22 September 2026

Fonix plc

("Fonix", the "Group", or the "Company")

Final Results for the year ended 30 June 2026 (the "Year")

Return to double-digit growth, with international expansion and product innovation accelerating into FY27

Financial Highlights

	2026	2025	Change
Gross profit	£21.0m	£18.6m	+12.9%
Adjusted EBITDA[1]	£16.2m	£14.6m	+11.0%
Adjusted PBT[2]	£15.5m	£14.3m	+8.4%
Adjusted EPS[3]	12.1p	11.3p	+7.1%
Proposed Final DPS	6.20p	5.90p	+5.1%

Highlights

- **Strategic execution in FY26:** Delivered a return to double-digit growth in gross profit and adjusted EBITDA, slightly ahead of market expectations.
- **International progress**: Overseas markets now represent c.13% of gross profit. Portugal has moved beyond launch to become an established third market. In Switzerland, our fourth market, one broadcast customer went live ahead of the year end, with a second following in August 2026. In France, our fifth market, a legal entity has been established and senior local expertise added, with the Board seeing long-term potential for the market to reach UK-comparable scale. Mobile network connectivity has also been completed in a sixth European market, targeting launch towards the end of FY27.
- **Product innovation advancing**: PayFlex now live with several major customers including its first outside the UK; CompsPortal launched with Channel 5, winning Best Payment Solution of the Year at the UK Business Tech Awards 2026; RichMessaging (RCS[5]) trials across a wide range of formats delivering encouraging results.
- **Growing and scalable platform**: 100% uptime and platform proven to scale reliably with increasing demand.

- **Solid client base**: Key contract extensions secured with Global (Heart, Capital, Radio X) for a further three years, and ITV for a tenth year covering flagship formats including Love Island, Britain's Got Talent, Good Morning Britain and ITV Sport.

- **Shareholder returns**: Final dividend of 6.20p per share recommended (FY25: 5.90p), taking the total ordinary dividend for the year to 9.30p (FY25: 8.80p), in line with expectations and the progressive dividend policy of distributing at least 75% of adjusted earnings; £2.4m returned via two share buyback programmes during the year.

The Board expects to publish its Annual Report for the year ending 30 June 2026 on the group's website on Friday 16 October 2026. The Annual General Meeting is scheduled to take place on Wednesday 18 November 2026.

Outlook

Fonix enters FY27 with real momentum, building on a return to double-digit growth in FY26 gross profit and adjusted EBITDA, ahead of expectations. With Portugal now established, Switzerland live, France advancing, and a sixth market on the horizon, international expansion is fast becoming a genuine growth engine alongside the UK and Ireland. PayFlex, CompsPortal and RichMessaging are all gaining real traction, and increased dividends and buybacks reflect the Board's confidence in sustained, profitable growth ahead.

Notes

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

[2] *Adjusted PBT is profit before tax excluding share-based payment charges and R&D tax credits.*

[3] *Adjusted EPS is earnings per share excluding share-based payment charges.*

[4] *Underlying cash is actual cash excluding cash held on behalf of customers.*

[5] *RCS means Rich Communication Services and is the next generation of native mobile messaging, supporting rich media, interactivity, and branded business communication.*

Rob Weisz, CEO, commented:

"We enter FY27 with building momentum and a clear line of sight to what comes next. The UK and Ireland continue to perform strongly, and we expect new markets and products to be important contributors to growth this year.

On PayFlex, we are targeting a significant increase in transaction volumes through an expanded rollout and optimised conversion rates. On RichMessaging, we intend to move decisively beyond point trials into repeating campaigns, turning early promise into a genuine new revenue line.

Internationally, we expect Portugal, Switzerland and France to contribute to growth this year. Portugal represents one of our biggest opportunities and we are actively working to unlock the market constraints that have held back faster progress. Both of our Swiss broadcast customers want to scale, and in France we expect to move beyond this year's connectivity work and into direct commercial engagement with broadcasters. We have also completed mobile network connectivity in a sixth market, laying the groundwork for a further international launch as we move through FY27.

