

18 March 2025

Fonix plc
("Fonix" or the "Company")

Interim Results for the six months ended 31 December 2024

Driving Growth Through Innovation and International Expansion

Fonix, the UK focused mobile payments and messaging company, is pleased to announce its unaudited interim results for the six months to 31 December 2024 (the "Period").

Financial Highlights

	H1 FY25	H1 FY24	Change
Gross profit	£9.8m	£9.2m	+6.5%
Adjusted EBITDA ¹	£7.8m	£7.3m	+6.8%
Interim DPS	2.90p	2.60p	+11.5%
Adjusted PBT ²	£7.8m	£7.4m	+5.4%
Adjusted EPS ³	6.2p	5.7p	+8.8%
Underlying cash at period end ⁴	£11.0m	£11.2m	-1.8%

Operational Highlights

- Fonix has secured contracts with each of the major mobile network operators in Portugal, marking a significant milestone in its international expansion. A strategic partnership with NOS, one of Portugal's leading telecom providers, further strengthens the Company's market presence and enables the delivery of the Campaign Manager product to NOS' extensive network of broadcast customers.
- In the UK, interactive services have been launched with News UK across its talkSPORT and Virgin Radio brands, reinforcing relationships with major media partners.
- Fonix has signed a two-year agreement with Bauer to remain its exclusive provider of premium SMS services in the UK, underscoring the strength of Fonix's partnership with key customers.
- The Company's product portfolio has expanded with the launch of two innovative solutions designed to unlock new revenue opportunities from existing customers from early summer 2025:
 - **PayFlex:** A cutting-edge tool that recovers failed mobile payments by integrating Apple Pay, Google Pay, and PayPal.

- **DonationPortal:** A dedicated solution for charities, offering branded donation pages, streamlined Gift Aid processing, and real-time analytics to enhance donor engagement.
- Investment in organic international expansion is accelerating, with early discussions underway with mobile operators and broadcasters across several high-potential European markets. To support this growth, Michael Foulkes was appointed CFOO (Chief Financial & Operating Officer) in January.
- Our customer services in the Republic of Ireland continue to operate unchanged and are experiencing growth, with no anticipated changes this year.
- Fonix continues to maintain a high level of client retention, with over 99% of income of a repeating nature.
- 100% platform uptime throughout the Period.
- Fonix's key service lines have each grown in the Period and the business retains a significant pipeline of enterprise prospects going into H2 FY25.
- Increased interim dividend of 2.9p (FY24: 2.6p) per share, in line with the Company's progressive dividend policy to pay out at least 75% of adjusted EPS. This is in addition to a special dividend of 3.0p per share paid in February 2025.
- Underlying cash at £11.0m (H1 FY24: £11.2m) at the Period end, of which £3.0m was subsequently returned to shareholders in February 2025 in the form of a special dividend of 3.0p per share.

Outlook

With a solid base of recurring revenue from existing clients and the addition of new customers including News UK, Lebara, and Grace Media, along with the upcoming launch of services in Portugal, Fonix is well-placed for a strong second half of the financial year. The Board anticipates a stronger H2 weighting than usual periods, driven by our growing client base and steady demand for enterprise messaging solutions. This supports our confidence in meeting market expectations for FY25.

Looking ahead, Fonix's expanding range of products and focused international growth strategy offer clear opportunities across key European markets. The Board remains very confident in the Company's long-term potential, supported by a strong financial position, leading technology, and a consistent ability to deliver value for shareholders.

Notes

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

⁴ Underlying cash is actual cash excluding cash held on behalf of customers.

Rob Weisz, CEO, commented:

"We have delivered another period of strong performance, driven by our continued focus on driving revenue growth for our largest customers through cutting-edge technology. New partnerships with major clients like News UK, alongside innovative product launches such as PayFlex and DonationPortal, highlight the increasing strength of our offering. We've made significant progress internationally, with our expansion into Portugal marking a key milestone in continental Europe. With a solid financial foundation, disciplined investment strategy, and relentless focus on innovation, we are well-positioned to capitalise on new opportunities and deliver sustained value for our shareholders."

