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Please see the important notices at the end of this announcement.

Fonix Mobile plc
("Fonix" or the "Company")
Proposed Admission to trading on AIM
and
Successful £45 million Secondary Placing

Fonix, the UK focused mobile payments and messaging company enabling businesses to charge users' mobile bills and send users SMSs via their Carrier, is pleased to announce that it has sought admission of its entire issued ordinary share capital to trading on AIM, following a successful institutional placing of 50,000,000 existing Ordinary Shares (the "**Placing**"). Application has been made for Admission which is expected to occur at 8.00 a.m. on 12 October 2020 under the TIDM "FNX".

Key highlights

- The Placing, which is conditional upon, amongst other things, Admission, comprises a placing of 50,000,000 existing Ordinary Shares (the "Placing Shares") in each case at 90 pence per Ordinary Share (the "Placing Price") with institutional and other investors
- finnCap Ltd ("finnCap") is acting as Nominated Adviser and sole broker to the Company in relation to the Placing and Admission
- As part of the Placing and in response to strong institutional demand for the Ordinary Shares, certain existing shareholders including directors and employees of the Company will receive gross proceeds of £45 million from the Placing through the sale of the Placing Shares at the Placing Price
- On Admission, the Company will have 100,000,000 Ordinary Shares in issue and a market capitalisation of £90 million at the Placing Price

- The Company's ISIN is GB00BN789668 and its SEDOL is BN78966.

Rob Weisz, Chief Executive of Fonix Mobile plc commented:

"We are delighted to announce the proposed Admission to AIM of Fonix. Admission to AIM will help raise the profile of the Company as we look to deliver on our growth ambitions.

The Company has had a strong start to the current financial year. We continue to deliver on our growth strategy by driving up the number of transactions that occur on the platform and expanding on the content and services provided from both existing and new Clients.

We would like to thank our existing shareholders for their ongoing support and welcome our new shareholders at this exciting time for the Company."

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Background to Fonix

Fonix is a UK focused mobile payments and messaging company, enabling businesses to charge users' mobile bills and send users SMSs via their Carrier.

Founded in 2006, Fonix allows mobile network operators ("MNOs") to provide additional services in the form of Carrier Billing, SMS Billing, Messaging and Voice Shortcodes. Fonix has over 100 Clients including ITV, Bauer Media, BT, Global Radio and BBC Children In Need across a range of multi-billion pound sectors such as media, gaming, charity, ticketing and digital services. Fonix offers its clients access to the customer base of the MNOs.

Performance highlights include:

- £7.7m EBITDA (y/e 30 June 2020), representing 53% CAGR since FY18
- dividends of £6.053m paid in FY20 and £5.055m in FY19, with an intention to adopt a 75% of adjusted earnings per share dividend policy moving forwards
- Total payment value growth to over £211.7m in FY20

Clients

Fonix has developed robust and high throughput technology and, through deep sector expertise across key verticals including media, gaming, charity, ticketing and digital services strong, lasting relationships with its Clients and MNOs. Fonix is focused on mature, highly regulated markets where Clients and MNOs require a reliable and bespoke service which Fonix is well placed to cater for with a team of highly experienced industry experts.

Market Overview

Research suggests significant global growth potential of Carrier Billing from \$29.8bn in 2019 to \$70bn by 2027.

The market is characterised by three distinct sectors:

App stores and global players

The dominant global app stores, including the Apple App Store and Google Play, together with global brands such as Spotify and Netflix, continue to roll out Carrier Billing alongside traditional payment methods across the globe supported by a small number of service providers (sitting in a similar place to Fonix in the value chain). This is a high volume market with correspondingly low margins for service providers. Fonix does not currently focus on this market.

High value brands

High value, often regional services including broadcasters (such as BT Sport), sports rights holders and digital services (such as Bumble, Hopster). This is Fonix's area of focus.

Low-value content

Low value, high margin services, often targeted at emerging markets with low regulation, such as ringtones and wallpapers. Fonix does not currently focus on this market.

