

GLOBO Plc ("Globo" or the "Group")**Preliminary Unaudited Results for the Full Year ended 31 December 2014**

Strong revenue growth; third consecutive year of positive free cash flow¹, of €7.3 million

Globo plc (LSE-AIM: GBO), the international provider of Enterprise Mobility Management (EMM), mobile solutions and software as a service (SaaS), announces preliminary unaudited results for the year ended 31 December 2014.

Financial Highlights

- Revenues up 49% to €106.4 million (2013: €71.5 million), ahead of market expectations
 - **GO!Enterprise** revenue up 94% to €57.9 million (2013: €29.9 million)
 - **CitronGO!** and **GO!Social** revenue up 11% to €38.5 million (2013: €34.8 million)
- Revenues from North America increased by 334% to €15.5 million (2013: €3.6 million) representing the 15% of the total Group revenues.
- EBITDA up 41% to €50.9 million (2013: €36.0 million), ahead of market expectations
- Profit Before Tax up 30% to €35.7 million (2013: €27.4 million), ahead of market expectations
- Earnings Per Share of €0.094 (2013: €0.074), ahead of market expectations
- Free Cash Flow¹ of €7.3 million (2013: €5.2 million)
- Year-end cash position of €82.8 million (2013: €64.2 million) with Net Cash position (cash minus debt) of €40.4 million (2013: €42.8 million)

¹ **Free Cash Flow (FCF)**. Free cash flow is calculated by taking the net cash flow from operating and investing activities, adding back the cost of acquisitions.

Operating Highlights**Growth in Customer Base**

- **GO!Enterprise** customer base grew to 834,000 business-to-employee device licenses (2013: 340,600) and 31.8 million business-to-consumer licenses (2013: 13.1 million)
- **CitronGO!** and **GO!Social** customer base increased to 3.50 million monthly active users (2013: 2.98 million)

Acquisition and US Expansion

- Total revenues from North America increased by 334% to €15.5 million (2013: €3.6 million) representing the 15% of the total Group revenues.



- Services division of Sourcebits Inc. ('Sourcebits') acquired in July 2014 for a cash consideration of US\$12.2 million (€9.1 million). Sourcebits is now fully-integrated as part of the Group's Mobility Business Solutions (MBS) division and contributed revenue of €2.1 million for the period since acquisition
- Notify Technology Inc., (Notify) acquired in October 2013, now fully-integrated within the Group's US operations, contributed revenue of €3.0 million for the full year to 31 December 2014, resulting from growth in its Mobile Device Management (MDM) product and phasing-out of legacy offerings
- At the end of the period, 123 employees were located within the Group's US operations, namely Palo Alto (headquarters), San Francisco, New York and Canfield Ohio. Globo's Founder and CEO, Costis Papadimitrakopoulos, relocated to Palo Alto mid-year

Distribution Channels and Customer Wins

- The Group significantly expanded its distribution and reseller partnerships, providing access to more than 50 countries
- A number of significant contract and customer wins during the period, including the New South Wales Health Administration in Australia, the Ministry of Public Order and Citizen Protection in Greece and the Milton Keynes Council in the UK
- New clients during 2014 include: Siemens, TUI, TNT, PeopleCert and Intracom Telecom

Product Development

- Continued development of the *GO!Enterprise* offering, incorporating new features including Mobile Device Management and Cloud deployment
- Launch at 2014 Barcelona Mobile World Congress of *GO!AppZone* Mobile Application Development Platform (MADP) for cross-platform mobile apps build, test and deployment
- Launch of *GO!AppZone* cloud services including *GO!AppZone Test* and *GO!AppZone Build* for cloud-based creation and test of native cross-platform apps
- Launch of *GO!Enterprise Workspace*, an improved user experience including Secure Office Editor embedded as a free utility
- Integration of *GO!Enterprise* with Samsung KNOX™ for Expanded Security and Management of Android Devices, and Cisco's ISE™ (Identity Services Engine)
- December 2014: participation in European universities and private sector research project to develop a Parkinson's Disease treatment programme using mobile-health technology

Post Period-End

- January 2015: *GO!Enterprise* EMM 50,000 licence renewal and incremental purchase order from a US Fortune 100 company, worth US\$1.2 million (€1.0 million)



- Major contract wins with customers such as US ARMY, ING, EMC, INTEL, Musananda (UAE), Vodafone and Coca Cola

Trading Outlook

The strong momentum of 2014 has continued into the first quarter of 2015. The principal focus in 2015 remains expansion of the Group's US revenues and market presence, through organic growth, the addition of key personnel and, where appropriate, selective earnings-accretive acquisitions.

Commenting on the results, Costis Papadimitrakopoulos, Globo CEO, said:

"2014 has been a year of considerable progress for the Group. We have produced a strong financial performance, with significant growth in revenue, earnings and free cash flow, all ahead of market expectations, and driven primarily by organic licence growth. We have established and expanded upon our presence in the US, one of our key growth markets. We have also continued to develop our product offering, in line with the rapid change in both customer needs and technology trends. In doing so, we have received important industry recognition from Ovum, Gartner and the IDC for our EMM solution and mobile application development platform. This market recognition is a huge credit to the hard work and dedication of our global team.

After a strong start to 2015, we are well positioned to continue on the trajectory of the previous year. We will look to grow our profile in the market and increase our market share in the provision of EMM and MADP solutions and services, empowering the Mobile Enterprise. With our robust balance sheet, expanded geographical footprint and culture of innovation, I am confident that 2015 will be another successful year for the Group."

Results Presentation

There will be an analyst presentation today at 10.30 BST at 55 Old Broad Street, London EC2M 1RX. The presentation will also be webcast live at <http://www.globopl.com> and will also be accessible via a live conference call, dial-in No.: +44 (0)20 3059 8125, conference ID: Globo.