Enquiries

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About Fonix

Founded in 2006, Fonix is a leading provider of mobile payments and messaging solutions, enabling businesses to connect, engage, and transact seamlessly through mobile technology.

Fonix helps organisations across media, charity, entertainment, and enterprise sectors drive revenue and enhance audience engagement.

Headquartered in London, Fonix is a fast-growing, innovation-driven company, trusted by industry leaders such as ITV, Bauer Media, RTÉ, Global, Comic Relief, and BBC Children in Need. With a strong focus on technology and consumer experience, Fonix continues to shape the future of mobile payments and interactivity.

CEO's review

Fonix continues to execute a focused growth strategy, leveraging its technological innovation, industry expertise, and market-leading client relationships to drive increased revenue for its largest customers and expand into high-potential international markets.

Fonix's growth strategy is centred on two key priorities: driving revenue growth for our largest customers through cutting-edge technology solutions and strategically expanding into high-potential international markets by leveraging our strong industry reputation, market-leading expertise, and innovative product suite. This approach will ensure sustainable long-term value creation for shareholders while reinforcing our competitive advantage.

Growth pillars

To align with our evolving priorities, we have refined our growth strategy to three key pillars:

1. ***Driving revenue growth through technological innovation***

Our primary objective is driving revenue growth for existing customers through technological innovation. During the period, gross profit rose to £9.8m, underscoring the continuing demand for our mobile payments and messaging solutions. Mobile payments gross profit advanced from £7.5m to £7.9m reflecting the onboarding of key new clients including News UK and Lebara. At the same time, mobile messaging continued to grow during the period, driven by increased demand for our enterprise messaging products.

Fonix's Campaign Manager product continues to be a leading driver of engagement and revenue for our customers. News UK has adopted our interactive services across its Virgin Radio and TalkSport brands, with potential for further expansion into its publishing assets.

Innovation remains at the heart of our strategy. Shortly after the period end, we introduced **PayFlex**, an advanced extension of our Campaign Manager platform that integrates Apple Pay, Google Pay, and PayPal to improve the recovery of failed mobile payments. Looking ahead, PayFlex will be a powerful catalyst for revenue growth, driving higher checkout conversions, maximising transaction values, and delivering optimal cost efficiencies. Its role as a transformative force in mobile payments will further strengthen our customers' competitive edge and reinforce Fonix's leadership in the industry.

DonationPortal, another key enhancement to our product suite, extends the capabilities of Campaign Manager by equipping charities with branded donation pages, real-time analytics, and deeper engagement insights. By integrating seamlessly with existing workflows,

DonationPortal strengthens our ability to deliver value through technology-led solutions, further reinforcing our commitment to innovation and revenue optimisation for our clients.

2. *Client and sector led international expansion*

Fonix's international expansion is progressing rapidly, building on our strong reputation and industry expertise. Our entry into Portugal was catalysed by a referral from an existing UK customer, underscoring the strength of our client relationships. Since then, we have secured direct contracts with all major mobile network operators in the region, marking a crucial milestone in our European strategy. Furthermore, we have expanded our network by forging relationships with other key businesses, establishing a strong foundation for significant growth potential in the market over the coming years. Our strategic partnership with NOS enables us to deploy Campaign Manager across its extensive broadcast network, reinforcing our foothold and unlocking further growth potential.

Looking beyond Portugal, we are actively identifying additional high-potential markets where broadcaster prize draw competitions and regulatory exemptions create favourable conditions for interactive services. Our early-stage discussions with mobile operators and broadcasters across multiple European regions bolster our confidence in the scalability of our model and the long-term revenue opportunities that international expansion presents.

