Mobile Tornado

20 June 2024

Mobile Tornado Group plc

("Mobile Tornado", the "Company" or the "Group")

2023 Final results

Mobile Tornado Group plc, a leading provider of resource management mobile solutions to the enterprise market, announces its audited results for the year ended 31 December 2023.

Financial Highlights

	2023	2022
	£'000	£'000
Recurring revenue	**1,852**	1,969
Non-recurring revenue*	**414**	310
Total revenue	**2,266**	2,279
Gross profit	**2,080**	2,223
Administrative expenses**	**(2,328)**	(2,507)
Adjusted EBITDA* **	**(248)**	(284)
Group operating loss	**(293)**	(723)
Loss before tax	**(1,072)**	(1,419)

- Total revenue decreased by 1% to £2.27m (2022: £2.28m)
  - Recurring revenues decreased by 6% to £1.85m (2022: £1.97m)
  - Non-recurring revenues* increased by 34% to £0.41m (2022: £0.31m)
- Gross profit decreased by 6% to £2.08m (2022: £2.22m)
- Administrative expenses before depreciation, amortisation, exceptional items and exchange differences decreased by 7% to £2.33m (2022: £2.51m)
- Adjusted EBITDA** loss of £0.25m (2022: loss of £0.28m)
- Group operating loss for the year decreased to £0.29m (2022: £0.72m)
- Loss after tax of £0.99m (2022: loss of £1.38m)
- Basic loss per share of 0.24p (2022: loss of 0.36p)
- Cash at bank at 31 December 2023 of £0.19m (31 December 2022: £0.15m) with net debt of £10.67m (2022: £10.44m)

** Non-recurring revenues comprise installation fees, hardware, professional services and capex license fees*
*** Administrative expenses excludes depreciation, amortisation and exchange differences*
****Earnings before interest, tax, depreciation, amortisation, exceptional items and excluding exchange rate differences*

Operating highlights

- Business development strategy launched in early 2023 delivers wider partner network and significantly enhanced market presence through trade show programme and outreach campaign
- Deal closed in Middle East with leading mobile network operator ("MNO")
- Partner deals agreed with major industry players including Ericsson, Radiocomms and Barcode Warehouse
- £500k equity fundraise concluded in March 2023 to support the scale up of sales, marketing

and business development activities
- End customer deals concluded with Leeds Bradford airport, major electricity utility company in Mexico, national security company in South Africa, international hotel group in the Caribbean and Northern Trains in the UK

Jeremy Fenn, Chairman and acting CEO of Mobile Tornado, said: "The strategy we launched in early 2023 to widen our network of industry partners, strengthen existing partner relationships, and establish a presence in new international markets has been successful. We have significantly expanded our addressable market over the last 18 months and the plan is to continue investing in this strategy as we move through this year and into 2025.

"The market in which we operate continues to gather momentum as network coverage and connectivity improve, making PTToC a genuine alternative to traditional radio systems for those customers seeking real time communications for their remote teams. We will continue evolving our platform to ensure it maintains its technical advantages and meets the requirements of customers.

"The Board is focused on growing the Company's recurring revenues as this will be the primary driver for delivering increased shareholder value. We are now engaged with significantly more partners and end customers than we were 18 months ago, and I am hopeful that these relationships will begin to deliver material uplifts in revenue as we move forward."

Enquiries:

Mobile Tornado Group plc	www.mobiletornado.com
Jeremy Fenn, Chairman and acting CEO	+44 (0)7734 475 888
Allenby Capital Limited (Nominated Adviser & Broker)	+44 (0)20 3328 5656
James Reeve/Piers Shimwell (Corporate Finance)	
David Johnson (Sales and Corporate Broking)	

Financial results and key performance indicators

Total revenue for the year ended 31 December 2023 decreased by 1% to £2.27m (2022: £2.28m). Recurring revenues decreased by 6% to £1.85m (2022: £1.97m). This was the result of a renegotiated exclusive contract with our partner in South Africa in order that they can provide a more competitively priced proposition with a view to generating higher sales volumes in due course.