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Notes to Editors:

Globo Plc is a global provider of complete enterprise mobility solutions and SaaS. Our [GO!Enterprise](#) (EMM) and [GO!AppZone](#) (MADP) offerings help businesses expand their engagement with employees and customers through the mobile channel via a secure and extensible environment that runs on all smart devices. The Group operates internationally through subsidiaries and offices in U.S., U.K., Europe, Middle East and South East Asia. Globo was included in the 2014 Gartner Enterprise Mobility Management Magic Quadrant report, in Ovum's 2014-15 Decision Matrix for EMM Solutions and in IDC's January 2015 report on Mobile Enterprise Application Development Platforms. For more information visit www.globopl.com.



CHIEF EXECUTIVE OFFICER'S REPORT

Overview

During the past three years, Globo has transformed itself from a European software company into a leader in one of the most promising technology markets, combining mobile enterprise solutions, enterprise mobility management and applications development.

This past year has yielded a 49% growth in revenue to €106.4 million and a third consecutive year of an increase in free cash generation, amounting to €7.3 million, an increase of 40% on 2013.

In response to the rapidly changing demands of our target market Globo has developed a unique position in the Mobile Enterprise space.

Our offering continues to evolve, in line with the rapid change in both customer needs and technology trends. Building upon the needs of BYOD, enablement of mobile workforce, security, and engagement with consumer audiences and citizens using apps that matter, Globo today offers a comprehensive set of products and services to meet any customer's mobile ambition. We empower the Mobile Enterprise by offering products and services that can meet any customer need to transform, optimise and make an enterprise more profitable.

For our own part, investment in product development and the accumulation of sales and marketing skills have created the basis for continued growth and profitability. This is underpinned by the cost efficiencies built into our development facilities, a combination that gives us the resources for further innovation and investment.

We are also open to acquisition opportunities - such as Sourcebits in 2014 - which can add technical resource and further market access.

The Group has established US headquarters in Palo Alto. Enterprise Mobile services represents the dominant component of our business and we see a tremendous future in further building our presence in advanced markets such as the US and Western Europe. Our execution capabilities and underlying cost efficiencies will help the Group to maintain its track record of profitable growth.

We remain confident about our future growth prospects and believe that 2015 will be another successful year for the Group, building on the achievements of 2014.

Financial Performance



Group revenues grew 49% to €106.4 million (2013: €71.5 million). This was principally the result of strong organic growth in the mobile products and services segment of the Group, accounting for 90.6% of total revenue (2013: 90.5%), totalling €96.4 million (2013: €64.7 million).

Key elements of our 2014 financial performance include:

- **Profit before tax of €35.7 million**, an increase of 30% (2013: €27.4 million) and ahead of market expectations. This reflects the combination of strong top-line demand and the allocation of resources to increased marketing and direct sales processes combined with the cost efficiencies that the Group has achieved.
- **Group revenues from GO!Enterprise products and project services** increased by 94% to €57.9 million (2013: €29.9 million), driven by demand for *GO!Enterprise* solutions and service projects, and contributions from Notify and Sourcebits.
- **Increased Free Cash Flow generation to €7.3 million** (2013: €5.2 million), excluding the impact of the Sourcebits acquisition. This is the third consecutive year in which Globo has generated positive Free Cash Flow whilst maintaining strong revenue growth. Cash conversion² of profits remained healthy at 72%, supporting organic investment and working capital needs.

² Cash conversion represents the percentage of cash generated from operations relative to EBITDA.

GO!Enterprise Products and Services

GO!Enterprise generates revenues in three areas: from Enterprise Mobility Management (EMM) licenses; Mobile Application Development Platforms (MADP) licenses; and the provision of Mobile Software Consulting and Development services. As highlighted in industry surveys in 2014 such as the Gartner Enterprise Mobility Management Magic Quadrant report and Ovum's 2014-15 Decision Matrix for EMM Solutions, Globo's enterprise mobility offering is distinguished by its' ability to provide *combined* device management (EMM) and app development tools (MADP).

GO!Enterprise products and project services revenue increased by 94% to €57.9 million (2013 €29.9 million), reflecting demand for both EMM and MADP licenses and services. As originally projected, *GO!Enterprise* revenues represent the major revenue contributor for Globo (54.4% of total revenue) and this pace of growth provides us with confidence in growth over the next few years.

The Group saw a shift in emphasis in 2014 from channel and partner sales towards increased direct sales, notably in the US, and with this the potential for stronger links with our customers, supported by the consulting and development services provided by the Mobility Business Solutions (MBS) division.

The table provides a breakdown of revenue drivers in respective business divisions:

	2014 Installed Licenses	2014 Revenue	2013 Installed Licenses	2013 Revenue
<i>Enterprise Mobility Management (EMM) licenses³</i>	834,000	€12.6 million	340,600	€5.8 million
<i>Mobile Application Development Platform (MADP) licenses⁴</i>	31.8m	€20.0 million	13.1m	€9.1 million
<i>Mobility Business Solutions (MBS)⁵</i>	N/A	€25.3 million	N/A	€15.0 million
Total		€57.9 million		€29.9 million

³ **Enterprise Mobility Management (EMM) licenses** include *GO!Enterprise Office*, *Mobilizer*, *BOX*, *MDM*, *Sync*, *LinkBusiness to Employee licenses*, sold on a per named device model.

⁴ **Mobile Application Development Platform licenses** include *GO!Enterprise Reach (Business to Consumer licenses)* sold in blocks of 50,000 or 100,000 devices.

⁵ **Mobility Business Solutions (MBS) related to GO!Enterprise Project Services**

GO!Enterprise Enterprise Mobility Management (EMM) licenses

Revenue is comprised of licenses sold to organisations for secure workforce provision of apps - email, contacts, calendars, file access and handling, messaging, secure browsing, etc. - across multiple mobile devices. Products in this category are *GO!Enterprise Office*, *GO!Enterprise MDM*, *GO!Enterprise Mobilizer*, *GO!Notify Link/Sync*. These services are mainly hosted by our clients' own infrastructure; Globo also offers hosting and support services. Our EMM solution is based on a modular approach, which includes Mobile Device Management (MDM) for securing mobile devices and enforcing policies or, alternatively, an extendable secure "container" (*GO!Enterprise WorkSpace*) which establishes an separate, secure, enterprise workspace in the mobile device alongside personal data and applications. 2014 EMM revenue totalled €12.6 million (2013: €5.8 million).

