29 September 2015

mporium Group PLC
Financial Statements for the 6 months ended 30th June 2015

mporium Group PLC (AIM :MPM) ("mporium" or the "Company"), the mobile commerce specialist, today announces its results for the six months ended 30 June 2015.

Results Overview

These half year results reflect the original MoPowered Group plc ("MoPowered") business which the directors of the Company believe to have been uncommercial and largely inoperable and have therefore resulted in the poor financial performance of the Company during the half year under review. Overall revenue during the period under review was £559,065 (2014: £753,204) and the loss from ordinary activities before taxation was £3,895,937 (2014: loss of £2,375,612). The loss per share was 0.03 (2014: loss of 0.15). The Group had cash reserves at the end of the half year of £2,604,750, following the successful placing in June 2015 which raised approximately £2.9m net of expenses (the "Placing").

Business Review

On 8 June a new management team led by Barry Moat as Chief Executive was appointed to the Company, three weeks before the end of the period under review. Following their appointment, Barry and his new team initiated a complete business review of the Company which identified that the old MoPowered business model was, in their belief, not viable and that significant changes were required throughout. To support the new management team and the development of a new product suite, the Company successfully completed the Placing in June 2015. So far, the Company's new management team have rebranded MoPowered to 'mporium', implemented a new organisational structure comprising the appointment of certain highly experienced senior managers and the appointment of a number of new directors to the Board, which has been further strengthened today. On 8 June the Company acquired the entire issued share capital of Fast Web Media Limited (FWM) with a 50.001 per cent. holding of FWM's subsidiary InTELEgentsia Limited for a total consideration of £1.56 million. The consideration was satisfied by the issue of 89,046,800 new ordinary shares at 1.75 pence per ordinary share. Furthermore, on the same date, the Company entered into a share swap agreement and services agreement with Cxense to licence Cxense's technology. The Company allotted and issued 25,000,000 new ordinary shares to Cxense at 2 pence per ordinary share in return for the allotment and issue by Cxense to the Company of 51,177 new shares at an issue price of NOK 113.45 per share. The total consideration for the services agreement of £1 million was satisfied through the issue of 50,000,000 new ordinary shares at 2 pence per ordinary share to Cxense. In addition to the acquisition, share swap and services agreements, the Company raised £3.3 million (before expenses) through a placing and subscription of 165,000,000 new ordinary shares. The Issue Price of 2 pence per new ordinary share represented a 14 per cent. premium to the closing middle market price of 1.75 pence per ordinary share on 14 May 2015, being the last business day prior to the announcement of the Placing.

Directorate changes

As part of the transformation of mporium, further Board changes have been made with effect from today. As announced separately, Nigel Walder has been appointed, as non-Executive Chairman of the Company, replacing Mike Hughes who retires today. Nigel has over 25 years' experience of working with technology within the Financial Services sector including Chief Information Officer positions at Barclays Bank plc, NatWest Markets, Royal Bank of Scotland and Deutsche Bank. Dominic Keen, non-Executive Director, has also left the Board today in order to be able to focus on his other business interests.

Outlook

mporium, under the leadership of Barry Moat and the new Board, is in the process of implementing its new strategy. This includes the development of new products and shareholders will be further updated in due course. As announced separately, mporium has today completed the purchase of the remaining 49.999% interest in InTELEgentsia Ltd. which it does not already own. The consideration of approximately £250,000 is to be satisfied through the issue of 5,555,555 new ordinary shares of 0.5p in the Company at an issue price of 4.5p each which represents a 5.26% discount to the closing middle market price of 4.75p per ordinary share on 28 September 2015.

