

RNS Half-year/Interim Report

Half-year Report

MOBILE STREAMS PLC

Released 07:00:06 18 March 2022

RNS Number : 2098F
Mobile Streams plc
18 March 2022

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

Interim Results

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 2021.

Highlights

- Unaudited revenues were £0.3m (31 December 2020: £0.2m). All revenue is from continuing operations
- £1.4m of cash and cash equivalents at 31 December 2021 (£1.1m as at 31 December 2020)

Post-period end update

- Streams, the Company's B2B (business to business) data insight and intelligence platform monthly revenues now exceed the net revenue produced by the legacy business
- £1.25m of cash and cash equivalents as at 16 March 2022 (excluding the proceeds of the Placing and Broker Option as below)
- £1.55m before expenses raised through Placing and Broker Option

Trading update

The half year to 31 December saw RNS announcements of several significant contracts and partnerships, with revenue growth from the new content businesses growing, more than offsetting the decline of the historical business.

In July we launched the LiveScores football 365 service in Mexico, with subscriber growth exceeding internal targets from the first month, and continuing to do so. In September the LiveScores service was launched in Argentina, using an affiliate marketing model to enable revenues to be delivered externally - as with Mexico, user numbers have continued to exceed expectations. In November we launched the LiveScores service in Brazil, and in December monthly revenues exceeded \$80,000, with over 70,000 monetisable Streams users across all channels. Meanwhile, the Streams SaaS content platform continued to increase paid user numbers.

Since the end of the half year, we have announced a major strategic partnership and contract with International Gaming Systems ("IGS") which is expected to deliver significant revenue to the Company. As a result, monthly revenue across all services exceeded US\$120,000 in January 2022. Subsequently, in February we launched gaming, esports and Metaverse services in India via the Company's own App, potentially available to over 273 million of Vodafone India's customers, using our existing carrier billing relationship. February also saw the launch of the first Esports competition under the partnership agreement with IGS, and the acquisition of sole ownership of the LiveScores services that it had previously been operating under a revenue share agreement with Quanta Media Group.

In late February the partnership with IGS resulted in the launch of Battleriff, one of the world's leading global gaming platforms, tournaments on www.mobilegaming.com. We believe that there is enormous scope to grow mobilegaming.com and our service offering, and expect to make further announcements in the coming weeks and months. As announced earlier this month, monthly revenue across all services exceeded US\$150,000 in February. In addition, the Company has commenced the process of uploading its content, including Esports, to the Huawei App gallery and anticipates once successful these will be made available across the Huawei handset user base.

Mark Epstein, CEO, said:

"Since the launch of the LiveScores platform in July, we have grown revenues every month. Although it has taken longer than hoped since 2019 to find a way to build on our existing carrier relationships, we are now doing so. We are actively looking at ways to improve the effectiveness of our marketing including through further joint ventures and partnerships, and see significant opportunities to grow customer numbers and revenues in the sports and Esports. We are delighted

with the performance of the business and expect to see the trend of good revenue and customer growth to continue throughout 2022."

CONSOLIDATED INCOME STATEMENT

	Unaudited 6 months ended 31 December 2021 £000's	Unaudited 6 months ended 31 December 2020 £000's	Audited 12 months ended 30 June 2021 £000's
Revenue	281	176	395
Cost of sales	(76)	(80)	(173)
Gross profit	205	96	222
Selling and marketing costs	(157)	(30)	(50)
Administrative expenses **	(595)	(422)	(1,113)
Operating Loss	(547)	(355)	(941)
Impairment	(95)	-	(95)
Finance income	2	2	4
Finance expense	-	-	-
Loss before tax	(640)	(353)	(1,032)
Tax expense	-	-	-
Loss for the period	(640)	(353)	(1,032)
Attributable to:			
Attributable to equity shareholders of Mobile Streams plc	(623)	(353)	(1,017)
Non-Controlling interest	(17)		(15)
	(640)	(353)	(1,032)
Earnings Per Share	Pence per share	Pence per share	Pence per share
Basic loss per share	(0.026)	(0.031)	(0.070)
Diluted loss per share	(0.026)	(0.031)	(0.070)