GO!Enterprise Mobile Application Development Platform (MADP) licenses

Revenue is derived from licenses for the development and operation of cross-platform mobile applications for use by employees, associates or retail customers, branded as *GO!Enterprise Reach*. Services are deployed on-premise hosted on customers' infrastructure; Globo also offers hosting services and support services. Globo's *GO!AppZone* MADP solution enables cloud-based mobile app development based on a single source code for one-stop deployment on all operating systems -



Android, iOS, WindowsPhone, Windows8, BlackBerry, HTML5. This enables significant savings in manpower, development time and overall cost. 2014 MADP revenue totalled €20.0 million (2013: €9.1 million).

Mobility Business Solutions

MBS is a division within Globo, which provides "App development lifecycle services". This division offers the customer a holistic solution, whilst collaboration forms the basis of longer-term relationships with clients and a source of recurring revenues as new requirements arise.

MBS provides a comprehensive offering that helps companies that do not necessarily have the relevant resources, time or expertise, find their way through the fragmented and diverse mobility environment. It not only helps them develop a mobile strategy but enables them to implement it effectively with a future-proof secure cross-platform (*GO!AppZone*) or native technology.

This offering is designed to meet the requirements of enterprises, of all sizes and across a range of industries, for a complete professional service which will mobilise business apps and provide necessary support throughout the full Apps Development Lifecycle. To meet these demands requires a strong combination of consulting tools and skills.

Our MBS operation focuses on the differing requirements of specific sectors and clients, thus extending the traditional app development business model into that of an enabler and provider of professional services for both end-users and intermediary software vendors, VARs and System Integrators.

2014 MBS revenue totalled €25.3 million (2013: €15.0 million).

CitronGO! and GO!Social services

Based on feature phone technology, *CitronGO!* and *GO!Social* services are offered on a white label basis with an emerging markets emphasis. For these services Globo receives a fixed service fee per active user on a monthly basis. In 2014 revenue in this segment increased by 10.6% to €38.5 million (2013: €34.8 million). This growth was driven by a 17% increase in customer base to approximately 3.50 million active monthly users (2013: approximately 2.98 million active monthly users). At year-end we had 6.7 million unique users registered (2013: 6.3 million). We distribute services via Mobile Value Added Service Providers (MVASPs) and in turn Mobile Network Operators (MNOs) positioned as part of their own content offerings. At year-end, *CitronGO!* and *GO!Social* were being offered in 32 countries in Europe, Africa, Latin America, Asia and the Middle East. Smartphone diffusion in emerging markets continues to grow. We see continued demand for *CitronGO!* and *GO!Social* services in emerging markets which remain at early stages of mobile network development and anticipate that our consumer mobility products will continue to grow at a single digit rate during 2015. At the same time we are leveraging our market presence and reseller network in these emerging markets to introduce our *GO!Enterprise* product set as well as alternative *CitronGO!* offerings, based on a freemium model.

Telecom Services - S.a.a.S



This division recorded 2014 revenue of €6.6m (2013: €4.9 million), up 34.7%, the result of investments made over the prior two years aimed at improving our product portfolio. We continue to offer our *WiPLUS* fully-managed WiFi service for hotels, airports and marinas, which generates income through monthly fees. Via our Further Communications unit we provide MVAS offerings to other MNOs and to other value-added service providers. Globo Mobile Inc., provides other telecom services to international telecom operators. Investment in this division has been EBITDA-enhancing and has contributed positively to overall Group performance.

Distribution Partnerships

In 2014, Globo expanded its distribution and reseller partnerships, providing access to more than 50 countries.

- We have expanded our relationship with Ingram Micro Mobility Inc., for distribution of *GO!Enterprise* products to large scale enterprises and small- and medium-sized businesses (SMB in the United States and Canada). In addition we have signed a new agreement with Ingram Micro South Africa, for the distribution of our products in the African market
- We have entered into a strategic partnership with Bechtel Direct Ltd., via Computerlinks as distributor, for Enterprise Mobility Management solutions (*GO!Enterprise Office* and MDM) in the UK
- We have signed a distribution agreement with Qast Software Group for the *GO!Enterprise* portfolio in China, Taiwan, Hong Kong and Singapore
- We have signed a distribution agreement with SOFTTEK for the *GO!Enterprise* portfolio for China and are currently expanding in the US and Latin America
- We have signed a distribution agreement with DSP and LXPN for the *GO!Enterprise* portfolio for Germany
- Numerous new distribution agreements have also been signed, such as Portland Europe (Benelux), Plus Dynamics (Singapore), Ecfos (Switzerland, France), IREO (Spain) and GN4ME (Middle East & Africa)

Industry Recognition

During 2014, Globo has received market recognition from global analysts following the mobile technology sector and is now well-positioned within the top players in a multi-billion dollar industry which is set to grow over the coming years.

IDC estimates that the total EMM market should grow at a 22% CAGR (2012-2017) to reach US\$2.2 billion, whilst the market for MADP solutions should grow at a 39% CAGR to reach US\$4.8 billion over the same period; a combined market opportunity of US\$7.0 billion.