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Independent review report to MoPowered Group PLC

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 June 2015 which comprises the Consolidated interim statement of total comprehensive income, the Consolidated interim statement of financial position, the Consolidated interim statement of changes in equity, the Consolidated interim statement of cash flows and the related explanatory notes that have been reviewed. We have read the other information contained in the half yearly financial report which comprises only the Results Overview, Business Review, Directorate Changes and Outlook and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 1.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

GRANT THORNTON UK LLP
AUDITOR

London
28 September 2015

Consolidated interim statement of total comprehensive income for the period ended 30 June 2015

	Note	6 months to 30 June 2015 unaudited	6 months to 30 June 2014 unaudited	Year ended 31 December 2014 audited
		£	£	£
Continuing operations				
Revenue	4	553,623	753,204	1,098,954
Cost of sales		(378,821)	(296,566)	(815,669)
Gross profit		**174,802**	**456,638**	**283,285**
Administrative expenses		(4,065,057)	(2,832,250)	(5,820,299)
Operating loss		**(3,890,255)**	**(2,375,612)**	**(5,537,014)**
Financial income		131	150	254
Financial expense		(5,813)	-	(1,906)
Loss on ordinary activities before taxation		**(3,895,937)**	**(2,375,462)**	**(5,538,666)**
Taxation		-	74,441	377,013
Loss for the period		**(3,895,937)**	**(2,301,021)**	**(5,161,653)**
Other comprehensive loss for the period				
Revaluation of investment which will subsequently be reclassified to profit and loss		(55,000)	-	-
Total comprehensive losses attributable to equity holders of the parent company		**(3,950,937)**	**(2,301,021)**	**(5,161,653)**
Basic and diluted loss per share for losses attributable to the owners of the parent during the period	8	(0.03)	(0.15)	(0.16)

Consolidated interim statement of financial position as at 30 June 2015

	Note	As at 30 June 2015 unaudited £	As at 30 June 2014 unaudited £	As at 31 December 2014 audited £
Non-current assets				
Property, plant and equipment		43,023	9,548	11,423
Intangible assets	6	2,057,251	466,803	16,917
Investments	7	445,000	-	-
Total Non-current assets		**2,545,274**	**476,351**	**28,340**
Current assets				
Trade and other receivables		1,670,435	935,699	793,177
Cash and cash equivalents		2,604,750	647,797	1,321,437
Total Current assets		**4,275,185**	**1,583,496**	**2,114,614**
Total assets		**6,820,459**	**2,059,847**	**2,142,954**
Current liabilities				
Trade and other payables		(3,087,613)	(1,675,047)	(1,527,340)
Current proportion of loans and borrowings		-	(9,831)	-
Total Current liabilities		**(3,087,613)**	**(1,684,878)**	**(1,527,340)**
Total liabilities		**(3,087,613)**	**(1,684,878)**	**(1,527,340)**
Net assets		**3,732,846**	**374,969**	**615,614**
Shareholders' Equity				
Share capital		2,128,598	79,564	445,264
Share premium		10,446,625	3,748,000	6,978,853
Share option reserve		1,731,296	1,766,474	1,518,590
Non-controlling interest		6,969	-	-
Merger reserve		8,754,683	7,888,990	7,641,598
Retained earnings		(19,335,325)	(13,108,059)	(15,968,691)
Equity shareholders' funds		**3,732,846**	**374,969**	**615,614**

Consolidated interim statement of changes in equity for the period ended 30 June 2015

	Retained Earnings	Share capital	Share premium reserve	Share option reserve	Merger Reserve	Minority Interests	Total
	£	£	£	£	£	£	£
31 December 2012 – unaudited	**(7,166,108)**	**39,708**	**5,317,141**	**543,418**	**-**		**(1,265,841)**
Reclassification arising on group reorganisation to equal deemed share capital	-	17,761	(5,317,141)	-	5,299,380	-	-
Comprehensive loss for the period	(3,640,930)	-	-	-	-	-	(3,640,930)
Transactions with owners:						-	
Share-based payments	-	-	-	607,222	-	-	607,222
Share issue costs	-	-	(326,976)	-	-	-	(326,976)
Share issues during the period		21,595	4,322,368	-	-	-	4,343,963
Limited company Share issue	-	17,761	2,324,457	-	-	-	2,342,218
Reclassification to equal deemed share capital	-	(17,761)	(2,324,457)	-	2,342,218	-	-
31 December 2013 – unaudited	**(10,807,038)**	**79,064**	**3,995,392**	**1,150,640**	**7,641,598**	**-**	**(2,059,656)**
Comprehensive loss for the period	(5,161,653)	-	-	-	-	-	(5,161,653)
Transactions with owners:							
Share-based payments	-	-	-	367,950	-	-	367,950
Share issue costs	-	-	(307,839)	-	-	-	(307,839)
Share issues during the period	-	366,200	3,291,300	-	-	-	3,657,500
31 December 2014 – unaudited	**(15,968,691)**	**445,264**	**6.978,853**	**1,518,590**	**7,641,598**	**-**	**615,614**
Comprehensive loss for the period	(3,895,937)	-	-	-	-	-	(3,895,937)
Transactions with owners:							
Share-based payments	-	-	-	797,009	-	-	797,009
Transfer	584,303	-	-	(584,303)	-	-	-
Minority interests						6,969	6,969
Share issue costs	-	-	(246,528)	-	-	-	(246,528)
Share issues during the period	-	1,683,334	3,714,300	-	1,113,085	-	6,510,719
30 June 2015 – unaudited	**(19,280,325)**	**2,128,598**	**10,446,625**	**1,731,296**	**8,754,683**	**6,969**	**3,787,846**

