

9 July 2020

IMI mobile PLC

(“IMI mobile”, the “Company” or “Group”)

Q1 Trading Update

Following the full year trading update published 9 April 2020, IMI mobile (AIM: IMO), a leading cloud communications software and solutions provider, is pleased to provide an update on Q1 FY21 trading, relating to the period 1 April 2020 through 30 June 2020 (the “Period”).

Highlights

- Resilient performance in the Period, with Group gross profit up approximately 20% year-on-year
- Cloud communications products year on year gross profit growth of over 30%
- Positive momentum on strategic deployments and new contract wins
- Financial position remains strong with net cash of £2m as at 30 June 2020, following placing in April 2020

Performance update

Trading has been resilient during the Period, the Group’s cloud communications product set which represents almost 90% of the Group’s gross profit, delivered gross profit growth of over 30% year-on-year. This growth was driven by the acquisition of 3Cinteractive Corp. in August 2019 and the existing cloud communications products business which delivered gross profit in line with the same period in the prior year despite the challenging environment.

Volumes and activity levels in the Group’s core sectors including Banking, Mobile Operators and Logistics have counteracted the sectors most adversely affected by the pandemic, notably Healthcare, SMB and Retail. Encouragingly, the Company is now seeing a steady recovery in these impacted sectors since late May.

The Group has continued to operate at full capacity on deployments that drive future recurring revenue streams. This has been for a mixture of existing and new blue-chip clients looking to accelerate their digital communication strategies. In addition, in the UK, the Group has won a multi-year renewal tender with a major broadcaster, gained new blue-chip clients in the utilities and leisure sectors as well as helped major UK mobile operators to enable free data for NHS workers.

Although the temporary suspension of hospital consultations and routine operations has resulted in a significant reduction in patient communication volumes, with a knock-on impact to healthcare revenues in the short term, this sector continues to be very important to the Group in the longer term. Pleasingly, significant progress has been made during the Period with greater adoption of the eClinic video consultation product, securing contracts with flagship NHS Trusts and generating international interest in its healthcare technology offering. The Group has, as a result, invested in additional sales resources within this sector.

During the Period, the Group has also seen continued momentum with the adoption of new communication channels by large enterprises. It has launched Apple Business Chat with a leading UK bank, completed its largest deployment for Rich Communications Services (RCS) for a Brazilian mobile operator as well as launching new WhatsApp Business services for a

number of major automotive brands. The Group continues to pioneer the adoption of new communication channels in order to enhance and preserve its market leading position.

Performance in North America, the largest addressable market for the Group's product set, continues to be encouraging, with significant opportunities identified for IMIconnect and the broader customer interaction management suite. The Board is pleased that new strategic deployments for large US retailers have continued during the Period, with the projects remaining on track for launch in Q2 FY21. The Company has also launched a new innovative 'curbside pickup' solution during the pandemic to enable customers to limit contact with others when collecting goods and services.

The Operator VAS (Value Added Service) and mobile payments business, which now represents just over 10% of Group gross profit, is continuing to experience significant structural decline as expected by management.

Cost management and financial position

The decisive actions the Board took in April, notably reductions in salaries and discretionary expenses, working from home and raising new equity capital have been successful in mitigating much of the impact and uncertainty of the initial shock of the pandemic, whilst also allowing the Group to capitalise on market opportunities.

In line with the increased confidence of the business, the Company has begun to return furloughed employees to the business and since 1 July, has returned all salaries, except those of the Board, to normal levels. The Company will also review the repayment of salary reductions based on its full year 2021 performance.

The Group's financial position remains strong with net cash of £2m as at 30 June 2020.

Outlook

There is significant uncertainty around the economic impact of the pandemic and, as a whole, the Group continues to be cautious. However, we are reassured by the substantial opportunities open to the Group and continue to invest in the core cloud communication products, developing sales and marketing initiatives in North America, establishing leadership in future messaging channels and deepening our offering in the healthcare sector.

The results of the first quarter, together with a good visibility of earnings, underpins the Company's confidence in achieving good year-on-year gross profit growth, including organic growth in the cloud communications products business, in the full year to 31 March 2021.

In the longer term, we anticipate that the significant disruption caused will drive and accelerate uptake of our leading technology and services as large global enterprises increasingly adopt digital transformation initiatives to improve customer engagement strategies.

Notice of Results

The Company will announce its final results for the year ended 31 March 2020 on 28 July 2020.

Jay Patel, Group Chief Executive of IMI mobile, commented:

“In addition to our high level of recurring revenue, our diversified client base and evolving service offering have underpinned the resilience of the business during this global crisis. We continue to see signs of recovery in some of the sectors more adversely impacted by the pandemic and, in addition to our new customer wins and growing pipeline, remain excited about the opportunities that a further acceleration of digital transformation initiatives provides for the Group’s future growth prospects. Our priority remains to look after the long-term success of the business, and I am very encouraged by how we have continued to serve our customers, employees and shareholders.”

This announcement is released by IMI mobile PLC and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with the Company’s obligations under Article 17 of MAR.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for releasing this announcement is Mike Jefferies, Group CFO.

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About IMI mobile PLC

IMI mobile is a communications software provider whose solutions enable enterprises to automate digital customer communications and interactions to improve customer experience and reduce operating costs.

IMI mobile's enterprise cloud communications software platform orchestrates customer interactions, connecting existing business systems with digital communications channels. Organisations that trust us to deliver smarter digital customer engagement include Hermes, Centrica, AA, O2, EE, BT, Walgreens, Tracfone, Ooredoo, Best Buy, Express, three of the major retail banks in the UK and public-sector organisations globally.

IMI mobile is headquartered in London with offices across the UK, Hyderabad, Toronto, Boca Raton, Dubai and Johannesburg and has over 1,100 employees worldwide. IMI mobile is quoted on the London Stock Exchange's AIM market with the TIDM code IMO.