- In June 2014 Globo was the only new vendor added, amongst the fourteen included in Gartner's new *Magic Quadrant for EMM* report. Globo was positioned furthest on the "completeness of



vision" axis within the "Niche Players" quadrant, and recognised for the ability to augment device management (EMM solutions) with provision for mobile application development (MADP)

- In September 2014 Globo was included in Ovum's 2014-15 *Decision Matrix for EMM Solutions*. Ovum noted that; "Globo offers a well-rounded, end-to-end EMM solution, and is one of very few vendors to offer five out of six of our defined components."
- In December 2014 Globo was featured as the first, amongst 16 companies, in terms of revenue growth in the IDC's December 2014 report on Mobile Application Development Platforms (MADP) - "Worldwide Mobile Enterprise Application Development Platform 2014-2018 Forecast and 2013 Vendor Shares" - for its integrated offerings

Acquisition of Sourcebits

In June 2014, Globo acquired, for a total cash consideration of US\$12.2 million in a cash free/ debt free transaction (€9.1 million), the services division of Sourcebits, a highly-regarded San Francisco-based developer of mobile applications and a specialist in graphic user interface (GUI) technology. The acquisition brought 167 personnel to the Group, based in San Francisco and Bangalore, where Sourcebits has a development and technical support centre. It also brought access to a significant client base including Intel, SAP, P&G, The Coca-Cola Co., Bank of America, Columbia University and Hershey's. In 2014, Sourcebits contributed revenue of €2.1 million, and is now fully-integrated as part of Globo's Mobility Business Solutions (MBS) division.

Organic Expansion

We remain committed to organic expansion, notably our US presence where we continue to recruit skilled personnel in product development, project delivery and sales and marketing. In 2014 we expanded facilities in Athens for the MBS division, and established and grew our US headquarters in Palo Alto. We also announced plans to establish a new development centre in Pittsburg, Ohio, to take advantage of the pool of university talent available.

Technology Investments, Product Development and Innovation ("R&D")

In 2014 Globo invested €23.5 million in research and development (2013: €14.6 million), principally on expansion of the *GO!Enterprise* product suite and establishment of the Mobility Business Solutions division. Amortisation of capitalised R&D amounted to €12.8 million (2013: €8.3 million). Our R&D investment, equivalent in 2014 to 22.1% of revenue (2013: 20.4%), remains at a level sufficient to seed new enterprise mobility product development whilst allowing for the retention of cash generated by operations which will allow the Group to take advantage of acquisition opportunities should they arise. We enjoy the benefits of cost-effective development facilities in Canfield Ohio, Athens and Bangalore. At the Barcelona Mobile World Congress in February 2014 we announced a number of key developments, the direct result of our investment in R&D combined with the accumulated knowledge base, systems and IPR within the Group.



- Launch of *GO!AppZone*, a family of cloud services which supports simplified build, test and deployment of mobile apps. This included: *GO!AppZone Studio*, for rapid visual development of cross-platform mobile apps; *GO!AppZone ShowTime* for testing apps on a device before deployment; *GO!AppZone Build*, a cloud compiler which produces standalone or managed mobile apps, ready for deployment on all major mobile device platforms; *GO!AppZone Deploy*, a mobile backend service which simplifies connectivity with third-party systems, and enables management of deployed mobile apps. Globo believes that *GO!AppZone* has powerful and timely market potential based on its simplicity (e.g. speed of drag-and-drop compilation); granularity of device-specific Application Programming Interfaces (APIs); use of well-disseminated developer languages, HTML5, CCS and JavaScript; built in instant app test; and native mobile app functionality (e.g. ready for AppStore publishing), removing the need for additional platform-specific SDKs (Software Developer Kits)
- Launch of *GO!Enterprise WorkSpace*, aimed at an improved, intuitive, end-user experience. This included Secure Office Editor as a free pre-embedded utility, enabling users to securely create, view, edit, annotate and print documents in MS Word, Excel, PowerPoint, PDF or Text, as well as images on smartphones and tablets running Android, iOS and Windows operating systems. We added Microsoft SharePoint support to enable secure access to document repositories, with browsing, search and check-in/check-out functionalities

During the year we have announced significant new features to our product line such as:

- Addition of FIPS 140-2 validated encryption, which has been added to the entire Globo solution suite. Globo achieved the validation of its cryptographic modules from National Institute of Standards and Technology (NIST) Cryptographic Module Validation Program (CMVP) as per Federal Information Processing Standards (FIPS) 140-2 Security Standard for Cryptographic Modules. This addition is an important milestone for Globo's strategy for expansion in United States as it can compete more effectively for customers in highly-regulated markets such as government, finance and healthcare, which demand the highest level of validated encryption
- Integration of *GO!Enterprise* with Samsung KNOX™ including both the core security platform and secure app container. This integration enables organisations to secure and manage both bring your own device (BYOD) and corporate-issued Android smartphones and tablets from Samsung
- Integration of *GO!Enterprise* EMM (Enterprise Mobility Management) with Cisco ISE™ (Identity Services Engine), a system which monitors the status of mobile devices to enforce appropriate network access policies. Overall, this enables Globo to offer an added layer of security, control and compliance to enterprise IT
- Development of more than 30 business applications that focus on specific verticals or business operations and leverage the power of our *GO!Enterprise* Platforms. These applications are ready-made and are offered out of the box (with or without additional customization), and focus on areas



where we have identified substantial demand; m-Health, m-Banking, m-Commerce, m-Shipping, m-Investment, m-Travel, m-Government, m-Field Services, m-Customer Care and m-Loyalty

- Participation in numerous co-funded R&D projects such as the PD Manager program consortium of European Universities and companies which has been awarded a European Union Framework Programme grant of €4.3 million for research into Parkinson's Disease (PD) management using mobile-health (m-Health) technology.

We regard R&D and product development as a continuous innovative process. Our roadmap for 2015 remains exciting with further enhancements of our product line and research and development in new areas which offer significant growth opportunities such as Internet of Things (IoT), Wearable devices and Mobile Analytics.

Funded for Growth

The Group ended 2014 with a cash balance of €82.8 million and a net cash position of €40.4 million (2013: €64.2 million and €42.8 million). Our relationship with Barclays Bank PLC and East West United Bank Luxembourg remains strong, providing us access to additional capital should it be needed. Underpinned by our ability to generate free cashflow, this combination of existing resources on the balance sheet and available credit lines means that the Group has the platform from which to continue to develop aggressively and flexibly in the rapidly-evolving "mobile first" market of enterprise mobility management.