Non-recurring revenues, comprising installation fees, hardware, professional services and capex license fees increased to £0.41m (2022: £0.31m). As a result, gross profit decreased by 6% to £2.08m (2022: £2.22m).

Administrative expenses before depreciation, amortisation, exceptional items and exchange differences in the year decreased by 7% to £2.33m (2022: £2.51m), reflecting the continued positive impact that further investment in the development and operating efficiencies of our enhanced technical platform have delivered.

Due to the annual retranslation of certain financial liabilities on the balance sheet, the Group reported a translation gain of £0.08m (2022: loss of £0.23m) arising from the appreciation of Sterling relative to both the Euro and the US Dollar as at 31 December 2023 versus the previous year end. The Group recorded a net income tax credit of £0.08m (2022: credit of £0.04m).

The loss after tax for the year decreased to £0.99m (2022: loss of £1.38m) equating to a basic loss per share of 0.24p (2022: 0.36p).

The net cash used in operations increased to £0.19m (2022: £0.17m). At 31 December 2023, the Group had £0.19m cash at bank (2022: £0.15m) and net debt of £10.67m (31 December 2022: £10.44m).

The balance sheet continues to reflect the cumulative loss position of the Group, and those net liabilities that have resulted from this. We continue to hold levels of debt in the Group which have funded these historical losses.

Results and dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2023 (year ended 31 December 2022: nil). The Company currently intends to reinvest future earnings to finance the growth of the business over the near term.

Review of operations

Results review

During the year the business has made excellent progress in laying the foundations to drive future growth. Whilst the financial results were broadly in line with the prior year, there has been significant investment into our business development activities across the period, that will deliver improving top line sales growth this year and beyond.

A small decrease in the recurring revenue stream was driven by a renegotiated exclusive contract with our partner in South Africa. As a result of economic pressures in that territory, we adjusted the commercial terms with our partner in order that they can provide a more competitively priced proposition with a view to generating higher sales volumes in due course.

The 34% uplift in non-recurring revenues reflects the renewals on existing capex-based license deals.

Business development focus

As previously reported, we made some changes to the management team in the early part of 2023, with a view to delivering greater focus and resourcing of our business development activities. This has been driven by an investment in a number of trade shows supported by an extensive marketing outreach programme. During the last 18 months we attended the key critical communication trade shows in Dubai, Helsinki, Orlando, Cologne, Barcelona, Johannesburg and Belize. Investment in this programme of events has been supported by further efficiencies across the operation driven by a further shift in resource to our lower cost research and development centres.

The Board now feels the right balance has been established between driving continued technical excellence in the platform, with a more commercial approach to presenting that proposition to the market.

New partners

The success of the programme has been illustrated by the signing of agreements with new partners in the USA, UK, Germany, Iraq, KSA, Colombia, Kenya, Morocco and UAE. Although we operate a capital efficient model of partnering with regional specialists, we have expanded our in-house team of account managers and pre-sale technical teams to manage the uplift in activity.

Alongside the expansion of our network of global partners, we also executed an agreement to participate in the Ericsson Software Enterprise Partner Program, which is focused on helping their customers to improve business critical communications, safety and productivity.

A reseller agreement was also signed with The Barcode Warehouse, the UK's leading specialist provider of barcode technology, RFID (radio frequency identification) and enterprise mobility solutions, allowing the Company's solution to be made available to a wide range of sectors including education, healthcare, logistics, manufacturing, retail and utilities.

Radiocoms Systems, the UK’s leading independent communications supplier specializing in the design, commissioning, deployment and maintenance of wireless, video and data networks, were also signed up as a reseller.

