

Fonix Mobile plc

("Fonix" or the "Company")

Trading Update

Strong earnings growth and a significant pipeline of tier 1 client prospects

Fonix Mobile plc, the mobile payments and messaging provider, is pleased to provide an update on trading for the 6 months ended 31 December 2022 (the "Period").

Financial highlights:

- The business has continued to grow comfortably in line with management's expectations.
- Gross profit in the period grew by 12% to £7.8m (H1 FY22: £7.0m).
- Adjusted EBITDA¹ in the period grew by 12% to £6.2m (H1 FY22: £5.5m).
- Fonix continues to generate strong underlying cash flows and intends to pay an increased interim dividend in March 2023, in line with the Company's progressive dividend policy to pay out at least 75% of adjusted earnings per share.

Operating highlights:

- Total payment volume ("TPV") of mobile payments was £137m (H1 FY22: £138m), as the increase in payments from commercial clients was offset by a 36% decline in charity related TPV that had minimal margin impact.
- Fonix's active customer count increased to 121 (H1 FY22: 116) active customers by the Period end.²
- A second tier 1 media client has recently launched services with Fonix in the Republic of Ireland and the business has a pipeline of other opportunities in the territory.
- Significant upgrade of technical infrastructure, doubling the capacity of key Fonix products.
- Fonix's key business segments of payments and messaging have both grown in the Period and the business retains a growing pipeline of significant client prospects going into H2 FY23, and we will provide more information on these with our interim results.

The Board intends to report its interim results for the period ending 31 December 2022 on Monday 13 March 2023.³

Outlook:

The business and its key commercial sectors continue to demonstrate solid growth and resilience in a challenging economic environment. With high levels of repeating income and client retention, increasing options for growth in international markets, and a number of significant client prospects expecting to launch new services in the coming months, the Board continues to be confident in the growth potential for Fonix going into H2 FY22 and beyond.

Rob Weisz, CEO, commented:

“We are delighted to have continued to deliver on our strategic goals, with a continued trajectory of solid growth in income and profitability even with the temporary slowdown in trade for several weeks following the death of HM the Queen.

Our performance in international markets has been particularly encouraging, demonstrating the business’ ability to scale services overseas whilst maintaining existing operational efficiencies and incurring minimal additional overhead.

Our commercial business segments have each grown strongly throughout the period and to date we have been largely unaffected by the downward pressure on consumer spending.”

Notes:

All financials based on unaudited figures.

¹ *Adjusted EBITDA excludes share-based payment charges along with depreciation, amortisation, interest, and tax from the measure of profit.*

² *Active customers are those generating more than £500 in gross profit in the previous 12 months.*

³ *All financial numbers contained within this announcement are unaudited.*

Enquiries

Fonix Mobile plc

Robert Weisz, CEO
Michael Foulkes, CFO

Tel: +44 20 8114 7000

finnCap Ltd (Nomad and Broker)

Jonny Franklin-Adams / Seamus Fricker (Corporate Finance)
Alice Lane / Sunila de Silva (ECM)

Tel: +44 20 7220 0500

About Fonix

Founded in 2006, Fonix provides mobile payments and messaging services for clients across media, telecoms, entertainment, enterprise, and commerce.

When consumers make payments, they are charged to their mobile phone bill. This service can be used for ticketing, content, cash deposits and donations. Fonix's service works by charging digital payments to the mobile phone bill, either via carrier billing or SMS billing. Fonix also offers messaging solutions.

Based in London, Fonix is a fast growth business driven by blue chip clients such as ITV, Bauer Media, BT, Global Media, Comic Relief and Children in Need to name a few.