Our customer services in the Republic of Ireland continue to operate unchanged and are experiencing growth, with no anticipated changes this year. While the Gambling Regulation Bill has been enacted, the formation of the Gambling Regulatory Authority of Ireland (GRAI) remains in its early stages, and its implementation is expected to be phased in over an extended period. With the regulator's remit still unclear—particularly regarding media prize draw competitions—we remain confident in the stability of our operations. We continue to support new customer launches in the market and do not foresee any regulatory developments impacting our outlook at this stage.

3. *Create sustainable, long-term profitability for shareholders*

The management team remains focused on ensuring that all new growth is derived from sustainable, high-quality services with predictable long-term revenue potential, underpinned by operational efficiency. This disciplined approach enables Fonix to remain highly cash generative. Adjusted EBITDA rose by 6.8% during the period to £7.8m (FY24: £7.3m), reflecting disciplined cost management alongside strategic investments in international expansion and product innovation. This growth underscores our commitment to maintaining a strong financial position while positioning the business for long-term scalability and profitability.

The sustainability of our business model is firmly rooted in our impeccable reputation for delivering high-quality services, deep industry expertise, regulatory compliance, and robust, scalable technology. Our commitment to consistent, uninterrupted service is a key differentiator, demonstrated by 100% platform uptime throughout the period. This reliability, combined with our proven compliance track record, continues to strengthen the trust placed in us by mobile operators, regulators, and enterprise clients alike.

People

The Company remains committed to maintaining its position as a market leader by fostering a dynamic and high-performing team. Attracting and retaining top industry talent is crucial as we scale, and we have continued to invest in our people to support our evolving business. To strengthen our product capabilities, we have expanded our team with more senior development hires, ensuring we can drive multiple product workstreams efficiently and deliver on our ambitious growth plans.

As we expand into new markets, we are strategically appointing experienced local experts with deep regional knowledge, ensuring we navigate and assess these opportunities effectively while clearly articulating the unique advantages of our solutions to prospective partners.

Recognising the increasing complexity of our business, particularly as we expand internationally and enhance our product suite, Michael Foulkes has been appointed CFOO (Chief Financial & Operating Officer). His expanded role will provide strategic oversight of our technology development and operational expansion, positioning Fonix for the next phase of its growth journey.

Financial Review

Key performance indicators

Financial	H1 FY25	H1 FY24	Change
Gross profit	£9.8m	£9.2m	6.5%
Adjusted EBITDA ¹	£7.8m	£7.3m	6.8%
Adjusted PBT ²	£7.8m	£7.4m	5.4%
Underlying cash ³	£11.0m	£11.2m	-1.8%
Adjusted EPS ⁴	6.2p	5.7p	8.8%

Non-financial	H1 FY25	H1 FY24	Change
Total payments volumes (TPV)	£150m	£158m	-5.1%

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

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

Gross Profit

Gross profit is the business' most important financial indicator as this represents the Company's share of revenue for processing mobile payments and SMS messages.

Gross profit for the period increased to £9.8m (H1 FY24: £9.2m) growing 6.5% on the previous period. This was driven by 6% growth in mobile payments, 10% growth in mobile messaging, and 4% growth in managed services. Geographically, gross profit grew by 6% in the UK and 9% across the rest of Europe.

The Directors therefore monitor results and performance of the Company based upon the gross profit generated, which is considered the more meaningful measure of performance than revenue.

Revenue for the period declined by 2% to £38.8m (H1 FY24: £39.7m), primarily due to a reduction in voice telephony services, which are largely pass-through transactions, and some strategic optimisation of consumer pricing by customers.

As a result of the change in the revenue profile of mobile payments, blended gross profit margins increased to 25.2% (H1 FY24: 23.2%).

Total payment volumes (TPV) fell to £150m (H1 FY24: £158m), reflecting fewer charity campaigns, a reduction in low-margin voice telephony services, and the exit of some gaming customers from the UK market.

Adjusted Operating Expenses

Operating costs have remained firmly under control, with costs generally only increasing where the business has made additional strategic investments in product and internationally focused resources that are anticipated to pay back in future years. Adjusted operating costs increased 3% in the period to £1.95m (H1 FY24: £1.90m). The majority of the increase related to additional staff costs.