Mobile Network Operator (‘MNO’) deal

During the period we worked closely with one of our new partners in the Middle East on a deal with one of the territory’s principal MNOs. In May 2024, we announced that the Company had secured a contract through this regional partner to supply our solution to this MNO, which serves over 50 million active individual and business customers. This deal followed a competitive procurement process involving globally recognised telecoms companies, with our platform selected to deliver PTToC, lone worker and live video communications services.

Having identified the Middle East as a key market for business development, this deal provides us with a platform for expansion across multiple territories. Winning this deal against global OEMs is a testament to the quality of our solutions and provides us with a high quality and credible reference point for other MNO opportunities.

Current partners

Our partner in South and Central America has continued to focus on the deployment of the solution to public safety organisations. Progress has been frustratingly slow, but we understand that final confirmation around the hardware that will be deployed alongside our platform is being processed and this should facilitate full commercial roll out during this financial year.

We are working with partners on a number of other public safety organisations and have recently deployed a solution to a small police force in the Caribbean. Once again, the quality of our solution and the relative cost compared to traditional radio platforms is attracting a lot of interest across the developing world.

In Mexico, we have worked with our partner on several major tenders and were delighted to recently secure a deal to supply one of the country's national electricity companies with our solution. The deal provides for the deployment of 2,800 licenses initially, with an expectation that this will grow over time.

Our UK partner signed a deal with Leeds Bradford airport ('LBA'), to provide their ground operations staff with our full PTToC solution. The solution has performed well with further expansion planned for airside operations during 2024. In addition, they have also recently signed a partnership agreement with Amulet, a specialist intelligence-led security company. Amulet work with a number of train companies and have initially deployed the solution to security officers at Northern Trains. Unlike legacy two-way radio systems, our technology uses cellular networks, enabling reliable coverage, through the seamless switching between 2G, 3G, 4G and 5G mobile and WIFI. In addition to improved communication, our solution also provides a suite of lone worker capabilities, including emergency alerts, activity monitoring, impact detection and keep-alive check-in. These functions will be deployed in phase 2 alongside the dispatch console into the control room at Manchester Victoria station.

As detailed above, we amended the commercial terms with our exclusive partner in South Africa, to ensure we can compete in a market that has been impacted by the economic challenges within the country. The expectation is that we will be better placed to secure a significantly higher volume of licenses moving forward. We have started to see this come through with a major security company recently signing a deal for several thousand licenses. The revised agreement also provides for us to act as the exclusive UK reseller for their PTX personnel management platform, which allows the simple and effective management of employees, helping to improve operational efficiencies and productivity as well as reducing costs. This deal has allowed the Company to reduce the resources currently allocated to the development of our own workforce management platform.

In the Caribbean, our partner has developed positive sales momentum, concluding deals with major hotel groups, security companies and airports.

Research and Development

We have continued to invest significant resources into our technical platform. There is a continuing focus on ensuring all development work is delivered efficiently, and with this in mind, we continue to develop and expand our R&D centre in India.

As we have developed our business development activity, we have been involved in many more commercial opportunities, which are starting to convert into completed deals. It's clear, and worth repeating, that the quality of our platform continues to be the primary driver for this success.

Our PoC platform provides a carrier class mission-critical communications solution, distinguished by the following key attributes:

Seamless transition - our platform ensures uninterrupted communication between different networks or coverage zones allowing users to maintain constant connectivity, enabling efficient collaboration across teams, regardless of location or network conditions.

Market-leading group sizes - our platform supports larger group sizes compared to competing solutions, making it ideal for organizations with extensive teams or complex communication requirements. The solution can manage group sizes of 5,000+ compared to competing products that are limited to several hundred.

Dispatcher console - the dispatcher console is a centralized, user-friendly interface that allows for efficient coordination and management of communication channels. It enables dispatchers to monitor and control conversations, prioritize messages, and allocate resources, ensuring smooth communication flow and rapid response times during critical situations. Our console can manage 64 groups simultaneously, which we believe puts us ahead of all competing platforms.

