

## LETTER OF INTENT

To: Cisco Systems Inc.  
170 West Tasman Drive  
San Jose, California 95134

Cisco Systems Holdings UK Limited (Bidco) ("**Bidder**")  
1 Callaghan Square,  
Cardiff, CF10 5BT  
United Kingdom

### PRIVATE AND CONFIDENTIAL

07.12.20

Dear Ladies and Gentleman

Proposed offer to acquire all of the issued and to be issued share capital of Imimobile PLC (the "**Target**") at a price of 595 pence per share (the "**Transaction**")

We understand that the Bidder is considering the Transaction substantially on the terms and conditions set out or referred to in the draft of the Press Announcement attached at the Appendix to this letter and/or such other terms and conditions as required by (i) any applicable law or regulation; and (ii) the City Code on Takeovers and Mergers (the "**Code**"). It is intended that the Transaction will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (a "**Scheme**"), but the Bidder has reserved the right to elect to implement the Transaction by way of a takeover offer (an "**Offer**") under the Code and within the meaning of Part 28 of the Companies Act 2006.

Unless otherwise defined in this letter or unless the context requires otherwise, capitalised terms have the meaning given to them in the Press Announcement.

We confirm that the number of ordinary shares of 10 pence each in the capital of Target to which this letter of intent relates is 7,247,649 (Marlborough UK-Micro Cap Growth Fund), 515,489 (Marlborough Special Situations Fund) and 219,900 (Marlborough Technology Fund. (the "**Shares**").

We hereby confirm that it is currently our intention to instruct the custodian holding legal title to all the Shares we control the exercise of all rights over (including voting rights) to vote in favour of the resolutions to approve and effect such a Scheme or, in the case of an Offer, accept the Offer in respect of the Shares.

The intention expressed herein does not impose any legally binding obligations on ourselves to accept the Transaction and does not affect our ability to deal in the Shares. Unless we have previously notified you that our intention has changed, we consent to:

- a) the inclusion in any announcement or document prepared or issued relating to Transaction of a statement to the effect that we have indicated our intention to make such instruction to vote in favour of the Scheme or, in the case of an Offer, accept the Offer; and
- b) this letter being on website display during the Offer Period (as defined in the Code).

This letter and any non-contractual obligations arising out of, or in connection with, it are governed by English law. Any disputes arising out of or in connection with this letter shall be subject to the exclusive jurisdiction of the English courts.

Yours faithfully



**SIGNED by HARGREAVE HALE LIMITED**  
**For and on behalf of *MARLBOROUGH UK MICRO-CAP GROWTH FUND***



**For and on behalf of *MARLBOROUGH SPECIAL SITUATIONS FUND***



**For and on behalf of *MARLBOROUGH TECHNOLOGY FUND***

**APPENDIX**  
**PRESS ANNOUNCEMENT**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**7 DECEMBER 2020**

**RECOMMENDED CASH OFFER**

**for**

**IMIMOBILE PLC**

**by**

**CISCO SYSTEMS HOLDINGS UK LIMITED**

**an indirect wholly-owned subsidiary of Cisco Systems, Inc.**

**to be effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

**Summary**

- The board of directors of Cisco Systems Holdings UK Limited (**Bidco**), an indirect wholly-owned subsidiary of Cisco Systems, Inc. (**Cisco**), and the Independent Directors of IMImobile PLC (**IMImobile**) are pleased to announce that they have reached agreement on the terms of a recommended cash offer by Bidco for the acquisition of the entire issued and to be issued ordinary share capital of IMImobile (the **Offer**). The Offer is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act (the **Scheme**).
- Under the terms of the Offer, each Scheme Shareholder will be entitled to receive:  

<b>for each Scheme Share</b>	<b>595 pence in cash</b>
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- The terms of the Offer value the entire issued and to be issued ordinary share capital of IMImobile at approximately £543 million on a fully diluted basis and represent a premium of approximately:
  - 51.6 per cent. to the Closing Price of 393 pence for each IMImobile Share on 2 November 2020 (being the last Business Day before Cisco's first approach to IMImobile);
  - 47.8 per cent. to the Closing Price of 403 pence for each IMImobile Share on 4 December 2020 (being the last Business Day before the date of this Announcement); and
  - 59.7 per cent. to the six-month volume weighted average price of 373 pence as at 4 December 2020 (being the last Business Day before the date of this Announcement).

**Background to and reasons for the Offer**

- Cisco is a global leader in networking, offering a wide array of technology solutions and services across networking, collaboration, security, communications and cloud applications. Cisco's Contact Centre offerings are evolving as its customers move towards Contact Centre as a Service, a trend that has accelerated as more agents work from home.

