objective and that the objective criteria against which the participant will be measured will be a fairer measure of performance or will afford a more effective incentive and will not be materially more difficult for the participant to satisfy than the original performance target was when first set.

(f) *Exercise price*

The exercise price shall be determined by the Board, in their absolute discretion, but shall be at least equivalent to the nominal value of an ordinary share in the capital of the Company.

(g) *Exercise, lapse and exchange of Options*

Options may normally be exercised in whole or in part during the period between the date set out in a participant's Option certificate and the tenth anniversary of grant, provided any performance targets specified at the date of grant have been achieved. Following a participant's death or if the participant's employment ceases in certain specified circumstances listed below, the board has discretion to waive the requirement that performance targets are satisfied before the Option can be exercised.

Options lapse automatically on the tenth anniversary of the date of grant.

Options are satisfied by the allotment and issue of ordinary shares.

Options normally lapse on cessation of employment save that at the discretion of the board of the directors or remuneration committee a participant may exercise all or any of their Options during the period of six months after they cease, provided that no Options may be exercised after the tenth anniversary of grant. However, following cessation of employment for specified "good leaver" reasons, including injury, disability, redundancy, retirement or the participant's employer no longer remaining a member of the same group of companies as the Company, exercise is permitted during the period of 6 months from the date of cessation.

In the event of a takeover, reconstruction or liquidation of the Company, the Board may in its absolute discretion, by notice in writing to all participants, declare all outstanding Options exercisable during the period specified by the board and to the extent that the Options are not so exercised during that period, they shall lapse immediately.

If a notice is given for the voluntary winding-up of the Company an Option may be exercised within 40 days from the date of the resolution.

There are also provisions for the exchange of Options in specified circumstances.

(h) *Limits on the issue of shares*

The maximum number of new ordinary shares in respect of which Options may be granted under the Unapproved Scheme and any other share incentive arrangement operated by the Company, when added to the number of ordinary shares placed under Option in the preceding ten years, shall not exceed 10 per cent. of the Company's issued share capital.

Options or other rights to acquire ordinary shares which lapse or have been released or were granted prior to admission of the Company's shares to trading on AIM, and Options which were granted prior to the date when the ordinary shares under option were first admitted, do not count towards this limit.

(i) *Adjustments*

The number of ordinary shares comprised in an outstanding Option and/or the exercise price and the number of ordinary shares in respect of which any Option is capable of being exercised in any period may be varied or adjusted by the board in such manner as the auditors confirm in writing as being fair and reasonable, if any capitalisation issue, rights issue or any sub-division, reduction or consolidation of the Company's share capital occurs.

(j) *Rights attaching to Ordinary Shares*

All ordinary shares allotted under the Unapproved Scheme will rank *pari passu* with all other ordinary shares in issue, save that they will not rank for any dividend or other distribution of any kind of the Company declared, made or paid on or by reference to a date prior to the date of exercise.

If at the date of exercise the ordinary shares are admitted to trading on AIM the Company will apply to the UK Listing Authority for admission to AIM (as the case may be) of all ordinary shares allotted pursuant to an Option as soon as reasonably practicable following allotment.

(k) *Amendments*

The Board may at any time amend the Unapproved Scheme provided that prior sanction of an ordinary resolution of the Company in a general meeting is obtained for amendments where the amendment extends the class of persons eligible for the grant of Options or alterations to the Unapproved Scheme to the advantage of participants.

No such amendment or alteration shall be made which would operate to affect materially any right already acquired by a participant unless the Board have invited every participant to give an indication as to whether or not they approve the alteration or addition and the alteration or addition is approved by a majority of those participants.

(l) *Administration*

The board is responsible for, and has conduct of the administration of the Unapproved Scheme. The board may terminate or from time to time suspend the grant of Options under the Unapproved Scheme, but the provisions of the Unapproved Scheme shall remain in force in relation to subsisting Options.

(m) *Income tax and national insurance*

Where a group company is liable to account to any revenue or other authority for any tax or social security liability, the Option may not be exercised, cancelled, waived, released or exchanged unless the participant has made such reasonable arrangements in advance as the board requires to meet the cost of any such liabilities. Reasonable arrangements include making a cash payment to the appropriate group company, appointing the Company as agent

or attorney for the sale of sufficient shares to cover the liabilities and/or entering into a joint National Insurance contributions election whereby the group member's liability to pay employer's secondary Class 1 National Insurance contributions is transferred to the participant on terms set out in the election and approved by HMRC.

