

Fonix Mobile plc

("Fonix" or the "Company")

6-Month Trading Update

Strong gross profit and earnings growth, ahead of management expectations

Fonix Mobile plc, the mobile payments and messaging provider, is pleased to provide an update on trading for the 6-months ended 31 December 2021 (the "Period").

Financial highlights:

- Gross profit and adjusted EBITDA in H1 FY21 have grown ahead of management's expectations. As a result, the Board now expects adjusted EBITDA for the year ending 30 June 2022 to be comfortably ahead of management expectations.¹
- Gross profit in the period grew by 20% to £7.0m (H1 FY21: £5.8m).
- Adjusted EBITDA¹ in the period grew by 20% to £5.5m (H1 FY21: £4.6m).
- Fonix continues to generate strong underlying cash flows and intends to pay an increased interim dividend in March 2022. Company policy remains to pay out 75% of adjusted earnings per share.

Operating highlights:

- Total payment volume ("TPV") of mobile payments grew by 12% to £138m (H1 FY21: £123m).
- Fonix has continued to attract new customers in all sectors, with 116 (H1 FY21: 105) active customers by the Period end, an increase of 10% on the previous year.²
- Fonix remains the leading provider of charity telethons, including ITV's Soccer Aid, BBC Children in Need, Comic Relief and The Ruth Strauss Foundation, and has added several new clients in the period.
- Fonix's three business segments of payments, messaging and managed services have each grown in the Period and the business retains a growing pipeline of significant prospects going into H2 FY22.

The Board intends to report its interim results for the period ending 31 December 2021 on Monday 14 March 2022.³

Outlook:

With high levels of repeating revenue and client retention, expanding international reach, and a growing pipeline of client prospects across all sectors, the Board continues to be confident in the growth potential for Fonix going into H2 FY22 and beyond.

Rob Weisz, CEO, commented:

“We are delighted to have continued to deliver on our strategic goals, with growth ahead of initial expectations.

Our key business segments have each grown strongly throughout the period and we have continued to optimise margins further, focusing on growth in more profitable product offerings.

The business continues to make good progress on the launch of international services and hopes to announce significant developments later in the year.”

Notes:

All financials based on unaudited figures.

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

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

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

Enquiries

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

About Fonix

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

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

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