**Administrative expenses include depreciation, amortisation, and share based compensation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	6 months ended 31 December 2021 £000's	6 months ended 31 December 2020 £000's	12 months ended 30 June 2021 £000's
Loss for the period	(640)	(353)	(1,032)
Exchange differences on translating foreign operations	-	-	-
Total comprehensive loss for the period	(640)	(353)	(1,032)
Total comprehensive loss for the period attributable to:			
Equity shareholders of Mobile Streams plc	(640)	(353)	(1,032)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months ended 31 December 2021 £000's	Unaudited 6 months ended 31 December 2020 £000's	Audited 12 months ended 30 June 2021 £000's
Assets			
Non- Current			
Goodwill	360	-	360
Intangible assets	474	-	569
Other investments (note 6)	414	-	250
	1,248	-	1,179
Current			
Trade and other receivables	527	163	325
Cash and cash equivalents	1,412	1,088	1,715
	1,939	1,251	2,040
Total assets	3,187	1,251	3,219
Equity			
Equity attributable to equity holders of Mobile Streams plc			
Called up share capital	1,075	440	567
Share Premium	16,786	14,126	16,765
Translation reserve	(3,050)	(3,050)	(3,050)
Retained earnings	(12,090)	(10,816)	(11,467)
Non-controlling interest	(16)	-	1
Total equity	2,705	700	2,816
Trade and other payables	432	551	353
Bank debt	50	-	50
	482	551	403
Total liabilities	482	551	403
Total equity and liabilities	3,187	1,251	3,219

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 6 months ended 31 December 2021 £000's	Unaudited 6 months ended 31 December 2020 £000's	Audited 12 months ended 30 June 2021 £000's
Operating activities			
Profit before taxation	(640)	(353)	(1,032)
Adjustments:			
Amortisation of intangible assets	95	-	95
Depreciation	-	-	-
Interest received	(2)	(2)	(4)
Changes in Trade and other receivables	(202)	58	(104)
Changes in Trade and other payables	79	(15)	(213)
Loss on Foreign Exchange	3	-	-
Interest paid	-	-	-
Exchange losses	(3)	20	30
Total cash utilised in operating activities	(670)	(292)	(1,228)
Investing Activities			
Additions to other intangible assets internal	-	-	(304)
Acquisitions - consideration	-	-	(500)
Acquisitions - cash acquired	-	-	11
Other investments	(164)	-	(250)
Interest received	2	2	4
Interest paid	-	-	-
Net Cash generated from investing activities	(162)	2	(1,039)
Issue of share capital (net of expenses paid)	529	58	2,592
Bank loan	-	-	50
Net Cash generated from financing activities	529	58	2,642
Net change in cash and cash equivalents	(303)	(232)	375
Cash and cash equivalents at beginning of period	1,715	1,340	1,340
Exchange (loss)/ gain on cash and cash equivalents	-	(20)	-
Cash and cash equivalents, end of period	1,412	1,088	1,715

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Called up share capital	Share premium	Translation reserve	Retained earnings	Non- Controlling- Interest	Total Equity
£000's	£000's	£000's	£000's	£000's	£000's

Balance at 1 July 2020	382	14,126	(3,050)	(10,463)	-	995
Credit for share based payments	-	-	-	-	-	-
New equity	58	-	-	-	-	58
Transactions with owners	58	-	-	-	-	58
Loss for the 6 months ended 31 December 2020	-	-	-	(353)	-	(353)
Exchange differences on translating foreign operations	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(353)	-	(353)
Balance at 31 December 2020	440	14,126	(3,050)	(10,816)	-	700
Balance at 1 January 2021	440	14,126	(3,050)	(10,816)	-	700
Credit for share based payments	-	-	-	-	-	-
New equity	127	2,639	-	-	-	2,766
Non-Controlling interest on acquisition of subsidiary	-	-	-	-	16	16
Transactions with owners	127	2,639	-	-	16	2,782
Loss for the 6 months ended 30 June 2021	-	-	-	(651)	(15)	(666)
Exchange differences on translating foreign operations	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(651)	(15)	(666)
Balance at 30 June 2021	567	16,765	(3,050)	(11,467)	1	2,816
Balance at 1 July 2021	567	16,765	(3,050)	(11,467)	1	2,816
Credit for share based payments	-	-	-	-	-	-
New equity	508	21	-	-	-	529
Transactions with owners	508	21	-	-	-	529
Loss for the 6 months ended 31 December 2021	-	-	-	(623)	(17)	(640)
Exchange differences on translating foreign operations	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(623)	(17)	(640)
Balance at 31 December 2021	1,075	16,786	(3,050)	(12,090)	(16)	2,705

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 2021.

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 2021 has been extracted from the statutory accounts for that period. In addition, the financial information for the 6 months ended 31 December 2020 has been extracted from the unaudited Interim results. The full audited accounts of the Group for the 12 months ended 30 June 2021 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union 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.

