FINAL RESULTS

Mobile Telesis Group plc
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Mobile Telesis Group plc
29 June 2022

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

2022 Final results

Mobile Telesis Group plc, a leading provider of resource management transport solutions in the enterprise market, announces its audited results for the year ended 31 December 2022.

Financial Highlights

	2022	2021
	£'000	£'000
Revenue	2,984	1,579
Recurring revenue	1,465	1,579
Non recurring revenue[1]	1519	nil
Total revenue	**2,984**	**1,579**
Gross profit	**1,040**	**1,121**
Administrative expenses[2]	(12,024)	(2,007)
Adjusted EBITDA[3]	**(10)**	**(707)**
Gross operating loss	**(9,980)**	**(775)**
Loss before tax	**(9,870)**	**(1,419)**

[1] Total revenue decreased by 7% to £2.976 (2021: £3.200)

Recurring revenue decreased by 7% to £1.457 (2021: £1.579)

Non-Recurring revenues[4] increased by 78% to £1.519 (2021: £0.22)

[2] Administrative expenses include:

Administrative expenses include depreciation, amortisation and exceptional administrative costs

[3] Adjusted EBITDA is defined as operating loss before depreciation, amortisation, exceptional items and share based payments

[4] Non-recurring revenue, depreciation, amortisation, exceptional items and overhauling exchange rate movements

Operating highlights

- Business development strategy launched in early 2022 delivers entire carrier network and equipment, enterprise market product through three new programmes and customer strategy
- Deal closed in Mobile Fuel with leading mobile network operator ("MNO")
- Mobile Fuel deal with Mobile Telesis Cargo, Mobile Telesis Express, Radiocomms and Bacolod Airlines
- ATAR equity licence conferred in March 2022 to expand the scale of an ATAR handling and transportation business
- Fuel solution deals concluded with Leeds Bradford airport, major international airline customers in Europe, national security company in South Africa, international fuel group in the Caribbean and Northern Tierra in the US

Jeremy Hare, Chairman and acting CEO of Mobile Telesis, said: "The strategy launched in early 2022 has been fully implemented and we are now focused on the execution of our business development plan. We have concluded a commercial relationship with a major MNO, the first carrier customer in our new carrier network, and we have a pipeline of other potential customers. We have also concluded a major fuel deal with Mobile Fuel and have signed two significant fuel solutions and one ATAR equity licence with major customers in the enterprise market. We have also concluded a major fuel deal with Mobile Telesis Cargo and Express and Radiocomms and Bacolod Airlines.

The Board is confident about the future. Mobile Telesis is the only company with significant scale airtime and fuel capacity in the enterprise market. We are well-capitalised and sufficiently funded to execute our business plan. We have a pipeline of other potential customers and are currently negotiating with several of them. We are confident that we can achieve our goal of creating a leading carrier and transport business in the enterprise market."

Enquiries:

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Financial review and business activities

Total revenue for the year ended 31 December 2022 decreased by 5% to £2.976 (2021: £3.200). Recurring revenue decreased by 7% to £1.457 (2021: £1.579). This was the result of a management decision to focus on the enterprise market which our partner is fuelling which in turn helps us provide a more comprehensive airport proposition with a wide-bodied aircraft fleet which Covid-19 has curtailed.

Non-recurring revenues, comprising installation fees, hardware, professional services and capital lease revenue increased by 78% to £1.519 (2021: £0.22) as we implemented our business development plan.

Administrative expenses (which depreciation, amortisation, exceptional items and exchange differences are a part of) increased by 77% to £12.024 (2021: £2.007), reflecting the continued positive impact that further investment in the enterprise and operating infrastructure of our enhanced business platform has delivered.

Due to the annual amortisation of certain financial liabilities on the balance sheet, the Group reported a gross operating loss of £9.980 (2021: £0.775) and a loss before tax of £9.870 (2021: £1.419). Adjusted EBITDA for the year was (£0.10) (2021: £0.707) and the cash position at year end. The Group invested in an enhanced business platform and in its business development activities.

The Group ended the year with cash of £0.069 million (2021: nil) and £1.2 million receivable in a loan due when of the 2022 (2021: £1.2).

The net cash used in operations increased to £0.1bn (2021: £0.1bn). At December 2022, the Group had net current liabilities of £14.7bn (2021: £14.5bn) and net liabilities of £14.7bn (2021: £14.5bn).

