



Fonix plc

**Annual Report
& Accounts**

2026

“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.”

Edward Spurrier

Non-executive Chair



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Annual Report & Accounts 2026

Overview





Highlights

Financial Highlights

Gross profit



2026

£21.0m

2025

£18.6m

vs 2025

▲ 12.9%

Adjusted EBITDA¹



2026

£16.2m

2025

£14.6m

vs 2025

▲ 11.0%

Adjusted PBT²



2026

£15.5m

2025

£14.3m

vs 2025

▲ 8.4%

Total Payments Volume (TPV)³



2026

£303.3m

2025

£280.9m

vs 2025

▲ 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. 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.



Highlights

Operational Highlights

6

markets across Europe

c.13%

of gross profit from
overseas

100%

platform uptime

10th

year with ITV



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) 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.



Business Model

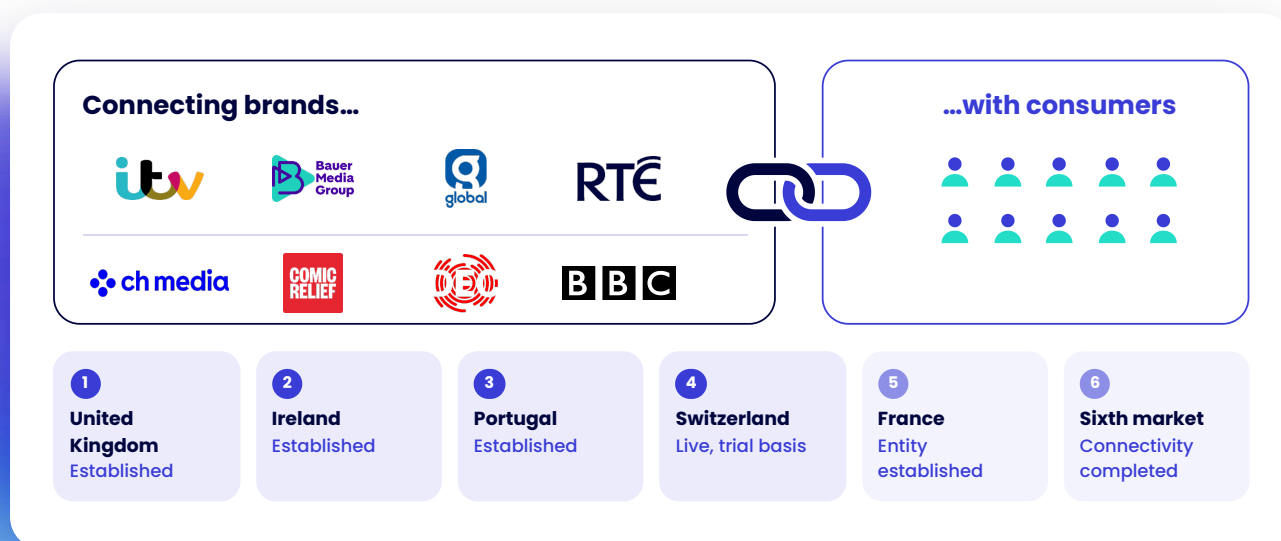
What we do

Fonix is a leading provider of mobile payments and customer engagement solutions for businesses across media, charity, e-mobility and other digital services. Our technology enables consumers to pay and interact directly through their mobile devices using simple, familiar channels — spanning traditional carrier billing and SMS through to online payments and rich, interactive messaging.

In FY26, Fonix's services operated across the UK, Ireland and Portugal (launched September 2025), alongside Switzerland, our fourth market, where a pilot partnership with CH Media progressed during the year and a second customer went live in August

2026 — both customers are now live, though on a trial basis at this stage rather than an established recurring income stream. In France, the group has established a legal entity and made further hires, and continues to progress mobile network connectivity, with the Board viewing France as a high-potential market for Fonix over the coming years.

Our client base includes many of Europe's most recognised broadcasters, charities and digital service providers — including ITV, Bauer Media Group, Global, RTÉ, CH Media, Comic Relief, The DEC and BBC Children in Need.



Value proposition

Fonix's payment technology creates significant new revenue opportunities for businesses by providing frictionless payments that help them monetise their customer relationships and increase conversion rates in their checkout processes.

By combining payment and messaging capabilities, Fonix enables campaigns where marketing, engagement and transactions happen seamlessly within the same interaction — maximising both conversion and consumer engagement.



Services & revenue model



Mobile payments

Payments enable consumers to make purchases from merchants (Fonix customers), charged to their mobile phone bill, or completed online via Fonix's payment service provider (PSP) partners. On each transaction, Fonix generates a commission or facilitation fee from the merchant, recognised as revenue. For payments processed via mobile network

operators, the operator deducts its commission at source from the amount collected on Fonix's behalf, which Fonix recognises as cost of sales.

Fonix's Campaign Manager is a platform for setting up, managing, operating, reconciling, and reporting on marketing activities and the associated payments. Our platform supports:

Carrier billing

One-off purchases, recurring subscriptions and in-app payments within PSD2 limits.

SMS billing

Impulse purchases such as competitions, donations and interactive services.

Voice billing

Premium rate calls for competitions, voting services, audience participation and entertainment.

Online payments via PSP partners

Facilitating alternative payment methods including Apple Pay, Google Pay, PayPal and debit cards through merchants' existing PSP integrations.

This online payment capability underpins several of Fonix's newer products:

PayFlex

PayFlex embeds online payments directly within a messaging journey, typically used to recover failed SMS billing transactions or to offer flexible payment options where SMS billing is regulated or restricted, supporting higher-value transactions.

CompsPortal

CompsPortal, a self-serve competition and campaign platform, allows broadcasters and other clients to extend on-air or SMS-led competitions to a dedicated online site, embedding online payments alongside SMS entry routes and unifying consumer entry and winner management data across SMS, PayFlex, RichMessaging and online channels in a single view.

RichMessaging

RichMessaging embeds online payments within RCS-based branded, interactive messages.

Across PayFlex, CompsPortal and RichMessaging, Fonix earns a facilitation fee calculated as a share of consumer spend processed through the platform, recognised within the payments revenue stream.



Mobile messaging

Fonix's messaging API and Campaign Manager platform allow clients to send marketing, alerts, authentication and service messages. Fonix's Campaign Manager platform is largely agnostic to particular messaging channels and has been adapted to allow richer messaging via Google's RCS Business Messaging (RBM) — branded by Fonix as RichMessaging — enabling clients to send richer

content and interactive messaging experiences to increase engagement and conversion.

Fonix enables clients to send messages to consumers at no charge to the consumer. Fonix charges clients to facilitate the message, which is recognised as revenue. Carriers charge Fonix to send the message, which is recognised as cost of sales.



Managed services

Fonix enables consumers to donate to a charity client via their mobile phone bill or an online donation portal. The charity pays Fonix a fee for facilitating donations or providing the donation portal, which is recognised as revenue.

Fonix also provides a managed service to certain broadcaster clients, for which an additional fee is charged, recognised as revenue within managed services.

Sector focus

Fonix has a sector focussed growth strategy as follows:



Media

Consisting primarily of TV and radio, this is Fonix's largest market. Our growth strategy is to expand market share in core territories by engaging broadcasters and media organisations not yet using interactive services, and by winning business from broadcasters running competition services with competitors in neighbouring European markets. We also expect continued growth from our existing client base.



Charity

Market leader in text-to-donate in the UK, with growth opportunities both in the domestic market and through targeted international expansion.



Prize draws

A growing market for prize draw and competition operators outside of traditional broadcast media, where demand for robust, compliant messaging and payment technology is increasing. Fonix's focus in this space is on messaging marketing solutions — SMS and RichMessaging — combined with carrier billing payments.



Enterprise

Fonix continues to see adoption of its messaging platform by enterprise clients, as organisations seek robust, scalable and compliant solutions for customer communications, authentication and service alerts. Fonix is increasingly recognised as a trusted alternative to global providers, combining direct operator connectivity with strong local regulatory expertise.



CASE STUDY

Switzerland: a greenfield opportunity

Entering Switzerland with the fundamentals and the partners in place



Why Switzerland



Attractive population size and addressable market



Strong, willing broadcasters:
two significant media groups with large, non-overlapping audiences



Favourable regulation:
prize draws are clearly permitted for media organisations



Concentrated mobile market:
three large networks, all keen to run services

Customer traction

Broadcasters



MEDIAONE | GROUP

Mobile networks



Salt.



In Fonix, we have gained a strong partner who will help us to offer our viewers and listeners attractive interactive content. We look forward to this partnership and to jointly developing interactive formats for radio and TV.

Nicola Bomio

Head of Regional TV & Radio, CH Media



What drew us to Fonix was the ability to create new revenue from formats our audiences already love. It's a smart fit for where we're taking our business, and this is just the starting point.

Alexandre de Raemy

Directeur Général, Media One Group



Annual Report & Accounts 2026

Strategic Report





Strategic Report

Chair's Review



"A year in which Fonix moved decisively from planning international and product expansion to beginning to deliver it."

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. *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

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).





Strategic Report

CEO's Statement



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

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

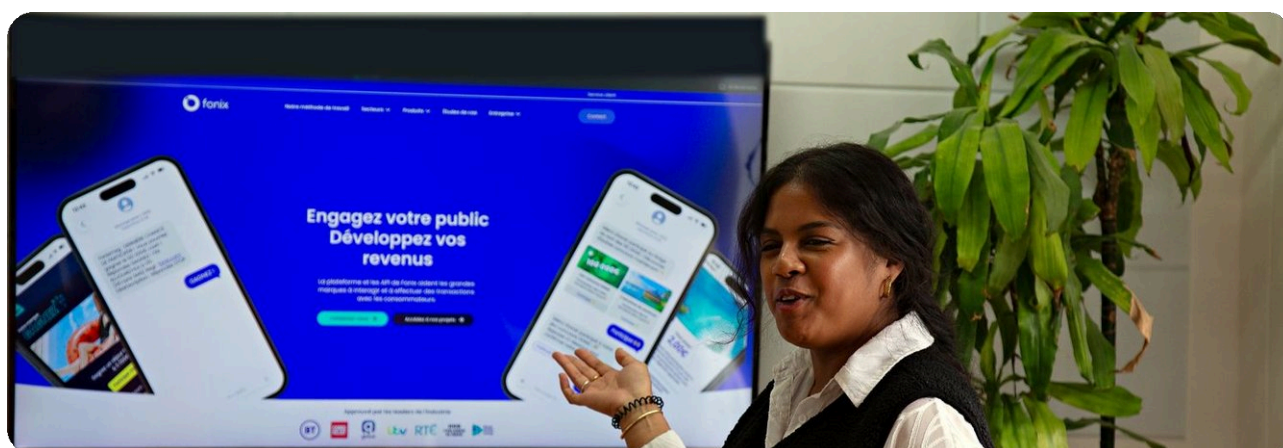
Client- and sector-led international expansion

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



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%

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

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

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

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

⁵Adjusted 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).

⁶Total 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.



Strategic Report

Financial Review



“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.”

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





Principal Risks and Uncertainties

The company faces a number of business risks and uncertainties due to ever changing market dynamics, including risks from competitors, supply-chain disruptions, regulatory changes, cyber criminals and other economic events. The table below sets out the key risks that have been identified, along with the company's approach to mitigating those risks:

Risk	Description
 Fall in demand for services	The group's future revenue and profit growth will depend largely on maintaining and increasing demand for its services. There can be no assurance that the group will continue to be successful in selling services to existing customers or in winning new customers. There is a risk that the group may exhaust the list of services it is able to cross-sell or up-sell to existing customers, either through natural attrition or due to customers choosing to use another provider. As the group's income is largely transaction-based, its performance is directly linked to the transaction volumes generated by its customers (merchants). Any decline in consumer demand for a customer's own services will result in fewer transactions and reduced income for the group. This includes the risk that customers change or evolve their own service formats – for example, competition operators moving from more frequent prize draws (e.g. daily or hourly) to less frequent ones (e.g. weekly), or adjusting prize structures and aggregate prize funds in a way that reduces overall consumer spend. Similarly, some customers have shifted towards promoting higher price-point bundles which, while delivering them a better overall return per transaction, can result in fewer total transactions and therefore a lower total revenue for the group. As the group does not control the design, frequency or pricing of its customers' services, changes made by customers to optimise their own commercial outcomes may inadvertently reduce consumer participation levels and transaction volumes. Given the group has historically benefited from a consistent supply of repeat business from customers, a material reduction in demand from existing customers – whether due to a downturn in their own performance, format changes, or a decline in their markets – could result in a significant fall in the group's revenue and profitability. The group mitigates this risk by continuing to invest in new product innovations that provide additional value to existing customers, differentiate it from competitors and attract new customers. It is also investing in expansion into new geographies and adjacent product areas to diversify revenue streams. In addition, the group works closely with customers to support the relevance of their services, encourage sustained consumer engagement, and identify opportunities to grow transaction volumes.



Risk	Description
 Loss of key customers	Whilst the top 10 customers of the group can change each year (as new customers undertake large change programmes, for example), they have accounted for 86 percent, 83 percent and 86 percent of the group's gross profit in the years ended 2024, 2025 and 2026 respectively. Over the last few years the business has established a reasonably significant wholesale messaging business line, with customers using Fonix's direct network operator connections to send SMS messages to UK consumers. Unlike the group's core interactive services, wholesale messaging customers tend to have relatively low switching costs and are highly price sensitive due to the commoditized nature of pure SMS messaging. One of the group's top 10 customers (by contribution to the group's annual gross profit) exclusively uses Fonix's wholesale messaging services. Whilst the group has not lost a significant customer to a competitor during the past seven financial years, the loss of one or more of these key customers to a competitor or otherwise, could lead to a material adverse effect on the group's revenue and profitability. The group mitigates this risk by continuing to invest in new product features that differentiate it from its competitors and ensure customers are more embedded in the group's platform. All significant clients are also given dedicated and exemplary customer service support.
 Dependency on key suppliers	The group's services are largely dependent on contracting with mobile network operators (MNOs) for the supply of mobile payments and messages. While the board is not presently aware of any reason likely to lead to the termination or variation of any such contracts, there can be no guarantee that such events will not occur in the future. It is common for contracts with MNOs to be capable of termination on short notice and in certain cases, the MNOs can exercise that right without cause. The MNOs are also entitled to review, vary and/or introduce new fees from time to time, and these tend to take effect 30 days after written notice has been given to the group. Such terminations or variations could have a material adverse effect upon the group's ability to offer services or viable commercials to customers and therefore on the group's financial results. To mitigate this risk, the group continues to maintain strong relationships with all its MNOs and takes a consultative approach with MNOs regarding any compliance and/or proposed commercial changes. In the event of MNOs enforcing adverse price variances, the group maintains the ability to pass the difference onto merchants. The group also continues to invest in new product innovations, such as alternative messaging and payment connections, which have the potential to alleviate some of the dependency on supplies from MNOs.