The Company's Growth Strategy

The level of interaction by the Consumer is critical to the future growth of Fonix. Fonix's growth strategy is therefore based on increasing the number of transactions that occur on the platform, with content and services provided from both existing and new Clients. The Fonix platform and products are highly scalable with significant capacity for expansion in growing markets, not just with new Client wins but also through upselling existing Clients and product development. Since FY2018, Fonix has achieved 53% CAGR organic growth in EBITDA.

Sector Focus

The Company has a sector focussed growth strategy as follows:

Media: consisting primarily of TV, radio, print and digital publishers, this is Fonix's largest market. The TV engagement market is estimated to be c.£146m and the pay TV market c. £7bn . On a global basis the OTT market is thought to be \$68bn. The growth strategy is to improve upon Fonix's position in the SMS Billing market, increase market share by focusing on Carrier Billing into TV, print and radio paywalls and support Clients moving into international markets. Fonix expects existing Clients to continue to offer significant growth opportunities.

Charity: this is a large market that is underdeveloped in terms of Carrier Billing. In the UK alone £10bn was donated in 2019 of which only £40m was through Carrier Billing. The focus will be to continue to drive Fonix's market leading 'text to donate' and 'click to donate' products in the UK.

Gaming: a large market which is underserved by Carrier Billing. The UK online gaming industry is estimated to be worth £5.5bn of which only £43m uses Carrier Billing, with additional opportunities for international roll out of existing Clients.

Digital services: this covers growing markets including dating (\$1.75bn), fitness/diets (\$192bn) and car parking (£1.75bn).

Current trading and prospects

The Company continues to trade in line with management's expectations. Trading in the first two months of the year has been strong and the business remains resilient to the economic impact of the coronavirus pandemic.

The Company continues to deliver on the technical roadmap to support both its existing client needs as well as to attract new business opportunities.

Management team

Edward Spurrier – Non-executive Chairman

Edward currently holds a number of chairmanships in entrepreneurial technology companies. Edward joined Alternative Networks Limited as Finance Director, progressing to CFO, during which time he assisted in its successful AIM IPO. Subsequently he became CEO, prior to Alternative Networks plc's sale to Daisy Group in 2016. Edward has extensive experience in both the AIM market and technology sector. Edward successfully ran his own chartered accountancy firm, Spurrier & Co, where he had over 80 clients, some of which he acted for as quasi Financial Director. Edward qualified as a Chartered Accountant at Coopers Lybrand (now PWC).

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.

Rupert Horner – Chief Financial Officer

Rupert joined Thompson Investments (London) Limited ("Thompson Investments"), the family investment company of David Thompson, as an acquisitions manager. During his tenure at Thompson Investments, Rupert held directorships of several subsidiaries including a fully listed property company. Rupert has significant other public company experience, including having successfully helped both Secora plc and Gotech plc admit to trading on AIM. Rupert was introduced to Fonix during his time at Thompson Investments and became a founding shareholder in Fonix. Rupert began his career at Peat Marwick Mitchell (now KPMG) where he qualified as a Chartered Accountant.

William Neale – Founder and Non-Executive Director

In 2006, Will founded Fonix Mobile Limited, which has grown to be a leading mobile payments and messaging company. In 2013, Will founded Grabyo, a cloud-based video production, editing and distribution company. Will is a serial investor having invested in over 40 early stage companies, including Revolut, Marshmallow and proSapien.

Will began his career at Accenture where he worked within technology consulting, specialising in mobile telecoms.

Lucinda Sharman-Munday - Non-executive Director

Lucinda is currently CFO of Eagle Eye Solutions Group Plc a role she has held since July 2014. Prior to this, she was the CFO of the 5one group, the global consultancy providing services, analysis and software to help retailers achieve a customer-centric strategy. The global role covered Europe, South Africa and setting up America. Prior to this she worked for Adapt Group Ltd, and in 2006 iSOFT plc as an integral part of the turn-around team that successfully sold the business to IBA Health Group at the end of 2007. Lucinda began her career at KPMG in 1999 where she qualified as a Chartered Accountant.

Important notices

Capitalised terms used in the Admission Document have the same meanings in this announcement.

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The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

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