

27 March 2023

Mobile Streams plc
("MOS" or "the Company")

Interim Results to 31 December 2022

Mobile Streams plc, the AIM quoted mobile content and data intelligence company, is pleased to announce its unaudited interim results for the six months ended 31 December 2022 which are now available on the Company's website, www.mobilestreams.com.

Highlights

- Unaudited revenues £1.1m (31 December 2021: £0.3m). All revenue is from continuing operations
- Cash and cash equivalents was £1.6m at 31 December 2022 (Was £1.4m at 31 December 2021)

Post-period end update

- Cash and cash equivalents was £1.4m at 22 March 2023
- Significant upgrade of HeroesNFTclub platform, introduction of card, Google Pay and Apple Pay payments and NFT contract with Cadiz Football Club announced

Trading update

Revenues in the half year to 31 December 2022 were mainly from the major strategic partnership and contract with International Gaming Systems ("IGS"), the extension of which into the current half year was announced on 30 December 2022.

During the period, the Group announced a number of multi-year contracts to be the exclusive global producer and provider of NFTs for several prominent football teams and sports, delivered both through their own websites and our <https://heroesnftclub.com/> site. These include the Pumas, Mexican National, Atlante and Nexaca football teams, LPGA golfer Gaby Lopez, and the Africa focused Extreme Fighting Championship (EFC). NFT revenues began in October 2022 and exceeded £0.1m in this interim period.

As previously announced in the annual accounts to 30 June 2022, the Directors assessed the recoverability of the convertible loan made to Quanta Media Group (a £414k loan intended to fund them through their pre-IPO phase) and made a provision in those accounts against the whole amount. As anticipated, Quanta failed to make repayment of the loan on 31 December 2022 as originally expected. Discussions continue to resolve the matter, and although the Company provided against the full value of its loan to Quanta in FY22, the Company remains hopeful that a significant portion can be recovered and will advise Shareholders accordingly. Update for Tappit situation referring back to original agreement announcement along with any other revenues expectations that need to be updated noting those identified in the table sent. Additionally, the contract with Tappit Technologies (UK) announced on 12 July 2021 had been cancelled having not delivered the expected revenue.

Since the period end, the Group has announced a further NFT contract with Cadiz Football Club and the introduction of payments by traditional card as well as Google Pay and Apple Pay to increase the ease of purchase and simplify the user journey for NFT customers and significant upgrades to the HeroesNFTclub technical platform. In addition the number of product lines and price points have been significantly increased. Further potential contracts and partnerships are under negotiation.

	6 months ended 31-Dec-22 £000's	6 months ended 31-Dec-21 £000's	12 months ended 30 June 2022 £000's
Assets			
Non- Current			
Goodwill	360	360	360
Intangible assets	396	474	326
Other investments	-	414	170
	756	1,248	856
Current			
Trade and other receivables	649	527	162
Cash and cash equivalents	1,597	1,412	1,675
	2,246	1,939	1,837
Total assets	3,002	3,187	2,693
Equity			
Equity attributable to equity holders of Mobile Streams plc			
Called up share capital	757	1,075	659
Share Premium	20,752	16,786	19,334
Translation reserve	(3,050)	(3,050)	(3,050)
Retained earnings	(15,970)	(12,090)	(14,739)
Non-Controlling interest	-	(16)	-
Total equity	2,489	2,705	2,204
Trade and other payables	469	432	442
Bank debt	44	50	47
	513	482	489
Total liabilities	513	482	489
Total equity and liabilities	3002	3,187	2,693

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 6 months ended 31 December 2022 £000's	Unaudited 6 months ended 31 December 2021 £000's	Audited 12 months ended 30 June 2022 £000's
Operating activities			
Profit before taxation	(1,231)	(640)	(2,764)
Adjustments:			
Amortisation of intangible assets	111	95	262
Impairment of Intangible assets	-	-	106
Impairment losses of financial assets	-	-	80
Impairment of receivables	-	-	283
Impairment of Convertible Loan	-	-	414
Share based payments expense	-	-	255
Interest received	(1)	(2)	(4)
Changes in Trade and other receivables	(1,174)	(202)	(120)
Changes in Trade and other payables	714	79	89
Loss on Foreign Exchange	(34)	3	-
Interest paid	-	-	-
Exchange losses	(38)	(3)	22

Total cash utilised in operating activities	(1,653)	(670)	(1,377)
Investing Activities			
Additions to other intangible assets internal	(70)	-	-
Acquisitions - Other investments	-	-	(414)
Acquisitions - cash acquired	-	-	(265)
Other investments	128	(164)	-
Interest received	1	2	4
Interest paid	-	-	-
Net Cash generated from investing activities	59	(162)	(675)
Issue of share capital (net of expenses paid)	1,516	529	2,015
Bank loan	(3)	-	(3)
Net Cash generated from financing activities	1,516	529	2,012
Net change in cash and cash equivalents	(78)	(303)	(40)
Cash and cash equivalents at beginning of period	1,675	1,715	1,715
Exchange (loss)/ gain on cash and cash equivalents	-	-	-
Cash and cash equivalents, end of period	1,597	1,412	1,675

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The interim results of Mobile Streams plc are prepared in accordance with the requirements of IAS 34 Interim Financial Reporting as adopted by the EU and prepared in accordance with the accounting policies set out in the last financial statements for the 12 months ended 30 June 2022.

The interim results, which are not audited, do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

The comparative financial information for the twelve months ended 30 June 2022 has been extracted from the statutory accounts for that period. In addition, the financial information for the 6 months ended 31 December 2021 has been extracted from the unaudited Interim results. The full audited accounts of the Group for the 12 months ended 30 June 2022 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the UK and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. All references to IFRS in these statements refer to IFRS as adopted by the UK, and have been delivered to the Registrar of Companies. The auditor's report on these financial statements was unqualified and did not contain statements under S498 (2) or S498 (3) of the Companies Act 2006.