Six markets, multiple products, one platform: I have never been more confident in Fonix's ability to deliver its next phase of growth.."

Enquiries

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About Fonix

Founded in 2006, Fonix is a leading provider of mobile payments and messaging solutions, enabling businesses to connect, engage, and transact seamlessly through mobile technology.

Fonix helps organisations across media, charity, entertainment, and enterprise sectors drive revenue and enhance audience engagement.

Headquartered in London, Fonix is a fast-growing, innovation-driven group, trusted by industry leaders such as ITV, Bauer Media, RTÉ, Global, Comic Relief, and BBC Children in Need. With a strong focus on technology and consumer experience, Fonix continues to shape the future of mobile payments and interactivity.

Chair's Review

I am pleased to present my review of the year ended 30 June 2026, a year in which Fonix moved decisively from planning international and product expansion to beginning to deliver it. Income is now being generated from three overseas territories, alongside a growing range of payment and messaging solutions beyond our core SMS billing offering, while the group has continued to deliver strong growth from its existing customer base in the UK.

Financial results

Gross profit grew 12.9% to £21.0m (FY25: £18.6m) and adjusted EBITDA grew 11.0% to £16.2m (FY25: £14.6m), a return to double-digit growth in both measures. Adjusted earnings per share rose 7.1% to 12.1p, and adjusted return on capital employed improved further to 128% (FY25: 125%)[1], reflecting the continued efficiency of our operating model even as we invested in new markets and products.

The group maintained a strong underlying cash position of £9.4m at year end, despite making additional distributions to shareholders during the year, including a £2.4m share buyback. The Board is recommending a final dividend of 6.20p per share, taking the total dividend for the year to 9.30p (FY25: 11.80p per share including the 3.00p special dividend), in line with our progressive policy of distributing at least 75% of adjusted earnings.

Strategy and international expansion

The clearest evidence of this year's progress is the breadth of markets now contributing to the business. Portugal has moved beyond launch to become an established third market. In Switzerland, our fourth territory, since the year end we are now live with two major broadcast customers, both of whom have completed successful trials and separately signalled ambitions to scale. In France, our fifth market, the group made a significant investment during the year, building out a legal entity and senior local expertise in a territory the Board believes has the potential, over time, to reach a scale comparable to the UK. Mobile network connectivity has also been completed in a sixth European market, targeted to launch towards the end of FY27.

Product

Our product suite also moved from development to delivery this year. *PayFlex* is now live with several major customers, including our first outside the UK, and its contribution has the potential to grow significantly as we move into FY27. *CompsPortal* launched with Channel 5, still a modest financial contributor but a prominent brand relationship, and one that helped the product win Best Payment Solution of the Year at the UK Business Tech Awards 2026.

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[1] *Adjusted ROCE is return on capital employed calculated as adjusted EBIT (being earnings before interest, R&D tax credits and tax excluding share-based payment charges) divided by capital employed (total assets less total current liabilities).*

RichMessaging (RCS) trials across a wide range of formats have delivered encouraging results, and the group is now considering its application both as a standalone product and as a lever across other areas of growth.

Governance and people

The group continues to deliver its growth strategy with minimal capital investment, a testament to the efficiency of Fonix's asset-light model. The Board believes it maintains the right balance of skills and experience to oversee delivery of the group's strategy, and continues to consider non-executive candidates who could help accelerate that strategy further, particularly as we deepen our presence in international markets.

Delivering across four new territories and a broadening product suite in a single year is no small undertaking, and the Board's confidence in the management team to execute against such an ambitious agenda has been well rewarded by this year's progress.

Stakeholders

Fonix's culture continues to be built on close engagement with our people, our customers and our shareholders, and the Board remains mindful of its wider stakeholder responsibilities in every decision it takes.

I would like to thank our employees for their hard work and commitment this year, my fellow Board members for their continued guidance, and our shareholders for their ongoing support.

