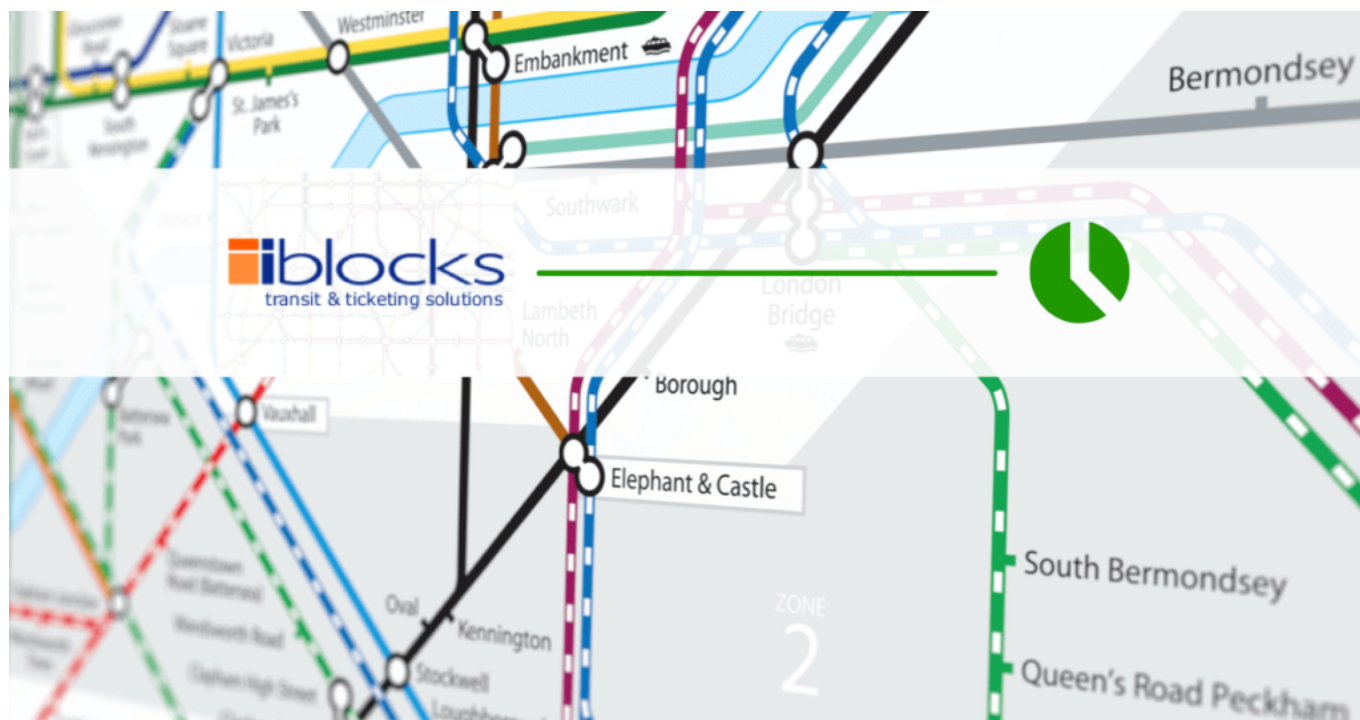


## “Exciting new area of opportunity” for Tracsis after iBlocks takeover

March 11, 2020



Tracsis, a leading provider of software and services for the rail, traffic data and wider transport industries, has announced that it has acquired the entire issued share capital of iBlocks Limited.

Established in 2000, iBlocks is a UK based software company that specialises in the provision of smart ticketing solutions, automated delay repay and the development of mission critical back office systems that are used by the Rail Delivery Group, the wider community of train operating companies (TOCs) and the rail supply chain. This acquisition strategically aligns with Tracsis' objective of strengthening its rail product portfolio in areas where it can offer a unique market proposition, gain access to strategically important partnerships and leverage the cross-selling opportunities that exist across its Rail Technology division.

The Directors believe that smart/account based ticketing and automated delay repay is a significant and natural growth area for the rail industry and that iBlocks are uniquely placed to help facilitate the move towards a paperless ticketing environment. The acquisition will enhance Tracsis Group's overall technology and software offering and should be significantly earnings enhancing.

In the year ended 28 February 2020, iBlocks generated revenue of c. £3.0m, Profit before Tax of c. £1.1m, and had net assets of c. £3.5m. The business is highly cash generative, debt free and benefits from an excellent reputation within its retained customer base and wider UK rail industry.

The acquisition consideration comprises an initial cash payment of £12.5m which will be funded out of

Tracsis cash reserves and the issue of 192,926 new ordinary shares in Tracsis (issued at a price of £7.775) with a value of £1.5m. An additional payment of c. £3.2m will be made on a pound for pound basis to reflect the net current asset position of the business at completion and will be finalised in due course. Additional contingent consideration of up to £8.5m is payable subject to iBlocks achieving certain stretched profit financial targets in the three years post acquisition.

Chris Barnes, Chief Executive Officer of Tracsis plc, said: “We are delighted to have come together with iBlocks, a business we have known for a number of years now. We believe the unique technology offering that iBlocks has developed along with long established client relationships will open up an exciting new area of opportunity for Tracsis.

“The smart/account based ticketing market in particular is an area of the rail industry that will see significant future industry change and growth. We welcome the iBlocks management team and all staff to the Tracsis Group, and look forward to helping them achieve their growth aspirations as part of a larger organisation.”

Tim Brewer, Director of iBlocks, said: “This transaction marks the start of an exciting new chapter for the iBlocks business and our team. Over the past fifteen years, iBlocks has established a reputation in the rail industry as a provider of high-quality software products, which deliver unique, innovative and robust solutions for our customers especially within the smart ticketing and delay repay sectors of the industry. Being part of a larger Group will enable us to unlock opportunities that will benefit the UK rail industry and accelerate our growth.”

*Photo credit: Tracsis*