Risk	Description
 Mobile network operator indemnities	As mobile network operators (MNOs) have no contractual relationships with the group's merchants (wholesale carrier billing and SMS billing customers of the group), the group takes on responsibility for them in its contracts with MNOs. As such, each MNO agreement will contain a number of warranties granted by the group relating to a merchant's fitness to operate, compliance with all applicable laws and information and platform security measures to be put into place. Although these warranties are numerous, they are standard in the industry. MNO agreements will also contain indemnities to be granted by the group in favour of the MNO, including in relation to the operation of the group's platforms, infringement of third-party intellectual property rights, fraudulent consumer activity, artificially inflated traffic, consumer bad debts and regulatory or other third-party claims. It is common for liability to be uncapped. To mitigate these risks, the group continues to maintain strong relationships with all its MNOs and regularly reviews its customers' services to ensure they comply with MNO contracts and regulatory guidelines. The group also maintains the right within its contracts with customers (merchants) to pass-on customer specific claims to the relevant customer, although it has no way of guaranteeing recovery of any liabilities passed on.
 Technological change	The group operates in an industry which is subject to continuous and fast-paced technological change, with new products and services being introduced to the market frequently. If the group is unable to respond to such changes in a cost-effective manner, the group may become less marketable and less competitive or perceived to be obsolete and the group's operating results may be adversely affected. Therefore, the group's success depends, in part, on its ability to anticipate these changes effectively and to develop its offering in line with changing customer demands and market preferences, as well as to adapt to changes in hardware, software, networking, browser and database technologies. The group may be required to invest significant time and resources to develop or establish the necessary expertise and experience to sell and deliver new solutions to its customers effectively and there can be no assurance that any new investment would ultimately prove successful. Such investments carry the risks associated with any new development effort, including cost overruns, delays in delivery, performance issues and the risk that customers may be reluctant to adopt new solutions without seeing reference use cases. Failure to adapt in response to changes in customer demand and preferences or to keep pace with relevant technological or regulatory change could limit the group's ability to serve its customers effectively and restrict the group's ability to execute its growth strategy, which



Risk	Description
Technological change (continued)	could lead to a reduction in customers and have a material adverse effect. The group mitigates these risks by continuously reviewing its product roadmap to ensure new and planned product features remain relevant to the demands of its customers and prospective customers. The group also continuously monitors the competitive landscape to ensure it continues to innovate its products to maintain a competitive edge.
 Regulatory and compliance breaches	As a regulated provider of phone-paid services, the group is bound by the relevant codes of practice in the markets in which it operates. In the UK, the group is governed by the Ofcom Code for Phone-paid Services (the “Code”). The group is also subject to the Commission for Communications Regulation (ComReg) Code of Practice in the Republic of Ireland, the Anacom code of practice in Portugal, the AF2M codes of practice in France, and the industry Code of Conduct for mobile value-added services in Switzerland, and similar regulatory obligations in other territories where it chooses to operate. Ofcom, ComReg, Anacom, AF2M, the mobile network operators and other relevant regulators investigate complaints, monitor compliance and may initiate enforcement action where there is an apparent breach of their code or applicable regulations. In certain cases, regulators may seek interim measures such as suspension of a service and/or withholding of revenue before a formal adjudication takes place. In the UK, if a regulatory tribunal determines that a provider has breached the Code, it can apply a range of sanctions including, but not limited to: (1) issuing a formal reprimand and/or warning as to future conduct; (2) ordering a provider to issue refunds to consumers; (3) imposing a fine of up to £250,000 per breach; and (4) barring access to the service for a defined period. Similar sanctions and penalties are available to other regulators in other jurisdictions. The group mitigates this risk by carrying out regular customer compliance reviews and due diligence in line with applicable codes, regulatory requirements and network operator rules. Some of the group's customers operate in regulated sectors. In broadcasting, customers are regulated by Ofcom in the UK, ComReg in Ireland, Anacom in Portugal, Arcom in France, and OFCOM in Switzerland, which also regulates phone-paid services in that market. A number of the group's customers are also licensed gambling operators, regulated by the UK Gambling Commission and the equivalent authorities in other markets. Separately, many of the group's broadcaster customers operate prize draw competitions which currently fall outside gambling regulation in these markets under format-based exemptions (for example, requiring a free entry route), rather than under gambling licences; a change in the format of these competitions, or a change in the applicable regulations, could bring them within the scope of gambling regulation.



Risk	Description
Regulatory and compliance breaches (continued)	The group mitigates this risk in part by generally working with customers that have an established track record and a long-standing trading history. The group is also subject to general laws and regulations that apply to AIM-listed businesses, the processing of personal data, and the processing of payments in the UK and other territories. These legal and regulatory frameworks continue to evolve, and changes may adversely affect the group's business. To mitigate this, the management team monitors developments in all applicable laws and regulations, assesses the potential impact of proposed changes, and engages external advisers where appropriate.
 Regulatory changes, including gambling legislation	A number of the group's significant customers operate 'prize draw competitions', which currently fall outside gambling and lottery legislation in the group's core geographical markets, including the UK, Ireland, Portugal, Switzerland, France and certain prospective new markets. Any legislative or regulatory change that limits, alters, or prohibits the ability of these customers to operate prize draw competitions in their current form could have a material adverse effect on the group's business, financial performance, financial condition and/or prospects. In the UK, the Government's voluntary code of good practice for prize draw and competition operators (the "Code") has now been published, with signatories required to be fully compliant from 20 May 2026. The Code allows such services to remain exempt from gambling licensing, provided they continue to offer a valid free entry route and adhere to the standards set out in the Code, which cover player protection, transparency and operator accountability. A number of the group's customers, particularly newer online prize draw operators, have signed up to the Code and have implemented, or are in the process of implementing, changes to their marketing, terms and conditions, and operational processes in order to comply. The group's longer-standing broadcaster customers have, in many cases, not become signatories to the Code, instead pointing to the voluntary standards they have operated under for a number of years in conjunction with the Association for Interactive Media and Micropayments (AIMM). The Government has made clear that the Code will act as a test of the sector's ability to regulate itself: if it fails to deliver adequate transparency, consumer protection, and compliance, the Gambling Act 2005 may be amended to require such services to be licensed gambling activities. The UK Gambling Commission's ongoing Gambling Act Review, as referenced in the associated Gambling White Paper, specifically highlights prize draw competitions as an area where future statutory regulation could still be introduced, notwithstanding implementation of the Code. If licensing were required, this could significantly increase compliance costs, restrict marketing and operational flexibility, and reduce transaction volumes.



Risk	Description
Regulatory changes, including gambling legislation (continued)	Separately, the UK Government has significantly increased the tax burden on gambling operators, including an increase in Remote Gaming Duty from 21 percent to 40 percent of profits with effect from 1 April 2026, as part of a wider reform of gambling taxation. This increase has already led a number of gambling operators, including several of the group's customers, to cease or scale back their UK operations on the basis that continued UK activity was no longer commercially viable. Any further withdrawal of gambling-sector customers from the UK market, whether as a result of these or future tax changes, could reduce the volume of carrier billing and messaging transactions processed by the group on their behalf and could have a material adverse effect on the group's revenue and profitability. In the Republic of Ireland, the Gambling Regulation Act is now in force, the Gambling Regulatory Authority of Ireland has been established, and the Act's new definitions of gambling and lottery services are operational. These definitions have the potential to capture broadcaster prize draw competitions—previously outside gambling regulation—within the regulated framework. It remains unclear whether certain formats could continue to operate outside the new definitions (for example, by using free-entry routes) or whether the regulator will introduce specific licence categories for broadcaster competitions. If licensing were required, customers may be subject to prize caps (such as those applicable to licensed raffles), restrictions on advertising (including prohibitions on daytime SMS marketing or on-air mentions during broadcasts), and other operational constraints. Such measures could make certain competition formats commercially unviable, materially reducing transaction volumes and the group's revenue. The group mitigates these risks by engaging proactively with customers, industry bodies, and policymakers in all relevant markets. In the UK, it works closely with significant customers and the Association for Interactive Media and Micropayments (AIMM) to support customers' compliance with the Code and to participate in consultations on any potential future statutory regulation. The group also continues to diversify its customer base across sectors and geographies to reduce its reliance on customers operating in any single regulatory or fiscal regime. In Ireland, it continues to engage with the Gambling Regulatory Authority and other stakeholders to clarify the treatment of broadcaster prize draw competitions, seek exemptions where possible, and shape any future licensing regime to allow such services to remain viable.
 Potential competition	The group faces competition for its technology and products from other providers of interactive services, mobile messaging, carrier billing, and alternative payment solutions. The results of such increased competition may have a material adverse effect on the group's revenue, profitability, and prospects. A number of specialist online portal providers offer solutions to the group's customers, and online competition portals are a significant



Risk	Description
Potential competition (continued)	area of growth for many major customers. The availability of competing portal solutions may reduce demand for the group's own products and services. In addition, there are a number of significant competitors offering Rich Communication Services (RCS) messaging solutions, some of which have publicly stated plans to expand into RCS-based payment services. If these solutions are successfully deployed at scale, they could directly compete with the group's future growth opportunities in RCS payments. Many of the group's customers also face increasing competition in their own markets from large-scale online competition operators—such as Omaze—that have strong brand recognition, significant marketing budgets, and the ability to attract consumers away from broadcaster or media-run competitions. This erosion of market share for the group's customers could reduce their transaction volumes and, in turn, reduce the group's revenue. Some of the group's competitors may have significantly greater financial and human resources, along with more experience in the development and commercialisation of their products. As a result, such competitors may develop more effective or more innovative products, implement more effective sales and marketing programmes, or secure stronger proprietary positions. It is also possible that mobile network operators (MNOs) could develop direct contractual relationships with the group's customers, bypassing the group entirely, or that MNOs could open their networks to new entrants with direct connectivity, further increasing competitive pressure. Customer contracts are generally rolling month-to-month, and exclusivity of supply is uncommon in the industry. Even where fixed-term agreements exist, customers are typically free to operate with multiple providers in parallel and can migrate services to competitors at short notice. The group mitigates this risk by continuing to invest in new product features that differentiate it from competitors, with the aim of making customers more embedded in the group's platform. In addition, the group provides dedicated account management and a high standard of customer service to significant clients in order to maintain strong relationships and reduce the likelihood of services being moved to a competitor.
 Insufficient operational support	Once a customer uses the group's platform, they depend on the group's technical support services to resolve any issues relating to the services delivered through the platform. If the group does not effectively and quickly resolve post-deployment issues, or provide effective ongoing support, the group's ability to sell additional services to existing customers would be adversely affected and the group's reputation with potential customers could be damaged. The group's



Risk	Description
Insufficient operational support (continued)	failure to provide and maintain high quality support services, especially as the group's business grows, could lead to a reduction in customers and ultimately have a material adverse effect on the group's reputation, financial performance, and prospects. The group mitigates this risk by continuously reviewing whether its operational processes and resources remain adequate given the size and nature of its customer base and the requirements of its contractual service-level agreements (SLAs).
 Loss of key staff and recruitment	The group's future success depends on the ability, experience, and industry knowledge of its staff, as well as its ability to attract, adequately compensate, and retain key personnel. The continued services and contributions of senior management are particularly important to executing the group's business plan, identifying and pursuing new opportunities and product innovations, and maintaining the group's culture and values as it expands geographically and increases its headcount. Competition for suitably qualified individuals with the relevant technical and sector expertise is intense, and the group may face challenges in recognising or responding quickly enough to market dynamics to retain or recruit key staff. There is also a risk that highly skilled employees—particularly those with long-standing customer relationships or specialist product knowledge—could move to competitors, taking with them valuable expertise, commercial relationships, and market insight. Such moves could strengthen a competitor's position while weakening the group's own capabilities and market share. Furthermore, necessary increases in employee compensation to retain key personnel could adversely impact the group's profitability. When hiring from competitors, the group may also face allegations of improper solicitation, misappropriation of proprietary information, or disputes over ownership of intellectual property created by such individuals in previous roles. If the group is unable to identify, attract, develop, motivate, adequately compensate, and retain well-qualified and engaged personnel—or if key personnel leave and suitable successors or replacements are not available—the group may not be able to manage its operations effectively. This could result in delays to new product development, slower implementation of software or platform enhancements, and reduced customer satisfaction, all of which could have a material adverse effect on the group's reputation, business, financial performance, financial condition and/or prospects. The group mitigates this risk by fostering a positive and engaging work environment, positioning itself as an enjoyable and rewarding place to work, and actively promoting employee development and career progression. Responsibilities are shared across teams to reduce key



Risk	Description
Loss of key staff and recruitment (continued)	person dependency. The group also reviews its remuneration and benefits packages regularly to ensure they remain competitive—particularly for senior and specialist roles—and implements retention measures such as long-term incentive schemes to reduce the risk of valuable personnel moving to competitors.
 Misappropriation of intellectual property rights	The success of the group's business depends on its ability to protect and enforce its trademarks, and other unregistered intellectual property rights (IPR), including copyright and know-how. The group attempts to protect its intellectual property through registered trademarks and a combination of confidentiality procedures, contractual provisions, and other methods, all of which offer only limited protection. The group generally enters confidentiality, invention assignment or licence agreements with employees, consultants and customers, and generally limits access to distribution of its proprietary information. However, the group cannot guarantee that it has entered into such agreements with all parties who may have or have had access to confidential information or that the agreements entered into will not be breached. Despite the group's best efforts to protect its intellectual property rights, unauthorised parties may not be deterred or prevented from misuse, theft or misappropriation of information the group regards as proprietary. Moreover, policing unauthorised use of the group's intellectual property is difficult, expensive and time consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the UK and where mechanisms for enforcement of intellectual property rights may be weaker. Attempts to enforce the group's rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against the group or take unilateral steps to invalidate the group's intellectual property rights (IPR), which could result in a holding of official action that invalidates or narrows the scope of its rights, in whole or in part. If the group is unable to protect its proprietary rights, it may be at a competitive disadvantage compared to others who need not incur the additional expense, time, and effort required to create the payments platform that has enabled the group to be successful to date. Any of these events could have a material adverse effect on the group's reputation, business, financial performance, financial condition and/or prospects. The group in part mitigates this risk by in general requiring that any agreements it enters include appropriate confidentiality and IPR clauses.
 Security breaches and cyber risk	Any unauthorised intrusion, malicious software infiltration, network disruption, denial-of-service attack, or similar act by a malicious party could compromise the integrity, continuity, security, and trust of the group's payments platform or the systems of its customers. In addition,



Risk	Description
Security breaches and cyber risk (continued)	any significant system outage, operational failure, or defect in the group's platform—including a failure to process transactions, non-compliant selection of a competition winner, or failure to complete competition draws on schedule—could result in customers seeking compensation for direct losses, including loss of profits, reimbursement of refunded consumer payments, or repayment of prize funds. Such claims could be substantial, particularly where competitions involve high-value prizes or significant promotional expenditure. These risks could also lead to costly litigation, significant financial liability, increased regulatory scrutiny, financial sanctions, GDPR-related fines, reputational damage, and loss of customer confidence in the group's ability to deliver services reliably and compliantly. This, in turn, could cause customers to migrate services to competitors, having a material adverse effect on the group's business, financial performance, financial condition, and/or prospects. As cyber threats and operational risks continue to evolve, the group must invest significant resources to maintain and enhance its information security, platform resilience, and compliance controls, as well as to investigate and remediate any vulnerabilities or incidents. Although the group believes it operates a robust programme of information security, resilience, and compliance controls, and none of the incidents encountered to date have had a material impact, it cannot guarantee the prevention of a future material event or ensure that any such event could be remedied promptly and effectively. The group is also mindful that the growing availability and sophistication of AI tools is likely to enable malicious actors to mount more sophisticated and convincing cyber-attacks and phishing attempts against the group, its staff, and its customers. The group mitigates this risk by maintaining strong data security standards, intrusion detection, and operational monitoring processes, as well as undergoing independent third-party penetration testing at least annually. The group also monitors the evolving use of AI in cyber-attack methodologies and reviews its security controls and staff training accordingly. Responsibilities for compliance and operational integrity are embedded within product and engineering teams to reduce the likelihood of service failure. In the prior year, the group strengthened its operational resilience and governance by achieving ISO certification, demonstrating adherence to internationally recognised standards of information security and operational management. Maintaining this certification is a continuous process, and the group continues to be subject to ongoing assessment and periodic surveillance audits to confirm its continued compliance. The group has, to date, been unable to source commercially viable cyber insurance, due to the limited number of underwriters willing to provide cover for the payments sector.