Data utilization - our platform optimizes data usage by employing advanced compression techniques and minimizing bandwidth consumption. This results in cost savings for customers while maintaining high-quality voice and data transmission. Additionally, the platform's efficient data management allows for seamless integration with other systems, further enhancing its versatility and adaptability to various organizational needs.

During 2023, the development team added sophisticated lone worker functionality to the platform and provided the capability for live video streaming. Both features were key requirements for securing the recently announced MNO deal in the Middle East, illustrating our focus on developing new functionality to meet clear commercial and customer needs.

Board Appointments

The Board is pleased to confirm the appointment of Luke Wilkinson as Chief Operating Officer and Marcus Emptage as Finance Director.

Luke joined the business in January 2023 as Head of Business Development. He has significantly widened the Company’s partner network and developed a sophisticated outreach programme to promote the company’s solutions to the global critical communications market. The success of the strategy has been borne out with the recent signing of a major MNO in one of the Company’s key target markets.

Marcus has been Financial Controller for the business since 2006. He is a qualified chartered accountant.

Funding

In March 2023, we concluded a subscription for 25.0m new ordinary shares of 2 pence each representing approximately 6.6 per cent. of the existing issued ordinary share capital of the Company at a price of 2 pence per share to raise £500,000. The Company also announced the capitalisation of £259,490 of indebtedness owed by the Company to InTechnology plc into 12,974,492 new Ordinary Shares, also at 2 pence per share.

The £500k equity funding was directed towards enhancing our business development activities, including the participation in major industry trade shows and the recruitment of additional sales professionals to manage the increasing portfolio of partners.

As announced on 22 September 2023, we agreed a 12-month extension of our revolving loan facility with our principal shareholder, InTechnology plc. This facility has a term ending on 26 September 2024 with a maximum principal amount of £500,000. The balance drawn down at 31 December 2023 and at today’s date is £150,000.

In November 2023, InTechnology plc transferred its entire holding of Mobile Tornado's ordinary shares of 2p each to Holf Investments Ltd ("Holf"). Holf is 100% owned by Peter Wilkinson and his family. Following this transfer, Peter Wilkinson has a total direct and indirect beneficial interest in 58.44% of Mobile Tornado's issued share capital.

On the same date, InTechnology plc also transferred a significant amount of Mobile Tornado’s total indebtedness to Holf. This indebtedness comprises: £5.7 million of redeemable preference shares; £2.7 million of accrued Preference Share coupon and interest; and £2.8m of loan indebtedness, comprising historic short-term borrowings and rent and services incurred under the services agreement. Following this transfer, all interest accruing under the Preference Shares will accrue or be payable to Holf in accordance with their existing terms. All other terms of the Preference Shares agreement remain the same and as previously announced.

We remain confident that our available cash resources together with our long-established recurring revenue customer base and anticipated future contracts will provide us with adequate financial resources for the foreseeable future.

Principal risks and uncertainties

The management of the business and the nature of the Group's strategy are subject to a number of risks. The Directors have set out below the principal risks facing the business. The Directors are of the opinion that a thorough risk management process is adopted, which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Product obsolescence

Due to the nature of the market in which the Group operates, products are subject to technological advances and as a result, obsolescence. The Directors are committed to the Group's current research and development strategy and are confident that the Group can react effectively to developments within the market.

Indirect route to market

As described above, one of the Group's primary channels to market are MNOs reselling our services to their enterprise customers. Whilst MNOs are ideally positioned to forward sell our services and are likely to possess material resources for doing so, there remains an inherent uncertainty arising from the Group's inability to exert full control over the sales and marketing strategies of these customers.

Going concern

The Financial Statements are prepared on a going concern basis.

When determining the adoption of this approach, the Directors have considered a wide range of information relating to present and future conditions, including the current state of the Balance Sheet, that support offered by our principal shareholder Holf Investments Ltd, who have agreed not to call on existing loans and borrowings totaling £10,640,000, together with the existing £500,000 working capital facility with Intechnology plc. Further consideration has been given to future projections, cash flow forecasts, access to funding, ability to successfully secure additional investment, available mitigating actions and the medium-term strategy of the business.