9. Taxation

The following statements are intended only as a general guide current as at 7 October 2013 (being the latest practicable date prior to publication of this document) to United Kingdom tax legislation and to the current practice of the HMRC and do not constitute tax advice. They may not apply to certain categories of shareholder, such as dealers in securities. Levels and bases of taxation are subject to change. Any person who is in any doubt as to his tax position or who is resident for tax purposes outside the United Kingdom is strongly recommended to consult his professional advisers immediately.

9.1 *Stamp Duty and Stamp Duty Reserve Tax*

Save in relation to non EU depository receipt arrangements or clearance services, where special rules apply, no charge to stamp duty or stamp duty reserve tax ("**SDRT**") should arise on the issue of new Ordinary Shares pursuant to the Fundraising or on their registration in the names of applicants.

A subsequent transfer on the sale of Ordinary Shares held in certificated form will ordinarily be subject to stamp duty on the instrument of transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration.

Paperless transfers of shares within CREST will be liable to SDRT rather than stamp duty (generally at a rate of 0.5 per cent.) and SDRT on the relevant transactions settled in CREST or reported through CREST for regulatory purposes will generally be settled by CREST.

Special rules apply to market intermediaries, dealers and certain other persons and professional advice should be sought if these rules apply.

9.2 *Dividends*

The United Kingdom taxation implications relevant to the receipt of dividends on the new Ordinary Shares are as follows:

There is no United Kingdom withholding tax on dividends. Individual holders of new Ordinary Shares will be taxable on the total of the dividend and the related notional tax credit ("**gross dividend**"), which will be regarded as the top slice of the individual's income.

The notional tax credit on dividends is one-ninth of the dividend paid (or 10 per cent. of the aggregate of the dividend and the tax credit). For individuals, the income tax rates on dividend income are such that basic rate taxpayers will have no further tax liability on a dividend receipt. Individuals who pay tax at the higher rate of 40 per cent. will pay tax on dividends at 32.5 per cent. so that a higher rate taxpayer receiving a dividend of £90 will be treated as having gross income of £100 (the net dividend of £90 plus a tax credit of £10) and after allowing for the tax credit of £10 will have a further £22.50 liability. An individual who receives a dividend falling above the threshold for higher rate tax will be subject to tax on the gross dividend exceeding the threshold at the rate of 37.5 per cent.

Generally, holders of new Ordinary Shares will not be entitled to reclaim the tax credit attaching to any dividends paid.

A holder of new Ordinary Shares which is a company resident for tax purposes in the United Kingdom will have to pay corporation tax in respect of any dividends it receives from another company resident for tax purposes in the United Kingdom, unless the dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular UK resident company shareholder, although it is expected that the dividends paid would normally be exempt.

Shareholders resident for tax purposes outside the UK may be subject to foreign taxation on dividends received on their new Ordinary Shares or in respect of other transactions relating to the shares under the tax law of their country of residence. Such shareholders will not be subject to any further UK tax on their dividends where they have no other sources of income from the UK and do not have a UK representative or, in the case of trustees, there are no UK resident beneficiaries of the trust. Entitlement to claim tax relief on the notional tax credit, however, will depend, in general, on the existence and terms of any double tax convention between the United Kingdom and the country in which the holder is resident and local tax law. Non-UK resident shareholders should consult their own tax advisers as soon as possible concerning their tax liability on dividends received; what relief, credit or entitlement to any tax credit may be available in the jurisdiction in which they are resident for tax purposes; or other taxation consequences arising from their ownership of the new Ordinary Shares.

9.3 *Disposal of shares acquired under the Fundraising*

A Shareholder who is an individual resident or ordinarily resident for tax purposes in the UK who sells or otherwise disposes of his Ordinary Shares may, depending on the circumstances, incur a liability to UK tax on any capital gain realised. Capital gains tax is charged at a rate of 28 per cent. where income and gains exceed the threshold for higher rate tax, and 18 per cent. if income and gains are below this level.

Corporate shareholders within the charge to UK corporation tax may be liable to corporation tax on any chargeable gains realised on the disposal of Ordinary Shares but will generally be entitled to indexation allowance in respect of these Ordinary Shares up until the date of disposal. Certain reliefs are available to Corporate shareholders that could exempt gains where they have substantial shareholdings and other conditions are met. Such shareholders should seek further advice to determine their eligibility.

