Financial Results

for the six months ended 30 June 2016

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Operational highlights

- Substantial work completed and on-going to simplify the Group including closure and disposals of loss making businesses; underpinned by work to position the Group to deliver shareholder value from its assets
- In June, ingenie signed its first white label licence with ANWB, the Royal Dutch Touring Club
- Continued momentum in ptHealth and ingenie
- Resolved long-standing Navseeker litigation

Key financial results

for the six months ended 30 June 2016

- Underlying business revenues improved to £31.9m (2015: £28.8m)
- Underlying EBITDA loss before capitalisation of development expenditure £6.9m (2015: £13.8m)
- Underlying EBITDA loss after capitalisation of development expenditure £6.7m (2015: £10.2m)
- Total loss before tax £8.2m (2015: loss of £32.3m)
- Group net assets £130.6m (as at 31 December 2015: £137.1m)
- Group cash at 30 June 2016 £93.8m (£89.3m as at 31 August 2016), with a further £50m in escrow

Consolidated Income Statement

for the six months ended 30 June	2016 Underlying	2016 Non-underlying	2016 Total	2015 Underlying	2015 Non-underlying	2015 Total
	£m	£m	£m	£m	£m	£m
Revenue	**31.9**	**-**	**31.9**	**28.8**	**0.4**	**29.2**
Cost of sales	**(17.1)**	**-**	**(17.1)**	**(18.7)**	**(0.3)**	**(19.0)**
Gross profit	**14.8**	**-**	**14.8**	**10.1**	**0.1**	**10.2**
Administrative expenses	(22.9)	(0.9)	(23.8)	(23.7)	(21.2)	(44.9)
Other income	-	0.2	0.2	-	2.8	2.8
Group operating loss	**(8.1)**	**(0.7)**	**(8.8)**	**(13.6)**	**(18.3)**	**(31.9)**
Finance income	1.0	-	1.0	0.3	-	0.3
Finance expense	(0.4)	-	(0.4)	(0.8)	-	(0.8)
Loss before taxation	**(7.5)**	**(0.7)**	**(8.2)**	**(14.1)**	**(18.3)**	**(32.4)**
Taxation	0.2	-	0.2	2.3	-	2.3
Loss after taxation for the period from continuing operations	**(7.3)**	**(0.7)**	**(8.0)**	**(11.8)**	**(18.3)**	**(30.1)**
Net gain on disposal of discontinued operations	-	0.3	0.3	-	485.9	485.9
Loss for the period from discontinued operations	-	-	-	-	(41.2)	(41.2)
(Loss) /profit after taxation for the period	**(7.3)**	**(0.4)**	**(7.7)**	**(11.8)**	**426.4**	**414.6**

- Underlying comprises: Hubio, ingenie, ptHealth, BAS, Maine Finance and Central
- Non-underlying includes exceptional and other non-recurring items as well as discontinued business
- Underlying revenues £31.9m vs 2015 £28.8m
- Underlying operating loss of £8.1m vs 2015 £13.6m
- Underlying EBITDA loss before capitalisation of development expenditure of £6.9m vs 2015 £13.8m (see next slide)
- Non-underlying operating loss of £0.7m vs £18.3m. Current period benefits from release of £3.6m of asset provisions and accruals held at 31 December 2015