The Group is dependent on its ability to meet its cash flow forecasts. Within those forecasts the Group has included a number of significant payments and receipts based on its best estimate but, as with all forecasts, there does exist some uncertainty as to the timing and size of those payments and receipts. In particular, the forecasts assume the ongoing deferral and phased payment of some of the Group's creditors, including a contingent consideration balance of £2,675,000, (as disclosed in note 12 to the financial statements), and the continuation at the current level of recurring and non-recurring revenues. In the event that some or all of these receipts are delayed, deferred or reduced, or payments not deferred, management has considered the actions that it would need to take to conserve cash. These actions would include significant cost savings (principally payroll based) and/or seeking additional funding from its shareholders, for which there is currently no shareholder commitment requested. These conditions, together with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

The Directors, whilst noting the existence of a material uncertainty and having considered the possible management actions as noted above, are of the view that the Group is a going concern and will be able to meet its debts as and when they fall due for a period of at least 12 months from the date of signing these accounts.

Section 172 statement – our stakeholders

The Board recognises its duty to consider the needs and concerns of the Group's key stakeholders during its discussions and decision-making. The Board has had regard to the importance of fostering relationships with its stakeholders as set out below, and also detailed in the Corporate Governance section of this Annual Report.

Colleagues

We have an experienced, and dedicated workforce which we recognise as the key asset of our business. It is vital to the success of the Group to continue to create the right environment to encourage and create opportunities for individuals and teams to realise their full potential. The Board and management team pay close attention to employee feedback and seek to respond constructively to any suggestions or concerns raised.

Regular colleague briefing sessions are held with the Executive Chairman to enable colleagues to ask questions and raise issues and for colleagues to be provided with updates on the business. Key performance information such as trading updates and financial results are always promptly communicated to colleagues. The Group has in place a share option scheme to enable colleagues to become personally invested as shareholders of the Group.

Customers

Regular communication takes place with the Group's partners and customers to discuss operational updates, product roadmap developments and gain key customer feedback. This enables increased engagement with customers at a strategic level and a greater understanding of both customer pain points and future requirements from strategic to end-user level.

Strategy

The Group continues to invest in an R&D strategy, current details of which are provided in paragraph six of the review of operations.

Suppliers

The Board is committed to building trusted partnerships with the Group's suppliers. Through these partnerships, we deliver value and quality to our other stakeholders.

Shareholders

The Executive Chairman holds analyst and investor roadshow meetings during the year, particularly following the release of the Group's interim and full year results and feedback from those meetings is shared with the Board. The AGM is a key opportunity for engagement between the Board and shareholders, particularly private shareholders. The Group's annual report and accounts is made available to all shareholders both online and in hard copy where requested. All presentations and announcements and other key shareholder information is available on the investor section of the Group's website.

Outlook

The strategy we launched in early 2023 to widen our network of industry partners, strengthen existing partner relationships, and establish a presence in new international markets has been successful. We have significantly expanded our addressable market over the last 18 months and the plan is to continue investing in this strategy as we move through this year and into 2025.

The market in which we operate continues to gather momentum as network coverage and connectivity improve, making PTToC a genuine alternative to traditional radio systems for those customers seeking real time communications for their remote teams. We will continue evolving our platform to ensure it maintains its technical advantages and meets the requirements of customers.

The Board is focused on growing the Company's recurring revenues as this will be the primary driver for delivering increased shareholder value. We are now engaged with significantly more partners and end customers than we were 18 months ago, and I am hopeful that these relationships will begin to deliver material uplifts in revenue as we move forward.

I would like to welcome Luke and Marcus to the Board and thank them and our whole team for their contribution across the last financial year. There is a new dynamic and energy within the Company which I am hopeful will shortly convert into tangible and improving financial results. I look forward to updating shareholders as the year develops.