- Customer expectations are rising. In a competitive market, businesses now compete not only on products and services, but also on the quality of the interactive experience they can offer to their customers. Cisco's vision is to create a comprehensive Customer Experience as a Service (CXaaS) offer for customers, offering a platform to provide consistently enjoyable customer experiences. In order to improve the understanding, analysis and optimisation of customer journeys, Cisco added an experience management solution that provides customer sentiment analytics as well as natural language capabilities that enable AI-powered customer interactions. IMImobile offers software and services which allow enterprises to stay constantly connected to their customers and which will allow Cisco to progress its vision of offering a comprehensive CXaaS offering.
- IMImobile's services enable enterprises to offer their customers enhanced interactive experiences, for example:
  - IMImobile makes it easy for businesses to communicate with a customer in that customer's channel of choice;
  - IMImobile allows a business to seamlessly manage interactions across the entire customer journey;
  - IMImobile provides omni-channel programmability that comes in the form of APIs as well as low-code flow-builders enabling businesses to rapidly and painlessly change the workflows that allow them to serve and interact with their customers;
  - IMImobile orchestrates and integrates interactions with enterprise systems, on an easy-to-use cloud communications platform; and
  - IMImobile automates interactions to improve experiences, saving time and reducing costs.
- Following completion of the Offer, Cisco will be able to provide customer-facing businesses with an end-to-end customer interaction management solution as well as an ability to drive faster and smarter customer interactions and orchestration throughout the journey and lifecycle of the customer. Furthermore, Cisco will be able to extend journey analytics and customer interaction capabilities beyond the Contact Centre and be able to provide a comprehensive set of popular channels including WhatsApp, RCS and Apple Business Chat. Every touchpoint on every channel will be an opportunity to deliver rich, engaging intuitive experiences where every interaction matters.

### **Irrevocable undertakings and letters of intent**

- Bidco has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of the Offer) in respect of 25,844,714 IMImobile Shares, representing, in aggregate, approximately 31.3 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date. These irrevocable undertakings have been received from:
  - Liontrust, in respect of 15,412,321 IMImobile Shares, representing approximately 18.7 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date; and
  - each of the IMImobile Directors who holds IMImobile Shares, representing, in aggregate, 10,432,393 IMImobile Shares, being approximately 12.6 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date. The irrevocable undertakings received from the IMImobile Directors remain binding in the event of a higher offer.
- Bidco has also received non-binding letters of intent from each of Hargreave Hale and Octopus Investments to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed

at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of the Offer) in respect of, in aggregate, 19,100,656 IMImobile Shares, representing approximately 23.2 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date.

- Bidco has therefore received irrevocable undertakings or letters of intent in respect of, in aggregate, 44,945,370 IMImobile Shares, representing approximately 54.5 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date.
- Further details of these irrevocable undertakings and letters of intent are set out in Appendix 3 to this Announcement.

## **Recommendation**

- The Independent IMImobile Directors, who have been so advised by Investec as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing its financial advice, Investec has taken into account the commercial assessments of the IMImobile Directors. Investec is providing independent financial advice to the Independent IMImobile Directors for the purposes of Rule 3 of the Code.
- **Accordingly, the Independent IMImobile Directors intend to recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that IMImobile Shareholders vote in favour of the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, that IMImobile Shareholders accept such Offer) as the Independent IMImobile Directors who hold IMImobile Shares have irrevocably undertaken to do in respect of their own entire beneficial holdings, amounting to 6,316,457 IMImobile Shares, in aggregate, representing approximately 7.7 per cent. of the issued share capital of IMImobile as at the Last Practicable Date.**
- The Executive IMImobile Directors have not participated in the decision to make the recommendation referred to above as they are beneficiaries under the incentivisation arrangements described in paragraph 11 of the full Announcement below. However, the Executive IMImobile Directors, being Jay Patel, Michael Jefferies and Shyamprasad Bhat, support the Offer, and each of them has, pursuant to an irrevocable undertaking, undertaken to vote in favour of the resolutions relating to the Offer at the Court Meeting and the General Meeting in respect of their beneficial holdings of 4,115,936 IMImobile Shares, representing, in aggregate, approximately 5.0 per cent. of the issued share capital of IMImobile as at the Last Practicable Date.

## **General**

- If any dividend, other distribution or return of capital is declared, made or paid in respect of the IMImobile Shares on or after the date of this Announcement and with a record date prior to the Effective Date, Bidco reserves the right to reduce the consideration payable in respect of each IMImobile Share by the amount of all or part of any such dividend, other distribution or return of capital, except where IMImobile Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive any such dividend, other distribution or return of capital and retain it. If Bidco exercises this right or makes such a reduction in respect of a dividend or other distribution, IMImobile Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital.
- It is intended that the Offer will be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act, further details of which are contained in the full text of this Announcement (and will be included in the Scheme Document). However, Bidco reserves the right, with the consent of the Panel and subject to the terms of the Co-operation Agreement, to implement the Offer by way of a Takeover Offer.