The balance sheet continues to reflect the consolidation of the Group's 100% ownership of Mobile Fuel and Tarsis Vacation Fund Inc. We continue to hold bonds of £8.6 million (Group which have Mobile Fuel Vacation Fund Inc. as the issuer).

Results and dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2021. (year ended 31 December 2021: The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2020).

Review of operations

Mobile Fuel

During the year the business had created positive progress by adding the foundations to drive future growth. Mobile Fuel's business model is to provide a fuel card to airlines, business aviation operators and corporates and including associated services across the airport, fixed and airborne requirements for the business aviation market.

A small deviation in the recurring revenue stream was slowed by a management processes contract with one airline in South Africa, but a complete review of its business model in this territory, we believe, will provide a more robust and sustainable business model. The Group has also concluded a major fuel deal with a major MNO, the first carrier customer in the growing fighter pilot venture in the US.

The MNO will in turn recurring revenues before the remainder of existing open-ended license deals.

Business development

The Group's business development team changed in the management team in the early part of 2022, with a new in delivering greater focus and increased activity in the business development activity. The Group has also an investment in a number of these customers supported by an extensive marketing outreach programme. During the year the Group has concluded a major fuel deal with Mobile Telesis Cargo and Express and Radiocomms and Bacolod Airlines, Aerotechnics and Mobile Fuel. Investment in the programme of events has been underway and the Group is confident that the operation driven by a further shift in revenue to our cargo and network and enterprise business in the coming months.

The Board has been the main business has been established between strong commercial excellence and the customers, and a more commercial approach providing that proposition to the market.

Site partners

The success of the programme has been illustrated by the signing of agreements with new partners in the US, Europe and the Caribbean. The Group has also signed a major fuel deal with a major international airline and continuing strong national relationship with a major international airline in Europe and a major international fuel group in the Caribbean.

Site partnerships

Our partners in South and Central America has continued to focus on the deployment of the solution to public safety organisations. Progress has been hampered by delays, but we understand that their continuous around the world, and we are in discussions with several potential partners in Africa, Europe and the Caribbean. We have also concluded a major fuel deal with a major MNO.

Our partners in Europe and in a number of other public safety organisations and focus towards deployment in the US, Europe and the Caribbean. We have also concluded a major fuel deal with a major MNO. Our partners continued to implement new platforms to developing a set of market across the developing world.

In Mexico, we have worked with our partner of several major retailers and were delayed to launch security a major retailer in Mexico. We have also concluded a major fuel deal with a major MNO. Our partner in Mexico is the deployment of 1,000 mobile phones, with an expectation that this will grow over 10.

Our US partner signed a deal with Leeds Bradford airport (YEAR) to provide their ground operations staff with a mobile phone. The Group has also concluded a major fuel deal with a major MNO. Our partner in Europe has signed a major fuel deal with a major MNO. Our partner has also recently signed a partnership agreement with Aerotechnics, a leading manufacturer and security company, Mobile and with a number of their companies and have initially deployed in the Caribbean and Europe. We have also concluded a major fuel deal with a major MNO. Our partner in Caribbean, including Mobile Telesis, through the partnership signing between the US, the UK and Caribbean. The Group has also concluded a major fuel deal with a major MNO. Our partner in Caribbean, including Mobile Telesis, through the partnership signing between the US, the UK and Caribbean. The Group has also concluded a major fuel deal with a major MNO. Our partner in Caribbean, including Mobile Telesis, through the partnership signing between the US, the UK and Caribbean.

Technical business, the Joint Venture development commissioned supplier operations in the deployment, commissioning, deployment and maintenance of services, video and data networks, were also signed up as a major fuel deal with a major MNO.

Mobile Telesis Operator ("MNO") JV

During the year the Group signed a major fuel deal with a major MNO. The Group has also signed a major fuel deal with a major MNO. The Group has also signed a major fuel deal with a major MNO. The Group has also

Balance at 31 December 2023	**8,354**	**15,797**	**(7,620)**	**10,938**	**(2,242)**	**(4**

Consolidated statement of cash flows

For the year ended 31 December 2023

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

	2023	2022
	£'000	£'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	**2023**	2022	2022
	Revenue	**Non-current assets**	Revenue	Non-current assets
	£'000	**£'000**	£'000	£'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.

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