Approved by the Board of Directors and signed on behalf of the Board

Jeremy Fenn
Chairman
19 June 2024

Consolidated income statement
For the year ended 31 December 2023

	2023	2022
	£'000	£'000
Continuing operations		
Revenue	**2,266**	2,279
Cost of sales	**(186)**	(56)
Gross profit	**2,080**	2,223
Operating expenses		
Administrative expenses	**(2,328)**	(2,507)
Exchange differences	**75**	(227)
Depreciation and amortisation expense	**(120)**	(212)
Total operating expenses	**(2,373)**	(2,946)
Group operating loss before exchange differences, depreciation and amortisation expense	**(248)**	(284)
Group operating loss	**(293)**	(723)
Finance costs	**(779)**	(696)
Loss before tax	**(1,072)**	(1,419)
Income tax credit	**80**	37
Loss for the year	**(992)**	(1,382)
Loss per share (pence)		
Basic and diluted	**(0.24)**	(0.36)

Consolidated statement of comprehensive income
For the year ended 31 December 2023

	2023	2022
	£'000	£'000
Loss for the year	**(992)**	(1,382)
Other comprehensive gain/(loss)		
Item that will subsequently be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**28**	(61)
Total comprehensive loss for the year	**(964)**	(1,443)
Attributable to:		
Equity holders of the parent	**(964)**	(1,443)

Consolidated statement of financial position
As at 31 December 2023

	2023	2022
	£'000	£'000
Assets		
Non-current assets		
Property, plant and equipment	**135**	155
Right-of-use assets	**250**	350
	385	505
Current assets		
Trade and other receivables	**1,345**	1,414
Inventories	**13**	25
Cash and cash equivalents	**186**	145
	1,544	1,584
Liabilities		
Current liabilities		
Trade and other payables	**(5,376)**	(5,191)
Borrowings	**(10,840)**	(10,558)
Lease liabilities	**(110)**	(105)
Net current liabilities	**(14,782)**	(14,270)
Non-current liabilities		
Trade and other payables	**(769)**	(1,076)
Borrowings	**(18)**	(27)
Lease liabilities	**(155)**	(258)
	(942)	(1,361)
Net liabilities	**(15,339)**	(15,126)
Equity attributable to the owners of the parent		
Share capital	**8,354**	7,595
Share premium	**15,797**	15,797
Reverse acquisition reserve	**(7,620)**	(7,620)
Merger reserve	**10,938**	10,938
Foreign currency translation reserve	**(2,242)**	(2,270)
Accumulated losses	**(40,566)**	(39,566)
Total equity	**(15,339)**	(15,126)

Consolidated statement of changes in equity
For the year ended 31 December 2023

	Share capital £'000	Share premium £'000	Reverse acquisition reserve £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Accumulated Losses £'000	Total equity £'000
Balance at 1 January 2022	**7,595**	**15,797**	**(7,620)**	**10,938**	**(2,209)**	**(38,196)**	**(13,695)**
Loss for the year	-	-	-	-	-	(1,382)	(1,382)
Exchange differences on translation of foreign operations	-	-	-	-	(61)	-	(61)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(61)**	**(1,382)**	**(1,443)**
Equity settled share-based payments	-	-	-	-	-	12	12
Balance at 31 December 2022	**7,595**	**15,797**	**(7,620)**	**10,938**	**(2,270)**	**(39,566)**	**(15,126)**

	Share capital £'000	Share premium £'000	Reverse acquisition reserve £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Accumulated Losses £'000	Total equity £'000
Balance at 1 January 2023	**7,595**	**15,797**	**(7,620)**	**10,938**	**(2,270)**	**(39,566)**	**(15,126)**