Staff related costs and incentives increased to £2.1m (H1 FY24: £2.0m) in the period reflecting the additional investment in product and exploring international markets. Average headcount for the period was 50 (H1 FY24: 45).

Software development costs of £600k (H1 FY24: £509k) were capitalised in the period, representing 66% (H1 FY24: 65%) of development costs. The increase in capitalised expenditure reflects the additional focus on new product innovations, particularly cost relating to the development of PayFlex. The capitalisation of current period development spend was offset by an amortisation charge of £412k (H1 FY24: £325k). Development costs are amortised on a straight-line basis over 3-years.

Adjusted EBITDA

The growth in gross profit and the continued control of costs has resulted in an equivalent increase in adjusted EBITDA, which is up 6.8% at £7.8m (H1 FY24: £7.3m) for the period. To provide a better guide to the underlying business performance, adjusted EBITDA excludes share-based payment charges along with depreciation, amortisation, interest, R&D tax credits and tax from the measure of profit.

Finance income and expenses

Finance expenses which relate to the unwinding of the discounted lease liability were £12k (H1 FY24: £4k) as the business renewed its office lease in November 2023 for a further three years.

Interest income on bank deposits fell due to the decrease in base interest rates and additional shareholder distributions in the period.

Corporation tax

The Company's effective corporation tax rate has risen due to changes in the UK SME R&D scheme, particularly the exclusion of overseas R&D costs.

Statement of Financial Position

The Company had net assets of £11.2m at the period end (H1 FY24: £10.3m), including capitalised software development costs with a carrying value of £1,795k (H1 FY24: £1,423k). The movement in net assets reflects profits after tax less dividend payments and share buy-backs.

The Company pays out monies to customers (merchants) once reconciliations have been completed and the equivalent monies have been received from mobile network operators. As a result, the Company often holds significant amounts of customer related receivables, payables and cash, which can vary substantially from period to period, depending on timing of customer campaigns and mobile operator outpayments.

Current assets were largely unchanged at the period end at £73.2m (H1 HY24: £73.6m). Trade and Other Receivables, which includes monies receivable on behalf of customers, increased in the period, but was offset by a decrease in actual cash. This was purely due to the timing of some mobile network operator outpayments at the period end, which were paid a few days later than the previous period. Current liabilities decreased to £63.7m (H1 FY24: £64.7m), largely attributable to a reduction in monies held on behalf of charity customers at the period end.

Non-current liabilities decreased to £0.3m (H1 FY24: £0.4m) due to the unwinding of lease liabilities relating to the Company's office.

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 far better represents the free cash flow available to the business. Underlying cash decreased 2% to £11.0m (H1 FY24: £11.2m) primarily due to the introduction of advanced corporation tax payments in the Republic of Ireland.

Actual cash, which includes cash held on behalf of customers, varies substantially from period to period and is particularly sensitive to the timing of mobile network operator payments at month end, as well as pass-through outpayments for customer charity

campaigns. Actual cash held at the period end was £25.0m (H1 FY24: £29.5m) in the period. The decrease is down to mobile network operator payments being paid a few days later at the period end (than the previous year) and a reduction in monies held on behalf of charity customers at the period end.

Dividend declaration

We are pleased to declare our increased interim dividend of 2.9p per share, in line with the Company's progressive dividend policy to pay out at least 75% of adjusted EPS to shareholders in the form of an ordinary dividend each period. The interim dividend will be paid on 4 April 2025 to shareholders on the register on 28 March 2025 (record date), with an ex-dividend date of 27 March 2025.

Outlook

With a solid base of recurring revenue from existing clients and the addition of new customers including News UK, Lebara, and Grace Media, along with the upcoming launch of services in Portugal, Fonix is well-placed for a strong second half of the financial year. The Board anticipates a stronger H2 weighting than usual periods, driven by our growing client base and steady demand for enterprise messaging solutions. This supports our confidence in meeting market expectations for FY25.

