

COMPANY ANNOUNCEMENT

Loqus Holdings p.l.c. (the "Company")

Announces approval of half-yearly report

Date of Announcement

29th February 2016

Reference

158/2016

This is a company announcement made by the Company in compliance with Chapter 5 of the Listing Rules:

QUOTE

The Company announces that the directors have approved the half-yearly report of the Company for the six months ended 31st December 2015. A copy of the half-yearly report is attached to this announcement, and may also be downloaded from the Company's website www.loqusgroup.com

UNQUOTE



Adrian Mallia
Company Secretary

Loqus Holdings p.l.c.

**Condensed Consolidated Interim
Report**

31 December 2015

31 December 2015

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Directors' Report pursuant to Listing Rule 5.75.2

For the six-months ended 31 December 2015

The Directors present their report in accordance with the requirements of MFSA Listing Rule 5.74. This report, which shall be read in conjunction with the Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2014, including the Notes thereto, forms part of the Half-Yearly Report of Loqus Holdings p.l.c., drawn up in terms of the requirements of Listing Rules 5.74 to 5.75.

Principal Activities

The Company holds investments in subsidiaries engaged in the provision of fleet management, back-office processing, and ICT solutions.

Review of Performance

Loqus Group has made important progress in 2015. Overall, the financial period under review shows another marked improvement over the prior period with the Group reporting a profit compared to a loss in the previous period.

	01.07.2015 to 31.12.2015	01.07.2014 to 31.12.2014	% change
Revenue	€2,080,232	€1,805,804	15%
Costs	€1,744,010	€1,637,913	-6%
EBITDA	€336,222	€167,891	100%
Profit/(Loss) before interest & tax	€194,416	€25,384	666%
Profit/(Loss) for the period	€85,255	(€117,556)	173%

The Group registered a turnover of €2,080,232 (2014: €1,805,804) over the six months ended 31 December 2015. The Group has delivered on its financial plan and is reporting a slight profit of €85,255 compared to a loss of €117,556 reported in the prior period. The Group continued to work on sustaining and improving the results it registered for the year ended 30 June 2015 by reporting improvements in EBITDA as well as in the bottom line. The period July to December 2015 was another period of progress in the Group's journey to deliver sustainable growth, by achieving an EBITDA of 16% and a 4% profit for the period.

The Board of Directors has been seeking to maximise the value of its fleet management business (FM) and Intellectual Property Rights (IPR). As part of this process, discussions have been held with a number of potential purchasers, with the intention of selling this business in full or in part. The Group has recently announced that it has signed a letter of intent with one of these purchasers for the sale of the fleet management business and IPR. Due diligence exercise is underway and the Group has entered into negotiations relating to the sale of its fleet management business and related IPR.

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the six-months ended 31 December 2014

Way forward

The period under review was an improved one both financially and strategically however we will continue to press ahead with the Group's strategy to achieve profitability. The Group has a clear financial framework and remains highly disciplined to continue to increase working capital in order to reduce its exposure in terms of borrowings. Our priority for the coming years is to ensure that we keep with the Group's scheduled repayment programmes relating to taxes and social security contributions.

The Group's focus will be that of concluding the sale of the FM business so as not only to get the best value but ensure maximum synergies in both the technical and marketing fields. This would enable the Group to be more successful in pursuing potential new business while providing much needed cash flow to the Group. Notwithstanding, there is no assurance that a final agreement will be reached, however, any agreement reached between the parties will be subject to approval by the Shareholders in an extraordinary general meeting and also to any applicable regulatory approval.

Overall, the financial period under review shows another marked improvement over the prior year. We hope that the Group's financial situation will soon start to reflect more tangibly our confidence in our products and services.

Approved by the Board on 26 February 2016 and signed on its behalf by:



Mr Walter Bonnici
Chairman



Mr Joe Fenech Conti
Director

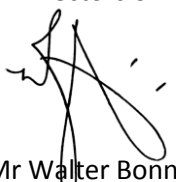
Condensed Consolidated Interim Statement of Comprehensive Income
For the six-months ended 31 December 2015

	01.07.2015	01.07.2014
	To	To
	31.12.2015	31.12.2014
	€	€
Revenue	2,080,232	1,805,804
Purchases and other directly attributable costs	(494,454)	(268,735)
Personnel expenses	(1,013,860)	(1,084,099)
Professional and consultancy fees	(42,160)	(41,919)
Travelling and accommodation	(42,229)	(53,917)
Marketing expenses	(33,374)	(33,513)
Other administrative expenses	(117,933)	(155,730)
Operating profit before depreciation and amortisation	336,222	167,891
Depreciation and amortisation	(141,806)	(142,507)
Finance income	-	-
Finance costs	(109,161)	(142,940)
Profit/(Loss) before tax	85,255	(117,556)
Income tax expense	-	-
Profit/(Loss) for the period	85,255	(117,556)
Other comprehensive income	-	-
Total comprehensive income for the period net of tax	85,255	(117,556)
Attributable to:		
Owners of the parent	85,255	(117,556)
Non-controlling interest	-	-
	85,255	(117,556)
Profit/(Loss) per share basic	0c1	(0c1)