Risk	Description
 Industry scandals	Whilst the group and its customers have the utmost regard for industry regulations, it is possible that other providers—and their customers—operating in the sector may be less diligent or respectful of applicable rules. Misconduct by such organisations could lead to negative public relations events, similar to the 2007 British premium-rate phone-in scandal, which severely damaged public trust in the sector at that time. In the UK, Ofcom regulates phone-paid services under the Ofcom Code for Phone-paid Services, as well as licensed national broadcasters. However, Ofcom has no jurisdiction over most online prize draw competition providers, as these services typically use online payment methods such as debit or credit cards rather than phone-paid billing, and most are not licensed broadcasters. This has contributed to a rapid increase in unregulated operators entering the market for online prize draw competitions. Many of these unregulated providers are adopting practices that closely resemble gambling—such as “instant win” mechanics—without being licensed gambling operators. The growing prevalence of such providers increases the risk that consumers, the media, and policymakers will perceive the prize draw competition sector as “unregulated gambling.” This could lead to reputational damage for compliant operators, reduced consumer participation, erosion of trust among the group’s customers, and calls for additional regulation that may increase compliance burdens across the industry. The group mitigates this risk by working closely with Ofcom in respect of its phone-paid services and with industry bodies such as the Association for Interactive Media and Micropayments (AIMM) to promote best practice and responsible operation. AIMM is also actively cooperating with the Department for Culture, Media and Sport (DCMS) on matters relating to the voluntary code of practice for prize draw competitions and potential future regulation. The group further engages proactively with its customers to ensure their services remain compliant, transparent, and aligned with applicable regulations, while advocating for proportionate enforcement measures that target non-compliant operators without unnecessarily burdening compliant businesses.
 Changes in consumer behaviour and economic downturn	The majority of the group’s gross profit is derived from a share of revenue on consumer purchases made through its merchants (customers). Most of these consumer transactions are discretionary and spontaneous in nature. As such, any macroeconomic event that negatively impacts consumer confidence, household disposable income, or overall levels of discretionary spending could reduce transaction volumes. Similarly, a decline in the popularity of a merchant’s services among consumers could reduce merchant sales and, in turn, the group’s gross profit.



Risk	Description
Changes in consumer behaviour and economic downturn (continued)	Adverse macroeconomic conditions—such as economic recession, high inflation, rising interest rates, or increased unemployment—could have a material adverse effect on the group’s business, financial performance, financial condition, and/or prospects. The group mitigates this risk by continuing to grow and diversify its customer base across different sectors and geographies, reducing dependency on individual merchants or market segments. It also works closely with merchants to optimise their marketing spend through targeted consumer messaging, and ensures that its products remain flexible to support new formats and consumer engagement strategies introduced by merchants.
 Foreign exchange	The majority of the group’s income and costs are denominated and settled in pounds sterling, which is the group’s functional and reporting currency. However, as the business continues to expand internationally, an increasing proportion of its revenues, costs, and working capital are denominated in foreign currencies, particularly euros. Overseas expansion also involves the establishment of legal entities in multiple jurisdictions, which may result in a higher proportion of operational costs—such as salaries, supplier payments, and local taxes—being incurred in foreign currencies. While the group generally receives and pays funds to customers in the same currency, it remains exposed to foreign exchange risk in several ways. This includes potential exchange rate losses on the revaluation of working capital balances and on historic retained earnings held in foreign currencies, as well as on the conversion of overseas profits into pounds sterling for reporting purposes. Material adverse currency movements could therefore impact reported profitability, cash flow, and financial position. The group mitigates this risk by converting surplus working capital into pounds sterling at the earliest opportunity once profits have been realised in net cash. It also monitors foreign currency exposures closely and, where appropriate, may consider the use of natural hedging strategies or other treasury measures to reduce volatility.
 Treasury	The group’s business model requires it to receive and handle significant quantities of cash on behalf of its customers. As a result, at any one time, the group may hold significant amounts of cash. Generally, this cash is only as secure as the counterparty (financial institutions) holding the cash on behalf of the group, and any failure of such financial institutions could have a material adverse effect on the group’s business, financial performance, financial condition and/or prospects. The group in part mitigates this risk by only holding cash in instant access bank accounts with financial institutions with high levels of



Risk	Description
Treasury (continued)	credit worthiness. In addition, the group holds multiple banking relationships so that cash deposits can be moved to alternative financial institutions at short notice.
 Phishing	The group's business model requires it to receive and handle significant quantities of cash on behalf of its customers. As a result, the group frequently makes significant cash outpayments to its customers. The business is therefore often targeted by criminals looking to manipulate the group's staff into making payments into incorrect bank accounts under their control, commonly known as 'phishing'. Any such theft of the group's cash resources could have a material adverse effect on the group's business, financial performance, financial condition and/or prospects. The group in part mitigates this risk by having comprehensive payment approval processes and ensuring any requests to change a merchant's bank details are thoroughly checked and cross referenced ahead of any changes being approved.
 Forecasting	Contractual negotiations and the onboarding of new customers and operators can often be prolonged and subject to delays, making short- and medium-term revenues difficult to predict. The vast majority of merchant and customer contracts contain no revenue commitments, and expected revenues can change significantly at short notice due to shifts in customer priorities, service formats, or consumer demand. This challenge has increased as the group expands into new markets, working with a greater number of mobile network operators under less defined, different or evolving regulatory frameworks, and in environments where cultural and commercial practices may differ materially from those in the UK. These factors add further uncertainty to the timing of service launches, transaction volumes, and resulting gross profit. As a result, forecasting gross profit—and particularly its growth rate—has become more complex and less predictable. The group mitigates this risk by taking a conservative approach to forecasting, basing projections on confirmed activity rather than anticipated opportunities, and where possible avoiding over-commitment of resources during contract negotiations and onboarding.
 Artificial intelligence	The rapid development and adoption of artificial intelligence ("AI") presents both an evolving competitive backdrop and new operational risks for the group. There is a risk that customers could seek to replicate elements of the group's services in-house, or that AI providers could seek to build competing payment or messaging solutions using AI, in each case reducing demand for the group's services.



Risk	Description
Artificial intelligence (continued)	The group's business model benefits from some inherent structural protection against this risk: its services depend on direct commercial connectivity to mobile network operators' (MNOs') networks and APIs, which are closed environments that MNOs do not make available to the public or to unauthorised third parties, and the group operates in a regulated industry, governed by the Ofcom Code for Phone-paid Services and by MNO codes of conduct, both of which impose barriers to entry that an AI-driven alternative would need to satisfy before it could operate at scale. These structural protections reduce, but do not eliminate, the risk, and could erode over time – for example, if MNOs were to widen network access, if new entrants were to secure their own direct MNO relationships, or if the regulatory environment were to change. The group is therefore taking further steps to protect its competitive position, including strengthening its commercial relationships and continuing to invest in proprietary product features that would be difficult for a new entrant to replicate quickly. Separately, the group's own use of AI tools, and the use of AI tools by its suppliers, gives rise to data protection and confidentiality risk. This is particularly the case given how quickly the technology and the tools available are evolving, and given that many of the leading AI tools are hosted in the United States. The group must exercise appropriate diligence before adopting any AI tool, and before permitting a supplier to use an AI tool as a subprocessor of group or customer data, including ensuring that appropriate customer consent has been obtained where required. Failure to do so could result in breaches of data protection law, loss of customer trust, or contractual liability. The group mitigates these risks by maintaining oversight of AI tool adoption across the business, carrying out due diligence before onboarding any new AI tool or AI-enabled subprocessor, ensuring appropriate contractual protections and customer consents are in place, and monitoring regulatory and competitive developments relating to AI in its sector.

By order of the board

Michael Foulkes
Company Secretary
23 Heddon Street
London, W1B 4BQ
21 September 2026



Annual Report & Accounts 2026

Governance





Governance

Board of Directors



Aged 61

Edward Spurrier

Independent Non-executive
Chair

Edward is also Non-executive Chair of Captec Group Limited, and Equity Networks Limited, and Azur Technology Limited. In the last 10 years he has chaired several successful fast growth Private Equity and VC backed technology companies. He also has held non-executive roles with some private and not for profit organisations. He has been involved in the telecom, IT and tech sector for over 30 years and formerly was CEO and CFO of Alternative Networks plc (AIM listed) for 17 years, until 2015.

He qualified as a chartered accountant with PWC in London and spent 11 years advising entrepreneurs before joining Alternative Networks.



Aged 48

Robert Weisz

Chief Executive Officer

Rob has held several senior positions in technology companies including Commercial Director at Mobile Interactive Group Ltd and most recently, Chief Executive Officer at Fonix. Prior to this, Rob was a Commercial Partnership Manager at O2 (UK) where he worked within Interactive Services, holding responsibility for new business and account management. Rob has had extensive experience working in both public and private companies within the telecoms and technology sectors. Rob began his career at Thus Plc, working in business development and account management where he was responsible for a number of key clients including the US Embassy and The Telegraph Group.



Aged 41

Michael Foulkes

Chief Financial & Operating
Officer

Michael is a chartered accountant with over 15 years working in senior finance roles for some of Europe's most successful technology businesses, including Mobile Interactive Group ("MIG"), previously one of Europe's largest mobile payments businesses. MIG was subsequently acquired by Velti, a Nasdaq listed mobile marketing business, where Michael continued in senior finance roles. Since, his most recent CFO role was over 4 years at the venture backed Black Swan Data.



Governance

Board of Directors



Aged 50

William Neale

Founder and Non-executive
Director

Will founded Fonix plc in 2006. In 2013, Will founded Grabyo, a cloud-based video production, editing and distribution company. Will is a serial investor having invested in many early-stage companies, including Revolut and Marshmallow. Will began his career at Accenture where he worked within technology consulting, specialising in mobile telecoms.



Aged 61

Carmel Warren

Independent Non-executive
Director

Carmel is also Non-executive Chair of Character Group plc. In the last 10 years she has gained further experience in the technology sector working as CFO of several Aim listed companies including D4t4 Solutions plc, SEEN plc and Universe Group Plc. Prior to that she gained extensive financial experience across multiple industries beginning her career at EY. She remains a fellow of the ICAEW.



Directors' Report

The directors present their report and the audited consolidated financial statements for Fonix plc for the year ended 30 June 2026.

The preparation of financial statements is in compliance with UK adopted International Accounting Standards and IFRIC Interpretations issued by the International Accounting Standards Board (IASB).

Principal activities

The principal activity of Fonix plc is the provision of mobile payments and messaging services for merchants. These solutions enable consumers to make payments and engage with digital content directly through their mobile devices.

Business review and future developments

The review of the period's activities, operations, future developments, and key risks is contained in the Strategic Report on pages 11 to 34.

Directors

The directors who held office during the period and subsequently were as follows:

1. Robert Weisz
2. Michael Foulkes
3. Edward Spurrier
4. William Neale
5. Carmel Warren

The company has agreed to indemnify its directors against third party claims which may be brought against them and has put in place a directors' and officers' insurance policy.

Details of directors' interests in the share capital of the company are disclosed in the Remuneration Committee Report set out on pages 51 to 55.

Substantial holdings

The company has been advised of the following interests in more than 3% of its ordinary share capital as at 30th June 2026:

Holder	Total shares	%
William Neale (held by Ganton Limited)	18,919,665	19.38%
Rathbones Plc	10,365,378	10.62%
Charles Stanley	9,161,777	9.38%
Robert Weisz	6,071,386	6.22%
Richard Thompson (held by Starnevesse Limited)	6,003,005	6.15%
Downing	4,428,528	4.54%

Risk management objectives and policies

Details of the company's financial risk management objectives and policies are set out in note 18 of the financial statements. The key non-financial risks that the company faces are set out on pages 21 to 34 of the Strategic Report.

Dividends

There was a profit for the year after taxation amounting to £11.9m (2025: £11.1m).

A final dividend of £5.847m (5.90p per share) was paid during the year in respect of the year ended 30 June 2025 (2024: £5.65m, 5.70p per share).

No special dividend was paid during the year in respect of the year ended 30 June 2026 (2025: £2.97m, 3.00p per share).

An interim dividend of £3.069m (3.10p per share) was paid during the year in respect of the year ended 30 June 2026 (2025: £2.87m, 2.90p per share).

The directors recommend a final dividend of 6.20p per share (2025: 5.90p per share). If approved, the total dividend for the year would be 9.30p per share (2025: 11.80p per share including the 3.00p special dividend) and the total distribution of dividends would be £9.12m (2025: £11.69m including a £2.97m special dividend).



Disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware.
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors appointment

UHY Hacker Young were reappointed during the period and have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

Michael Foulkes

Company Secretary
23 Heddon Street
London
W1B 4BQ
21 September 2026



Corporate Governance Statement

Chair's corporate governance report

As Chair of the board, I take overall responsibility for ensuring the highest standards of corporate governance. The board recognises that strong governance is fundamental to delivering long-term shareholder value and maintaining the trust of all stakeholders.

Fonix uses the QCA Corporate Governance Code, updated in 2023 (the 'QCA Code'), as a framework to assist and inform the board's decision-making on governance matters, consistent with the London Stock Exchange's revision of AIM Rule 26, which took effect on 5 August 2026 and removed the requirement for AIM companies to report against a named governance code on a provision-by-provision basis. The QCA Code remains a practical framework for growth companies such as ours.

During the year, the group's first-time consolidation and the establishment of subsidiary undertakings

in France and Switzerland have introduced new governance considerations, particularly in relation to risk oversight and board skills, addressed under Principles 5 and 7 below. Beyond this, our governance arrangements have remained stable and effective, reflecting the maturity of our framework. The board continues to review our approach regularly to ensure it remains fit for purpose as the business grows and evolves.

The following pages set out how the board uses the 10 principles of the QCA Code as a framework to assist its decision-making on governance matters, together with the disclosures required under AIM Rule 26 covering board composition, the role and responsibilities of directors, remuneration, the risk and controls framework, and shareholder engagement, supported by examples of how the board and management team put them into practice across the business.





Our Principles

The 10 principles of the QCA Corporate Governance Code

- 1** Establish a strategy and business model which promote long-term value for shareholders
- 2** Promote a corporate culture that is based on ethical value and behaviours
- 3** Seek to understand and meet shareholder needs and expectations
- 4** Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success
- 5** Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation
- 6** Establish and maintain the board as a well-functioning, balanced team led by the chair
- 7** Maintain appropriate governance structures and ensure individually and collectively the directors have the necessary up-to-date experience, skills and capabilities
- 8** Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
- 9** Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture
- 10** Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders



Principle 1

Establish a strategy and business model which promote long-term value for shareholders

The group's business model is described in the Strategic Report. The board reviews strategy at least annually, setting goals and targets to drive long-term value creation. The group's strategic priorities remain:

- Growing income from existing customers and winning new customer accounts.
- Building products and services that provide new revenue streams and strengthen client relationships.
- Realising international growth opportunities by investing in supply-chain connectivity and supporting multinational clients, including through the group's subsidiary undertakings established in France and Switzerland during the year.
- Scaling efficiently to balance growth, risk, and shareholder returns.

Principle 2

Promote a corporate culture that is based on ethical value and behaviours

The board promotes a culture of integrity, transparency, accountability, and respect. These values are embedded through formal policies, annual reviews, and leadership examples, and are reinforced through recruitment, training, and performance management.

Fonix is proud to be the only major mobile billing provider in the UK that has never received a regulatory fine, reflecting our disciplined approach to compliance and customer selection. The group prioritises partnerships with merchants and suppliers who share our high standards, often declining prospective business that does not align with our values.

The board recognises that emerging issues, including AI, ESG responsibilities, and evolving consumer protection standards, will shape future expectations of corporate behaviour. Preserving a strong, ethical culture is central to how Fonix adapts to these developments.

Principle 3

Seek to understand and meet shareholder needs and expectations

The board maintains an active dialogue with shareholders, ensuring clarity of communication on strategy, governance, and performance.

- The CEO and CFOO meet with most major institutional shareholders at least twice per year, with feedback reported to the board.
- The Chair is available for additional engagement where required.
- The AGM remains a valuable forum for shareholder dialogue, with all directors attending and responding to questions.

The board also monitors investor sentiment on governance issues, including remuneration and ESG matters.

Principle 4

Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success

Engaging with stakeholders enables the group to understand their needs more effectively which in turn helps the group make more informed business decisions. In addition to its shareholders, the group's key stakeholders are its employees, customers, end users (consumers of its customer services), suppliers (including mobile network operators), and regulators. The board regularly considers these stakeholders to ensure the business is taking appropriate actions to further strengthen these key relationships. Further information on the specific actions the business is taking can be found in the 'Section 172 Statement' on page 47.

Principle 5

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The board retains overall responsibility for risk management. Risks and opportunities are documented by management on a monthly basis and reviewed by the board. A comprehensive risk register is maintained, updated quarterly, and



discussed at board level to ensure appropriate oversight.

