HALF-YEAR REPORT

MOBILE TORNADO GROUP PLC
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Mobile Tornado Group plc
Interim Results 2019
26 September 2019

Mobile Tornado Group plc

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

Half Year Results

Mobile Tornado (AIM: MBOL), a leading provider of telecom management market solutions to the enterprise market announces its unaudited results for the six month period to 30 June 2019.

Financial highlights:

	H1 Months ended 30 June 2019 £'000	H1 Months ended 30 June 2018 £'000
Reporting revenue	904	964
Non recurring revenue*	385	377
Total revenue	**1,289**	**1,341**
Gross profit	**1,251**	**1,129**
Administrative expenses	(2,180)	(1,894)
Adjusted EBITDA(1)	**(1,036)**	**(1,016)**
Group operating loss	**(1,091)**	**(1,066)**
Loss before tax	**(2,024)**	**(927)**

- Total revenue decreased by 14% to £1.29m (H1 2018: £1.34m)
  - Reporting revenue decreased by 11% to £0.90m (H1 2018: £0.96m)
  - Non-recurring revenue* decreased by 21% to £0.39m (H1 2018: £0.38m)
- Operating expenses decreased by 5% to £2.18m (H1 2018: £2.29m)
- Adjusted EBITDA(1) loss of £1.0m (H1 2018: £1.0m)
- Group operating loss for the period increased to £2.09m (H1 2018: £0.1m) - impacted by exchange differences of £1.0m (year ended 31 December 2018: £0.1m)
- Loss before tax of £2.02m (H1 2018: £0.93m)
- Basic loss per share of 0.5p (H1 2018: 0.1p)
- Net cash inflow from operating activities of £0.04m (H1 2018: £0.08m outflow)
- Net cash at the end of H1 2019 of £1.15m (H1 2018: £0.2m)
- Cash and cash equivalents of £1.15m (31 Dec 2018: £0.2m)

*Non-recurring revenues comprising installation fees, hardware, professional services and upgrade fees

(1) Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, share exchange differences

Operating highlights

- Portfolio non-payment debts signed; a result of our order business development strategy launched in 2017
- Deal closed with Sixty Leap, part of Sixty Group, a leading mobile network operator ("MNO") in the Middle East and Africa through our in-country partner
- Partner deals signed with major systems integrators including Wincomblue, DECIPHI and CARO
- Development work and sales of the video streaming service and software suite being offered by the market

Service Plans, Restructured and selling Unit of Mobile Tornado, said: The strategy as launched in early 2017 is now bearing fruit with the signing of our first major deal with Sixty Leap, part of Sixty Group, a leading MNO in the Middle East and Africa. We are now pleased to be able to confirm that the MNO in Qatar has, as of last Groups interim results, signed a deal with Sixty Leap to provide a mobile network in Qatar. This deal is a result of a group of products & services developed by Mobile Tornado and Sixty Leap. Our role is based on a group of products & services that include our proprietary payment processing platform, our proprietary recognised telecoms companies, Zurich Solutions, IT systems integration services, our proprietary video streaming service and our proprietary software suite. We are also in the late stage of our non-recurring revenue generating deals having recently launched the sale of our first major video deal with Sixty Leap, with installation of our team in attendance.

The Board is focused on growing the Company's recurring revenues as this will be the primary driver for increasing shareholder value. We are now in the late stage of our non-recurring revenue generating deals with customers that are some 18 months ago, and I am hopeful that these relationships will begin to deliver recurring revenue streams in the second half of the year. Our proprietary software suite and our ability to improve the efficiency of the business is known but is a potential opening to monetised when the revenue streams start to grow."

Enquiries:

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David Coleman (Sales and Corporate Broking)	

Financial results

Total revenue is the six month period to 30 June 2019 decreased by 14% to £1.29m (H1 2018: £1.34m). Reporting revenue decreased by 11% to £0.90m (H1 2018: £0.96m).

Non-recurring revenues, comprising installation fees, hardware, professional services and upgrade fees decreased by 21% to £0.39m (H1 2018: £0.38m). Group profit decreased by 0% to £1.25m (H1 2018: £1.13m).