- The Offer will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement including, among other things: (a) the approval of Scheme Shareholders at the Court Meeting and the passing of the Resolutions to be proposed at the General Meeting; (b) the sanction of the Scheme by the Court; (c) the Scheme becoming Effective no later than the Long Stop Date; and (d) obtaining certain merger control approvals. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting representing at least 75 per cent. in value of the Scheme Shares voted by such holders.
- The Scheme Document will include full details of the Scheme, together with an explanatory statement providing details of the Offer, and the notices convening the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Offer and will specify the necessary actions to be taken by IMImobile Shareholders. The Scheme Document will be sent to IMImobile Shareholders as soon as reasonably practicable (subject to the availability of the Court to approve the posting of the Scheme Document). The Panel has consented to a posting date later than 28 days following the date of this Announcement.
- The Scheme is expected to become Effective during the first quarter of 2021, subject to satisfaction or (where applicable) waiver of the Conditions set out in Appendix 1 to this Announcement.
- Commenting on the Offer, Jeetu Patel, senior vice president and general manager of Cisco’s Security and Applications business, said:

*“A great customer relationship is built on consistently enjoyable interactions where every touchpoint on every channel is an opportunity for businesses to deliver rich, engaging and intuitive experiences. We look forward to working with IMImobile to help create a comprehensive CXaaS solution for the market – one that gives businesses a platform to provide delightful experiences across the entire customer lifecycle journey.”*

- Commenting on the Offer, John Allwood, Non-Executive Chairman of IMImobile, said:

*“The offer from Cisco recognises the significant achievements of all of the team at IMImobile – we have grown every year, not only in revenue terms, but also in scale and capability and have one of the market leading technologies and platforms for customer engagement. Since listing in 2014, we have delivered a revenue CAGR of 23% whilst significantly expanding the geographic footprint of the organisation and now work with many of the world’s leading businesses.*

*We know that our increasingly digital, always-on world is transforming the way companies connect to customers on a daily basis. So now, more than ever, customer experience is a key competitive advantage for consumer businesses. So, we’re creating a world where enterprises can stay constantly connected to their customers.*

*We recognise that our strategic ambitions are closely aligned with Cisco, as we both seek to make every interaction matter and transform customer experience for our clients and brands across the world. Cisco has committed to supporting our current growth plans and we look forward to pursuing these plans with the benefit of being part of one of the world’s leading technology companies.*

*In recommending this Offer to the IMImobile Shareholders, the Independent Directors of IMImobile believe it is in the best interests of all stakeholders in IMImobile, enabling them to realise significant and immediate value, whilst enabling the long term success of the business.”*

- Commenting on the Offer, Jay Patel, Group Chief Executive Officer of IMImobile, said:

*“We are excited to join Cisco and become part of one of the world’s leading technology companies as they seek to enable great customer experiences. We believe there will be a world of dynamic, always-*

*on connections between global businesses and their customers and the combination of our respective technologies will enable to us make every interaction matter more for our clients.”*

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices).**

**The Offer will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 to this Announcement contains the bases of calculations and sources of certain information contained in this Announcement. Appendix 3 to this Announcement contains a summary of the irrevocable undertakings and letters of intent received by Bidco in relation to the Offer. Appendix 4 to this Announcement contains definitions of certain expressions used in this summary and in this Announcement.**

**Enquiries:**

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Allen & Overy LLP and Fenwick & West LLP are retained as legal advisers to Cisco and Bidco. Addleshaw Goddard LLP is retained as legal adviser to IMImobile.

***Important notices relating to financial advisers***

*Barclays, which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Cisco and Bidco and no one else in connection with the Offer and shall not be responsible to anyone other than Cisco and Bidco for providing the protections afforded to clients of Barclays nor for providing advice in connection with the Offer or any other matter referred to herein.*



*In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in IMImobile securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

*Investec, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively as financial adviser for IMImobile and no one else in relation to the Offer and/or other matters set out in this Announcement and will not be responsible to anyone other than IMImobile for providing the protections afforded to the clients of Investec, or for providing advice in relation to the Offer, the contents of this Announcement or any other matter referred to herein. Neither Investec nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Investec in connection with the Offer, this Announcement, any statement contained herein or otherwise.*

*In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Investec and its affiliates will continue to act as exempt principal trader in IMImobile securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

*N+1 Singer, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as joint broker to IMImobile and for no one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than IMImobile for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this Announcement.*