2015 Outlook

We are confident that 2015 will be a year of significant progress for Globo. Our focus will be on improving our market profile, increasing our share of the market for provision of EMM and MADP solutions and services, growing recurring revenues and continuing to generate positive cash flow. Having delivered another year of strong top line growth in 2014 combined with our third year of positive cash generation, we feel confident in having developed a strong formula for both innovation-based growth and sound business management. Current year trading has started strongly. Our product positioning and growing presence in the US, the key market for Enterprise Mobility, leads us to believe that in 2015 we can benefit from the momentum around *the "Mobile Enterprise"* transformation and increased awareness of secure BYOD solutions. Our ability to offer *combined* device management solutions and application development tools (EMM plus MADP) is our key competitive advantage in this field, which has been recognised by several analysts recently. We continue to strive to become a global leader in this exciting market which will deliver strong shareholder value.

Costis Papadimitrakopoulos

Chief Executive Officer

In 2014, Globo delivered a strong financial performance with substantial growth in revenue, profitability and positive Free Cash Flow.

Revenue

Group revenue increased by 49% to €106.4 million (2013: €71.5 million). This was the result of strong organic growth in the mobile segment, accounting for 90.6% of total revenue (2013: 90.5%), totalling €96.4 million (2013: €64.7 million).

- Revenue from GO!Enterprise products and project services increased by 93.6% to €57.9 million (2013: €29.9 million)
- Revenue from consumer mobility products and services increased by 10.6% to €38.5 million (2013: €34.8 million)
- Revenue of the Telecoms - S.a.a.S segment of the Group increased by 34.7% to €6.6 million (2013: €4.9 million)
- Revenue from the mobile third party goods reselling unit contributed €3.4 million (2013: €1.9 million).
- Of the €34.9 million of revenue growth, the contribution from organic growth was €29.8 million (85% of total revenue growth). The combined acquired revenue from Notify and Sourcebits was €5.1 million (15% of total revenue growth)

Gross Profit

Gross profit increased by 56.2% to €62.8 million (2013: €40.2 million). Gross margin for the year was 59.0% (2013: 56.2%). This resulted from the introduction of direct sales in the Enterprise Mobility segments, representing a shift in emphasis away from distribution solely via channels and partnership agreements. It was also the result of reduced amortisation charges within the year due to the maturity of the consumer mobility products, and the development of new enterprise mobility products which did not incur amortisation charges for the full year.

Depreciation and Amortisation

Depreciation of tangibles and amortisation of intangibles amounted to €13.5 million (2013: €8.6 million) reflecting the significant product development undertaken in both 2014 and 2013.

Operating Profit

Operating profit increased by 36.6% to €37.3 million (2013: €27.3 million), with an operating margin of 35.1% (2013: 38.2%). As expected, distribution and administration expenses increased and amounted



to €23.5 million (2013: €14.1million) due to the accelerated global expansion of the Group in terms of both personnel and higher marketing costs.

EBITDA

EBITDA increased by 41% to €50.9 million (2013: €36.0 million), with an EBITDA margin of 48% (2013: 50%).

Profit before Tax

Profit before tax for the period totalled €35.7 million, an increase of 30.3% (2013:€27.4 million). The taxation charge for the year was €0.7 million (2013: €2.1 million).

EPS

Basic earnings per share increased by 27.0% to €0.094 (2013: €0.074).

Balance Sheet

Total assets were €239.4 million at 31 December 2014 (2013: €174.7 million) comprising:

- €75.6 million of non-current assets
- €81 million of inventories, trade receivables, other receivables and current assets
- €82.8 million in cash at bank
- Net cash position (cash minus debt) at €40.4 million (2013: €42.8 million).

Equity increased by 28% to €176.0 million.

Total liabilities reached €63.4 million.

Cashflow

Cash generated from operations grew 60.4% to €36.4 million (2013: €22.7 million). Key features were:

- Net cash flow from operations, after interest and tax payments, of €31.0 million (2013: €20.6 million)
- Investments in property plant and equipment (tangible assets) of €0.9million (2013: €1.4 million)
- Investments in intangible assets of €23.5 million (2103: €14.6 million), amounting to 22.1% of Group revenue (2013: 20.4%). This resulted from the balance between an ongoing commitment to product development and innovation and the significant economies arising from R&D centres located in Ohio US, Greece and Bangalore
- Investments in the acquisition of Sourcebits of €9.1 million

Free Cash Flow



The Group, for a third consecutive year, reported increased positive Free Cash Flow of €7.3 million, before the impact of the acquisition of the services operations of Sourcebits and associated costs.

Acquisition of Sourcebits

The Group acquired the services division of Sourcebits, a specialist in design led mobile application development on 30 June 2014 for a cash consideration of US\$12.2m (€9.1 million) paid in full on 24 July 2014.

Income from Associate Globo Technologies S.A.

The Group has reported income from its associate, Globo Technologies S.A. - Greece, which continues to perform well, with total revenues having increased by 28% to €32.2 million (2013: €25.2 million) and profits before tax of €4.34 million (2013: €2.92 million). The recorded income from associate is €1.7 million (2013: €1.2 million).

The ongoing repayment schedule for the acquisition of the 51% of Globo Technologies shares, undertaken from the management team of Globo Technologies S.A., is on track with all instalments having been collected as per the schedule. For 2015 we expect to receive €3.0 million plus interest as part of the payment schedule.