The board adopts a cautious and measured approach, balancing opportunities for growth with the need to manage risks effectively. Key areas of focus include cybersecurity, fraud prevention, regulatory compliance, reliance on key suppliers such as mobile network operators, and ensuring robust business continuity planning. Following the incorporation of subsidiary undertakings in France and Switzerland during the year, the board's risk oversight now also encompasses foreign exchange risk, multi-jurisdiction regulatory and tax compliance, and the governance and financial controls of overseas subsidiaries.

The board also considers emerging risks and opportunities arising from artificial intelligence on a regular basis, including its potential impact on the group's technology platform, competitive positioning, cybersecurity and fraud risk, and the wider regulatory environment in which the group operates.

Regarding climate-related risks and opportunities, the board evaluates all business inputs that could have an environmental impact and, whenever possible, prioritises suppliers with best-in-class environmental policies.

There is currently no internal audit function as the board and audit committee considers that given the group's current stage of development, it is not necessary, but this will be reviewed annually as the group evolves.

Principle 6

Establish and maintain the board as a well-functioning, balanced team led by the chair

The QCA Code requires that boards strike an appropriate balance between executive and non-executive directors, with at least two independent non-executive directors. The Fonix board comprises the non-executive Chair, who was independent at the time of appointment, two executive directors and two other non-executive directors. Of the non-executive directors, the board considers both Edward Spurrier and Carmel Warren to be independent. This structure provides a balance between executive leadership, sector expertise, and independent oversight.

In considering board composition, the board has used the QCA Code's guideline that independent non-executive directors should comprise half of the board as a reference point, and believes the current composition is appropriate for the size and complexity of the business and enables effective decision-making. The board also acknowledges feedback from some shareholders who would like to see further independent representation. As a result, the board remains committed to considering the appointment of an additional independent non-executive director where this would add meaningful strategic value. In particular, the board is keen to identify a candidate with experience in overseas markets, to support Fonix's international growth strategy and strengthen governance as the business expands beyond the UK.

The board meets monthly, with supplementary meetings convened as required, and operates with an open and collaborative culture. Directors are encouraged to challenge constructively and bring their independent judgement to bear on all matters. The board is further supported by a committee structure consisting of separate audit and remuneration committees, each chaired by an independent non-executive director. These committees have formally delegated responsibilities and the expertise necessary to discharge their duties effectively.

Further details of the current directors, including biographies and confirmation of independence, are set out on page 36.

Principle 7

Maintain appropriate governance structures and ensure individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The long-term success of the group is the responsibility of the board of directors, which comprises two executive directors and three non-executive directors (one female and two males). In all new appointments, the board aims to add diverse skills, perspectives, and experience to strengthen its composition.

The executive directors are responsible for the operational management of the group's activities, while the non-executive directors provide independent oversight and objective judgement. There is a clear separation between the roles of the



non-executive Chair and the Chief Executive Officer: the Chair leads the board and has overall responsibility for governance, while the CEO is accountable for implementing strategy and managing day-to-day operations. The Company Secretary ensures that board procedures are followed and that the group complies with all applicable rules and regulations.

The board brings together backgrounds in commerce, payments, finance, and technology across both public and private companies. Individually and collectively, directors have a wide range of experience and capabilities. The independent non-executive directors hold similar positions on other listed company boards, contributing valuable external perspectives. Both independent non-executive directors, along with the CFOO, also maintain professional memberships requiring continuing professional development (CPD), helping to ensure skills remain up to date.

The board is supported by an effective committee structure. The audit committee, chaired by Carmel Warren, and the remuneration committee, chaired by Edward Spurrier, each have formally delegated duties and responsibilities. The group has not established a Nominations Committee; given the size of the business, this function is effectively carried out by the full board.

Looking ahead, the board will continue to review its composition and skills mix to ensure it remains well aligned with the group's strategy, particularly as Fonix pursues international growth opportunities.

Principle 8

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The group conducts annual monitoring of both corporate and individual performance. Each year, agreed objectives and targets are set for the executive directors and leadership team, with performance measured against these metrics. The independent non-executive Chair is responsible for assessing and monitoring the performance of the executive directors.

The board keeps its own effectiveness under review, with periodic evaluations of engagement, behaviour, alignment, decision-making, and overall composition. These reviews are carried out internally and provide a framework for open

discussion and continuous improvement. Based on the outcomes of these reviews, together with the consistent strong performance of the business and management team, the board has concluded that an externally facilitated review is not required at this time, but this will remain under consideration as the business grows.

Succession planning is reviewed regularly across the organisation to ensure resilience, with a focus on avoiding single points of failure and reducing dependency on any individual member of staff.

Principle 9

Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.

The remuneration committee is committed to maintaining a remuneration policy that is transparent, straightforward, and aligned with the creation of long-term shareholder value. Board remuneration is reviewed at least annually, with incentive structures linked to the group's core strategic objective of delivering sustainable growth in adjusted EBITDA.

In line with best practice, board remuneration is also submitted to an advisory shareholder vote, providing an additional layer of accountability and transparency.

Further details of the group's remuneration policy are set out in the remuneration committee report on pages 51–55.

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The group maintains regular and transparent communication with shareholders through a variety of channels, including the Annual Report and Accounts, full and half-year trading updates, regulatory announcements, the Annual General Meeting (AGM), bi-annual investor roadshows, and other ad hoc investor meetings.

Corporate information, including reports, results announcements, notices of general meetings, and regulatory updates, is also made available to shareholders, investors, and the wider public via



the group's investor website:
<http://www.fonix.com/investors>.

Board and committee attendance

The board met twelve times during the financial year and its committees met a further five times, including three audit committee meetings.

The attendance of the directors at these meetings is detailed below. On the occasions when a director is unable to attend a meeting, any comments he or she has arising from the information pack circulated prior to the meeting are provided to the chair.

	Board meetings		Audit committee		Remuneration committee	
	Possible	Attended	Possible	Attended	Possible	Attended
Robert Weisz	12	12	–	–	–	–
Michael Foulkes	12	12	–	–	–	–
Edward Spurrier	12	12	3	3	2	2
William Neale	12	12	–	–	–	–
Carmel Warren	12	12	3	3	2	2

Committees of the board

The remuneration committee

The remuneration committee is chaired by Edward Spurrier and its other member is Carmel Warren. The remuneration committee reviews the performance of the executive directors and makes recommendations to the board on matters relating to their remuneration and terms of employment. The remuneration committee also makes recommendations to the board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The remuneration and terms and conditions of appointment of the non-executive directors of the group are set by the board. The remuneration committee invites the executive board members and other relevant parties to attend where necessary.

The remuneration committee meets as frequently as necessary and not less than once a year.

The audit committee

The audit committee is chaired by Carmel Warren and its other member is the non-executive chair, Edward Spurrier. The external auditors are invited to each meeting and the Chief Executive Officer, Chief Financial & Operating Officer (together with members of the finance team as appropriate) and William Neale (as a non-executive director) attend by invitation.

The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the group is properly measured and reported on. It receives and reviews reports from the group's management and auditors relating to the annual accounts and the accounting and internal control systems in use throughout the group. The audit committee has unrestricted access to the group's auditors. Further, the audit committee advises the board on the group's overall risk appetite and strategy including, inter alia, regularly reviewing, and updating (if appropriate) the risk assessment processes in place, including in relation to remuneration and compliance functions, and assisting in overseeing implementation of the adopted strategy.

In considering the composition of the audit committee, the board has taken into account the QCA Code's guideline that committee membership should be independent of the chair. Notwithstanding this, the board has determined that, in light of Edward Spurrier's extensive knowledge of financial governance and internal controls and taking into account the size and nature of the group and the independence of the other members of the audit committee, it is appropriate for Edward Spurrier to be a member of the audit committee.

In deciding whether to publish a separate audit committee report, the board has used the QCA Code as a reference framework and believes that the information provided within this corporate



governance report gives shareholders adequate information on the committee's activities.

The audit committee meets as frequently as necessary and not less than three times a year.

Relations with shareholders

The board is committed to regular, open and effective communication with shareholders to

ensure that the group's strategy and performance are clearly understood. The group provides annual and interim statutory financial reports, investor and analyst presentations, regular trading and business updates. At the Annual General Meeting (AGM) all shareholders have the opportunity to meet and ask questions of the board of directors. The next AGM is scheduled for 18 November 2026.





Section 172 Statement

The directors are aware of their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term; and
- (b) the interests of the company's employees; and
- (c) the need to foster the company's business relationships with suppliers, customers and others; and
- (d) the impact of the company's operations on the community and the environment; and
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company.



Engaging with customers

The group's primary customers are its payment merchants. Each significant customer account is supported by a dedicated client services representative who meets with them regularly to understand their needs and ensure Fonix is helping to deliver on their objectives. In addition, the group hosts annual client and partner events, which have grown into key industry gatherings, strengthening relationships, encouraging collaboration, and showcasing innovation across the mobile payments and messaging sector.

Engaging with employees

The group holds regular all-staff meetings, providing updates from across the business in an open forum. These sessions enable employees to hear directly about team, product, and market developments, as well as new commercial opportunities, while also giving them the chance to share feedback and ideas. In addition, the group conducts anonymous staff surveys at least once a year, ensuring all employees can provide candid input to the senior leadership team and the board.

While the group operates a flexible working and "working from home" policy, staff are encouraged to attend the office at least once a week on a voluntary basis, with many teams choosing to meet in person weekly. This approach is designed to support collaboration, provide junior staff with greater exposure to senior colleagues, and strengthen the group's culture. To further promote engagement, the group also hosts weekly office-based social events.



Engaging with suppliers

The group's largest suppliers are mobile network operators (MNOs) and technology partners. Senior management maintains close relationships with each MNO, meeting regularly to discuss their requirements, explore new commercial opportunities, review existing services, and address regulatory developments. MNOs are also invited to the group's customer events, providing a forum for both parties to share insights and identify opportunities in the market.



Engaging with regulators

The management team works closely with regulators and trade associations to help uphold the highest standards across the industry. To support this, the Chief Executive Officer serves as Vice Chair and a board member of the Association for Interactive Media and Micropayments (AIMM), the UK's specialist trade association for the sector.

Minimising environmental impact

The board is committed to reducing the environmental impact of the group's activities and ensuring the business operates sustainably. We recognise an ethical responsibility to go beyond compliance and therefore strive to: reduce energy

consumption; minimise waste and increase recycling; incorporate environmental considerations into decision-making; limit the use of carbon-intensive travel such as air travel; and encourage employees to use sustainable alternatives including walking, cycling, and public transport.

To support this commitment, the group continues to implement initiatives to reduce electricity usage. Where energy consumption is necessary—such as in our office and data centre operations—we seek to partner with environmentally responsible suppliers, prioritising those that source a high proportion of their energy from 100% renewable sources.





Environmental, Social and Governance (ESG) Scorecard

The board considers the following key indicators when assessing whether the business continues to meet its objective of being an environmentally and

socially responsible organisation with a balanced and effective governance structure:

	2026	2025	Unit
Environmental			
Energy consumption (scope 1 & 2)	0.011	0.016	MWh/£m of revenue
CO2 production (scope 1 & 2)	0.001	0.003	tonnes/£m of revenue
Water consumption	3.6	3.6	m3/£m of revenue
Waste production	0.22	0.23	tonnes/£m of revenue
Google Workspace (part of scope 3) ¹	94.388	79.562	kgCO ₂ e
Amazon Web Services (part of scope 3) ²	5.605	4.581	MTCO ₂ e
Social			
Employee turnover rate	8.6%	5.8%	per annum
Effective corporation tax rate	23.3%	22.7%	
Governance			
Board seats held by women	20.0%	20.0%	
Board seats held by independent directors	40.0%	40.0%	

¹Google Workspace emissions data is taken from Google's Carbon Footprint for Google Workspace tool for the period July 2025 – June 2026. This figure does not include emissions associated with Gemini for Workspace usage, as Google's tool does not currently attribute or report carbon data for Gemini features; this remains a gap in available third-party disclosure rather than an omission by the group.

² AWS emissions data is sourced from Amazon's Carbon Footprint Tool for July 2025–June 2026, using the market-based method, which reflects emissions after accounting for Amazon's renewable energy purchase agreements and was a contributing factor in the group's selection of AWS as its cloud services provider. During the year, Amazon updated the underlying methodology of its Carbon Footprint Tool (to model version 3.0.1), expanding the emissions categories covered to include additional Scope 3 sources such as IT hardware, buildings, equipment, and transportation, alongside updated Scope 1 and 2 estimates. Amazon has recalculated its historical data under the new methodology; accordingly, the

prior-year comparative figure has been restated from 0.015 MTCO₂e to 4.581 MTCO₂e to reflect this recalculation on a consistent basis, rather than any change in the group's underlying AWS usage.

Energy and carbon report

The majority of Fonix's CO₂e emissions are believed to come from scope 3 sources, including its suppliers Amazon Web Services (AWS), Google Drive and the mobile network operators. AWS and Google Drive emissions are shown in the table above, which are taken from each supplier's online carbon footprint tool. No data is available from the mobile network operators that allows the company to estimate the carbon footprint of their services.

During FY26, the group also began using generative AI tools for internal purposes, principally Google Gemini (via Google Workspace) and Claude (via Anthropic's Claude Teams product). The board believes these tools are likely to represent one of the more significant sources of the group's carbon footprint outside of its existing disclosed scope 3 categories. However, neither Google nor Anthropic currently publishes emissions data that would



allow the group to reliably quantify this impact: Google's Carbon Footprint for Google Workspace tool does not attribute any emissions to Gemini usage, and Anthropic has not published emissions or energy-use data for Claude at either a query or organisational level. In the absence of a robust and verifiable methodology, the group is not currently able to include an estimate of AI-related emissions within its reported figures, but continues to monitor the availability of vendor disclosure and third-party methodologies in this area.

Google reached its target of matching 100% of its electricity use with renewable energy in 2017 and has maintained this commitment each year since. Its current goal remains to operate on 24/7 carbon-free energy across all data centres and campuses worldwide by 2030, although Google has acknowledged in its most recent environmental report that rising Scope 3 emissions – driven largely by AI infrastructure expansion across the industry – are making this goal harder to achieve.

Amazon achieved its target of powering its operations with 100% renewable energy in 2023 and has maintained this for three consecutive years to 2025. The company remains committed to its pledge to reach net-zero carbon emissions by 2040, despite reporting a 16% increase in total emissions in 2025, which it also attributes to the

scale-up of AI-related data centre capacity across the sector.

As the group has not directly consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Waste

As a business, Fonix consumes very little water and produces very little waste. Fonix operates a paperless office and has recycling facilities in place for any waste it or its staff produce. Where possible, Fonix ensures all shareholder, customer or supplier communications are made electronically.

Social responsibility

Fonix places a strong emphasis on employee wellbeing and supports flexible working practices, which are highly valued by staff. Anonymous staff satisfaction surveys are conducted at least annually, inviting all employees and contractors to provide candid feedback and recommendations to the board. Results from these surveys continue to be positive, with adjustments to business practices considered in areas where improvements are identified.



The group is committed to diversity and inclusion, with a workforce drawn from a broad range of backgrounds and a significant proportion of employees belonging to minority groups.

Health and safety is fundamental to Fonix's operations. Although assessed as a low-risk workplace, a significant proportion of staff are trained as first aiders or fire wardens, and training is offered to all employees who wish to participate.



Fonix also upholds the highest standards of data protection. All staff complete monthly data security training, and the leadership team regularly reviews emerging risks and mitigation strategies. While the group holds only limited amounts of personally identifiable information (PII), strict data retention policies ensure such information is not retained longer than necessary.



Remuneration Committee Report

Remuneration of executive directors

The group's remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the group's business strategy in order to optimise long-term shareholder value. It is the intention that this policy should conform to best practice standards and that it will continue to apply for FY27 and subsequent years, subject to ongoing review as appropriate.

The group's remuneration policy for executive directors seeks to:

- consider each individual's experience and the nature and complexity of their work in order to set a competitive base salary that attracts and retains individuals of the highest quality, whilst avoiding remunerating more than is necessary; and
- link remuneration packages to the group's long-term performance through share plans; and
- provide post-retirement benefits through payment into private pension arrangements and/or salary supplements; and
- design long-term incentives that are prudent and will not expose shareholders to unreasonable financial risk.