Administrative expenses before depreciation, amortisation, impairment charges and exchange differences in the period decreased by 0% to £1.8m (2018: £1.8m), reflecting the continued positive impact that further investment in the business continues to have on the operational efficiency of our enterprise financial platform.

Due to the annual revaluation of certain financial liabilities on the balance sheet, the Group reported a currency exchange loss of £1.0m (H1 2018: £0.1m). The Group's cash balance at the end of the period was £1.15m and we agree that our Group continues to be in the early stage of its growth. As a result of the early stage of the Group, the Board is not recommending the payment of an interim dividend.

The Group operations and sales office with operating premises during the period of 30 June 2019, 2018, 2018 - unaudited, 30 June 2018, the Group has 30,134 and of both 31 June 2019, 27,2012 and net debt of £11.1m (30 June 2019: £10.4m).

Review of operations

Recurring revenues and deals digitally because of the integrated exclusive contract with our partner in Qatar, the Company's strategy is focused on growth in recurring revenue from the over the years and achieved in 2017 and 2018 and the Company's strategy is focused on growth in recurring revenue over the over the years and achieved in 2017 and 2018 and the Company's strategy is focused on growth in recurring revenue over the over the years and achieved in the year of the group's activities. Attendance at key trade shows, marketing campaigns and our sales personnel, supplemented the promotion of innovative proven technology across a range of government, public and private sector customers.

In recent years we entered into the Mobile Tornado Group's our leader partnership with Sixty Leap and enterprise security solutions provider CERTIFIA have worked with industry leaders in security and mobile markets in the Middle East and Africa and have established a strong relationship with the Company.

As we gain confidence that we can solve our solution directly into their core customer base, we are collaborating with other solution providers where there is strong compatibility between the two offerings. For example, the Company's proprietary software suite, which is being offered to our customers in the Middle East and Africa engage the Gulf with Ireland with a sales staff of the Ireland which the facility, rather than our the device management platform

	Basic and diluted		Basic and diluted		Basic and diluted	
	Loss	**Loss per share**	Loss	Loss per share	Loss	Loss per share
	£'000	**pence**	£'000	pence	£'000	pence
Loss attributable to ordinary shareholders	**(627)**	**(0.15)**	(556)	(0.14)	(992)	(0.24)

4 Share capital and share premium

	Number of issued and fully paid shares '000	**Share capital £'000**	**Share premium £'000**	**Total £'000**
At 1 January 2023	379,745	7,595	15,797	23,392
Issue of shares	37,974	759	-	759
As at 30 June 2023, 31 December 2023 & 30 June 2024	**417,719**	**8,354**	**15,797**	**24,151**

Non-voting preference shares

	Number of shares '000	**Nominal Value £'000**
As at 30 June 2023, 31 December 2023 and 30 June 2024	**71,277**	**5,702**

Liabilities and preference shares totalling £5,702k were converted into 71,277k 8p preference shares on 28 August 2013. The preference shares are non-voting, non-convertible redeemable preference shares currently redeemable at par value on 31 December 2025, or, at the Company's discretion, at any earlier date. The Preference Shares accrue interest at a fixed rate of 10% per annum.

5 Cash used in operations

	Six months ended 30 June 2024 Unaudited £'000	Six months ended 30 June 2023 Unaudited £'000	Year ended 31 December 2023 Audited £'000
Loss before taxation	**(604)**	(527)	(1,072)
Adjustments for:			
Depreciation and amortisation	**81**	90	120
Share based payment charge	**-**	2	2
Debt conversion to equity	**-**	-	259
Interest expense	**413**	383	779
Changes in working capital:			
(Increase)/decrease in inventories	**(4)**	(17)	11
(Increase)/decrease in trade and other receivables	**180**	(59)	87
(Decrease)/increase in trade and other payables	**(6)**	(119)	(315)
Net cash from/(used in) operations	**60**	(247)	(129)

6 Shareholder information

The interim announcement will be published on the company's website www.mobiletornado.com on 26 September 2024.

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