Loss for the year	-	-	-	-	-	(992)	(992)
Exchange differences on translation of foreign operations	-	-	-	-	28	-	28
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**28**	**(992)**	**(964)**
Issue of share capital	**759**	**-**	**-**	**-**	**-**	**(10)**	**749**
Equity settled share-based payments	-	-	-	-	-	2	2
Balance at 31 December 2023	**8,354**	**15,797**	**(7,620)**	**10,938**	**(2,242)**	**(40,566)**	**(15,339)**

Consolidated statement of cash flows
For the year ended 31 December 2023

	2023 **£'000**	2022 £'000
Operating activities		
Cash used in operations	**(129)**	(173)
Tax received	**60**	238
Interest paid	**-**	9
Net cash (used in)/from operating activities	**(69)**	74
Investing activities		
Purchase of property, plant & equipment	**(7)**	(60)
Net cash used in investing activities	**(7)**	(60)
Financing activities		
Issue of ordinary share capital	**500**	-
Share issue costs	**(10)**	-
Receipt of borrowings	**-**	250
Repayment of borrowings	**(260)**	(10)
IFRS 16 leases	**(110)**	(180)
Net cash generated from financing activities	**120**	60
Effects of exchange rates on cash and cash equivalents	**(3)**	6
Net increase in cash and cash equivalents in the year	**41**	80
Cash and cash equivalents at beginning of year	**145**	65
Cash and cash equivalents at end of year	**186**	145

Notes to the financial statements

1 Financial information

The financial information set out in this final results announcement does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 will be made available to shareholders for approval at the next Annual General Meeting. The statutory accounts contain an unqualified audit report, which did not include a statement under s498(2) or s498(3) of the Companies Act 2006 and will be delivered to the Registrar of Companies.

The statutory accounts for the year ended 31 December 2022 which have been delivered to the Registrar of Companies, contained an unqualified audit report and did not include a statement under s498(2) or s498(3) of the Companies Act 2006.

2 Segmental analysis

The Group presents its results in accordance with internal management reporting information to the chief operating decision maker (Board of Directors). At 31 December 2023 the Board continued to monitor operating results by category of revenue within a single operating segment, the provision of instant communication solutions. Under IFRS 8 the Group has only one operating segment.

Revenue by category

	2023 **£'000**	2022 £'000
License fees	**1,943**	2,014
Hardware & software	**273**	178
Professional services	**-**	26
Support & Maintenance	**50**	61
Total	**2,266**	2,279

	2023 **£'000**	2022 £'000
Recurring	**1,852**	1,969
Non-recurring	**414**	310
Total	**2,266**	2,279

Revenue is reported by geographical location of customers. Non-current assets are reported by geographical location of assets.

	2023 **Revenue** **£'000**	**2023** **Non-current assets** **£'000**	2022 Revenue £'000	2022 Non-current assets £'000
UK	**27**	**-**	31	-
Europe	**165**	**-**	99	-
North America	**58**	**-**	65	-

South America	**1,283**	**-**	1,341	-
Israel	**483**	**385**	351	505
Africa	**242**	**-**	382	-
Asia/Pacific	**8**	**-**	10	-
Total	**2,266**	**385**	2,279	505

Of the total revenue of the Group, three customers each represented revenue greater than 10% of this total – these being 31% or £702,000 (2022: 30% or £685,000), 26% or £580,000 (2022: 29% or £656,000) and 11% or £242,000 (2022: 17% or £382,000) respectively.

3 Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of £992,000 (2022: £1,382,000) by the weighted average number of ordinary shares in issue during the year of 412,101,271 (2022: 379,744,923).

	2023		2022	
	Basic and diluted		Basic and diluted	
	Loss	**Loss per share**	Loss	Loss per share
	£'000	**pence**	£'000	pence
Loss attributable to ordinary shareholders	**(992)**	**(0.24)**	(1,382)	(0.36)

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options are anti-dilutive under the terms of IAS 33.

4 Annual General Meeting

The Annual General Meeting of the Company will be announced separately in due course. The audited results for the year ended 31 December 2023 will be made available to shareholders shortly and will be available on the Company's website at www.mobiletornado.com at the same time.