Underlying business results

for the six months ended 30 June	Hubio	ingenie	Health	Other	Central	Total
	£m	£m	£m	£m	£m	£m
2016						
Revenue	8.9	7.0	13.6	2.4	-	31.9
Cost of sales	(4.3)	(3.8)	(7.2)	(1.9)	-	(17.1)
Gross profit	4.7	3.2	6.3	0.6	-	14.8
Administrative expenses excluding depreciation and amortisation	(8.3)	(2.5)	(5.9)	(1.1)	(4.0)	(21.7)
Underlying EBITDA before central cost allocation and capitalisation of development expenditure	(3.6)	0.8	0.4	(0.6)	(4.0)	(6.9)
Allocation of central costs	(1.0)	(0.3)	(0.2)	(0.2)	1.7	-
Underlying EBITDA before capitalisation of development expenditure	(4.7)	0.5	0.3	(0.7)	(2.3)	(6.9)
Capitalisation of development expenditure	-	0.1	0.1	-	-	0.2
Underlying EBITDA after capitalisation of development expenditure	(4.7)	0.6	0.4	(0.7)	(2.3)	(6.7)
Depreciation and amortisation						(1.4)
Underlying group operating loss						(8.1)
2015						
Revenue	8.1	5.2	12.9	2.6	-	28.8
Cost of sales	(5.0)	(3.9)	(7.2)	(2.5)	-	(18.7)
Gross profit	3.0	1.3	5.7	0.1	-	10.1
Administrative expenses excluding depreciation and amortisation	(9.7)	(2.4)	(6.1)	(1.3)	(4.5)	(23.9)
Underlying EBITDA before central cost allocation and capitalisation of development expenditure	(6.7	(1.0)	(0.4)	(1.2)	(4.5)	(13.8)
Allocation of central costs	(0.6)	(0.1)	(0.1)	(0.3)	1.0	-
Underlying EBITDA before capitalisation of development expenditure	(7.3)	(1.1)	(0.4)	(1.5)	(3.5)	(13.8)
Capitalisation of development expenditure	3.1	0.2	0.3	-	-	3.6
Underlying EBITDA after capitalisation of development expenditure	(4.2)	(0.9)	(0.2)	(1.5)	(3.5)	(10.2)
Depreciation and amortisation						(3.4)
Underlying group operating loss						(13.6)

NOTES

- Hubio – revenues reflect consistent customer base, costs of sales have benefited from use of previously impaired devices (£0.7m benefit). Actions to reduce the level of cash investment required have been taken, benefits not reflected in these results
- ingenie – UK volumes showing good growth. Revenues from white label business will be spread over the service provided
- ptHealth – revenue growth reflects underlying business operational metrics continuing to improve. Innocare remains in its formative stages
- BAS – underlying growth and operational improvements continue
- Maine Finance – now closed and in run off
- Note; roundings from £'000 to £m have been left unsmoothed to preserve the accuracy of the amounts

Central costs

for the six months ended 30 June	2016	2015
	£m	£m
Allocated to underlying businesses segments	**1,705**	1,029
Listed plc costs	**2,295**	3,495
Total underlying	**4,000**	4,524
Non-underlying	**1,082**	2,101
Total	**5,082**	6,725

NOTES

- Central costs continue to reduce from previous periods
- Smaller team overall focused on current Underlying businesses, which reflects the increased allocation to those segments
- Listed plc costs reflective of nature of the WTG organisation and history – likely to be above average for the foreseeable future

Cash Flow

for the six months ended 30 June	**2016**	2015
	£'m	£'m
Underlying cash outflows (inc discontinued)	**(8.6)**	(50.3)
Non-underlying and exceptional cash outflows (excl. discontinued)	**(10.2)**	(4.9)
Tax cash flows	**6.8**	(0.1)
Investing activities	**1.2**	583.1
Financing activities	**0.8**	(29.7)
Net cash movement	**(10.0)**	498.0

NOTES

- Cash used by operating activities includes discontinued business cash flows as it follows the accounting standards requirements
- Non underlying cash flows mostly relate to net settlement of liabilities and provisions as at 31 December 2015
- Tax cash receipts are not expected to repeat
- Net cash movement includes a small amount in relation to businesses disposed of in the period

Analysis of Balance Sheet

as at 30 June 2016 and 31 December 2015	2016	2015
	£m	£m
Net cash	**93.7**	103.2
Escrow balance	**50.0**	53.8
Deferred income	**(10.4)**	(9.3)
Other net current liabilities/assets	**(40.1)**	(48.3)
Creditors, loans and provisions over one year	**(7.3)**	(5.5)
Non-cash assets	**44.6**	43.4
Net assets	**130.6**	137.1

NOTES

- The closing net assets can be analysed by their proximity to cash
- £3.8m escrow has been received in 2016
- Deferred income is a non cash liability
- Included in liabilities are taxation and other provisions of £35.8m

Ongoing actions and plans

- Reshape operating businesses for growth and value while reducing losses and cash outflows
- Resolve and mitigate legacy matters both at the plc level and within our operating companies
- Manage cash and other assets with care and prudence
- Collect released warranty escrow and optimise returns from NIHL assets
- Operate with strong corporate governance and continue to rebuild investor confidence
- Current intention to make a further capital return of approximately £46.0m (£1 per share) once the warranty escrow of £50.0m has been received. Subject to shareholder and court approval and anticipated by the end of Q1 2017

Watchstone.