Executive directors' remuneration packages are considered annually by the remuneration

committee in line with the above policy and comprise a number of elements:

Salaries

The base salary of all board members is reviewed by the Remuneration Committee between November and December each year, alongside the review for other staff, with any changes implemented from 1 January.

The committee takes account of the profitability and ongoing strategy of the group and the individual's contribution. Consideration is also given to the need to retain and motivate individuals, with reference made to information on salary levels in comparable organisations. To assist in this the remuneration committee looks at external salary surveys and undertakes its own research.

Annual bonus

During FY26, the Chief Financial & Operating Officer (CFOO) participated in an annual bonus scheme with a maximum opportunity of £99,840 (FY25: £80,000). The Chief Executive Officer (CEO) did not participate in an annual bonus scheme, with remuneration structured through base salary and the growth in value of their existing shareholding.

The total bonus payable to the executive directors in respect of the current financial year was determined as set out below:

Name	Maximum reward	Actual performance	Annual bonus payable
Michael Foulkes	£99,840	100% of bonus	£99,840

Pensions

The company operates a UK workplace pension scheme under which directors who opt into auto-enrolment receive an employer contribution of 5% of salary between the lower and upper qualifying earnings limits set by the UK Pensions Regulator (£6,240 and £50,270 respectively). This results in a maximum employer contribution of £2,201.50 per director per year.

Share awards

Executive directors may, at the discretion of the remuneration committee, be granted share option awards.

Remuneration of non-executive directors

The remuneration of the non-executive directors is determined by the board, based on a review of current practices in comparable companies. The non-executive directors do not receive any pension payments and generally do not participate in any incentive schemes, with the exception of the chair who received some share options in 2020 as listed



in the sections below. In the light of best practice, it is not intended to grant any further share options to the non-executive directors in the future.

Wider employee considerations

The group encourages share ownership amongst all staff. Share option grants are made to key employees at the Remuneration Committee's discretion.

Shareholder engagement

The remuneration committee seeks and takes into consideration the views of shareholders on remuneration on an ongoing basis and they are invited to make contact directly with the chair of the remuneration committee at any time should they wish to do so.

Remuneration committee advice

In undertaking its responsibilities, the committee seeks independent external advice as necessary.

Annual remuneration statement

On behalf of the board, I am pleased to present our remuneration report for FY26.

Salaries

The base salary of the executive directors was increased with effect from 1 January 2026, in line with other staff across the business. As at 1 July 2026, the base salaries of the executive directors were as follows:

Robert Weisz Chief Executive Officer £190,019

Michael Foulkes Chief Financial & Operating Officer £166,400

Fees for non-executive directors

Fees for non-executive directors were last increased with effect from 1 January 2025. As at 1 July 2026, the fees were as set out below. These amounts include any additional fees payable for chairing the remuneration committee and the audit committee.

Name	Role	Committee chair	Fee
Edward Spurrier	Chair	Remuneration	£66,300
William Neale	Non-executive director		£40,800
Carmel Warren	Non-executive director	Audit	£35,700

Equity plan

During the year, certain directors were issued share options in the company. All options are market priced and have an exercise price equal to the

closing mid-market price the day before the date of grant. The options are subject to performance criteria as well as deferred vesting conditions. Details of options issued to directors during the financial year are listed below:

Name of Director	Type of award	Date of grant	Number	Exercise price	Initial vesting date	Final vesting date	Lapse date
Michael Foulkes	Performance scheme	12/06/2026	129,000	£1.470	12/06/2029	12/06/2031	12/06/2036
			129,000				



Outstanding equity awards

At the 30 June 2026, the following outstanding options were held by the directors of the company:

Name	FY	Date of grant	Type of award	Number of shares granted	Exercise price £	Vested at start of year	Vested during the year	Exercised during the year	Lapsed during the year	Vested unexercised	Total 30 June 2026	Final vesting date
Edward Spurrier	FY21	07/10/2020	ES ¹	500,000	£0.900	500,000	-	-	-	500,000	500,000	07/10/2023
				500,000		500,000	-	-	-	500,000	500,000	
Michael Foulkes	FY21	08/04/2021	GES ²	64,426	£1.785	42,950	21,476	-	-	64,426	64,426	08/04/2026
	FY22	11/05/2022	GES ²	31,469	£1.430	10,490	10,489	-	-	20,979	31,469	11/05/2027
	FY24	30/11/2023	GES ²	27,500	£1.955	-	-	-	-	-	27,500	30/11/2028
	FY24	30/11/2023	PS ³	27,500	£1.955	-	-	-	-	-	27,500	30/11/2028
	FY25	24/03/2025	PS ³	55,000	£1.805	-	-	-	-	-	55,000	24/03/2030
	FY26	12/06/2026	PS ³	129,000	£1.470	-	-	-	-	-	129,000	12/06/2031
				334,895		53,440	31,965	-	-	85,405	334,895	

¹Executive scheme

²General employee scheme

³Performance scheme



Summary of directors' total remuneration

The directors received the following remuneration during the year to 30 June 2026:

Name of Director	Salary and fees £'000	Bonus £'000	2026 Total (excl. pension) £'000	2026 Pension £'000	2026 Total fixed remuneration £'000	2026 Total variable remuneration £'000	2025 Total (excl. pension) £'000	2025 Pension £'000
Executive								
Robert Weisz	190	–	190	–	190	–	187	–
Michael Foulkes	163	100	263	2	165	100	160	2
Non-Executive								
Edward Spurrier	66	–	66	–	66	–	66	–
William Neale	41	–	41	–	41	–	40	–
Carmel Warren	36	–	36	–	36	–	35	–
	496	100	596	2	498	100	488	2

Application of remuneration policy for FY27

The Committee has considered the application of the group's remuneration policy for the financial year ending 30 June 2027.

Base salaries

Director base salaries will be reviewed by the Committee between November and December 2026, with any changes effective from 1 January 2027, consistent with the group's standard annual review cycle. As this review takes place after the date of this report, the outcome will be disclosed in next year's remuneration committee report and, in the interim, through the company's normal channels of shareholder communication where any change is material.

Annual bonus

The CFOO's maximum annual bonus opportunity for FY27 increases to £104,000, up from £99,840 in FY26. The maximum opportunity remains set at 60% of salary, consistent with FY26, with the increase reflecting the CFOO's salary uplift effective 1 January 2027. Consistent with the FY26 structure, the bonus continues to comprise two elements: up to £83,200 assessed against the group's Adjusted EBITDA performance for the financial year commencing 1 July 2026, and up to £20,800 assessed against operational targets.

Share options

The Committee will continue to make discretionary share option grants to key employees during FY27, in line with the policy set out above. Shares and share options held by the board at 30 June 2026 are listed below:

**Shares held by directors**

Name of director	Beneficially owned shares		Unvested share options		Vested unexercised share options	
	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026
Executive						
Robert Weisz	6,071,386	6,071,386	-	-	-	-
Michael Foulkes	-	-	152,455	249,490	53,440	85,405
Non-Executive						
Edward Spurrier	-	30,000	-	-	500,000	500,000
William Neale	18,919,665	18,919,665	-	-	-	-
Carmel Warren	-	11,235	-	-	-	-

Shareholder approval

The group's remuneration policy for FY27 and the Directors' Remuneration Report for FY26 will be put to shareholders on an advisory basis at the Annual General Meeting on 18 November 2026.



Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law, the directors have prepared the group and parent company financial statements in accordance with International Accounting Standards as adopted by the United Kingdom ('UK'), as required by the AIM Rules of the London Stock Exchange.

Company law requires the directors to prepare financial statements for each financial year. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and the profit or loss of the group and parent company for that period.

These financial statements have been prepared in accordance with:

- UK-adopted International Accounting Standards; and
- the requirements of the Companies Act 2026

In preparing each of the group and parent company financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently; and

- (b) make judgements and accounting estimates that are reasonable and prudent; and
- (c) state whether they have been prepared in accordance with IFRSs adopted by the UK, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Annual Report & Accounts 2026

Financial Statements





Independent Auditor's Report to the Member of Fonix plc

Opinion

We have audited the financial statements of Fonix plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2026, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Shareholders' Equity, the Consolidated and Parent Company Cash Flow Statement and notes to the financial statements, including the significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK adopted International Accounting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2026 and of the Group's profit for the year then ended;
- the Group's and Parent Company's financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the Group's and Parent Company's financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included:



Evaluation of management assessment

Management have prepared detailed consolidated cash flow forecasts incorporating all entities within the Group covering the period to 31 December 2027 ("the forecast period").

We evaluated the management's going concern assessment and performed the following procedures:

- Reviewing the forecasts, the methodology behind these and ensuring they are arithmetically correct;
- Challenging the assumptions set by management;
- Obtaining post year end management information and comparing these to budget to ensure budgeting is reasonable and the results are in line with expectations;
- Discussing with management plans for the Group and Parent Company going forward, ensuring these have been incorporated into the budgeting and would not have a material adverse impact on the going concern status of the Group; and
- Assessing the transparency, completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cash flow projections for the forecast period and the underlying assumptions;

Key observations

The Group generated a profit of £11,890k in the year ended 30 June 2026 (2025: £11,145k). They generated net underlying cash flows from operating activities of £11,845k (2025: £10,572k) and had underlying cash of £9,403k (2025: £9,877k) as at 30 June 2026.

The forecast to 31 December 2027, indicates that the Group and Parent Company is expected to remain profitable and maintain sufficient liquidity throughout the forecast period.

Key assumptions, including the gross profit margin, have been analysed. These assumptions are considered reasonable based on historical performance and recent trends.

Actual results for July 2026 closely align with forecasted figures, providing assurance over the reliability of management's projections and their ability to prepare accurate forecasts.

A sensitivity analysis was performed to assess the impact of a 50% decline in cash generated from operating activities, and a separate analysis to assess the impact of a decline in overall gross profit of 20%. Even under both scenarios, the Group and Parent Company retains significant cash reserves and profitability.

No material going concern issues have been identified. The Group and Parent Company is expected to meet its liabilities as they fall due, and management's use of the going concern basis of accounting is considered appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved

making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Group and Parent Company, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

Our Group audit scope applies to all of the group companies. At the Group level, we also tested the consolidation procedures. The audit team communicated regularly throughout the audit with the CFOO in order to ensure we had a good



knowledge of the business of the Group and Parent Company. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control

environment, the effectiveness of controls and the management of specific risk.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit. In arriving at our audit opinion above, the other key audit matters were as follows:



Key audit matters

IFRS15 Revenue recognition and associated cost of sales

The Group and Parent Company recognises income as one of the three key service lines as detailed in the revenue policy (mobile payments, mobile messaging or managed service). Each is assessed against the 5 step process in line IFRS 15.

Revenue is a key driver of the business and is made up of a high number of individual low value transactions therefore in respect of services provided there is a risk that revenue is recorded inappropriately relative to the provision of underlying services.

As cost of sales is directly linked to the underlying customer traffic and usage data from which revenue is derived, any inaccuracies in the underlying data or calculations could result in misstatements in both revenue and cost of sales.

In addition, there is the risk of management override to overstate results due to the Group being AIM listed and having performance related bonuses.

We therefore identified the risk over the occurrence and cut off assertions relating to revenue recognition and the associated costs as a significant risk, which was one of the most significant risks of material misstatement.

Management override of controls

As the Group is AIM listed there is a risk of pressure on management to

How our audit addressed the key audit matters

Our audit work included, but was not restricted to:

- Documenting our understanding of management's process for evaluating revenue recognition and assessing the design effectiveness of related key controls.
- We conducted on a sample basis and encompassed transactions arising across the year under review, to ensure that the amounts attributable to revenue had been correctly calculated in accordance with IFRS 15 and included in the correct accounting period.
- We obtained a sample of customer contracts in order to check that relevant revenue and VAT had been calculated and posted accurately in the accounts.
- Performing transaction testing by tracing transactions recognised in the revenue nominal ledger to the monthly billing spreadsheets and then agreed a sample of sales to the source documents to test the occurrence.
- As the Group's cost of sales is driven by the same underlying traffic and usage data as revenue, we also tested a sample of self-billed supplier invoices and agreed the underlying calculations to supporting billing data, invoices and nominal ledger postings to assess the accuracy and completeness of cost of sales recognised.
- We used data analytics software to review the monetary flows of revenue to ensure every transaction results in a cash in-flow to gain assurance of occurrence.
- We performed a trend analysis of revenue and cost of sales to identify any outliers in movements which could indicate misstatement.
- Whilst performing our audit testing we assessed whether the treatment of revenue was in accordance with the correct recognition criteria as per the Group's accounting policy.
- Assessing whether the Group's accounting policy for revenue recognition are in accordance with the requirements of IFRS 15.

The Group's accounting policy on revenue recognition is shown in Principal Accounting Policies for the financial statements and related disclosures are included in note 4.

Key observations

We have not found any material issues or errors involving revenue and cost of sales and are therefore satisfied we have assurance over revenue recognition and treatment and the associated cost of sale.

We assessed the level of control management have over the financials and what controls are in place to keep to the governance rules.

- We reviewed estimates included in the financial statements for

Key audit matters	How our audit addressed the key audit matters
deliver strong results for the board, so the risk of bias or manipulation is higher. There is also a risk due to performance related bonuses being paid to senior management. The Group applies the QCA Corporate Code as set out in the Corporate Governance Statement.	any evidence of management bias arising in their calculation. • We conducted enquiries of management and other staff to determine if they were aware of any unusual journals or other adjustments. • We tested a sample of journal entries pre and post year end, other adjustments, large or unusual transactions in the year to determine that they are valid business transactions. • We assessed the accuracy of the bonus scheme provisions in-line with the scheme policy and agreed inputs to supporting documentation. This is based on excess EBITDA above target for the year. Key observations As a result of our testing, we concluded that there is no evidence of management override of controls identified.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable

users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality Measure	Group	Parent
Overall materiality	We determined materiality for the financial statements as a whole to be £780,000 (2025: N/A).	We determined materiality for the financial statements as a whole to be £780,000 (2025: £719,500).
How we determine it	Based on a benchmark of 5% of profit before tax for the year.	Based on a benchmark of 5% of profit before tax for the year.



