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Fonix Mobile PLC

("Fonix", or the "Company")

Proposed Secondary Placing of not less than 6,666,667 Existing Ordinary Shares in the Company

Fonix Mobile plc (AIM:FNX), the UK focused mobile payments and messaging company, announces that it has been informed by certain Directors, shareholders and employees of the Company of their intention to sell, in aggregate, not less than 6,666,667 ordinary shares of 0.01 pence each ("**Ordinary Shares**") in the capital of Company (the "**Placing Shares**") at a price of 150 pence per Placing Share (the "**Placing**") in order to satisfy strong institutional demand.

Each of Ganton Limited (an investment vehicle of William Neale, Founder and Non-Executive Director), Robert Weisz (Chief Executive Officer), Starnevesse Limited (an investment vehicle of Richard Thompson), Stephen George, Marcus Kern, Anthony Baladi, Louisa Harris, Sparticus Limited (an investment vehicle of Andrew Oliver) and Magnolia Capital Limited (an investment vehicle of Rupert Horner), who together as the selling shareholders (the "**Selling Shareholders**") intend to participate in the Placing.

Following a series of meetings with both new and existing institutional investors, it became apparent that demand for the Ordinary Shares was in excess of those readily available for sale. The Selling Shareholders recognise the strategic importance of a strong and supportive institutional shareholder base, and have therefore decided to release a portion of their own holdings in order to help satisfy this demand.

finnCap Ltd ("**finnCap**") is acting as sole bookrunner ("**Bookrunner**") in relation to the Placing.

The sale of the Placing Shares will be effected by way of an accelerated bookbuild to institutional investors which will be launched immediately following this announcement (the "**Bookbuild**"). finnCap

will determine the amount of Placing Shares each of the Selling Shareholders will sell as part of the Placing.

A further announcement noting the number of Placing Shares sold by and subsequent holdings of the Selling Shareholders some of whom are also Directors or PDMRs of the Company will be made following completion of the Bookbuild.

The timing for the close of the Bookbuild and the distribution of allocations will be at the absolute discretion of finnCap.

As disclosed in the Company's admission document dated 7 October 2020, Robert Weisz undertook to the Company and finnCap not to dispose of any Ordinary Shares at any time prior to the second anniversary of the admission of the Ordinary Shares to trading on AIM without the prior written consent of finnCap and the Company (the "**Lock-in Undertaking**").

The independent directors of the Company, for this purpose being William Neale, Edward Spurrier, Michael Foulkes and Carmel Warren (the "**Independent Directors**"), have confirmed on behalf of the Company the release of Robert Weisz from the Lock-In Undertaking such that he can participate as a Selling Shareholder in order to satisfy strong institutional demand. The residual Ordinary Shares held by Robert Weisz will remain subject to such undertaking. finnCap has also provided its consent to the participation of the Robert Weisz in the Placing on this basis.

The release of Robert Weisz from the Lock-In Undertaking constitutes a related party transaction for the purpose of Rule 13 of the AIM Rules for Companies. The Independent Directors, having consulted with finnCap, the Company's Nominated Adviser, consider this to be fair and reasonable insofar as the Company's shareholders are concerned.

Enquiries:

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Jonny Franklin-Adams / Seamus Fricker (Corporate Finance)

Alice Lane / Sunila de Silva (ECM)

Notes to editors

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 used by blue chip clients such as ITV, Bauer Media, BT, Global Media, Comic Relief and Children in Need to name a few.

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No prospectus, admission document or offering document has been or will be prepared in connection with the Placing. Any investment decision to buy securities in the Placing must be made solely on the basis of publicly available information. Such information is not the responsibility of and has not been independently verified by the Selling Shareholders, finnCap or any of their respective affiliates.

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finnCap, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting only for the Selling Shareholders in connection with the Placing and will not be responsible to anyone other than the Selling Shareholders for providing the protections offered to the clients of finnCap, nor for providing advice in relation to the Placing or any matters referred to in this announcement, and apart from the responsibilities and liabilities (if any) imposed on finnCap by the Financial Services and Markets Act 2000, any liability therefore is expressly disclaimed. Any other person in receipt of this announcement should seek their own independent legal, investment and tax advice as they see fit.

References to time in this announcement are to London time, unless otherwise stated. All times and dates in this announcement may be subject to amendment.

Certain statements in this announcement are, or may be deemed to be, forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Readers should not place any undue reliance on forward-looking statements which speak only as of the date of this announcement. Statements contained in this announcement regarding past trends or events should not be taken as representation that such trends or events will continue in the future.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in

relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.