Dimitris Gryparis

Finance Director

Copies of the Annual Report and Notice of AGM will be sent to shareholders and uploaded to the Company web site prior to the AGM.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2014

	2014	2013
	€'000	€'000
Continuing Operations		
Revenue	106,386	71,514
Cost of sales	(43,604)	(31,273)
Gross Profit	62,782	40,241
Other operating income	204	1,785
Distribution expenses	(8,547)	(4,009)
Administrative expenses	(15,000)	(10,129)
Other operating expenses	(2,118)	(570)
Operating Profit	37,321	27,318
Finance income	792	621
Finance costs	(4,125)	(1,701)
Income from associates	1,715	1,161
Profit / (Loss) before Tax	35,703	27,399
Taxation	(692)	(2,067)
Profit / (Loss) for the Year	35,011	25,332
Other Comprehensive Income		
Items that will be reclassified subsequently to profit or loss		
Currency translation differences on foreign operations	2,815	(339)
Other comprehensive income for the year, net of tax	2,815	(339)
Total Comprehensive Income for the Year	37,826	24,993
	2014	2013
	€'000	€'000
Profit / (Loss) for the year attributable to:		
Equity holders of the Company	35,011	25,332
	35,011	25,332
Total comprehensive income for the year attributable to:		



Equity holders of the Company	37,826	24,993
	<hr/>	<hr/>
	37,826	24,993
	<hr/>	<hr/>
Earnings per Share attributable to the Equity Holders of the Company (€ per share):		
Basic and diluted	0.094	0.074



CONSOLIDATED BALANCE SHEET

At 31 December 2014

	As at 31 December 2014 €'000	As at 31 December 2013 €'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,776	2,601
Intangible assets	45,260	32,382
Goodwill	7,615	836
Deferred tax assets	481	507
Other receivables	6,045	8,321
Investments in an associate	13,339	11,625
Other investments	118	51
Total Non-Current Assets	75,634	56,323
Current Assets		
Inventories and work in progress	4,870	6,136
Trade receivables	50,788	28,608
Other receivables	4,234	2,716
Other current assets	21,101	16,730
Cash and cash equivalents	82,825	64,194
Total Current Assets	163,818	118,384
TOTAL ASSETS	239,452	174,707
EQUITY AND LIABILITIES		
Shareholders' Equity		
Ordinary shares	4,653	4,653
Share premium	65,890	65,890
Other reserves	5,440	5,115
Translation reserve	2,852	37



Retained earnings	97,162	62,151
Total Equity - Capital and Reserves	175,997	137,846
Non-Current Liabilities		
Borrowings	39,697	21,433
Retirement benefit obligations	281	139
Finance lease liabilities	23	8
Deferred tax liabilities	3,305	2,954
Provisions for other liabilities and charges	593	457
Total Non-Current Liabilities	43,899	24,991
Current Liabilities		
Trade and other payables	4,698	4,642
Income tax payable	1,078	1,379
Taxes payable	772	439
Borrowings	2,700	-
Finance lease liabilities	22	14
Accrued liabilities and deferred income	10,286	5,396
Total Current Liabilities	19,556	11,870
TOTAL EQUITY AND LIABILITIES	239,452	174,707

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Ordinary shares	Share premium	Other Reserves	Reverse Acquisition Reserve	Translation Reserve	Retained Earnings	Total Equity
Balance at 1							
January 2013	4,224	39,067	5,221	-	376	36,679	85,567
Profit for the year	-	-	-	-	-	25,332	25,332
Other comprehensive income for the year	-	-	-	-	(339)	-	(339)
Total comprehensive income for the year	-	-	-	-	(339)	25,332	24,993
Increase in capital	400	27,982	-	-	-	-	28,382
Share issue costs	-	(1,502)	-	-	-	-	(1,502)
Exercise of options	29	343	(106)	-	-	140	406
Total contributions by and distributions to owners of the Company	429	26,823	(106)	-	-	140	27,286
Balance at 31							
December 2013	4,653	65,890	5,115	-	37	62,151	137,846
Balance at 1							
January 2014	4,653	65,890	5,115	-	37	62,151	137,846



Profit for the year	-	-	-	-	-	35,011	35,011
Other comprehensive income for the year	-	-	-	-	2,815	-	2,815
Total comprehensive income for the year	-	-	-	-	2,815	35,011	37,826
Increase in capital	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Exercise of options	-	-	325	-	-	-	325
Total contributions by and distributions to owners of the Company	-	-	325	-	-	-	325
Balance at 31 December 2014	4,653	65,890	5,440	-	2,852	97,162	175,997



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2014

	Year ended 31 December 2014	Year ended 31 December 2013
	€'000	€'000
Cash Generated from Operations	36,414	22,724
Interest paid	(4,125)	(1,701)
Income tax paid	(1,337)	(397)
Net Cash from Operating Activities	30,952	20,626
Cash Flows from Investing Activities		
Acquisition of subsidiaries, net of cash acquired	(9,147)	(3,869)
Purchases of tangible and intangible assets	(24,427)	(16,007)
Interest received	792	621
Net Cash used in Investing Activities	(32,782)	(19,255)
Cash Flows from Financing Activities		
Proceeds from issue of share capital	-	28,752
Share issue expenses	-	(1,502)
Proceeds from borrowings	30,036	24,500
Repayments of borrowings	(10,000)	(5,022)
Repayment of obligations under finance leases	23	(13)
Financing Fees of Senior Secured Term Loan	464	(3,066)
Dividends paid to non-controlling interest		
Net Cash from Financing Activities	20,523	43,649
Net Increase / (Decrease) in Cash and Cash Equivalents	18,693	45,020
Movement in Cash and Cash Equivalents		
Cash and cash equivalents at the beginning of the year	64,194	19,174
Exchange gain in cash and cash equivalents	(62)	-
Net increase / (decrease) in cash and cash equivalents	18,693	45,020
Cash and Cash Equivalents at the End of the Year	82,825	64,194



1. General Information

The Consolidated Financial Statements ("the Financial Statements") of Globo plc ("the Company") consists of the following companies: Globo plc, Profitel Communications S.A., Globo Mobile S.A., Reach Further Communications Limited, Globo Holdings Ltd, GMIP Limited, Globo Services (CY) Ltd, Globo EMEA Holdings Limited, Globo Mobile Technologies International FZ - LLC, Globo International LLC, Globo US Holdings LLC, Globo Mobile Inc., Globo Mobile Technologies Inc. ("the Group"), Sourcebits Inc., GMIP Ltd. Jersey, Globo Mobile Software Services Ltd, Sourcebits PBVT Limited.