Consolidated interim statement of cash flows for the period ended 30 June 2015

	6 months to 30 June 2015 unaudited	6 months to 30 June 2014 unaudited	Year ended 31 December 2014 audited
	£	£	£
Cash flows used in operating activities			
Loss before taxation	(3,895,937)	(2,375,462)	(5,538,666)
Adjustments for:			
Depreciation of property, plant and equipment	1,748	1,280	3,308
Amortisation of intangible assets	16,917	232,399	482,278
Impairment of intangible assets	-	-	612,143
Share based payment expense	797,009	615,834	367,950
Bad debt expense	72,084	92,120	154,193
Financial income	(131)	(150)	(254)
Financial expense	5,813	-	1,906
Cash flows from operating activities before changes in working capital	**(3,002,497)**	**(1,433,979)**	**(3,917,142)**
Decrease/(increase) in trade and other receivables	343,485	(205,115)	247,768
Increase /(decrease) in trade and other payables	747,754	(160,545)	(387,947)
Cash used in operations	**(1,911,258)**	**(1,799,639)**	**(4,057,321)**
Income taxes received	-	-	-
Net cash used in operating activities	**(1,911,258)**	**(1,799,639)**	**(4,057,321)**
Cash flows used in investing activities			
Interest received	131	150	254
Purchase of intangible assets	-	(328,773)	(740,908)
Purchase of property, plant and equipment	-	(8,459)	(12,361)
Cash acquired with subsidiary	(5,619)	-	-
Net cash used in investing activities	**(5,488)**	**(337,082)**	**(753,015)**
Cash flows from financing activities			
Interest paid	(5,813)	-	(1,906)
Issue of share capital	3,300,000	500	3,657,500
Issue cost of share	(94,128)	-	(307,839)
Increase in borrowings	250,000	-	250,000
Repayment of borrowings	(250,000)	-	(250,000)
Net cash generated from financing activities	**3,200,059**	**500**	**3,347,755**
Net increase/(decrease) in cash and cash equivalents	**1,283,313**	**(2,136,221)**	**(1,462,581)**
Cash and cash equivalents at start of period	1,321,437	2,784,018	**2,784,018**
Cash and cash equivalents at end of period	**2,604,750**	**647,797**	**1,321,437**

Notes to the consolidated interim financial statements

1 Basis of preparation

The interim condensed consolidated financial statements are the unaudited Consolidated Financial Statements of mporium Group plc, for the six months ended 30 June 2015.This non-statutory interim statement has been prepared on a basis consistent with that used in the preparation of the annual accounts, which are prepared under International Financial Reporting Standards as adopted by the EU ("IFRS"). They do not include all of the information required in annual financial statements in accordance with IFRS.

The interim financial statements were approved by the Board on 28 September 2015. The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.
The financial statements have been prepared under the historical cost convention and the consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies.

The comparative figures for the year ended 31 December 2014 were derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under sections 498(2) or (3) (accounting record or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

Going Concern

The interim financial statements have been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, management has considered the Group's existing working capital position. Management are of the opinion that the Group has adequate resources to continue as a going concern.