Materiality Measure	Group	Parent
Rationale for benchmarks applied	We believe profit for the year to be the most appropriate benchmark due to the Group's straightforward structure and absence of debt financing. 5% was deemed reasonable given that substantially all of the Groups assets, revenue, and PBT are from the Parent Company. There were no significant group level or consolidation risks given the consolidation adjustments are minimal and straightforward.	Overall materiality for the Parent Company financial statements was determined using the same basis as the Group. As the materiality calculated for the Parent Company exceeded Group materiality, it was capped at the level of Group materiality.
Performance materiality	On the basis of our risk assessment, together with our assessment of the Groups control environment, our judgement is that performance materiality for the financial statements should be 65% of materiality, and was set at £507,000 (2025: N/A).	Performance materiality for the Parent Company financial statements was determined using the same methodology as for the Group. As the resulting amount exceeded Group performance materiality, Parent Company performance materiality was capped at the Group performance materiality level at £507,000 (2025: £467,600)
Specific materiality	We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions of £2,000.	
Reporting threshold	We agreed with the Audit Committee that we would report to them all misstatements over £39,000 (2025: N/A) (5% of materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.	The reporting threshold applied to the Parent Company was the same as that applied to the Group, as the Parent Company threshold exceeded the Group threshold and was therefore capped at the Group level of £39,000 (2025: £35,900).
Overall materiality	We determined materiality for the financial statements as a whole to be £780,000 (2025: N/A).	We determined materiality for the financial statements as a whole to be £780,000 (2025: £719,500).
How we determine it	Based on a benchmark of 5% of profit before tax for the year.	Based on a benchmark of 5% of profit before tax for the year.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 56, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Phone-paid Authority Service Code of Practice (PSA Code), AIM listing rules and Data Security regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and QCA code. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation; review of legal invoices; enquiries of management; testing of journals both post and pre year end; review of



revenue and associated accounts using Mindbridge; assessment of cut-off procedures at year end; and review of credit notes raised to evaluate the appropriateness of revenue recognition. We also evaluated whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jessica Moorghen (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditor
UHY Hacker Young
4 Thomas More Square
London E1W 1YW

Date: 21 September 2026



Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

		2026	2025
	Note	£'000	£'000
Continuing operations			
Revenue	4	83,346	72,780
Cost of sales		(62,317)	(54,152)
Gross profit		21,029	18,628
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	5	14,975	13,585
Finance income	7	637	826
Finance expense	7	(10)	(21)
Profit before taxation		15,602	14,390
Taxation	8	(3,712)	(3,245)
Total comprehensive profit for the financial year		11,890	11,145

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

Earnings per share	Note	2026	2025
Basic earnings per share	9	12.0p	11.3p
Diluted earnings per share	9	12.0p	11.2p
Adjusted basic earnings per share	9	12.1p	11.3p



Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 £'000	2025 £'000
Non-current assets			
Intangible asset	10	2,452	2,017
Right of use asset	11	45	166
Tangible assets	12	38	31
		2,535	2,214
Current assets			
Trade and other receivables	14	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	19	100	100
Share premium account	19	679	679
Treasury shares	19	(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	17	368	287
Lease liabilities	16	-	19
		368	306
Current liabilities			
Trade and other payables	15	54,682	47,015
Lease liabilities	16	19	127
		54,701	47,142
Total liabilities		55,069	47,448
Total equity and liabilities		66,329	57,978

These financial statements were approved by the board on 21 September 2026 and signed on its behalf

M Foulkes
Director

R Weisz
Director



Company Statement of Financial Position

As at 30 June 2026

	Note	2026 £'000	2025 £'000
Non-current assets			
Intangible asset		2,452	2,017
Right of use asset		45	166
Tangible assets		37	31
Investments		28	-
		2,562	2,214
Current assets			
Trade and other receivables	14	35,271	33,766
Cash and cash equivalent		28,548	21,998
		63,819	55,764
Total assets		66,381	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
Retained earnings		14,421	11,380
		11,348	10,530
Liabilities			
Non-current liabilities			
Deferred tax liabilities		368	287
Lease liabilities		-	19
		368	306
Current liabilities			
Trade and other payables	15	54,646	47,015
Lease liabilities		19	127
		54,665	47,142
Total liabilities		55,033	47,448
Total equity and liabilities		66,381	57,978

These financial statements were approved by the board on 21 September 2026 and signed on its behalf

M Foulkes
Director

R Weisz
Director



Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

		Share capital	Share premium	Share option reserve	Treasury shares	Foreign exchange reserve	Retained earnings	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'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	20	-	-	-	-	-	(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	20	-	-	-	-	-	(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



Company Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Treasury shares £'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	20	-	-	-	-	(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		-	-	-	-	11,978	11,978
		-	-	-	-	11,978	11,978
Transactions with shareholders							
Dividends	20	-	-	-	-	(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)	14,421	11,348



Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	2026 £'000	2025 £'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/(decrease) 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

Cash and cash equivalents comprise the balances held at the bank.



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 £'000	2025 £'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/(decrease) 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



Company Statement of Cash Flows

For the year ended 30 June 2026

	2026 £'000	2025 £'000
Cash flows from operating activities		
Profit before taxation	15,690	14,390
Adjustments for		
Depreciation	20	20
Amortisation	1,233	994
Share-based payment charge	85	86
Finance income	(636)	(826)
Finance expense	10	21
(Increase)/decrease in trade and other receivables	(1,426)	2,180
Increase/(decrease) in trade and other payables	8,881	(5,758)
Income tax paid	(4,882)	(3,570)
Net cash flows from operating activities	18,975	7,537
Cash flows from investing activities		
Interest received	636	826
Payments to acquire tangible assets	(27)	(20)
Payments to acquire intangible assets	(1,547)	(1,285)
Payments to acquire investments in subsidiary undertakings	(27)	-
Loans advanced to subsidiary undertakings	(78)	-
Net cash flows from investing activities	(1,043)	(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/(decrease) in cash and cash equivalents for the period	6,550	(4,482)
Cash and cash equivalents at beginning of period	21,998	26,480
Cash and cash equivalents at end of period	28,548	21,998

Cash and cash equivalents comprise the balances held at the bank.



Notes to Financial Statements

1 Accounting Policies

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with UK adopted International Accounting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) that are effective or issued and early adopted as at the date of these financial statements and in accordance with the provisions of the Companies Act 2006.

The consolidated financial statements incorporate the results of the company and its subsidiary undertakings (together, the "group") for the year ended 30 June 2026. The subsidiaries were incorporated during the year, following the reporting date of the prior year financial statements, and are consolidated from the date on which control was obtained by the group. As the group had no subsidiaries at 30 June 2025, these are the first financial statements prepared on a consolidated basis; the comparative figures for the year ended 30 June 2025 are those of the Company only, as no subsidiaries existed at that date. The company has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present its individual income statement and related notes. The company's profit for the financial year, dealt with in the financial statements of the company, was £12.0m (2025: £11.1m).

The Profit before interest, tax, depreciation, amortisation, share-based payment charge and exceptional costs (adjusted EBITDA) is presented in the income statement as the directors consider this performance measure provides a more accurate indication of the underlying performance of the group and is commonly used by City analysts and investors.

The preparation of financial statements requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement, or areas

where assumptions and estimates are significant to the Financial Information, are disclosed in note 2.

The presentation currency of the group is Pounds Sterling. The functional currency of the company is Pounds Sterling; the functional currency of Fonix SAS (France subsidiary) is Euro and of Fonix GmbH (Switzerland subsidiary) is Swiss Franc, being the primary economic environment in which each entity operates. Results in these financial statements have been prepared to the nearest £1,000.

Basis of consolidation

Subsidiaries are entities controlled by the group. Control is achieved where the group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, in accordance with IFRS 10 Consolidated Financial Statements.

The results of subsidiaries acquired or incorporated during the year are included in the consolidated statement of comprehensive income from the date on which control commences until the date on which control ceases. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests, if any, are presented within equity, separately from the equity attributable to owners of the parent. As at 30 June 2026 the group's subsidiaries are wholly owned and no non-controlling interest arises.

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. The subsidiaries incorporated during the year were newly established entities rather than acquired businesses; accordingly no consideration was transferred, no pre-existing business or goodwill arose, and the group's investment is recorded at the nominal cost of share capital subscribed. Should the group acquire a business in a future period, any excess of consideration transferred and the amount of any non-controlling interest over the fair value of identifiable net assets acquired would be recognised as goodwill.



Investments in subsidiaries (company only)

In the company's own (unconsolidated) records, investments in subsidiary undertakings are stated at cost less any provision for impairment. The company assesses at each reporting date whether there is any indication that an investment is impaired, with reference to the net assets and trading performance of the underlying subsidiary.

Changes in accounting policy and disclosures

New and amended Standards and Interpretations applied

The following new and amended Standards and Interpretations have been issued and are effective for the current financial period of the group:

- Amendments to IAS 21 – Lack of Exchangeability

These amendments provide guidance on when a currency is exchangeable into another currency and how to determine the exchange rate to apply when it is not, together with related disclosure requirements. Given the group's operations in France and Switzerland during the year, the directors have assessed the exchangeability of the Euro and Swiss Franc into Sterling and concluded that both currencies remained exchangeable throughout the period; accordingly, the amendments have not had a material impact on these financial statements.

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the group has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective for annual periods commencing on or after
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11 (amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027



These have been endorsed and adopted for use in the UK by the UKEB (UK Endorsement Board).

The directors do not expect the Amendments to IFRS 9 and IFRS 7 or the Annual Improvements to IFRS Accounting Standards – Volume 11 to have a material impact on the group's financial statements.

IFRS 18 will introduce new income statement subtotals and disclosure requirements for management-defined performance measures, including the group's adjusted EBITDA; the directors are assessing its impact ahead of the effective date.

IFRS 19 permits eligible subsidiaries to apply IFRS with reduced disclosures in their own financial statements; the directors will keep its potential application to the group's subsidiaries under review.

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. The group is not externally funded and accordingly is not affected by borrowing covenants. In addition, the cost of capital represents the dividend distributions or purchase of own shares – 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 the group is cash generative – with increased sales of payment services impacting positively on the working capital cycle and profit from trading activities being 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 also considered the funding requirements and any local regulatory capital requirements of the group's subsidiary undertakings in France and Switzerland, and are satisfied these do not affect the group's ability to continue as a going concern.

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.

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

Foreign exchange

Foreign currency transactions are initially recorded in each group entity's own functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date, with exchange gains and losses recognised in the income statement.

On consolidation, the assets and liabilities of Fonix SAS and Fonix GmbH are translated into Sterling at the closing rate at the reporting date. Income and expenses are translated at average rates for the period. Exchange differences arising from this translation are recognised in other comprehensive income and accumulated in a separate foreign exchange (translation) reserve within equity.

The principal exchange rates used to translate the results and financial position of the group's foreign operations into Sterling were as follows:

Currency	2026 Closing FX rate	2026 Average FX rate	2025 Closing FX rate	2025 Average FX rate
Euro (€1 = £)	0.8618	0.8691	n/a	n/a
Swiss Franc (CHF 1 = £)	0.9340	0.9423	n/a	n/a



Fonix GmbH's average rate is calculated over the ten-month period from its incorporation in September 2025 to 30 June 2026, reflecting the period during which it traded.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers as set out in note 3 below. The chief operating decision-makers (who are responsible for allocating resources and assessing performance of the operating segments)

have been identified as the executive directors that make strategic decisions.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and that the revenue can be reliably measured – which is at the time of each transaction. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Services	Nature and timing of satisfaction of performance obligations and significant payment terms
Mobile payments	The group's technology for mobile payments facilitates a low friction way for mobile phone users to purchase services and charge them to their mobile phone bill, pre-paid balance or alternative online payment method. This revenue stream primarily consists of direct carrier billing, SMS billing and premium voice billing, together with online payments facilitated through PayFlex, CompsPortal and RichMessaging. Under IFRS 15 the group considers its involvement in all mobile payments transactions to be acting as an agent between customers (merchants) and end-consumers. Management has determined that it is acting as an agent under IFRS 15 because it does not have the primary responsibility for providing the services to the end consumer. Revenue is recognised at a point in time, as mobile payments are processed through the group's platform. Revenues recognised relate to the total commission charged to customers (merchants). For carrier billing, SMS billing and premium voice billing, Fonix acts as an agent of the mobile network operator, and the mobile network operator's commission is recognised within cost of sales. For online payments facilitated through PayFlex, CompsPortal and RichMessaging, no mobile network operator is involved in processing the payment, and accordingly no corresponding cost of sale arises.
Mobile messaging	Mobile messaging represents the delivery of SMS and RichMessaging (RCS) messages from the group's customers to the mobile network operators (MNOs), for purposes such as marketing, notifications and two factor authentication. Consumers are not charged for receiving these messages. Instead, MNOs charge the group for sending the messages, and the group in turn charges its customers for the same messages. Under IFRS 15 the group considers its involvement in all mobile messaging transactions, to be acting as a principal. Revenue is recognised as messages are processed through the group's platform. Revenues recognised relate to the amount charged to customers, with the associated MNO costs recognised within cost of sales.
Managed services	Managed services represent the delivery of services including event services, campaign management, MNO short code rentals and technology services. Under IFRS 15 the group considers its involvement in all managed services transactions to be acting as a principal. With revenue recognised over the period of providing the service to a customer. Revenues recognised relate to the amount charged to customers, with any third-party costs, including MNO costs incurred by the group, recognised within cost of sales.



Contracts and obligations

To determine whether to recognise revenue, the group follows the 5-step process as set out within IFRS 15 for all revenue streams:

1. Contract identification is performed, with each customer and mobile network operator having a separate signed contract with the group. Thereafter any subsequent changes are affected by separate addendums or notified rate changes to the relevant contract. Although every contract is unique, each has a significant level of replicated clauses that give similar trading arrangements within each income stream.
2. The performance obligation for each revenue stream is set out above.
3. The transaction price is determined as the fair value of the consideration the group expects to receive for the provision of the service. Accordingly, the transaction price is calculated on a per unit basis in all significant income streams.
4. The transaction price is allocated to the performance obligations as each individual message is delivered or received by the group.
5. Revenue is either recognised at a point in time, or over time, as set out in the respective policy for each revenue stream set out above, as each performance obligation is fulfilled. Delays in invoicing mean that each month's revenue transactions are accrued at the month end (reflected in accrued income) and transferred to trade receivables when invoiced.

Settlement terms

Customers are expected to settle trade receivables within 30 days of the month end or by offset against payables due to the same customers.

Interest income

Interest income from cash deposits is recognised in the Statement of Comprehensive Income using the effective interest method.

Property, plant and equipment

Property, plant & equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the location and condition necessary for an asset to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets (less any residual value) over their estimated useful lives – using the straight-line method. The estimated useful lives range is as follows:

Fixtures and fittings 3 years

Computer equipment 3 years

Office equipment 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset. The resulting gain or loss is credited or charged to profit or loss.

The assets' residual values, useful lives and depreciation methods are reviewed (and adjusted if appropriate) at each year end or if there is an indication of any significant change since the last reporting date.

Intangible assets

Intangible assets are initially recognised at cost. After recognition intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made – then the useful life shall not exceed ten years. Intangible assets at the year end relate to customer contracts acquired and platform software that has been developed by the company.

The estimated useful life of customer contracts acquired is determined by the minimum revenue commitment period in each customer contract and amortisation is applied on a straight line basis. The amortisation charge is recognised within administrative expenses.

The estimated useful life of this platform software is 3 years and amortisation is applied on a straight line basis. The amortisation charge is recognised within administrative expenses.

In the research phase of an internal project it is not possible to demonstrate that the project will



generate future economic benefits. Accordingly, all expenditure on research is recognised as an expense when it is incurred.

Expenditure on internally developed products is capitalised as an Intangible asset from the development phase of a project if (and only if) certain specific criteria are met as follows:

- The expenditure attributable to the intangible asset under development can be measured reliably; and
- The process being developed is technically and commercially feasible; and
- The future economic benefits arising are probable; and
- The group can use (and intends to use) the developed asset; and
- The group has adequate technical plus financial and other resources available to complete the asset.

The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project – the expenditure is treated as if it were all incurred in the research phase only.

Impairment of intangibles plus property, plant and equipment

At each reporting period end date, the group reviews the carrying amounts of its property, plant & equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication of impairment exists – the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset – the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the value in use of that asset.

There have been no impairment losses in the year to 30 June 2026.

Cash & cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The group classifies financial instruments (or their component parts) on initial recognition as a financial asset or a financial liability or as an equity instrument in accordance with the substance of the underlying contractual arrangement.

Financial instruments are recognised on the date when the group becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value. Financial instruments cease to be recognised at the date when the group ceases to be party to the contractual provisions of the instrument.

Financial assets are included on the balance sheet as trade and other receivables or cash and cash equivalents. An analysis of the financial assets at each year end is set out in note 18 below.

Financial liabilities are included on the balance sheet as trade and other payables. An analysis of the financial liabilities at each year end is set out in note 18 below.

Financial assets

(a) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current assets.

Trade receivables are recognised initially at the transaction price. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.



To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the group's historical credit losses experienced over the three year period prior to 30 June 2026. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the group's customers. The group has identified the UK gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors, reflecting the geographic concentration of the group's trade receivables. The directors will reassess this analysis as the group's operations in France and Switzerland develop.

Financial liabilities

(b) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities because the group does not have an unconditional right (at the end of the reporting period) to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date – they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and all are repayable within one year. Accordingly, these are included at the undiscounted amount of the cash expected to be paid.

Leases

Short term leases or leases of low value are recognised as an expense on a straight-line basis over the term of the lease.

The group recognises right of use assets under the lease agreements in which it is the lessee. The underlying asset recognised by the group in the financial statements comprises property that is used by the group in the normal course of business.

The right of use assets comprise the initial measurement of the corresponding lease liability payable plus payments made at (or before) the commencement day.