Outlook

Fonix has consistently delivered against and ahead of the objectives set at its IPO in October 2020, and this year's progress — a return to double-digit growth, four territories contributing to income, and a broadened product suite starting to gain traction — gives the Board confidence that the group is entering FY27 from the strongest position in its history. We look ahead with real confidence in the group's strategy and its ability to continue delivering sustainable, long-term value for shareholders.

Edward Spurrier, Non-executive Chair

CEO’s Statement

FY26 has been a year of delivery across established markets and new ones simultaneously, without losing sight of discipline or profitability. Growth in gross profit and adjusted EBITDA was driven principally by continued momentum across our core markets and the introduction of Portugal, now a genuinely established third market.

Our strategy remains built around three core pillars that guide how we deliver growth and scale the business:

1. **Driving revenue growth through technological innovation**

Much of what we build isn't developed in isolation. Our biggest product innovations this year were shaped in close partnership with our largest customers, reflecting the way we increasingly work with clients: as a partner embedded in their business, not simply a supplier of billing infrastructure. That distinction matters, and it's visible in the results.

PayFlex, our online payment product that lets broadcasters recover failed SMS transactions and take payments via Apple Pay, Google Pay and card, is a clear example of this. Fonix's business model means we and our clients are directly aligned, since the more transactions we process, the more the services succeed, so recovering failed payments and working continuously on improvements that other providers simply don't consider has become a defining part of how we compete.

RichMessaging (RCS), the next generation of native mobile messaging that embeds payments and rich, branded content directly within a conversation, is a technology many have talked about for years. Our approach has been to focus deliberately on a very specific use case we understand better than anyone, treating it as a complement to our existing products rather than a standalone replacement for them, and building for real broadcaster and audience behaviour rather than the technology's theoretical potential.

CompsPortal, our online competitions portal for broadcasters, sits differently again. Rather than speculating on new technology, it's a deliberate move to give our customers a complete, multi-channel solution rather than point products bolted together.

It's this partnership model that underpins how we’ve been able to secure further contract extensions with two of our key clients. Global, the group behind Heart, Capital and Radio X, extended its relationship with us for a further three years, and ITV extended for a tenth year, continuing to cover flagship formats including Love Island, Britain's Got Talent, Good Morning Britain and ITV Sport. Both extensions reflect years of building products alongside these clients rather than simply for them, and both give us confidence in the durability of our core UK earnings as we invest elsewhere.

2. **Client- and sector-led international expansion**

Portugal, our third market, is now contributing materially to the business, proof that our client-led, partnership-first model travels well beyond the UK and Ireland. Whilst it's fair to say the market progress has taken longer than we'd anticipated, the underlying opportunity remains clear and, we believe, entirely obtainable, and we see significant further upside from Portugal in the years ahead.

In Switzerland, our fourth market, we went live with one major broadcast customer during the year, with a second following shortly after the year end. Both have completed successful trials, and both have separately indicated ambitions to scale, an encouraging signal at this early stage of the market's development.

In France, our fifth market, we made a significant investment during the year, establishing a legal entity and adding senior local expertise. Research published by the French industry body af2m found the market for *Interactivité Antenne*, the French equivalent of our offering, to be worth in the region of €100m in consumer spend per year. By comparison, we estimate the UK's broadcaster-led prize draw competitions market at some £250-£300m per year, within a wider UK online prize draws and competitions market recently estimated by UK Government-commissioned research at £1.3bn per year. Given the similarity in population size between the two countries, we see this gap as opportunity rather than ceiling, and believe France has the potential, over time, to grow substantially from its current base.

We also completed mobile network connectivity in a sixth European market during the year, with launch targeted towards the end of FY27.

3. **Sustaining long-term profitability for shareholders**

Growth this year has come without compromising the discipline that underpins our model: we continue to invest in new international markets and our product roadmap while maintaining the operating leverage that lets profitability scale faster than costs. That discipline is what allows us to keep investing in innovation alongside our biggest clients, rather than treating product development and shareholder returns as competing priorities.

People

Average headcount grew to 58 (FY25: 52), with senior hires concentrated in France, product development and legal, reflecting the operational complexity of running an established UK business alongside newer markets and products in parallel. Michael Foulkes' expanded CFO &

COO role continues to give us the structure to manage that complexity without losing grip on execution.