The registered office address is 190 High Street, Tonbridge, Kent TN10 4EB.

2. Basis of Preparation

This preliminary announcement does not constitute the Group's full financial statements for 2014. This report is based on accounts which are in the process of being audited and will be approved by the Board and subsequently filed with the Registrar of Companies. Accordingly, the financial information for 2014 is unaudited and does not have the status of statutory accounts within the meaning of Section 435 of the Companies Act 2006, as the audit report has not yet been signed.

Financial information for the year to December 31, 2013 has been extracted from the full financial statements prepared under the historical cost convention as filed with the Registrar of Companies. The Auditors' report on the full financial statements for the year to December 31, 2013 was unqualified and did not contain statements under section 498(2) of the United Kingdom Companies Act 2006 (regarding adequacy of accounting records and returns), or under 498(3) (regarding provision of necessary information and explanations).

The preliminary unaudited announcements apply the recognition and measurement requirements of the International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention.

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information, including the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Segment Information



The following segments are based on the management reports received by the Board of Directors (who are the chief operating decision makers) which are used to make strategic decisions. The Directors consider the business from a product perspective. The main segments are:

Mobile products and services: The main activity of the Group. The Group sells its own mobile software products and services to its clients.

Telecom services - S.a.a.S: The Group combines telecom services with its own software products (e-business and Wi-Fi services) that are then sold on a "software as a service" basis.

Third party goods: The Group resells third party goods, to its customers, mainly comprising mobile accessories.

Transactions between segments are recorded at cost.

The Directors assess the performance of the operating segments based on revenue from external customers and gross profit. The segment information provided to the Directors for the reportable segments for the year ended 31 December 2014 is as follows:

	Third party goods €'000	Telecom services - S.a.a.S €'000	Mobile products and services €'000	Total €'000
Revenue from external customers	3,341	6,646	96,399	106,386
Inventory costs	(3,008)	-	(1,525)	(4,533)
Other expenses	-	(2,939)	(23,329)	(26,268)
Amortisation	-	(1,119)	(11,684)	(12,803)
Gross Profit	333	2,588	59,861	62,782
Depreciation	-	102	629	731
Expenditure on tangible fixed assets	-	98	764	862
Expenditure on intangible fixed assets	-	269	23,296	23,565
Disposals of intangible/ tangible assets	-	4	2	6
Total assets	457	18,725	182,091	201,273
Total liabilities	127	3,356	14,306	17,789

A further analysis of the Group's revenue for 2014 is shown below:

	Third party goods	Telecom services - S.a.a.S.	Mobile products and services	Total
	€'000	€'000	€'000	€'000
Consumer mobility services	-	-	38,491	38,491
GO!Enterprise products (EMM & MADP)	-	-	32,589	32,589
Mobility Business Solutions (MBS)	-	-	25,319	25,319
Third party goods	3,341	-	-	3,341
Wi-Fi Broadband services	-	638	-	638
Software as a Service	-	6,008	-	6,008
	3,341	6,646	96,399	106,386

The segment information provided to the Directors for the year ended 31 December 2013 is as follows:

	Third party goods	Telecom services - S.a.a.S	Mobile products and services	Total
	€'000	€'000	€'000	€'000
Revenue from external customers	1,892	4,953	64,669	71,514
Inventory costs	(1,701)	-	-	(1,701)
Other expenses	-	(354)	(20,965)	(21,319)
Amortisation	-	(899)	(7,354)	(8,253)
Gross Profit	191	3,700	36,350	40,241
Depreciation	-	268	112	381
Expenditure on tangible fixed assets	-	184	1,373	1,557
Expenditure on intangible fixed assets	-	801	13,801	14,602
Total assets	581	22,190	108,618	131,389
Total liabilities	1,998	6,077	10,280	18,355

A further analysis of the Group's revenue for 2013 is shown below:

	Third party goods	Telecom services - S.a.a.S	Mobile products and services	Total
	€'000	€'000	€'000	€'000
Consumer mobility services	-	-	34,808	34,808
GO!Enterprise products (EMM & MADP)	-	-	14,903	14,903
Mobility Business Solutions (MBS)	-	-	14,958	14,958
Third party goods	1,892	-	-	1,892
Wi-Fi Broadband services	-	434	-	434
Software as a Service	-	4,519	-	4,519
	1,892	4,953	64,669	71,514

4. Trade Receivables

	As at 31 December 2014	As at 31 December 2013
	€'000	€'000
Customer trade receivables	45,661	26,907
Post-dated cheques received	3,798	1,208
Notes receivables	5	5
Less: provision for impairment of receivables	(16)	(15)
Trade receivables - net	49,448	28,105
Advance payments to subcontractors and suppliers	1,340	503
	50,788	28,608

Trade receivables comprise customer receivables in credit and post-dated cheques received. The Group retains all risks associated with post-dated cheques received until the funds clear the bank on the presentation date.

Globo has several business lines with different end customers which vary in nature and terms of payment. The main business lines are:

- Consumer mobility services: Globo sells its consumer-use mobile solution principally in Emerging Markets via resellers who in turn have relationships with the mobile network operators who provide services to the end user. These are the CitronGO! and GO!Social apps. The Company's agreements with MNOs and Mobile Value Added Services providers are based on a revenue sharing and a resulting fee per active user.
- GO!Enterprise products (EMM & MADP): Globo sells licenses for its GO!Enterprise suite of products through partners, distributors and resellers. The resellers engage with their customers in order to promote their products and place orders, through the Company's partner portal, that are executed by issuing license keys for the products.
- Mobility Business Solutions (MBS): Globo also undertakes bespoke projects for clients such as the development of custom branded apps for use internally within a corporation or externally for the customer's clients.
- Telecom services - S.a.a.S: Globo offers services under the S.a.a.S model to several customers. These services include Hosting, Disaster recovery, Telecom services, SMS, Wi-Fi etc.