The right of use asset is recognised in the

statement of financial position as a non-current asset. The corresponding lease liability is included in the statement of financial position as a current or non-current liability dependent upon the repayments due within twelve months of the balance sheet date.

The right of use asset is depreciated over the lease term and (if necessary) it is impaired in accordance with the policy set out above.

The lease liability is initially measured in the balance sheet at the present value of the lease payments that are not paid at that date – discounted using the interest rate implicit in the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (calculated from the interest rate implicit in the lease) and by reducing the carrying amount to reflect the lease payments made.

Any modifications made to the terms of a lease are reflected in the month that these are agreed with the lessor. The adjustments are reflected in the balance sheet value of both the lease liability and corresponding right of use asset.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense – unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are rendered.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Certain employees of the group, including the Chief Financial Officer, receive bonuses linked to the group's EBITDA performance relative to predefined annual targets, assessed over the financial year. Details of the Chief Financial Officer's EBITDA-linked bonus arrangement are set out in the Remuneration Committee Report. The expenses related to these bonuses are recognised as both a liability and an expense over the period to which the target relates, based on performance achieved or considered probable to be achieved against the targets necessary for the bonus to be awarded.



Retirement benefits

The group operates defined contribution pension plans for its employees, under which the group pays fixed rate contributions based on salary into a separate entity. Once the contributions have been paid, the group has no further payment obligations.

In the UK, the group operates a defined contribution scheme in accordance with UK auto-enrolment legislation. In Ireland, the group's branch employees participate in a defined contribution scheme, with contributions made in accordance with Irish pensions legislation. In France, Fonix SAS participates in the state-mandated supplementary defined contribution pension scheme (AGIRC-ARRCO), in addition to the statutory basic state pension contributions required under French social security legislation. Fonix GmbH had no employees in Switzerland at 30 June 2026; accordingly, no Swiss pension contributions arose in the year.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

The assets of the pension plan are held separately from the group in independently administered, third-party funds.

Share capital and dividends

Share capital issued by the company is recorded at the proceeds received (or receivable) net of transaction costs. Share capital issued by subsidiary undertakings to the company is eliminated on consolidation against the company's investment in that subsidiary, and does not form part of the group's share capital.

Interim dividends or special dividends are recognised on payment.

Final dividends payable are recognised as liabilities once they are no longer at the discretion of the company. As final dividends are not proposed to shareholders or approved by shareholders until the annual general meeting (AGM) of shareholders held after the year end, they are not recognised as liabilities at the year end.

Share options

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive

Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties.

Where the terms and conditions of the options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Share buy-back

During the financial year, the company undertook two share buyback programmes.

On 25 March 2026, the company announced a share buyback programme to repurchase up to 230,000 ordinary shares in the company (Fonix plc). The programme completed on 26 March 2026, with 230,000 ordinary shares repurchased in aggregate, at volume-weighted average prices of 154.2 pence and 153.45 pence per share on the two respective days of trading.

On 22 May 2026, the company announced a further share buyback programme to repurchase up to 1,250,000 ordinary shares. The programme completed on 22 May 2026, with 1,250,000 ordinary shares repurchased in a single transaction at 159 pence per share.

The purpose of both buyback programmes was to hold the shares in treasury for the purpose of satisfying future employee share option obligations.

The cost of treasury shares held is presented as a separate reserve (the "treasury shares") and recorded in equity.



Taxation

The tax expense for the year to 30 June 2026 comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income – except where a charge is attributable to an item recognised as other comprehensive income or recognised directly in equity. In these latter circumstances the corresponding tax charge (or credit) is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at each balance sheet date in the jurisdictions in which the group operates.

From 1 July 2024, the company elected to apply the branch profits exemption under UK tax legislation. As a result, profits attributable to overseas branches are subject to corporation tax in the relevant overseas jurisdictions and are exempt from UK corporation tax.

Fonix SAS and Fonix GmbH are separate taxable entities and are subject to corporation tax in France and Switzerland respectively, at the rates enacted or substantively enacted in each jurisdiction at the reporting date.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not yet reversed at each balance sheet date, in accordance with the tax rates and laws that have been enacted or substantively enacted in the relevant jurisdictions.

Deferred tax balances are not recognised in respect of permanent differences that do not reverse.

Any deferred tax assets that arise (such as on short term timing differences) are offset against deferred tax liabilities.

Deferred tax is not recognised on temporary differences arising from investments in subsidiaries where the group is able to control the timing of the reversal of the temporary difference and it is probable that the difference will not reverse in the foreseeable future.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These judgements, estimates and associated assumptions are based on historical experience plus other factors that are considered to be relevant. The actual subsequent results and outcomes of the assets and liabilities may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis by the directors. Any revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period. Where the revision affects both current and future periods – the revision is recognised in both the period of the revision and also those future periods.

Key sources of estimation uncertainty

The key estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful economic lives of intangible fixed assets (see note 10)

The directors make estimates regarding the useful economic lives of intangible fixed assets. Intangible fixed assets consist of platform software – which is considered to have a 3-year life. Details of the judgements made are included in note 10.

Share-based payment charge

The group issues share options to certain employees. The Black-Scholes model is used to calculate the appropriate charge for these options. The choice and use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate risk-free interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. In addition, the directors estimate the



percentage of options that are expected to vest considering the likelihood of achieving performance targets and employee churn rates. Should more options vest than estimated the charge would increase.

The total charge recognised in the year to 30 June 2026 is £85k (2025: £86k). Further information on share options can be found in note 21.

Recognition of employee bonus incentives

Certain employees of the group, including the Chief Financial Officer, receive bonuses linked to the group's EBITDA performance relative to predefined annual targets. The directors make judgements on the extent to which performance against those targets has been, or is probable to be, achieved at each reporting date, which determines the amount accrued as a liability at the year end.

Key sources of judgement

Capitalisation of intangible fixed assets (see note 10)

The directors make judgements regarding the appropriateness of the time costs to capitalise on development projects. All expenditures on potential intangible fixed assets are treated as an expense unless the item being worked on meets the definition of an intangible asset as set out in note 1.

Each month development staff report the amount of actual time spent on development activities. The resulting direct labour cost arising that meets the above criteria is transferred from operating expenses to Intangible fixed assets. The capitalised costs are reviewed by directors with adjustments made where they considered appropriate.

Principal vs agent considerations (see note 4)

The directors make judgements regarding the

appropriateness of treating revenue transactions as being undertaken as a principal or agent. In addition, the directors also make judgements regarding how the contracts with customers are recognised. The directors' judgements on the income streams for the year to 30 June 2026 are set out in note 1.

Lease term modifications

The directors make judgements regarding how to reflect the modifications arising from changes to the terms of a lease as set out in note 1 above.

Identification of operating segments (see note 3)

The directors have concluded that the group continues to operate as a single operating segment under IFRS 8, notwithstanding the incorporation of subsidiary undertakings in France and Switzerland during the year, on the basis that the chief operating decision-makers review the business as a single global operation, with geographic and subsidiary-level information used as an analytical cut rather than a basis for discrete resource allocation decisions. Further detail is provided in note 3.

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:

	2026 £'000	2025 £'000
Gross profit		
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 consolidated financial statements and the internal reporting to the board for monitoring and strategic decisions relate to the recording of revenue in line with IFRS 15, and to the elimination of intra-group transactions between the company and its

subsidiary undertakings on consolidation. The IFRS adjustments do not impact on the calculation or reporting of gross profit.

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

	2026 £'000	2025 £'000
Gross profit by geography		
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 in note 1 above as this is intended to show its nature and amount.

The total revenue of the group has been derived from its principal activity undertaken in the United Kingdom and, through the company's branches, in Ireland and Portugal, and through its subsidiary undertakings, in France and Switzerland.

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 (as set out in note 1 above) is as follows:

	2026 £'000	2025 £'000
Revenue by service line		
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:

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



5 Operating profit

Operating profit each year is stated in the statement of comprehensive income after charging or (crediting) the following:

	2026 £'000	2025 £'000
Exchange differences	(1)	3
Audit of the company's annual financial statements, including the consolidated financial statements of the group	58	49
Depreciation of owned tangible fixed assets	20	19
Amortisation of intangible assets	1,112	875
Amortisation of right of use asset	121	120
R&D expenditure	147	323

The auditor's work in respect of the group's subsidiary undertakings, Fonix SAS and Fonix GmbH, comprised review procedures performed for the purposes of the group audit. Neither subsidiary is required to obtain a separate statutory audit in its local jurisdiction, and no separate audit fees were incurred in respect of either entity.

6 Staff costs

The aggregate employee benefit expenses during each year were as follows:

	2026 £'000	2025 £'000
Employment costs		
Wages and salaries	4,190	3,588
Share-based payment charge	85	86
Social security cost	544	454
Pension costs	91	77
	4,910	4,205
Less: amounts capitalised as intangible assets	(1,546)	(1,285)
	3,364	2,920

The average monthly number of employees during each year was as follows:

	2026 Number	2025 Number
Average number of employees		
Sales, marketing & client services	12	11
Administration	19	17
Development	27	24
	58	52



The average monthly number of employees during the year, analysed by geography, was:

Average number of employees	2026 Number	2025 Number
United Kingdom	54	49
Ireland (branch)	2	2
Portugal (branch)	1	1
France	1	-
Switzerland	-	-
	58	52

Key management remuneration

Remuneration of the key management team, including directors, during the year was as follows:

Key management compensation	2026 £'000	2025 £'000
Salaries	1,620	1,297
Share-based payment charge	54	53
Social security cost	173	191
Pension costs	15	15
	1,862	1,556

Directors' remuneration

Remuneration of directors during the year was as follows:

Directors' remuneration	2026 £'000	2025 £'000
Salaries	596	489
Share-based payment charge	19	17
Pension costs	2	2
	617	508

The remuneration of the highest paid director during the year was:

Highest paid director	2026 £'000	2025 £'000
Total remuneration paid	284	187

Retirement benefits are occurring for one (2025: one) director under a defined contribution pension scheme.

**7 Finance income and expenses**

	2026 £'000	2025 £'000
Interest income		
Interest receivable on bank deposits	637	826
	2026 £'000	2025 £'000
Interest expense		
Interest on lease liability	10	21

8 Taxation

	2026 £'000	2025 £'000
Current tax		
Corporation tax on profits for the current period	3,632	3,272
Adjustments in respect of prior years	(1)	(77)
	3,631	3,195
Deferred tax		
Current deferred tax expense/(credit)	81	50
Adjustments in respect of prior years	-	-
	81	50
Total tax charge	3,712	3,245

The actual charge for each year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2026 £'000	2025 £'000
Tax reconciliation		
Profit before taxation	15,602	14,390
Tax using UK corporation tax rate of 25.00% (2025: 25.00%)	3,901	3,597
Effect of overseas branch and subsidiary profits taxed at rates other than the UK rate	(206)	(237)
Non-deductible expenses	25	8
Share-based payments	21	22
Research and development tax impact	(131)	(137)
Deferred tax rate adjustment	103	69
Adjustments in respect of prior years	(1)	(77)
Total tax charge	3,712	3,245

From 1 July 2024, the company elected to apply the branch profits exemption under UK tax legislation. As a result, profits attributable to overseas branches are subject to corporation tax in the relevant overseas jurisdictions and are exempt from UK corporation tax.

Fonix SAS and Fonix GmbH are separate taxable entities and are subject to corporation tax in France and Switzerland respectively, at the rates enacted or substantively enacted in each jurisdiction at the reporting date.



9 Earnings per share

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

	2026 £'000	2025 £'000
Retained profit for the financial year	11,890	11,145
	2026 Number	2025 Number
Number of shares		
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 profit and number of shares listed above:

	2026 £'000	2025 £'000
Adjusted earnings per share		
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





10 Intangible assets

The Intangible asset represents the internally developed platform software and acquired customer relationships, and the movements each year are as follows:

	Customer relationships £'000	Platform software £'000	Total £'000
Cost			
At 1 July 2024	236	3,467	3,703
Additions	–	1,285	1,285
Written-off	–	(454)	(454)
At 30 June 2025	236	4,298	4,534
Additions	–	1,547	1,547
Written-off	–	(540)	(540)
At 30 June 2026	236	5,305	5,541
Amortisation			
At 1 July 2024	236	1,861	2,097
Charge for the year	–	874	874
Written-off	–	(454)	(454)
At 30 June 2025	236	2,281	2,517
Charge for the year	–	1,112	1,112
Written-off	–	(540)	(540)
At 30 June 2026	236	2,853	3,089
Net book value			
At 30 June 2026	–	2,452	2,452
At 30 June 2025	–	2,017	2,017
At 30 June 2024	–	1,606	1,606

When amortising intangible assets management make judgements over the useful economic life of assets and the likelihood that future economic benefits will flow from the assets held.

Customer relationships are amortised over the period that the associated customers are contractually committed to provide income to the business. The cost of a customer relationship acquired is fully amortised in the year of acquisition

where there is no income commitment in the associated customers' contract.

Internally generated platform software costs are amortised over 3-years as this is management's prudent assessment of how long on average computer code is retained before being replaced, upgraded or refactored with new code.

11

Right of use asset

	Right to use land & buildings £'000
Carrying value	
At 1 July 2024	286
Additions	-
Amortisation for year	(120)
At 30 June 2025	166
Additions	-
Amortisation for year	(121)
At 30 June 2026	45

The right of use asset represents a property lease on the offices used by the group. The group renewed the office lease for a further 3 years in November 2023.



**12 Tangible assets**

	Fixtures & fittings £'000	Computer equipment £'000	Office equipment £'000	Total £'000
Cost				
At 1 July 2024	32	–	75	107
Additions	–	–	21	21
Disposals	–	–	(12)	(12)
At 30 June 2025	32	–	84	116
Additions	–	–	27	27
Disposals	–	–	(4)	(4)
At 30 June 2026	32	–	107	139
Depreciation				
At 1 July 2024	31	–	46	77
Charge for the year	1	–	18	19
Disposals	–	–	(11)	(11)
At 30 June 2025	32	–	53	85
Charge for the year	–	–	20	20
Disposals	–	–	(4)	(4)
At 30 June 2026	32	–	69	101
Net book value				
At 30 June 2026	–	–	38	38
At 30 June 2025	–	–	31	31
At 30 June 2024	1	–	29	30



**13 Investments (Company only)**

Investments held by the company represent its cost of investment in subsidiary undertakings, stated at cost less any provision for impairment.

	Investments
	£'000
Cost	
At 1 July 2024	-
Additions	-
At 30 June 2025	-
Additions — incorporation of Fonix SAS	9
Additions — incorporation of Fonix GmbH	19
At 30 June 2026	28
Impairment	
At 1 July 2024	-
Charge for year	-
At 30 June 2025	-
Charge for year	-
At 30 June 2026	-
Net book value	
At 30 June 2026	28
At 30 June 2025	-
At 30 June 2024	-

The Directors have assessed the carrying value of each investment for impairment at the reporting date, having regard to the net assets and trading performance of each subsidiary since incorporation, and consider no provision is required.

Details of the company's subsidiary undertakings are set out in note 23, Related undertakings.

**14 Trade and other receivables**

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Trade receivables	20,986	20,478	20,986	20,478
Amounts owed from group undertakings	–	–	78	–
Other debtors	60	41	41	41
Prepayments	522	623	519	623
Accrued income	13,647	12,624	13,647	12,624
	35,215	33,766	35,271	33,766

The group takes advantage of the practical expedient available under IFRS 15 so that no adjustments are made to Trade receivables – as the settlement terms are less than one year.

Trade receivables include gross mobile payments amounts due from mobile network operators that

are payable to customers. These amounts are not recognised as revenue as detailed in note 1 above.