A Shareholder who is not resident or ordinarily resident for tax purposes in the UK will not normally be liable for UK tax on capital gains realised on the disposal of his Ordinary Shares unless at the time of the disposal such Shareholder carries on a trade (which for this purpose includes a profession or vocation) in the UK through a permanent establishment and such Ordinary Shares are to have been used, held or acquired for the purposes of such UK permanent establishment. A shareholder who is an individual and who has, on or after 17 March 1998, ceased to be resident and ordinarily resident for tax purposes in the UK for a period of less than five years of assessment and who disposes of Ordinary Shares during that period may be or become liable to UK taxation of chargeable gains (subject to any available exemption or relief).

9.4 *Enterprise Investment Scheme*

The Directors have been advised that a subscription for shares in the Company by an individual investor who is a UK taxpayer may, subject to his or her personal circumstances, qualify for relief under the Enterprise Investment Scheme (“**EIS**”). On the basis of the information provided to date, HMRC has given provisional confirmation that the Company is a qualifying company under the EIS legislation.

9.5 *Venture Capital Trusts*

The Directors have been advised that the subscription for shares in the Company may be a qualifying holding for a Venture Capital Trust (“**VCT**”). On the basis of the information provided to date, HMRC has given provisional confirmation that the Company satisfies the requirements of the VCT legislation and will as a result, be a qualifying investment for a VCT.

9.6 *Tax reliefs*

Entrepreneurs’ Relief may be available to reduce the capital gain liable to tax on a disposal of Ordinary Shares by a shareholder who is an officer or employee of the Company and who meets certain other conditions, including holding at least 5 per cent. of the ordinary share capital and voting power of the Company. A holding in the shares of the Company may qualify for other reliefs such as capital gains tax gift relief and inheritance tax business property relief. However, individuals should seek confirmation as to whether any relief is available in their own particular circumstances at the relevant time.

Persons who are not resident in the United Kingdom should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

These comments are intended only as a general guide to the current tax position in the United Kingdom as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of a financial trade and that any dividends paid are not foreign income dividends. If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

10. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group (i) within the period of two years immediately preceding the date of this document and which are, or may be, material or (ii) which contain any provision under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

- (a) A placing agreement dated 7 October 2013 and made between (1) the Company (2) the Directors and (3) finnCap pursuant to which finnCap has agreed, subject to certain conditions, to act as agent for the Company and to use its reasonable endeavours to procure placees to subscribe for the Placing Shares at the Issue Price.

The Placing Agreement is conditional upon, *inter alia*, the completion of the Acquisition Agreement (save for the condition relating to Admission) and Admission occurring on or before 8.00 a.m. on 25 October 2013 (or such later date as the Company and finnCap may agree, being not later than 8.00 a.m. on 30 November 2013). The Placing Agreement contains warranties from the Company and the Directors in favour of finnCap in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify finnCap in respect of certain liabilities it may incur in respect of the Placing. finnCap has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties or a force majeure event.

- (b) Subscription Agreements dated 7 October 2013 and made between (1) the Company (2) each Executive Director and two existing shareholders (together being the “**Subscribers**”), pursuant to which the Subscribers have each agreed to subscribe for a certain number of Subscription Shares at the Issue Price. The Subscription Agreements are conditional on the Placing Agreement becoming unconditional and not being terminated in accordance with its terms.

The Subscription Agreements are governed by English law and are subject to the exclusive jurisdiction of the courts of England and Wales.

- (c) Pursuant to the terms of the Acquisition Agreement, the Company has conditionally agreed to acquire from the Vendor the entire issued share capital of BOX for an aggregate base cash consideration of £3,500,000 which is subject to a working capital adjustment (by reference to a working capital target of £1,250,000) and net cash adjustments on determination of a final completion statement following Completion. The Company will also procure the repayment by BOX of a director’s loan of £750,000 within 3 business days following Admission.

£400,000 will also be retained until 30 June 2015 in a retention account to be set off against any warranty claims against the warrantors or any breaches of the Acquisition Agreement by the Vendor.

The Acquisition Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the General Meeting and the Placing Agreement becoming unconditional in all respects (save in relation to Admission).

The Acquisition Agreement contains certain warranties, undertakings, indemnities and restrictive covenants from the Vendor (being the estate of the late June Reynolds-Lacey) and David Reynolds-Lacey in his personal capacity as the sole beneficiary of the estate to the Company which are in a customary form for such a transaction. The aggregate liability of the Warrantors under the warranties shall not exceed £3,350,000 (as adjusted in relation to target working capital and net cash).