Ageing of trade receivables (net)

	As at 31 December 2014				As at 31 December 2013			
	€'000				€'000			
	Up to 3 months	Up to 6 months	Between 6 and 12 months	Over 12 months	Up to 3 months	Up to 6 months	Between 6 and 12 months	Over 12 months
Trade receivables from customers	25,531	14,338	5,641	135	19,199	5,496	679	1,519
Advance payments to Vendors	1,197	91	32	20	169	8	307	19
Trade receivables from post-dated cheques	3,798	-	-	5	566	534	107	5
	30,526	14,429	5,673	160	19,934	6,038	1,093	1,543

5. Other current assets

	As at 31 December 2014	As at 31 December 2013
	€'000	€'000
Prepayments	891	533



Accrued income and Amounts

recoverable on long term contracts	20,210	16,197
	21,101	16,730

Estimated income receivable on contracts is judged by Management through the application of their experience and knowledge of the industry in which the Group operates. Income for each individual contract is determined according to the stage of completion determined by reference to the cost of services performed to date as a percentage of the total cost of services to be performed. Management consider that the cost of services performed under each contract at any stage of completion when compared to total budgeted cost is an accurate measure of the work performed under those contracts. Total budgeted costs are continually reviewed throughout the contract of accuracy and costs incurred are closely monitored against budget. As at 31 December 2014 the amounts recoverable on long term contracts were €20,210,031 (2013: €16,197,000).

6. Earnings per share

	31/12/2014	31/12/2013
Profit attributable to equity holders of Company (€000's)	35,011	25,332
Weighted average number of ordinary shares in issue	373,689,061	344,532,666
Effect of dilutive potential ordinary shares:		
Share options and warrants	27,362	4,951
Weighted average number of ordinary shares for the purposes of diluted earnings per share	373,716,423	344,537,617
Basic earnings per share (€ per share)	0.094	0.074
Diluted earnings per share (€ per share)	0.094	0.074

7. Business Combinations - Acquisition in 2014

Acquisition of Sourcebits

During 2014 Globo acquired the services division of Sourcebits Inc., ("Sourcebits"), a developer of mobile applications and proprietary products for enterprise customers, for a cash consideration of US\$12.2 million (€9.1 million). The acquisition agreement was signed on 27 June 2014 with a completion date of 27 July 2014 through existing companies Sourcebits Inc and Sourcebits PBT Limited which are now fully owned subsidiary companies (100%) within the Globo Group.

This acquisition added approximately 167 new employees in San Francisco and Bangalore, India.

This bolt-on acquisition is in line with Globo's strategic objective to build its presence in the enterprise mobility market, and will accelerate its progress as a Mobile Application Development Platform ("MADP") provider. Since then, Sourcebits has become part of Globo's Mobility Business Services



division ("MBS"), providing substantial resources that allows Globo to expand its offerings faster and to a broader marketplace, particularly the United States. Sourcebits' scale provides Globo with more powerful and compelling assets to compete for new clients and develop custom mobile applications with its flagship GO!Enterprise platform.

The services division of Sourcebits is based in San Francisco, California, with a significant development centre in Bangalore, India. Sourcebits has an established client base including Intel, SAP, P&G, The Coca-Cola Co., Bank of America, Columbia University and Hershey's. There is minimal overlap between the two companies' client bases. In addition Sourcebits has been prominently recognised by Forrester in its research, has been recently recognised as a "Cool Vendor" by Gartner in their April 2014 report and is ranked among the top 10 of application development companies by SourcingLine, a Washington, DC-based research firm focused on IT, design and marketing services

The fair value of the identifiable assets and liabilities acquired and their carrying as of the acquisition date, were as follows:

IDENTIFIABLE ASSETS

Property, plant and equipment (note 15)	51
Intangible Assets (note 16)	
Software	5
Backlog	197
Customer Relations	327
Trademark/Trade Name Sourcebits	1,678
No complete agreements	45
Cash and cash equivalents	736
Trade receivables	318
Long term other receivables	630
Other current assets	250
Total Assets	4,237

ASSUMED LIABILITIES

Provision for other liabilities and charges	130
Current Liabilities:	
Trade and other payables	261
Accrued liabilities and deferred income	225
Non Current Liabilities:	
Deferred tax liabilities	785
Total Liabilities	1,401



Total Identifiable Net Assets	2,836
Purchase Price Consideration	9,815
<i>Fully attributed to the Group (100%)</i>	
Goodwill	6,979

Analysis of cash flows on acquisition

	Year ended 31 December 2014 €'000
Cash paid	9,815
Less:	
Net cash acquired with the subsidiary	736
 Net cash flow on acquisition	 9,079

8. Cash Generated from Operations

	Year ended 31 December 2014 €'000	Year ended 31 December 2013 €'000
Profit for the period before tax	35,703	27,399
Adjustments for:		
Profit on disposal of tangible/intangible assets	6	
Depreciation of property, plant and equipment	731	381
Amortisation of intangible assets	12,803	8,253
Movement in provisions	149	220
Impairment of assets	592	-
Share-based payments	325	33
Share of profit of associate	(1,715)	(1,161)
Finance costs (net)	3,333	1,080
Adjustments for changes in working capital		



Decrease/(increase) in inventory and work in progress	1,266	(1,599)
Increase in trade and other receivables (current)	(17,658)	(7,394)
Increase in current assets and other receivables	(3,657)	(5,401)
(Decrease)/increase in trade and other payables	4,536	913
Cash Generated from Operations	36,414	22,724