Outlook

We enter FY27 with building momentum and a clear line of sight to what comes next. The UK and Ireland continue to perform strongly, and we expect new markets and products to be important contributors to growth this year.

On PayFlex, we are targeting a significant increase in transaction volumes through an expanded rollout and optimised conversion rates. On RichMessaging, we intend to move decisively beyond point trials into repeating campaigns, turning early promise into a genuine new revenue line.

Internationally, we expect Portugal, Switzerland and France to contribute to growth this year. Portugal represents one of our biggest opportunities and we are actively working to unlock the market constraints that have held back faster progress. Both of our Swiss broadcast customers want to scale, and in France we expect to move beyond this year's connectivity work and into direct commercial engagement with broadcasters. We have also completed mobile network connectivity in a sixth market, laying the groundwork for a further international launch as we move through FY27.

Six markets, multiple products, one platform: I have never been more confident in Fonix's ability to deliver its next phase of growth.

Robert Weisz, Chief Executive Officer

Financial Review

Key performance indicators

Financial	2026	2025	Change
Gross profit	£21.0m	£18.6m	12.9%
Adjusted EBITDA[1]	£16.2m	£14.6m	11.0%
Adjusted PBT[2]	£15.5m	£14.3m	8.4%
Underlying cash[3]	£9.4m	£9.9m	-5.1%
Adjusted EPS[4]	12.1p	11.3p	7.1%
Adjusted ROCE[5]	128%	125%	

Non-financial	2026	2025	Change
Total payments volume (TPV)[6]	£303.3m	£280.9m	8.0%

[1] Adjusted EBITDA excludes share-based payment charges along with depreciation, amortisation, interest, R&D tax credits and tax from the measure of profit.

[2] Adjusted PBT is profit before tax excluding share-based payment charges and R&D tax credits.

[3] Underlying cash is actual cash excluding cash held on behalf of customers.

[4] Adjusted EPS is earnings per share excluding share-based payment charges.

[5] Adjusted ROCE is return on capital employed calculated as adjusted EBIT (being earnings before interest, R&D tax credits and tax excluding share-based payment charges) divided by capital employed (total assets less total current liabilities).

[6] Total payments volume is consumer spend inclusive of VAT processed via carrier billing, SMS billing and voice, along with the total value of payments facilitated through third-party payment service providers via Google Pay, Apple Pay, PayPal and bank card.

Financial Review

Total payments volume (TPV)

Total Payment Volume (TPV) represents the cash payments processed or facilitated by the group on behalf of customers. TPV grew to £303.3m (2025: £280.9m), an increase of 8.0%.

Growth was principally driven by the increase in mobile payments, reflecting continued growth from media customers in the UK together with contributions from new markets, namely Portugal and, to a lesser extent, Switzerland. This growth was partly offset by a decline in lower-margin voice services following the closure of BT Agile and the cessation of paid TV voting in the UK, together with a reduction in lower-margin gaming services, as a number of gambling providers have exited the UK market entirely in response to changes in UK gambling taxation.

Revenue and other income

Gross profit remains the group's key indicator of growth and is regarded as the most meaningful measure of performance. Reported revenue is a different, broader number: it also includes the share of each payment transaction retained by mobile network operators (MNOs), and that MNO share can vary significantly by product, operator, price point and geography.

Revenue for the year grew 14.4% to £83.3m (2025: £72.8m), slightly ahead of gross profit growth of 12.9%. This was mainly due to mobile messaging, which carries a lower margin than mobile payments, so its strong growth boosted revenue more than gross profit. A small margin decline in managed services had a similar effect, holding revenue up even as gross profit fell slightly, as explained in the Gross Profit section below.

Within mobile payments, the reverse was true: revenue grew more slowly than gross profit, reflecting a shift in the mix of services within the segment, also explained further below.

Gross profit

Gross profit is the business's most important financial indicator, representing the group's share of revenue for processing mobile payments and messages.