The Acquisition Agreement is governed by English law and is subject to the exclusive jurisdiction of the courts of England and Wales.

- (d) A facility agreement entered into on 7 October 2013 and made between, amongst others, (1) the Company (as borrower), (2) the Companies (as defined therein, as original guarantors) and (3) Clydesdale Bank plc (trading as Yorkshire Bank) (as lender), (the “**Facility Agreement**”) for the provision of a £2,500,000 sterling term loan facility to the Company for the purposes of financing the Acquisition and refinancing certain financial indebtedness of BOX.

The rate of interest payable on borrowings is the aggregate of the applicable margin (2.75 per cent. per annum) and LIBOR. An arrangement fee of £30,000 is payable under the terms of the Facility Agreement. The Facility Agreement contains certain customary representations, undertakings and events of default and is secured by cross guarantees and debentures granted by the Company and certain members of the Enlarged Group.

The Facility Agreement is for a term of three years from the date of the Facility Agreement and is governed by English law and is subject to the exclusive jurisdiction of the courts of England and Wales.

- (e) A nominated adviser and broker agreement dated 20 March 2012 and made between (1) the Company and (2) finnCap pursuant to which the Company has appointed finnCap to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The agreement contains certain undertakings, warranties and indemnities given by the Company to finnCap. The agreement is terminable upon not less than 90 days’ prior written notice by either the Company or finnCap.

11. Working capital

In the opinion of the Directors having made due and careful enquiry, taking into account the bank and other facilities available to the Enlarged Group and the net proceeds of the Fundraising, the working capital available to the Enlarged Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

12. Litigation

Neither the Group nor BOX is involved nor have they been involved in any governmental, legal or arbitration proceedings which may have or have had during the last 12 months preceding the date of this document, a significant effect on their financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Enlarged Group.

13. Significant change

There has been no significant change in the financial or trading position of the Company since 31 March 2013, being the end of the period to which the latest audited consolidated accounts of the Company relate.

There has been no significant change in the financial or trading position of BOX since 30 June 2013, being the end of the period to which the last unaudited interim accounts of BOX relate.

14. Consents

14.1 finnCap Ltd of 60 New Broad St, London EC2M 1JJ is authorised and regulated in the United Kingdom by the FCA. finnCap has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.

14.2 Crowe Clark Whitehall LLP, Chartered Accountants, have given and have not withdrawn their written consent to the issue of this document with the inclusion of their name and their report in Part IV of this document and the references to such report and their name, in the form and context in which they appear.

15. General

15.1 The proceeds of the Fundraising are expected to be approximately £1,717,000, net of expenses which are estimated at £353,000, excluding VAT, and are payable by the Company.

- 15.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- (a) fees totalling £10,000 or more;
 - (b) securities where these have a value of £10,000 or more calculated by reference to the Issue Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 15.3 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 15.4 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the activities of the Company or BOX.
- 15.5 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.
- 15.6 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects for the current financial year.
- 15.7 Save as disclosed in this document, there are no investments in progress by the Company or BOX and there are no future investments on which the Directors have already made firm commitments which are significant to the Enlarged Group.
- 15.8 Save as disclosed in this document, the Directors believe that the Enlarged Group is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Enlarged Group's business or profitability.
- 15.9 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the company within the preceding 12 months, for all of the remaining equity share capital of the company.
- 15.10 The Ordinary Shares will also be subject to the compulsory acquisition procedures set out in sections 979 to 991 of the Act. Under section 979 of the Act, where an offeror makes a takeover offer and has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. of the shares to which the offer relates and, in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares, that offeror is entitled to compulsorily acquire the shares of any holder who has not acquired the offer on the terms of the offer.
- 15.11 Since the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part 28 of the Act) for any Ordinary Shares.
- 15.12 The current accounting reference period of the Company will end on 31 March 2014.

15.13 The financial information concerning BOX Telematics Limited contained in Part IV of this document does not constitute statutory accounts within the meaning of section 434 of the Act.

15.14 The auditors for each of the three financial years ended 31 March 2011, 31 March 2012 and 31 March 2013 were Milsted Langdon LLP, Chartered Accountants and registered auditors, of the Company. A copy of the audited statutory accounts of the Company for each of the three financial years ended 31 March 2011, 31 March 2012 and 31 March 2013 has been delivered to the Registrar of Companies in England and Wales and are incorporated in this document by reference and are available on the Company's website: www.trakm8.com. The auditors' reports for each of the three financial years ended 31 March 2011, 31 March 2012 and 31 March 2013 under section 495 of the Act on those accounts were unqualified and did not contain any statement under section 498 of the Act.