2. SEGMENT REPORTING

As at 31 December 2021, 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: the sale of mobile content through MNOs (Mobile Operator sales), the sale of mobile content over the internet (Mobile Internet 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 2021 were as follows:

£000's	Europe (Streams)	Asia Pacific	North America	Latin America	Group
Mobile operator sales	-	-	-	-	-
Mobile internet sales	-	7	-	149	156
StreamsData service fees	125	-	-	-	125
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, amortization, depreciation, share compensation expense and impairment of assets.

The segmental results for the 6 months ended 31 December 2020 were as follows:

£000's	Europe	Asia Pacific	North America	Latin America	Group
Mobile operator sales	-	-	-	-	-
Mobile internet sales	-	-	-	-	-
Other service fees	34	2	3	137	176
Total Revenue	34	2	3	137	176
Cost of sales	-	-	-	(80)	(80)
Gross profit	34	2	3	57	96
Operating expenses	(318)	(54)	(6)	(73)	(451)
EBITDA*	(284)	(52)	(3)	(16)	(355)
Depreciation, amortisation	-	-	-	-	-
Share based compensation	-	-	-	-	-
Revenue/expense intercompany	-	-	-	-	-
Finance income	-	-	-	2	2
Profit/(Loss) before tax	(284)	(52)	(3)	(14)	(353)
Income tax expense	-	-	-	-	-
Profit/(Loss) after tax	(284)	(52)	(3)	(14)	(353)

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

The segmental results for the 12 months ended 30 June 2021 were as follows:

£000's	Europe	Asia Pacific	North America	Latin America	Consol adjustment	Group
Mobile Operator Services	-	12	-	246	-	258
Other Service fees	236	-	-	-	(99)	137
Total Revenue	236	12	-	246	(99)	395
Cost of sales	-	(7)	-	(166)	-	(173)
Gross profit	236	5	-	80	(99)	222
Selling, marketing and administration expenses	(1,003)	(34)	1	(127)	-	(1,163)
Trading EBITDA*	(767)	(29)	1	(47)	(99)	(941)
Depreciation, amortisation and impairment	(77)	-	-	-	(18)	(95)
Share based compensation	-	-	-	-	-	-
Profit (loss) for derecognition of subsidiaries	-	-	-	-	-	-
Finance income	-	-	-	4	-	4
Finance expense	-	-	-	-	-	-
Loss before tax	(844)	(29)	1	(43)	(117)	(1,032)
Taxation	-	-	-	-	-	-
Loss after tax	(844)	(29)	1	(43)	(117)	(1,032)

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 2021	Unaudited 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
Loss for the period (£000's)	(623)	(353)	(1,017)
Loss earnings per share (pence):			
Basic	(0.026)	(0.031)	(0.070)
Diluted	(0.026)	(0.031)	(0.070)

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 2021	6 months ended 31 December 2020	12 months ended 30 June 2020
	£000's	£000's	£000's
Loss for the period	(623)	(353)	(1017)
Add back: share compensation expense	-	-	-
Add back: depreciation and amortisation	95	-	95
Adjusted Loss for the period	(528)	(353)	(922)
	Pence per share	Pence per share	Pence per share

Adjusted loss per share	(0.022)	(0.031)	(0.063)
Adjusted diluted loss per share	(0.022)	(0.031)	(0.063)

Weighted average number of shares

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
Basic	2,392,874,506	1,149,736,528	1,452,332,184
Exercisable share options	-	-	-
Diluted	<u>2,392,874,506</u>	<u>1,149,736,528</u>	<u>1,452,332,184</u>

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 £1.4m at 31 December 2021 (30 June 2021: £1.7m). 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 includes a Loan to Quanta Media Group Ltd of £414k at 31 December 31 2021. (30 June 2021: 250k). Although the original intention was to lend a total of £500k to Quanta, the conditions for the drawdown of the final tranche were not met.

END

About Mobile Streams plc

The Company provides mobile games and content through its carrier relationships, through its LiveScores platform, and with partners including International Gaming Systems ("IGS") via www.mobilegaming.com. The Streams Data business provides data insight, intelligence, visualisation services and marketing optimisation tools. These are sold to clients and help to power the Company's core offerings. The enterprise level bespoke service achieved first revenues in June 2020, and the Streams SaaS ("Software as a Service") self-service platform generated initial customer revenues in October 2020.

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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