Condensed Consolidated Statement of Financial Position
As at 31 December 2015

	The Group	
	31.12.2015	30.06.2015
	€	€
Assets		
Property, plant and equipment	91,064	96,990
Intangible assets	5,196,295	5,220,798
Total non-current assets	<u>5,287,359</u>	<u>5,317,788</u>
Inventories	27,129	27,269
Trade and other receivables	2,028,046	2,265,788
Cash at bank and in hand	363,681	267,752
Total current assets	<u>2,418,856</u>	<u>2,560,809</u>
Total assets	<u><u>7,706,214</u></u>	<u><u>7,878,597</u></u>
Equity and Liabilities		
Issued capital	7,430,457	7,430,457
Share premium	847,101	847,101
Capital Redemption Reserve	121,554	121,554
Accumulated losses	(7,224,247)	(7,309,502)
Total equity attributable to equity holders of the parent	<u>1,174,865</u>	<u>1,089,610</u>
Non-controlling interests	-	-
Total Equity	<u>1,174,865</u>	<u>1,089,610</u>
Non-current liabilities		
Interest-bearing loans and borrowings	629,150	465,305
Trade and other payables	-	-
Total current liabilities	<u>629,150</u>	<u>465,305</u>
Interest-bearing loans and borrowings	391,785	646,979
Trade and other payables	5,510,415	5,676,703
Total current liabilities	<u>5,902,200</u>	<u>6,323,682</u>
Total liabilities	<u>6,531,350</u>	<u>6,788,987</u>
Total equity and liabilities	<u><u>7,706,215</u></u>	<u><u>7,878,597</u></u>

The Condensed Consolidated interim financial statements set out on pages 3 to 9 were approved by the Board of Directors on 26 February 2016 and were signed on its behalf by:


Mr Walter Bonnici
Chairman


Mr Joe Fenech Conti
Director

Condensed Consolidated Interim Statements of Changes in Equity

For the six-months ended 31 December 2015

	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Capital redemption reserve	Accumulated losses			
	€	€	€	€			
At 1 July 2014	7,430,457	847,101	121,554	(7,365,317)	1,033,795	-	1,033,795
Loss for the period	-	-	-	(117,556)	(117,556)	-	(117,556)
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive income	<u>7,430,457</u>	<u>847,101</u>	<u>121,554</u>	<u>(7,482,873)</u>	<u>916,239</u>	<u>-</u>	<u>916,239</u>
Dividends	-	-	-	-	-	-	-
At 31 December 2014	<u>7,430,457</u>	<u>847,101</u>	<u>121,554</u>	<u>(7,482,873)</u>	<u>916,239</u>	<u>-</u>	<u>916,239</u>
At 1 July 2015	7,430,457	847,101	121,554	(7,309,502)	1,089,610	-	1,089,610
Profit for the period	-	-	-	85,255	85,255	-	85,255
Other comprehensive income	-	-	-	-	-	-	-
At 31 December 2015	<u>7,430,457</u>	<u>847,101</u>	<u>121,554</u>	<u>(7,224,247)</u>	<u>1,174,865</u>	<u>-</u>	<u>1,174,865</u>
Dividends	-	-	-	-	-	-	-
At 31 December 2015	<u>7,430,457</u>	<u>847,101</u>	<u>121,554</u>	<u>(7,224,247)</u>	<u>1,174,865</u>	<u>-</u>	<u>1,174,865</u>

Condensed Consolidated Interim Statement of Cash Flows
For the six-months ended 31 December 2015

	The Group	
	01.07.2015	01.07.2014
	to	to
	31.12.2015	31.12.2014
	€	€
Operating Activities		
Profit/(Loss) before Tax	85,255	(117,556)
Adjustments to reconcile loss before tax to net cash flows:		
Non-Cash:		
Depreciation, amortisation and impairment	141,806	142,507
Provision for impairment of receivables	(37,055)	-
Interest expense	109,161	142,940
Provision for obsolete inventory	140	-
Working capital adjustments:		
Movement in inventories	-	12,776
Movement in trade and other receivables	274,797	22,193
Movement in trade and other payables	(220,650)	159,360
	<u>353,454</u>	<u>362,220</u>
Interest paid	(10,054)	(6,006)
Net cash flows generated from operating activities	<u>343,400</u>	<u>356,214</u>
Investing activities		
Payment to acquire property, plant and equipment	(10,347)	(4,246)
Payments to acquire intangible assets	(101,031)	(168,211)
Net cash flows used in investing activities	<u>(111,378)</u>	<u>(172,457)</u>
Financing activities		
Repayment of interest-bearing borrowings	(70,866)	(80,707)
Net cash flows used in financing activities	<u>(70,866)</u>	<u>(80,707)</u>
Net movement in cash and cash equivalents	161,156	103,050
Cash and cash equivalents at beginning of period	108,429	(60,901)
Cash and cash equivalents at end of period	<u>269,585</u>	<u>(42,149)</u>

Notes to the Condensed Consolidated Interim Financial Statements

For the six-months ended 31 December 2015

Reporting entity

Loqus Holdings p.l.c. (“the Company”), is a limited liability company incorporated in Malta on the 23rd day of October of the year 2000. The condensed consolidated interim financial statements of the Group as at and for the six months ended 31st December 2015 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associated company.