16. Availability of this document

A copy of this document is available at the Company's website www.trakm8.com.

Dated 8 October 2013

PART VII

NOTICE OF GENERAL MEETING

Trakm8 Holdings plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05452547)

NOTICE IS HEREBY GIVEN THAT a general meeting of Trakm8 Holdings plc (the “Company”) will be held at the registered office of the Company at Lydden House, Wincombe Business Park, Shaftesbury, Dorset SP7 9QJ, at 9.30 a.m on 24 October 2013 the “General Meeting” to consider and, if thought fit, to pass the following resolutions of which resolutions 1 and 2 will be proposed as ordinary resolutions of the Company and resolution 3 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTIONS

1. THAT, the acquisition (the “Acquisition”) by the Company of the entire issued share capital of BOX Telematics Limited on the terms and subject to the conditions contained in the acquisition agreement (the “Acquisition Agreement”) (as further described in the admission document of the Company dated 8 October 2013 (the “Admission Document”), be and is hereby approved for the purposes of Rule 14 of the AIM Rules for Companies and that the directors be and are hereby authorised to take all steps necessary or, in the opinion of the directors, desirable, to complete and give effect to the Acquisition Agreement subject to such immaterial amendments or modifications as the directors may deem appropriate and to execute or sign all such other documents or deeds and do all things as may be necessary or desirable to complete the Acquisition.
2. THAT, conditional upon the passing of Resolution 1 and the Placing Agreement (as defined in the Admission Document), becoming unconditional in all respects (save only for the passing of the Resolutions and Admission (as defined in the Admission Document)) and it not being terminated in accordance with its terms and in substitution for any equivalent authority which may have been given to the directors pursuant to section 551 of the Companies Act 2006 (the “Act”) prior to the date of the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “relevant securities”) provided that this authority shall be limited to:
 - (a) the allotment of up to 9,409,090 new ordinary shares of one penny each in the capital of the Company in connection with the Fundraising (as such term is defined in the Admission Document); and
 - (b) the allotment (otherwise pursuant to sub-paragraph (a) above) of relevant securities up to an aggregate nominal amount of £95,119,

and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 18 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

3. THAT, conditional upon the passing of Resolutions 1 and 2 and the Placing Agreement becoming unconditional in all respects (save only for the passing of the Resolutions and Admission) and it not being terminated in accordance with its terms and in substitution for any existing power given to the directors pursuant to section 570 of the Act prior to the passing of this resolution, the directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority of the directors under section 551 of the Act conferred by Resolution 2, and/or where such an allotment constitutes an allotment of equity

securities by virtue of section 560(2) of the Act, as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

- (a) the allotment of 9,409,090 new ordinary shares of one penny each in the capital of the Company in connection with the Fundraising;
- (b) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of ordinary shares in the capital of the Company (excluding any shares held by the Company as treasury shares (as defined in section 724(5) of the Act)) on a fixed record date in proportion (as nearly as practicable) to their respective holdings of such shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); and
- (c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal value equal to £72,060,

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Dated: 8 October 2013

Registered Office:

Lydden House
Wincombe Business Park
Shaftesbury
Dorset SP7 9QJ

By order of the Board:

James Hedges
Company Secretary

Notes:

1. A member entitled to attend and vote at the General Meeting is entitled to appoint another person(s) to attend, speak and vote instead of him or her. You may not appoint more than one person to exercise rights attached to any one share. A proxy need not be a member of the Company.
2. For the convenience of members who may be unable to attend the General Meeting, a form of proxy is enclosed which should be completed and returned to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time fixed for the meeting.
3. A member may change proxy instructions by submitting a new proxy appointment using the method set out in note 2. The cut-off time for receipt of proxy appointments (see note 2) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
4. If more than one valid proxy appointment is submitted by a member, the appointment received last before the latest time for the receipt of proxies will take precedence.
5. In order to revoke a proxy instruction a member will need to inform the Company by sending a signed notice clearly stating the intention to revoke the proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 48 hours before the time fixed for the General Meeting.
6. If a member revokes a proxy appointment but the revocation is received after the time specified then, subject to note 7, the proxy appointment will remain valid.
7. Appointment of a proxy does not preclude a member from attending the General Meeting and voting in person. If a member appoints a proxy and attends the General Meeting in person, the proxy appointment will automatically be terminated.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the General Meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the General Meeting (or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