Gross profit for the year increased to £21.0m (2025: £18.6m), growing 12.9% on the previous year, with mobile payments growing 11% (2025: 1%), mobile messaging growing 28% (2025: 26%) and managed services declining 6% (2025: growth of 6%). The strong growth in mobile payments and mobile messaging was driven principally by continued strength in the media sector, including a growing contribution from Portugal, which is becoming an increasingly significant market for the group. The decline in managed services gross profit was modest, and reflects additional mobile operator fixed fees reflected in this business line.

The blended gross profit margin decreased slightly to 25.2% (2025: 25.6%), reflecting a shift in revenue mix towards mobile messaging, which carries a lower gross margin than mobile payments. Within mobile payments, gross margin improved during the year, driven by a decline in lower-margin voice and gaming-related services (see TPV section above). MNOs retain a much larger share of revenue from these services than the group does, so as they declined, most of the lost revenue came from the MNOs' share rather than the group's own gross profit. Overall, the change in blended margin was driven by mobile messaging growing faster than mobile payments, not by any decline in underlying profitability within either service line.

Adjusted operating expenses

Staff and contractor-related costs and incentives rose to £5.3m (2025: £4.5m), reflecting several new senior hires across France, development, and Legal representation, in support of the group's international expansion and growing operational complexity. This figure includes the cost of overseas contractors engaged directly by the group, which are not included within the employee benefit expenses disclosed in note 6, as these individuals are not classified as employees. Average headcount including employees and overseas contractors increased to 58 (2025: 52).

Data centre hosting costs rose to £260k (2025: £200k), reflecting infrastructure upgrades to support additional markets and increased mobile network operator connections.

Software development costs of £1,547k (2025: £1,285k) were capitalised, representing 66% of development team costs (2025: 67%). The increase reflects expansion of the development team and further investment in the Fonix platform. Capitalised spend was offset by an amortisation charge of £1,112k (2025: £875k), with development costs amortised on a straight-line basis over three years.

Adjusted EBITDA

Growth in gross profit, combined with continued investment to support international and product expansion, drove an 11.0% increase in adjusted EBITDA to £16.2m (2025: £14.6m).

Finance income and expenses

Finance expense, relating to the unwinding of the discounted lease liability, decreased to £10k (2025: £21k).

Finance income decreased to £0.6m (2025: £0.8m), reflecting lower base interest rates.

Corporation tax

The company's effective corporate tax rate increased to 23.3% (2025: 22.7%) reflecting strong growth in the UK where the headline rate of corporation tax is 25%. The group's Irish branch is taxed at the Irish trading rate of 12.5%, and its Portuguese branch at the Portuguese standard rate of 20%. The group's French subsidiary (Fonix SAS), currently loss-making as it establishes operations in that market, is subject to the French standard corporate tax rate of 25%, and did not contribute to the group's effective tax rate in the period. The group's Swiss subsidiary (Fonix GmbH) is also currently loss-making and does not constitute a taxable permanent establishment in Switzerland; its results are expected to remain subject to UK corporation tax rather than a separate Swiss tax basis.

EPS and Dividends

Adjusted EPS grew to 12.1p (2025: 11.3p), an increase of 7.1%. Given the group's performance and cash resources, the board recommends a final dividend of 6.20p per share (2025: 5.90p), giving a total dividend for the year of 9.30p per share (2025: 11.80p per share including the 3.00p special dividend), in line with the group's progressive policy to distribute at least 75% of adjusted earnings per share each year.

Statement of Financial Position

The group had net assets of £11.3m (2025: £10.5m) at the year-end, including capitalised software development costs with a carrying value of £2.5m (2025: £2.0m).

Current assets increased to £63.8m (2025: £55.8m), primarily reflecting higher cash balances at year end, partly due to slightly earlier settlement from mobile network operators than in the prior year, which correspondingly dampened the year-on-year growth in trade receivables. Current liabilities increased to £54.7m (2025: £47.1m), with trade payables growing broadly in line with the increase in trading volumes during the year.