Looking ahead, Fonix's expanding range of products and focused international growth strategy offer clear opportunities across key European markets. The Board remains very confident in the Company's long-term potential, supported by a strong financial position, leading technology, and a consistent ability to deliver value for shareholders.

Robert Weisz

Chief Executive Officer

Unaudited interim results for the 6 months ended 31 December 2024

Statement of Comprehensive Income

For the 6 months ended 31 December 2024

		Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
	Note			
Continuing operations				
Revenue	4	38,750	39,658	76,089
Cost of sales		(28,986)	(30,460)	(58,203)
Gross profit	3	9,764	9,198	17,886
Other income		-	-	-
Adjusted operating expenses ¹		(1,952)	(1,895)	(4,193)
Profit before interest, tax, depreciation, amortisation, share-based payment charge and exceptional costs				
		7,812	7,303	13,693
R&D tax credit		122	-	58
Share-based payment charge		(39)	(46)	(100)
Depreciation and amortisation		(482)	(389)	(825)
Operating profit		7,413	6,868	12,826
Finance income		464	496	1,127
Finance expense		(12)	(4)	(19)
Profit before taxation		7,865	7,360	13,934
Taxation		(1,804)	(1,675)	(3,317)
Total comprehensive profit for the period		6,061	5,685	10,617

¹ Adjusted operating expenses excludes share-based payment charge, depreciation and amortisation

	Unaudited 6 months to 31 December 2024	Unaudited 6 months to 31 December 2023	Audited Year to 30 June 2024
Earnings per share			
Basic earnings per share	6.1p	5.7p	10.7p
Diluted earnings per share	6.1p	5.7p	10.6p
Adjusted basic earnings per share	6.2p	5.7p	10.8p

Statement of Financial Position

As at 31 December 2024

	Unaudited 31 December 2024 £'000	Unaudited 31 December 2023 £'000	Audited 30 June 2024 £'000
Non-current assets			
Intangible asset	1,795	1,423	1,606
Right of use asset	226	346	286
Tangible assets	33	27	30
	2,054	1,796	1,922
Current assets			
Trade and other receivables	48,215	44,032	35,947
Cash and cash equivalent	25,034	29,548	26,480
	73,249	73,580	62,427
Total assets	75,303	75,376	64,349
Equity and liabilities			
Equity			
Share capital	100	100	100
Share premium account	679	679	679
Treasury shares	(2,051)	(242)	(2,273)
Share option reserves	374	309	362
Retained earnings	12,142	9,503	11,834
	11,244	10,349	10,702
Liabilities			
Non-current liabilities			
Deferred tax liabilities	228	145	237
Lease liabilities	85	206	146
	313	351	383
Current liabilities			
Trade and other payables	63,625	64,566	53,148
Lease liabilities	121	110	116
	63,746	64,676	53,264
Total liabilities	64,059	65,027	53,647
Total equity and liabilities	75,303	75,376	64,349

Statement of Changes in Equity

For the 6 months ended 31 December 2024

	Share capital	Share premium	Share option reserve	Treasury shares	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2023	100	679	297	(495)	8,807	9,388
Profit for the period	-	-	-	-	5,685	5,685
	-	-	-	-	5,685	5,685
Transactions with shareholders						
Dividends	-	-	-	-	(4,884)	(4,884)
Share-based payment charge	-	-	46	-	-	46
Exercise of share options issued from treasury shares	-	-	-	253	(139)	114
Fair value of options exercised in the period	-	-	(34)	-	34	-
	-	-	12	253	(4,989)	(4,724)
Balance at 31 December 2023	100	679	309	(242)	9,503	10,349
Profit for the period	-	-	-	-	4,932	4,932
	-	-	-	-	4,932	4,932
Transactions with shareholders						
Dividends	-	-	-	-	(2,597)	(2,597)
Share-based payment charge	-	-	53	-	-	53
Purchase of own shares	-	-	-	(2,040)	-	(2,040)
Exercise of share options issued from treasury shares	-	-	-	9	(4)	5
Purchase of own shares	-	-	-	-	-	-
	-	-	53	(2,031)	(2,601)	(4,579)
Balance at 30 June 2024	100	679	362	(2,273)	11,834	10,702
Profit for the period	-	-	-	-	6,061	6,061
	-	-	-	-	6,061	6,061
Transactions with shareholders						
Dividends	-	-	-	-	(5,647)	(5,647)
Share-based payment charge	-	-	39	-	-	39
Exercise of share options issued from treasury shares	-	-	-	222	(133)	89
Fair value of options exercised in the period	-	-	(27)	-	27	-
	-	-	12	222	(5,753)	(5,519)
Balance at 31 December 2024	100	679	374	(2,051)	12,142	11,244