The financial statements have been prepared on a going concern basis, which assumes that the Group and the company will continue in operational existence for the foreseeable future, as outlined in note 4.

2. SEGMENT REPORTING

As at 31 December 2022, the Group was organised into four geographical segments: Europe, North America, Latin America, and Asia Pacific. Revenues were from external customers only and generated from three principal business activities: Streams Data services (including NFT related revenues), the sale of mobile content through MNO's (Mobile Operator sales) and the provision of consulting and technical services (Other Service Fees).

All operations are continuing and all inter-segment transfers are priced and carried out at arm's length.

The segmental results for the 6 months ended 31 December 2022 are as follows:

£000's	Europe	Asia Pacific	North America	Latin America	Group
Streams Data (IGS and NFT)	823	-	-	105	928
Mobile Operator sales	-	2	-	139	141
Other service fees	-	-	-	-	-

Total Revenue	823	2	-	244	1,069
Cost of sales	(573)	-	-	(56)	(629)
Gross profit	250	2	-	188	440
Operating expenses	(1,377)	(8)	-	(176)	(1,561)
EBITDA*	(1127)	(6)	-	12	(1,121)
Depreciation, amortisation	(111)	-	-	-	(111)
Share based compensation	-	-	-	-	-
Revenue/expense intercompany	-	-	-	-	-
Finance income	-	-	-	1	1
Profit/(Loss) before tax	(1238)	(6)	-	13	(1,231)
Income tax expense	-	-	-	-	-
Profit/(Loss) after tax	(1238)	(6)	-	13	(1,231)

*Calculated as profit before tax, interest, amortization, depreciation, share compensation expense and impairment of assets.

The segmental results for the 6 months ended 31 December 2021 were as follows:

£000's	Europe	Asia Pacific	North America	Latin America	Group
Streams Data	125	-	-	-	125
Mobile internet sales	-	7	-	149	156
Other service fees	-	-	-	-	-
Total Revenue	125	7	-	149	281
Cost of sales	18	(3)	-	(91)	(76)
Gross profit	143	4	-	58	205
Operating expenses	(682)	(6)	(2)	(62)	(752)
EBITDA*	(539)	(2)	(2)	(4)	(547)
Depreciation, amortisation	(95)	-	-	-	(95)
Share based compensation	-	-	-	-	-
Revenue/expense intercompany	-	-	-	-	-
Finance income	-	-	-	2	2
Profit/(Loss) before tax	(634)	(2)	(2)	(2)	(640)
Income tax expense	-	-	-	-	-
Profit/(Loss) after tax	(634)	(2)	(2)	(2)	(640)

*Calculated as profit before tax, interest, amortisation, depreciation, share compensation expense and impairment of assets.

3. EARNINGS PER SHARE

Earnings per share

Earnings per share is calculated by dividing the(loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited 12 months ended 30 June 2022
Loss for the period (£000's)	(1,231)	(623)	(2,764)
Loss earnings per share (pence):			
Basic	(0.041)	(0.026)	(0.102)
Diluted	(0.041)	(0.026)	(0.102)

Adjusted earnings per share

Adjusted earnings per share is calculated to reflect the underlying profitability of the business by excluding non-cash charges for depreciation, amortisation, impairments and share compensation charges.

	6 months ended 31 December 2022 £000's	6 months ended 31 December 2021 £000's	12 months ended 30 June 2022 £000's
Loss for the period	(1,231)	(623)	(2,764)
Add back: share compensation expense	-		255
Add back: depreciation and amortisation	111	95	262
Adjusted Loss for the period	(1,120)	(528)	(2,247)
	Pence per share	Pence per share	Pence per share
Adjusted loss per share	(0.038)	(0.022)	(0.092)
Adjusted diluted loss per share	(0.038)	(0.022)	(0.092)

Weighted average number of shares

	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 30 June 2022
Basic	2,983,500,771	2,392,874,506	2,707,045,225
Exercisable share options	-	-	-
Diluted	2,983,500,771	2,392,874,506	2,707,045,225

Diluted (loss)/earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of ordinary shares.

The adjusted EPS has been calculated to reflect the underlying profitability of the business by excluding non-cash charges for depreciation, amortisation, impairments and share compensation charges.

4. GOING CONCERN

The Group had cash balances of £1.6m at 31 December 2022 (30 June 2021: £1.4m). Having reviewed cash flow forecasts and budgets for a year ahead the Directors have a reasonable expectation that the Group has resources to continue in operational existence for the foreseeable future.

5. FOREIGN CURRENCY TRANSLATION

(a) Presentational currency

The consolidated financial statements are presented in British Pounds, which is also the functional currency of the parent entity.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date the transaction occurs. Any exchange gains or losses resulting from these transactions and from the translation of monetary assets and liabilities at the balance sheet date are reported in the income statement except when these represent a net investment in a subsidiary when they are charged or credited to equity.

Foreign currency balances are translated at the balance sheet date using exchange rates prevailing at the period end.

(c) Group companies

The financial results and position of all group entities that have a functional currency different from the presentational currency of the Group are translated into the presentational currency as follows:

- i. assets and liabilities for each balance sheet are translated at the closing exchange rate at the date of the balance sheet

- ii. income and expenses for each income statement are translated at average exchange rates (unless it is not a reasonable approximation to the exchange rate at the date of transaction)
- iii. all resulting exchange differences are recognised as a separate component of equity (translation reserve)
- iv. The exchange rates used in respect of Argentinean Pesos are the official published exchange rates.

6. Other Investments

Other investments had a zero balance at December 31 2022. (30 June 2021: 414k).

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK Domestic 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.

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