Cash and underlying cash

The board distinguishes between actual cash, which includes cash held on behalf of customers, and underlying cash, which excludes cash held on behalf of customers.

Underlying cash is considered a better reflection of the cash flow available to the business. It decreased to £9.4m (2025: £9.9m), primarily due to a £2.4m share buy-back in the period.

Actual cash, which includes cash held on behalf of customers, can vary substantially from period to period and is particularly sensitive to the timing of mobile network operator outpayments. Actual cash held increased to £28.6m (2025: £22.0m) in the year. The increase was purely timing-related and reflects the settlement of certain mobile network operator receivables around the year end.

Michael Foulkes, Chief Finance Officer

Audited results for the year ended 30 June 2026

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

	Note	2026 £'000	2025 £'000
Continuing operations			
Revenue	4	83,346	72,780
Cost of sales		(62,317)	(54,152)
Gross profit	3	21,029	18,628
Other income		-	-
Adjusted operating expenses[1]		(4,872)	(4,074)
Profit before interest, tax, depreciation, amortisation, share-based payment charge and exceptional costs		16,157	14,554
R&D tax credit		156	131
Share-based payment charge		(85)	(86)
Depreciation and amortisation		(1,253)	(1,014)
Operating profit		14,975	13,585
Finance income		637	826
Finance expense		(10)	(21)
Profit before taxation		15,602	14,390
Taxation		(3,712)	(3,245)
Total comprehensive profit for the financial year		**11,890**	**11,145**

[1] Adjusted operating expenses excludes R&D tax credits, share-based payment charge, depreciation and amortisation

Earnings per share	**2026**	**2025**
Basic earnings per share	12.0p	11.3p
Diluted earnings per share	12.0p	11.2p
Adjusted basic earnings per share	12.1p	11.3p

Consolidated Statement of Financial Position

As at 30 June 2026

	2026	2025
	£'000	£'000
Non-current assets		
Intangible asset	2,452	2,017
Right of use asset	45	166
Tangible assets	38	31
	2,535	2,214
Current assets		
Trade and other receivables	35,215	33,766
Cash and cash equivalent	28,579	21,998
	63,794	55,764
Total assets	**66,329**	**57,978**
Equity and liabilities		
Equity		
Share capital	100	100
Share premium account	679	679
Treasury shares	(4,349)	(2,051)
Share option reserves	497	422
Foreign exchange reserve	(0)	-
Retained earnings	14,333	11,380
	11,260	10,530
Liabilities		
Non-current liabilities		
Deferred tax liabilities	368	287
Lease liabilities	-	19
	368	306
Current liabilities		
Trade and other payables	54,682	47,015
Lease liabilities	19	127
	54,701	47,142
Total liabilities	55,069	47,448
Total equity and liabilities	**66,329**	**57,978**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Share capital £'000	Share premium £'000	Share option reserve £'000	Treasury shares £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2024	100	679	362	(2,273)	-	11,834	10,702
Profit for the financial year	-	-	-	-	-	11,145	11,145
	-	-	-	-	-	11,145	11,145
Transactions with shareholders							
Dividends	-	-	-	-	-	(11,493)	(11,493)
Share-based payment charge	-	-	86	-	-	-	86
Purchase of own shares	-	-	-	0	-	-	0
Exercise of share options issued from treasury shares	-	-	-	222	-	(132)	90
Fair value of options exercised in the period	-	-	(26)	-	-	26	-
	-	-	60	222	-	(11,599)	(11,317)
Balance at 30 June 2025	**100**	**679**	**422**	**(2,051)**	**-**	**11,380**	10,530
Profit for the financial year	-	-	-	-	-	11,890	11,890
	-	-	-	-	-	11,890	11,890
Transactions with shareholders							
Dividends	-	-	-	-	-	(8,916)	(8,916)
Share-based payment charge	-	-	85	-	-	-	85
Purchase of own shares	-	-	-	(2,360)	-	-	(2,360)
Exercise of share options issued from treasury shares	-	-	-	62	-	(31)	31
Fair value of options exercised in the period	-	-	(10)	-	-	10	-
	-	-	75	(2,298)	-	(8,937)	(11,160)
Balance at 30 June 2026	**100**	**679**	**497**	**(4,349)**	**-**	**14,333**	11,260

