

## IMIMOBILE PLC

(“IMImobile” or the “Group” or the “Company”)

### Trading Update

*Continued organic growth; acquisitions performing well*

IMImobile, a cloud communications software and solutions provider, is pleased to announce the following update ahead of its preliminary results for the year ended 31 March 2018.

#### Financial and Operational Highlights

- There was strong trading momentum and organic revenue growth over the year with turnover ahead of market expectations, up over 45%.
- Year on year gross profit growth of over 17%.
- EBITDA and PAT were in line with market expectations following the anticipated investment in various growth initiatives.
- Continued strong cash conversion, over 85%.
- Successful earnings enhancing acquisitions of Sumotext in the US and Healthcare Communications in the UK, providing opportunities for the distribution of IMImobile software and services into new markets.
- Further progress cross selling of core IMImobile IP to Textlocal, IMImobile South Africa (formally Archer Digital) and IMImobile Intelligent Networks (formerly Infracast) clients.
- Ongoing product innovation and development of IP with recent launch of RCS functionality<sup>1</sup> on the IMIconnect platform and further development of the IMIbot.ai platform.

#### Europe & Americas

IMImobile delivered another year of strong organic gross profit growth in Europe and the Americas generated through its established customer relationships, new contract wins and delivery of innovative and scalable solutions to its growing list of blue-chip clients.

The Company consolidated its position as the UK market leader for digital and mobile interactions across major industry verticals. In addition, there were new deployments in the region within the retail, logistics and utilities sectors. These largely recurring revenue contract wins will support growth in the year to 31 March 2019 and beyond. Up-selling across the customer base of IMImobile Intelligent Networks (formerly Infracast) has also been successful.

The acquisition of Healthcare Communications, the leading provider of patient communications services to 140 NHS trusts in the UK has significantly strengthened the Group’s presence in the public services sector.

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<sup>1</sup> RCS (Rich Communications Services) Business Messaging capability which will bring feature rich media messaging to Android devices.

The Company's presence in the US was enhanced by the acquisition of Sumotext, a provider of mobile messaging solutions for government, travel, retail, healthcare and non-profit organisations. This offers a platform from which to grow IMImobile's position in the US enterprise market.

## **MEA**

Several new long-term contracts in the mobile operator, banking and broadcast sectors provide a healthier outlook for the region but, as anticipated, did not fully offset year on year declines in gross profit as a result of currency headwinds and the impact of a major customer contract renewal.

The Company remains confident of significant long-term growth in the region. Momentum has gathered in the enterprise market through IMImobile South Africa (formerly Archer Digital) upselling the Group's cloud product suite into the banking vertical. The pipeline of new deployments and opportunities is strong going into the new financial year.

## **India & SEA**

The region has seen very strong organic growth which has been driven by successful deployments for the Telenor Group and a further client win in the public sector.

The India Enterprise and Textlocal divisions have also experienced good growth. Since its launch two years ago, Textlocal India has now grown to over 18,000 paying customers.

## **Product innovation and IP**

During the year to 31 March 2018 the Group increased investment in its innovative products and platforms.

The Company recently announced the addition of RCS Business Messaging capability which will bring rich media messaging to Android devices. As a result, clients can now launch RCS messaging solutions alongside other digital communication channels that are available through the Group's cloud products.

We also introduced a Consent Management solution to help clients comply with the new General Data Protection Regulation (GDPR) with the first implementation of the solution delivered during the year to 31 March 2018.

The Group continues to invest in AI and automation capabilities with several current implementations for our IMIbot.ai product for companies in the utilities and retail sector.

## **Successful acquisitions**

Since its IPO four years ago, IMImobile has established a strong track record for successfully integrating acquisitions and creating revenue synergies. The acquisitions of IMImobile South Africa (formerly Archer), Textlocal, IMImobile Intelligent Networks (formerly Infracast), Sumotext and Healthcare Communications have all been successfully integrated and IMImobile is actively engaged in pursuing a number of opportunities to further cross sell and up sell its market leading cloud products and solutions.

The Board continues to see exciting opportunities to play a leading role in the continued consolidation of this exciting and rapidly evolving market.

**Jay Patel, Chief Executive of IMImobile PLC, commented:**

*“We have successfully built high quality software products that are well positioned to help our clients meet the challenges of digital transformation. The Group has now established its reputation for strong cash generation and year-on-year progress and we expect growth from all our divisions and geographies in the coming year. The acquisitions we have made have performed well and, adopting a similar, selective approach, we see further exciting opportunities to take a leading role in the consolidation of this sector.”*

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**About IMImobile PLC**

IMImobile is a cloud communications software and solutions provider that enables companies to use mobile and digital technologies to improve customer experience and engagement.

IMImobile's cloud software platform manage overs 22 billion messages and 42 billion commerce transactions a year across the world. Organisations that trust us to deliver smarter digital customer engagement include Centrica, AA, O2, EE, IKEA, BT, Foxtons, Pizza Hut, Vodafone, Airtel, AT&T, MTN, three of the major retail banks in the UK and public sector organisations in India, US and the UK.

IMImobile is headquartered in London with offices in Hyderabad, Atlanta, Dubai and Johannesburg and has over 1,000 employees worldwide. IMImobile is quoted on the London Stock Exchange's AIM market with the TIDM code IMO.

**Cautionary statement**

This announcement contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could, is confident, or other words of similar meaning. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other

factors that could cause actual results, and IMImobile's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are a number of factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are; increased competition, the loss of or damage to one or more key customer relationships, the outcome of business or industry restructuring, changes in economic conditions, currency fluctuations, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key management, or the key timing and success of future acquisition opportunities or major investment projects.

IMImobile undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.