Basis of preparation and statement of compliance

The condensed consolidated interim financial statements have been prepared on a historical cost basis. The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 *Interim Financial Reporting*).

These condensed consolidated interim financial statements have been extracted from the unaudited and unreviewed group management accounts for the six months ended 31st December 2015.

The interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Loqus Holdings p.l.c. as at and for the year ended 30th June 2015.

The condensed consolidated interim financial statements were approved by the Board of Directors on 26th February 2016.

Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the foreseeable future. The Directors have reasonable expectation that the Group has adequate resources to improve its liquidity and to take the necessary decisions to continue its operations in the foreseeable future.

The consolidated financial statements of the Group as at and for the period ended 30th June 2015 are available upon request from the Company’s registered office at SUB008A, Industrial Estate, San Gwann, Malta.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30th June 2015.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six-months ended 31 December 2015

Segment information

For management purposes, the group is organised into business units based on their products and services as follows:

- Fleet management - Vehicle and Marine Tracking Systems and On the Move Logistics Solutions including tailor made solutions as well as off the shelf packages. This department previously also incorporated products and services which are now classified within Original Equipment Manufacturers in view of the incorporation of Loqus Fleet Limited.
- Original Equipment Manufacturers – This includes Fleet Management contracts which the group holds with resellers under their own name and branding.
- Back-office processing - variety of high level, off site services to support entities.
- Projects - assist clients in selecting appropriate ICT solutions and in implementing them.

Management monitors revenue and directly attributable costs of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit and loss in the consolidated financial statements. Corporate expenses are allocated based on the segmental revenues. However, the Group assets and liabilities are managed on a Group basis and are not allocated to operating segments.

01/07/2015 to 31/12/2015	Fleet management	Original Equipment Manufacturers	Back-office processing	Projects	Consolidated
	€	€	€	€	€
Revenue	540,344	129,745	920,472	489,671	2,080,232
Purchases and other directly attributable costs	(78,287)	(17,358)	(166,128)	(232,680)	(494,453)
Personnel expenses	(180,539)	(20,381)	(609,252)	(203,688)	(1,013,860)
Other expenses	(90,291)	(11,871)	(86,762)	(46,773)	(235,697)
Operating profit/(loss) before depreciation and amortisation	191,227	80,135	58,330	6,530	336,222
Depreciation and amortisation	(57,192)	(20,386)	(23,831)	(40,397)	(141,806)
Finance income	-	-	-	-	-
Finance cost	(25,006)	(6,004)	(50,304)	(27,847)	(109,161)
Profit/(loss) before tax	109,029	53,745	(15,805)	(61,714)	85,255

**Notes to the Condensed Consolidated Interim Financial Statements
(continued)**

For the six-months ended 31 December 2015

01/07/2014 to 31/12/2014	Fleet management	Original Equipment Manufacturers	Back-office processing	Projects	Consolidated
	€	€	€	€	€
Revenue	722,470	129,645	737,929	215,760	1,805,804
Purchases and other directly attributable costs	(90,133)	(15,939)	(105,032)	(57,631)	(268,735)
Personnel expenses	(141,041)	(305,268)	(397,344)	(240,446)	(1,084,099)
Other expenses	(101,363)	(42,894)	(108,963)	(31,859)	(285,079)
Operating profit/(loss) before depreciation and amortisation	389,933	(234,456)	126,590	(114,176)	167,891
Depreciation and amortisation	(101,310)	(4,930)	(28,062)	(8,205)	(142,507)
Finance income	-	-	-	-	-
Finance cost	(34,528)	(12,974)	(73,846)	(21,592)	(142,940)
Profit/(loss) before tax	254,095	(252,360)	24,682	(143,973)	(117,556)

<i>Revenue by geographical markets</i>	Local	Europe	Middle East and South Africa	Total
	€	€	€	€
01.07.2015 to 31.12.2015	1,623,696	416,040	40,496	2,080,232
01.07.2014 to 31.12.2014	1,213,612	551,680	40,512	1,805,804

Significant accounting judgements, estimates and assumptions

The preparation of consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Actual results in the future may differ from such estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2015.

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority
For the six-months ended 31 December 2015

I hereby confirm that to the best of my knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, as well as of the financial performance and cash flows for the said period, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Reporting*); and
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rule 5.81 to 5.84.



Mr Walter Bonnici
Chairman