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	2026	2025
	£'000	£'000
Cash flows from operating activities		
Profit before taxation	15,602	14,390
Adjustments for		
Depreciation	20	20
Amortisation	1,233	994
Share-based payment charge	85	86
Finance income	(637)	(826)
Finance expense	10	21
(Increase)/decrease in trade and other receivables	(1,448)	2,180
Increase/(decrease) in trade and other payables	8,917	(5,758)
Income tax paid	(4,882)	(3,570)
Net cash flows from operating activities	18,900	7,537
Cash flows from investing activities		
Interest received	637	826
Payments to acquire tangible assets	(27)	(20)
Payments to acquire intangible assets	(1,547)	(1,285)
Net cash flows from investing activities	(937)	(479)
Cash flows from financing activities		
Net proceeds from issue of equity	31	90
Dividends paid	(8,916)	(11,493)
Purchase of own shares	(2,360)	-
Capital payments in respect of leases	(127)	(116)
Interest paid in respect of leases	(10)	(21)
Net cash flows from financing activities	(11,382)	(11,540)
Net increase in cash and cash equivalents for the period	6,581	(4,482)
Effect of exchange rate changes	(0)	-
Cash and cash equivalents at beginning of period	21,998	26,480
Cash and cash equivalents at end of period	**28,579**	**21,998**

Consolidated Statement of Underlying Cash Flows

For the year ended 30 June 2026

The group's mobile payments segment involves collecting cash on behalf of clients which is then paid to clients net of the group's share of revenues or fees associated with collecting the cash. The group's cash balance therefore fluctuates depending on the timing of "pass through" cash received and paid. The analysis below shows the movements in the group's underlying cash flow excluding the monies held on behalf of customers. The underlying cash is derived from actual cash by adjusting for customer related trade and other receivables less customer related trade and other payables and customer related VAT liabilities.

	2026	2025
	£'000	£'000
Underlying cash flows from operating activities		
Profit before taxation	15,602	14,390
Adjustments for		
Depreciation	20	20
Amortisation	1,233	994
Share-based payment charge	85	86
Finance income	(637)	(826)
Finance expense	10	21
(Increase)/decrease in trade and other receivables	83	(410)
Increase/(decrease) in trade and other payables	331	(133)
Income tax paid	(4,882)	(3,570)
Net underlying cash flows from operating activities	11,845	10,572
Underlying cash flows from investing activities		
Interest received	637	826
Payments to acquire tangible assets	(27)	(20)
Payments to acquire intangible assets	(1,547)	(1,285)
Net underlying cash flows from investing activities	(937)	(479)
Underlying cash flows from financing activities		
Net proceeds from issue of equity	31	90
Dividends paid	(8,916)	(11,493)
Purchase of own shares	(2,360)	-
Capital payments in respect of leases	(127)	(116)
Interest paid in respect of leases	(10)	(21)
Net underlying cash flows from financing activities	(11,382)	(11,540)
Net increase in underlying cash for the period	(474)	(1,447)
Effect of exchange rate changes	(0)	-
Underlying cash at beginning of period	9,877	11,324
Underlying cash equivalents at end of period	**9,403**	**9,877**

Notes to the preliminary financial information

1. Basis of preparation

The financial information set out herein does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the Year ended 30 June 2026 has been extracted from the group's audited financial statements which were approved by the board of directors on 21 September 2026 and which, if adopted by the members at the annual general meeting, will be delivered to the Registrar of Companies for England and Wales.

The group's subsidiary undertakings in France and Switzerland were incorporated during the year and are consolidated from the date on which control was obtained. As the group had no subsidiaries at 30 June 2025, these are the first financial statements prepared on a consolidated basis; accordingly, the comparative financial information for the Year ended 30 June 2025 relates to the company only.