The movement on accrued income comprises the following:

	2026 £'000	2025 £'000
Opening balance	12,624	11,884
Transfer to trade receivables	(12,624)	(11,884)
Revenue recognised in advance of invoicing	13,647	12,624
Closing balance	13,647	12,624

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

Currency	2026 £'000	2025 £'000
Sterling	31,265	28,884





Currency	2026 £'000	2025 £'000
Euros	3,950	4,882
Swiss Franc	23	-
US Dollars	-	-
	35,215	33,766

15 Trade and other payables

	Group 2026 £'000	Group 2025 £'000	Company 2026 £'000	Company 2025 £'000
Trade payables	35,930	28,600	35,908	28,600
Amounts owed to group undertakings	-	-	-	-
Corporation tax	(371)	879	(371)	879
Other taxation and social security	2,008	994	2,011	994
Other creditors	11,400	12,677	11,398	12,677
Deferred income	1	1	1	1
Accruals	5,714	3,864	5,699	3,864
	54,682	47,015	54,646	47,015

Trade payables include gross mobile payments amounts due to customers where the group has received funds (or the funds are receivable) on their behalf. These funds are not recognised within

revenue or expenditure in the group's income statement.

The carrying amounts of the group's trade and other payables are denominated in the following currencies:

Currency	2026 £'000	2025 £'000
Sterling	49,904	41,619
Euros	4,776	5,395
Swiss Franc	6	-
US Dollars	2	1
	54,682	47,015

**16 Leases**

The corresponding liability of the Right of Use asset set out in note 11 above represents the following:

	Property lease liability £'000
Carrying value	
At 1 July 2024	262
Interest charge	21
Repayments	(137)
Modification to lease	-
At 30 June 2025	146
Interest charge	10
Repayments	(137)
Modification to lease	-
At 30 June 2026	19

The lease liability is reflected in the balance sheet at each year end as follows:

	Current liability £'000	Non current liability £'000	Total liability £'000
At 30 June 2026	19	-	19
At 30 June 2025	127	19	146



17 Deferred tax

The elements of deferred taxation are as follows:

	2026 £'000	2025 £'000
Closing liability		
Accelerated capital allowances	616	498
General provisions	(121)	(105)
Share-based payments	(127)	(106)
	368	287
	2026	2025
Movements in the year	£'000	£'000
Liability at 1 July	287	237
Charge/(credit) to statement for comprehensive income	81	50
Liability at 30 June	368	287

18 Financial instruments

The principal financial instruments used by the group from which financial instrument risk arises are as follows:

	2026 £'000	2025 £'000
Financial assets		
Trade receivables	20,986	20,478
Accrued income	13,647	12,624
Cash & cash equivalents	28,579	21,998
	63,212	55,100
Financial liabilities		
Trade payables	35,930	28,600
Other creditors	11,400	12,677
Accruals	5,714	3,864
Leases	19	147
	53,063	45,288



Financial risk management

The group uses various financial instruments in its operations. These primarily include cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the working capital requirements of the group.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The directors review and agree policies for managing each of these risks and they are summarised below:

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and closely managing its cash balance.

The group's policy throughout the period has been to ensure continuity of funding. Short-term flexibility is achieved by paying trade payables relating to mobile payment transactions generally only after the corresponding sums from trade receivables have been received.

Foreign exchange risk

The majority of the group's revenues and costs continue to be in Sterling (the group's functional currency) and involve no currency risk. Activities in currencies other than Sterling are funded as much as possible through operating cash flows, mitigating foreign exchange risk. Funds held in foreign currencies and not required for operating expenses in the local currency are converted to Sterling on a prompt basis taking into consideration prevailing foreign exchange rates at the time of receipt.

The group has the following cash and cash equivalent deposits:

Currency	2026 £'000	2025 £'000
Sterling	26,499	20,158
Euros	2,033	1,828
Swiss Franc	43	-
US Dollars	4	12
	28,579	21,998



Credit risk

The group's principal financial assets that may be impacted by credit risk are cash at bank plus trade receivables and accrued income.

The credit risk associated with cash at banks is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. Credit losses historically incurred by the group on these financial assets have been nil.

The group has trade receivables of £20,986k at 30 June 2026 (2025: £20,478k) arising from past contractual payment terms that are not deemed impaired. The directors monitor any customers not settling to terms at each month end – and take appropriate remedial action. Credit losses historically incurred by the group on trade receivables have been negligible and this is not anticipated to change over the next twelve months.

The trade receivables of the group is dominated by mobile network operators – which are considered to be large credit worthy entities. There have been no failures in settlements during the ten years ended 30 June 2026 and this position is expected to continue in the foreseeable future. Accordingly, an expected loss rate of 0 per cent. has been applied to each element of the trade receivable profile.

Accrued income at each year end is invoiced in the following July and collected as part of the usual trade receivable routines. There have been no historic issues with collecting the accrued income and the directors consider this will continue in the future.

Capital risk

The group considers its capital comprises share capital plus share premium and retained profit.

The group maintains adequate capital to safeguard its ability to continue as a going concern and also to provide an adequate return to shareholders – commensurate with their risk. Accordingly, the capital risk is managed by paying an appropriate level of dividends each year.

Maturity of financial assets and liabilities

All of the group's financial assets and financial liabilities at each reporting date are either receivable or payable within one year, other than in respect of the group's leases (see note 16).

19 Share capital and reserves

The share capital in issue at each year end is as follows:

	2026	2025
Number of shares	Number	Number
Ordinary shares at 0.1p each	100,000,000	100,000,000
	100,000,000	100,000,000

	2026	2025
Allotted, called up and fully paid	£'000	£'000
Ordinary shares at 0.1p each	100	100
	100	100

Share premium

The share premium disclosed in the statement of financial position represents the difference between the issue price and nominal value of the shares issued by the company.

Treasury shares

During the financial year, the company undertook two share buyback programmes.

On 25 March 2026, the company announced a share buyback programme to repurchase up to 230,000 ordinary shares in the company (Fonix plc). The programme completed on 26 March 2026, with 230,000 ordinary shares repurchased in aggregate,



at volume-weighted average prices of 154.2 pence and 153.45 pence per share on the two respective days of trading.

On 22 May 2026, the company announced a further share buyback programme to repurchase up to 1,250,000 ordinary shares. The programme completed on 22 May 2026, with 1,250,000 ordinary shares repurchased in a single transaction at 159 pence per share.

The purpose of both buyback programmes was to hold the shares in treasury for the purpose of satisfying future employee share option obligations.

The company transferred 13,303 shares out of treasury on 29 July 2025 and a further 14,834 shares out of treasury on 14 November 2025 in order to satisfy employee share option exercises. In the prior financial year, the company transferred 100,108 shares out of treasury on 20 November 2024 in order to satisfy employee share option exercises.

At 30 June 2026, the company held 2,376,335 shares in treasury (2025: 924,472) and therefore the total number of ordinary shares outstanding in the company was 97,623,665 (2025: 99,075,528).

The cost of treasury shares held is presented as a separate reserve (the "treasury shares") and recorded in equity.

Retained earnings

Retained profits are the cumulative net profit in the statement of comprehensive income, less dividend distributions and any retained earnings utilised up on the balance of employee share option exercises.

Movements on these reserves are set out in the statement of changes in equity



20 Dividends

	2026 £'000	2025 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for year ended 30 June 2025 of 5.90p (2024: 5.70p) per share	5,847	5,647
Special dividend for year ended 30 June 2026 of nil (2025: 3.00p) per share	–	2,972
Interim dividend for year ended 30 June 2026 of 3.10p (2025: 2.90p) per share	3,069	2,873
	8,916	11,492
Proposed final dividend for year ended 30 June 2026 of 6.20p (2025: 5.90p) per share	6,053	5,846

21 Share-based payments

The company has a share option scheme for certain employees and directors of the group. Options are generally exercisable at a price equal to the market price of the company's shares on the day immediately prior to the date of grant. Options are forfeited if the employee or director leaves the group before the options vest.

During the year ended 30 June 2026 the company had share-based payment arrangements under three schemes: the Executive Scheme, the General Employee Scheme and the Performance Scheme. The Executive Scheme was issued to the Chairman at IPO with a straight 3-year vesting window. Options under the General Employee Scheme,

issued to general staff and to the CFOO, vest over a 3–5 year window. The Performance Scheme operates on the same terms as the General Employee Scheme but is subject to additional performance conditions, and is held solely by the CFOO.

With the exception of the Performance Scheme, service and performance criteria relating to the options are the continuing employment of the holder. The vesting of Performance Scheme options is also contingent on the company achieving certain minimum average growth percentages in Adjusted EBITDA over the 3-year period following the grant of options.

Options granted under these schemes have historically been structured as non-tax-advantaged options ("NTA Options") or Company



Share Option Plan options ("CSOP Options"). During the year, following the expansion of Enterprise Management Incentive ("EMI") eligibility introduced by the 2025 Finance Act, the company adopted an EMI sub-plan, adding EMI as a third available tax status for options granted under the existing schemes. EMI Options granted during the year were issued under the General Employee Scheme and the Performance Scheme. Grants during the year comprised two elements: Parallel EMI Options, granted alongside existing NTA Options held by current employees, and New EMI Options, granted as part of the company's continuing long-term incentive programme.

Parallel options

Parallel EMI Options were granted alongside existing NTA Options held under the General Employee Scheme, mirroring the number of shares, exercise prices and (subject to the 12-month minimum noted below) vesting dates of the corresponding NTA Options. Where the corresponding NTA Option was fully vested or due to vest within 12 months of the Parallel EMI Option grant date, the Parallel EMI Option was granted with a minimum 1-year vesting period. Under the terms of the Parallel EMI Options, exercise of an EMI Option automatically causes the corresponding NTA Option to lapse, and vice versa, such that each

employee may benefit from only one of the two instruments.

The directors have concluded that the grant of Parallel EMI Options does not give rise to an incremental IFRS 2 charge. As the Parallel EMI Options mirror the terms of, and are mutually exclusive with, the corresponding NTA Options, the directors consider the grant to be economically equivalent to a modification enabling tax-advantaged exercise of an existing award, rather than the grant of an incremental instrument. No incremental fair value has been transferred to employees and the maximum number of shares issuable is unchanged as a result of these grants. Accordingly, no additional share-based payment expense has been recognised in respect of the Parallel EMI Options, and they are excluded from the reconciliation of option movements below.

Valuation of options granted in the year

The fair value of the employees' services received in exchange for the grant of share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted. Fair value is determined by reference to the Black-Scholes option pricing model. The inputs into the option pricing model for options issued in the year are as follows:

	New EMI Options – Performance scheme	New EMI Options – General Employee Scheme
Grant date	12 Jun 2026	12 Jun 2026
Vesting period ends	12 Jun 2031	12 Jun 2031
Share price at date of grant	147.0p	147.0p
Volatility	36.36%	36.36%
Option life	10-years	10-years
Expected dividend yield	6.00%	6.00%
Risk free investment rate	4.48%	4.48%
Fair value at grant	32.45p	32.45p
Exercise price at date of grant	147.0p	147.0p

The volatility of the company's share price on each date of grant is calculated as the average of the annualised standard deviations of daily continuously compounded returns on the company's stock.

The New EMI Options granted to employees under the General Employee Scheme vest in three equal tranches, subject to continuing employment. The New EMI Options granted to the CFOO under the Performance Scheme are additionally subject to



the company achieving a minimum average growth in Adjusted EBITDA of CPI + 3% per financial year, measured over the three financial years ending 30 June 2029. As this is a non-market performance condition, it is reflected in the number of options expected to vest rather than in the grant-date fair value.

Reconciliation of option movements

A reconciliation of option movements over the year to 30 June 2026 is shown below:

	2026		2025	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
At 1 July	1,755,751	1.29	1,572,859	1.17
Granted during the year	369,000	1.47	288,000	1.81
Exercised during the year	(28,137)	0.90	(100,108)	0.90
Lapsed in the year	(25,598)	1.53	(5,000)	1.81
Outstanding at the end of the year	2,071,016	1.32	1,755,751	1.29
Exercisable at the end of the year	1,140,933	1.03	958,838	1.00

In addition to the above, 487,468 Parallel EMI Options were granted during the year on a linked-lapse basis alongside existing NTA Options (see above); as these do not represent an incremental instrument, they are excluded from this reconciliation and from the weighted average exercise price calculation.

Options outstanding by scheme

Options outstanding under the company's share option schemes were as follows:

Name of Scheme	2026	2025	Calendar year of grant	Exercise period	Exercise price per share
	No. of options	No. of options			
Executive Scheme	500,000	500,000	2020	2023	90.0p
General Employee Scheme	406,738	422,472	2020	2023–2025	90.0p
General Employee Scheme	64,426	64,426	2021	2024–2026	178.5p
General Employee Scheme	260,852	275,353	2022	2025–2027	143.0p
Performance Scheme	27,500	27,500	2023	2026–2028	195.5p
General Employee Scheme	180,500	183,000	2023	2026–2028	195.5p
Performance Scheme	55,000	55,000	2025	2028–2030	180.5p
General Employee Scheme	227,000	228,000	2025	2028–2030	180.5p
Performance Scheme	129,000	–	2026	2029–2031	147.0p
General Employee Scheme	220,000	–	2026	2029–2031	147.0p
	2,071,016	1,755,751			

In addition to the above, the company granted 487,468 Parallel EMI Options on 12 June 2026 on a linked-lapse basis alongside existing NTA Options held under the Executive Scheme, the General Employee Scheme and the Performance Scheme (see above). As exercise of a Parallel EMI Option causes the corresponding NTA Option to lapse, and vice versa, these do not represent an incremental number of shares issuable and are not shown as a separate line in the table above.

Total charge

The company recognised a charge of £85k (2025: £86k) related to equity-settled share-based



payment transactions in the year.

22 Related party transactions

Ganton Limited

Ganton Limited is a company in which the director and majority shareholder W Neale, has a significant influence – due to his shareholding in Ganton Limited.

The company paid dividends to Ganton Limited during the year ended 30 June 2026 of £1,702,770 (2025: £2,194,681).

At the year ended 30 June 2026 an amount of £nil (2025: £nil) was due to or from the related party.

Intercompany loan facility

The company provides revolving loan facilities to its subsidiaries, Fonix SAS and Fonix GmbH, to fund their operational costs and working capital requirements in France and Switzerland respectively.

The facility to Fonix SAS has a limit of €250,000 and bears interest at a fixed rate of 4.5% per annum, set on an arm's length basis for UK and French transfer pricing purposes, and is repayable in full on 1 July 2028 (36 months from the date of the agreement), unless earlier demanded by the company (subject to a minimum six months' notice) or prepaid by Fonix SAS.

The facility to Fonix GmbH has a limit of CHF 250,000 and bears interest at a fixed rate of 3.5% per annum, set with reference to the Swiss Federal Tax Administration's safe harbour guideline and considered arm's length for UK and Swiss transfer pricing purposes, and is repayable in full on 10 September 2028 (36 months from the date of the agreement), unless earlier demanded by the company (subject to a minimum six months' notice) or prepaid by Fonix GmbH.

Amounts drawn under the two facilities at 30 June 2026 totalled €87k and CHF 3k respectively (£75k and £3k translated at the closing rate) (2025: €nil, CHF nil), disclosed within trade and other receivables – amounts owed by group undertakings (note 14). Interest income of €0.5k and CHF 0.3k (£0.4k and £0.3k) (2025: £nil) was recognised by the company in respect of the facilities during the year, eliminated on consolidation. Both receivables are monetary assets denominated in foreign currencies and are retranslated at the closing exchange rate at each reporting date, with any resulting exchange gain or loss recognised in the company's income statement.

23 Related undertakings

In accordance with Schedule 4 to the Companies Act 2006 (Regulations), the company's subsidiary undertakings at 30 June 2026, all of which are included in the consolidated financial statements, were as follows:

Name	Country of incorporation	Registered office	Principal activity	Class of share	% held
Fonix SAS	France	SNCF Station, 14 Rue de Dunkerque, 75010 Paris	Mobile payments and messaging services	Ordinary	100%
Fonix GmbH	Switzerland	c/o Maygold AG, Baarerstrasse 8 6300 Zug	Mobile payments and messaging services	Ordinary	100%

All subsidiary undertakings are held directly by Fonix plc. There are no non-controlling interests, and no significant restrictions on the group's ability to access or use the assets of its subsidiaries.

24 Ultimate controlling party

Fonix plc is the ultimate parent company of the group and heads the largest and smallest group for which consolidated financial statements are prepared. There is no ultimate controlling party of the group or the company.



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