

IMImobile PLC

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

Cloud communications software specialist IMImobile to acquire Impact Mobile

London, 3 July 2018 – IMImobile PLC, a global cloud communications software and solutions provider, is pleased to announce it has agreed to acquire Impact Mobile Inc. (“Impact Mobile”), Canada’s leading provider of end-to-end mobile engagement solutions from Dealnet Capital Corporation, a Canadian listed consumer finance company (the “Acquisition”). The Acquisition is highly complementary to IMImobile’s product set and customer base and is expected to be immediately significantly earnings enhancing for the Group. Impact Mobile’s existing reach into the US market is also highly appealing and the Acquisition provides further opportunity to strengthen the Group’s position in this market.

Highlights

- Impact Mobile provides a full range of software solutions and services to mobile operators, retailers, SMS aggregators, government agencies and major household brands across Canada and the United States.
- In addition to a comprehensive range of mobile solutions, Impact Mobile’s JumpTXT platform adds significant value to clients by helping them to meet regulatory compliance requirements, providing mobile engagement capabilities and supplying carrier grade messaging infrastructure.
- Initial cash consideration of C\$25 million (£14.4 million) payable in full on completion, and deferred cash consideration of C\$2.5 million (£1.4 million) payable in full six months after completion. The Acquisition will be funded from the Company’s existing cash resources and a committed £10 million term loan facility from Silicon Valley Bank.
- The Acquisition is expected to be immediately significantly earnings enhancing with a positive impact on Group earnings for the year ending 31 March 2019.
- Impact Mobile’s customer and product portfolio is highly complementary to IMImobile’s existing products and solutions, providing significant cross-sell and up-sell opportunities.

Commenting on the Acquisition Jay Patel, Chief Executive Officer of IMImobile said:

“We are delighted with the acquisition of Impact Mobile. As with our previous acquisitions, this combination allows us to extend the distribution of our software into an established and growing customer base.

We look forward to working with the experienced Impact Mobile team and expanding our footprint across North America.”

Background to and reasons for the Acquisition

Impact Mobile meets IMImobile's consistent and disciplined acquisition criteria. It has long-standing, established relationships with mobile operators, government organisations and enterprise customers across North America, and holds a market leading position in Canada. The diversified revenue profile, as well as high levels of customer retention, are also attractive.

The Acquisition will also strengthen IMImobile's North American management team with the Impact Mobile team being retained within the business to oversee the integration and delivery of future growth initiatives. The Impact Mobile JumpTXT platform will be integrated into IMImobile's core cloud infrastructure with expected operational benefits.

Impact Mobile is headquartered in Toronto, with an additional office in New York, employing 22 people. In the year ended 31 December 2017, Impact Mobile reported a turnover of C\$10.6 million (£6.1 million), gross profit of C\$7.6 million (£4.4 million) and adjusted EBITDA of C\$4.0 million (£2.3 million). Impact Mobile is expected to have net assets of C\$1.6 million (£0.9 million) at completion.

Terms of the Acquisition

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IMImobile and Dealnet Capital Corporation have signed a share purchase agreement for the sale of Impact Mobile, and anticipate closing the transaction within 10 days.

The exchange rate of £1 to C\$1.733 has been used.

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR")

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 42 billion messages and 44 billion commerce transactions a year across the world. Organisations that trust us to deliver smarter digital customer engagement include Centrica, AA, O2, EE, BT, Foxtons, Pizza Hut, Vodafone, 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.

About Impact Mobile

Founded in 2003, Impact Mobile has over 12 years mobile experience in the technology sector. As pioneers of the industry, the Impact Mobile team ran the first cross-carrier shortcode campaign in North America and has continued developing its innovative mobile-first solutions ever since. Impact Mobile has offices in several locations across North America including New York, Toronto and Montreal. The business has been featured in Deloitte's list of fastest growing technology companies for six years.

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