The financial information for the Year ended 30 June 2025 has been extracted from the company's audited financial statements which were approved by the Board of Directors on 22 September 2025 and which have been delivered to the Registrar of Companies for England and Wales.

The reports of the auditor on both these financial statements were unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

The information included in this preliminary announcement has been prepared on a going concern basis under the historical cost convention, and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board ("IASB") that are effective as at the date of these financial statements.

The company is a public limited company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange.

2. Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Fonix is not externally funded and accordingly is not affected by borrowing covenants. In addition, the cost of capital represents dividend distributions or share buy-backs – which are discretionary.

At 30 June 2026 the group had cash and cash equivalents of £28.6 million (2025: £22.0 million) and net current assets of £9.1 million (2025: £8.6 million). The business model of Fonix is cash generative – with increased sales generally impacting positively on the working capital cycle and profits from trading activities being rapidly reflected in cash at bank.

The directors maintain sufficient net assets in the group by moderating or increasing dividend distributions or share buy-backs as necessary.

The directors have prepared detailed cash flow forecasts for the next 18 months that indicate the existing activities of the group do not require additional funding during that period. The forecasts are challenged by various downside scenarios to stress test the estimated future cash and net current asset position. The directors are pleased to note that the stress tests did not have a significant impact on the funding requirement. In addition, current trading is in line with the forecast for the year.

Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

3. Segmental reporting

Management currently identifies one operating segment in the group under IFRS 8 – being the facilitating of mobile payments and messaging. However, the directors monitor results and performance based upon the gross profit generated from the service lines as follows:

Gross profit	2026 £'000	2025 £'000
Mobile payments	16,509	14,871
Mobile messaging	3,746	2,937
Managed services	774	820
	21,029	18,628

Differences between the way in which the single operating segment is reported in the financial statements and the internal reporting to the Board for monitoring and strategic decisions, relates to the recording of revenue in line with IFRS 15. The IFRS adjustments do not impact on the calculation or reporting of gross profit.

Gross profits can be attributed to the following geographical locations, based on the end user and the associated mobile network operators' location:

Gross profit by geography	2026 £'000	2025 £'000
United Kingdom	18,295	16,268
Rest of Europe	2,734	2,360
	21,029	18,628

4. Revenue

The group disaggregates revenue between the different streams outlined as this is intended to show its nature and amount.

The total revenue of the group has been derived from its principal activity undertaken wholly in the United Kingdom and EU.

Revenue is recognised at the point in time of each transaction when the economic benefit is received. The total revenue of the group by service line is as follows:

Revenue by service line	2026 £'000	2025 £'000
Mobile payments	52,874	48,784
Mobile messaging	28,322	21,831
Managed services	2,150	2,165
	83,346	72,780

Revenues can be attributed to the following geographical locations, based on the end user and the associated mobile network operators' location:

Revenue by geography	2026 £'000	2025 £'000
United Kingdom	68,884	60,209
Rest of Europe	14,462	12,571
	83,346	72,780

The number of customers representing more than 10% of gross profit in the year was 3 (2025: 3).

5. Earnings per share

The calculations of earnings per share are based on the following profits and number of shares:

	2026 £'000	2025 £'000
Retained profit for the financial year	11,890	11,145

Number of shares	2026 Number	2025 Number
Weighted average number of shares outstanding	98,898,757	99,036,308
Share options	476,697	695,763
	99,375,454	99,732,071
Earnings per ordinary share		
Basic	12.0p	11.3p
Diluted	12.0p	11.2p

The calculations of adjusted earnings per share are based on the following adjusted profits and number of shares listed above:

Adjusted earnings per share	2026 £'000	2025 £'000
Retained profit for the financial year	11,890	11,145
Adjustments		
Share-based payment charge	85	86
Net adjustments	85	86
Adjusted earnings	11,975	11,231
Adjusted basic earnings per ordinary share	12.1p	11.3p

At 30 June 2026, the total number of ordinary shares of 0.1 pence each in the capital of the company, in issue was 100,000,000. The company held 2,376,335 shares in treasury, and therefore the total number of ordinary shares outstanding in the company was 97,623,665.