Statement of Cash Flows

For the 6 months ended 31 December 2024

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Cash flows from operating activities			
Profit before taxation	7,865	7,360	13,934
Adjustments for			
Depreciation	10	7	15
Amortisation	472	382	809
Share-based payment charge	39	46	100
Finance income	(464)	(496)	(1,127)
Finance expense	12	4	19
(Increase)/decrease in trade and other receivables	(12,270)	(7,975)	111
Increase/(decrease) in trade and other payables	10,985	15,120	4,297
Income tax paid	(2,321)	(693)	(2,839)
Net cash flows from operating activities	4,328	13,755	15,319
Cash flows from investing activities			
Interest received	464	496	1,127
Payments to acquire tangible assets	(13)	(6)	(18)
Payments to acquire intangible assets	(600)	(510)	(1,061)
Net cash flows from investing activities	(149)	(20)	48
Cash flows from financing activities			
Net proceeds from issue of equity	90	114	119
Dividends paid	(5,647)	(4,884)	(7,481)
Purchase of own shares	-	-	(2,040)
Capital payments in respect of leases	(56)	(61)	(115)
Interest paid in respect of leases	(12)	(4)	(18)
Net cash flows from financing activities	(5,625)	(4,835)	(9,535)
Net increase in cash and cash equivalents for the period			
	(1,446)	8,900	5,832
Cash and cash equivalents at beginning of period	26,480	20,648	20,648
Cash and cash equivalents at end of period	25,034	29,548	26,480

Statement of Underlying Cash Flows

For the 6 months ended 31 December 2024

The Company's mobile payments segment involves collecting cash on behalf of clients which is then paid to clients net of the Company's share of revenues or fees associated with collecting the cash. The Company's cash balance therefore fluctuates depending on the timing of "pass through" cash received and paid.

The analysis below shows the movements in the Company'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.

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Underlying cash flows from operating activities			
Profit before taxation	7,865	7,360	13,934
Adjustments for			
Depreciation	10	7	15
Amortisation	472	382	809
Share-based payment charge	39	46	100
Finance income	(464)	(496)	(1,127)
Finance expense	12	4	19
(Increase)/decrease in trade and other receivables	6	(50)	(31)
Increase/(decrease) in trade and other payables	(209)	69	485
Income tax paid	(2,321)	(693)	(2,839)
Net underlying cash flows from operating activities	5,410	6,629	11,365
Underlying cash flows from investing activities			
Interest received	464	496	1,127
Payments to acquire tangible assets	(13)	(6)	(18)
Payments to acquire intangible assets	(600)	(510)	(1,061)
Net underlying cash flows from investing activities	(149)	(20)	48
Underlying cash flows from financing activities			
Net proceeds from issue of equity	90	114	119
Dividends paid	(5,647)	(4,884)	(7,481)
Purchase of own shares	-	-	(2,040)
Capital payments in respect of leases	(56)	(61)	(115)
Interest paid in respect of leases	(12)	(4)	(18)
Net underlying cash flows from financing activities	(5,625)	(4,835)	(9,535)
Net increase in underlying cash for the period	(364)	1,774	1,878
Underlying cash at beginning of period	11,324	9,446	9,446
Underlying cash equivalents at end of period	10,960	11,220	11,324

Notes to the preliminary financial information

1. Basis of preparation

The financial information relating to the half year ended 31 December 2024 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006.