2 Significant accounting policies

The principal accounting policies and presentation followed in the preparation of this interim report have been consistently applied to all periods in these financial statements and are the same as those applied in the Group's annual accounts for the year ended 31 December 2014. The accounts for the Group can be obtained from the company's website.

3 Critical accounting judgements and key estimation of uncertainty

The preparation of financial statements in conforming with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates. Revisions to these estimates are made in the period in which they are recognised. The critical accounting judgements made in preparing this interim report are the same as those in preparing the annual accounts for the Group for the year ended 31 December 2014 which can be obtained from the company's website.

4 Business segments

The MoPowered Group plc's operations are centred on providing a software as service and supporting services. Management therefore considers there to be one reporting segment covering the entire Group.

A supplementary analysis of revenue is as follows:

	6 months to 30 June 2015 unaudited £	6 months to 30 June 2014 unaudited £	Year ended 31 December 2014 audited £
Product Revenue	377,458	753,204	1,098,954
Agency and Project Fees	176,165	-	-
	553,623	**753,204**	**1,098,954**

Business segments have been updated to reflect the acquisition of Fast Web Media. Product Revenue relates to the mporium business and Agency and Project Fees to the Fast Web Media business.

5 Staff numbers

The average number of persons employed by the mporium Group during the period including executive directors is analysed below:

	6 months to 30 June 2015 unaudited	6 months to 30 June 2014 unaudited	Year ended 31 December 2014 audited
Directors	4	2	4
Administration	2	4	3
Research and development	7	12	9
Operations	13	14	16
Customer services	14	12	13
Sales	5	12	12
	45	**56**	**57**

6 Intangible assets

On 8 June the Company acquired the entire issued share capital of Fast Web Media Limited (FWM) with a 50.001 per cent. holding of FWM's subsidiary InTELEgentsia Limited for a total consideration of £1,558,319. Goodwill arising on this transaction totalled £1,279,751. An intangible asset of £27,500 acquired as part of the transaction and relating to FWM's development costs has also been recognised.

On the same day the Company entered into a services agreement with Cxense to licence Cxense's technology and for the provision of hosting services. Consideration of £750,000 was paid for the licencing element of the services agreement this has been recognised as an intangible asset.

7 Investments

On 8 June as part of the arrangements with Cxense the Company entered into a share swap agreement. The Company allotted and issued 25,000,000 new ordinary shares to Cxense at 2 pence per ordinary share in return for the allotment and issue by Cxense to the Company of 51,177 new shares at an issue price of NOK 113.45 per share with an initial valuation of £500,000.

The shares have been accounted for as an available for sale financial asset and are recorded at their fair value. On 30 June the share Cxense's share price had fallen to NOK 108.00 per share resulting in a fair value of £445,000 and a charge of £55,000 being recognised in other comprehensive income.

8 Loss per share

	6 months to 30 June 2015 unaudited	6 months to 30 June 2014 unaudited	Year ended 31 December 2014 audited
	£	**£**	**£**
Loss for the period	(3,895,937)	(2,301,021)	(5,161,653)
Deemed average ordinary shares in issue during the period	129,973,630	15,850,640	31,723,378
Loss per share	(0.03)	(0.15)	(0.16)

Deemed average ordinary shares are used due to the application of merger accounting.

9 Adjusted EBITDA loss

	6 months to 30 June 2015 unaudited	6 months to 30 June 2014 unaudited	Year ended 31 December 2014 audited
	£	£	£
Revenue	553,623	753,204	1,098,954
Cost of sales	(378,821)	(296,566)	(815,669)
Gross profit	**174,802**	**456,638**	**283,285**
Administrative expenses	(4,065,057)	(2,832,250)	(5,820,299)
Operating loss	**(3,890,255)**	**(2,375,612)**	**(5,537,014)**
Adjustments for EBITDA			
Depreciation, amortisation and impairment.	18,665	233,679	1,097,729
EBITDA	**(3,871,590)**	**(2,141,933)**	**(4,439,285)**
Share based payment	797,009	615,834	367,950
Adjusted EBITDA	**(3,074,581)**	**(1,526,099)**	**(4,071,335)**