The Company is a public limited company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange. The presentational and functional currency of the Company is Sterling. Results in this financial information have been prepared to the nearest £1,000.

Whilst the financial information included in these interim accounts has been prepared in accordance with IFRS, they do not contain sufficient information to comply with IFRS. In addition, this report is not prepared in accordance with IAS 34.

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

The comparative financial information for the year ended 30 June 2024 has been extracted from the annual financial statements of Fonix plc. These interim results for the period ended 31 December 2024, which are not audited, do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information does not therefore include all of the information and disclosures required in the annual financial statements.

Full audited accounts of the Company in respect of the year ended 30 June 2024, which received an unqualified audit opinion and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies.

2. Going concern

At the time of approving the financial information, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Fonix is not externally funded and accordingly is not

affected by borrowing covenants. In addition the cost of capital represents the dividend distributions and share buy-backs, which are discretionary.

At 31 December 2024 the Company had Cash and Cash Equivalents of £25.0 million (31 December 2023: £29.5 million) and Net Current Assets of £9.5 million (31 December 2023: £8.9 million). The business model of Fonix is cash generative, with increased sales impacting positively on the working capital cycle and profits from trading activities being rapidly reflected in cash at bank.

Accordingly the Directors continue to adopt the going concern basis of accounting in preparing this financial information.

3. Segmental reporting

Management currently identifies one operating segment in the Company 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:

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Gross Profit			
Mobile Payments	7,939	7,522	14,782
Mobile Messaging	1,442	1,308	2,332
Managed Services	383	368	772
	9,764	9,198	17,886

Differences between the way in which the single operating segment is reported in the financial information and the internal reporting to the Board for monitoring and strategic decisions, relates to the recording of revenue in line with IFRS 15. The IFRS adjustments do not impact on the calculation or reporting of Gross Profit.

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

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Gross profit by geography			
United Kingdom	8,542	8,078	15,691
Rest of Europe	1,222	1,120	2,195
	9,764	9,198	17,886

4. Revenue

The Company disaggregates revenue between the different streams outlined as this is intended to show its nature and amount.

The total revenue of the Company has been derived from its principal activity undertaken wholly in the United Kingdom and EU.

Revenue is recognised at the point in time of each transaction when the economic benefit is received. The total revenue of the Company by Service Line is as follows:

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Revenue by Service Line			
Mobile Payments	25,995	28,375	54,199
Mobile Messaging	11,719	10,281	19,859
Managed Services	1,036	1,002	2,031
	38,750	39,658	76,089

The number of customers representing more than 10% of revenue or gross profit in period were 3 (31 December 2023: 3)

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

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Revenue by geography			
United Kingdom	32,229	33,401	63,915
Rest of Europe	6,521	6,257	12,174
	38,750	39,658	76,089

5. Earnings per share

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

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Retained profit for the period	6,061	5,685	10,617

	Unaudited 6 months to 31 December 2024 Number	Unaudited 6 months to 31 December 2023 Number	Audited Year to 30 June 2024 Number
Number of shares			
Weighted average number of shares	98,997,727	99,783,276	99,651,884
Share options	716,264	656,941	803,079
	99,713,991	100,440,217	100,454,963
Earnings per ordinary share			
Basic	6.1p	5.7p	10.7p
Diluted	6.1p	5.7p	10.6p

At 31 December 2024 the Company had 100,000,000 (31 December 2023: 100,000,000) shares in issue of which 924,472 (31 December 2023: 122,443) were held in treasury.

The calculations of adjusted earnings per share are based on the following adjusted profits and number of shares listed above:

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Adjusted earnings per share			
Retained profit for the period	6,061	5,685	10,617
Adjustments			
Share-based payment charge	39	46	100
Net adjustments	39	46	100
Adjusted earnings	6,100	5,731	10,717
Adjusted basic earnings per ordinary share	6.2p	5.7p	10.8p