### **Further information**

*This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire or subscribe for or dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely through the Scheme Document (or, in the event that the Offer is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Offer, including details of how to vote in respect of the Scheme. IMImobile Shareholders are advised to read the Scheme Document (including the related Forms of Proxy) (and/or, in the event that the Offer is to be implemented by way of a Takeover Offer, the Offer Document) once this becomes available because it will contain important information in relation to the Offer. Any vote in respect of resolutions to be proposed at the Court Meeting and/or the General Meeting, and any decision in respect of the Scheme or other response in relation to the Offer, by IMImobile Shareholders should be made only on the basis of the information contained in the Scheme Document (and/or, in the event that the Offer is to be implemented by way of a Takeover Offer, the Offer Document).*

*This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.*

*This Announcement does not constitute a prospectus or prospectus exempted document.*

### **Overseas shareholders**

*The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to participate in the Offer or to vote their Scheme Shares in respect of the Scheme at the Court Meeting or in respect of the Resolutions to be proposed at the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting and/or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Offer shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.*

*Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer.*

*If the Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

*The availability of the Offer to IMImobile Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. Further details in relation to IMImobile Shareholders in overseas jurisdictions will be contained in the Scheme Document.*

*The Offer will be subject to English law and the applicable requirements of the Court, the Code, the Panel, the London Stock Exchange, the AIM Rules and the FCA.*

#### **Notice to US investors**

*The Offer relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.*

*Accordingly, the Offer is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Furthermore, the payment and settlement procedure with respect to the Offer will comply with the relevant rules under the Code, which differ from US payment and settlement procedures, particularly with regard to the date of payment of consideration.*

*However, if Bidco were to elect to implement the Offer by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a Takeover Offer would be made in the United States by Bidco and no one else, in compliance with US law and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder.*

*In accordance with normal United Kingdom practice, Cisco, Bidco or their nominees or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of IMImobile outside of the US, other than pursuant to the Offer, until the date on which the Offer and/or Scheme becomes effective, lapses or is otherwise withdrawn, in compliance with applicable law, including the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to the Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The receipt of consideration by a US holder for the transfer of its IMImobile Shares pursuant to the Offer will likely be a taxable transaction for United States federal income tax purposes. Each US holder of IMImobile Shares is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to such holder, including under applicable United States state and local tax laws, as well as overseas and other tax laws that may be applicable.*

*Some or all of IMImobile's officers and directors reside outside the US, and some or all of its assets are or may be located in jurisdictions outside the US. Therefore, investors may have difficulty effecting service of process within the US upon those persons or recovering against IMImobile or its officers or directors on judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment. It may not be possible to sue IMImobile or its officers or directors in a non-US court for violations of the US securities laws.*

*Neither the SEC nor any US state securities commission has approved or disapproved or passed judgment upon the fairness or the merits of the Offer or determined if this Announcement is adequate, accurate or complete.*

*Financial information relating to IMImobile included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS and may not therefore be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

### **Forward-looking statements**

*This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer, and other information published by IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group contain statements which are, or may be deemed to be, "forward looking statements". 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, without limitation, "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "hope", "continue", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements include, but are not limited to, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects, (ii) business and management strategies and the expansion and growth of the operations of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, (iii) the effects of government regulation on the business of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, (iv) negative effects relating to this Announcement and/or status of the Offer, (v) the possibility that any of the conditions to the Offer will not be satisfied, and (vi) significant transaction costs (including litigation) or unknown liabilities. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-*

looking statements. Among such factors are changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

*These forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which IMImobile, any member of the IMImobile Group, Cisco, Bidco or any member of the Cisco Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. By their nature, these forward-looking statements involve known and unknown risks, and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this Announcement may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons reading this Announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. None of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, or their respective members, directors, officers, employees, advisers or any person acting on behalf of one or more of them, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.*

*None of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, or their respective members, directors, officers, employees, advisers or any person acting on behalf of one or more of them, has any intention or accepts any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent legally required. All subsequent oral or written forward-looking statements attributable to IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.*

#### **No profit forecasts or estimates**

*Save in relation to the statements made by IMImobile at paragraph 9 of this Announcement, no statement in this Announcement is intended as a profit forecast or estimate for Cisco, Bidco or IMImobile for any period and no statement in this Announcement should be interpreted to mean that cash flow from operations, earnings, or earnings per share or income of those persons (where relevant) for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, earnings, earnings per share or income of those persons (as appropriate).*

#### **Publication on a website**

*A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 and Rule 26.2 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, on IMImobile's website at <https://investors.imimobile.com/regulatory-announcements/recommended-cash-offer> and on Cisco's website at <http://investor.cisco.com/Recommended-cash-offer> by no later than 12 noon on the Business Day following the date of this Announcement.*

*Neither the content of these websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this Announcement.*

#### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement (and any information incorporated into it by reference to another source) in hard copy form free of charge. A person may also request that all future documents, announcements and information sent to that person in relation to*

*the Offer should be in hard copy form. For persons who have received a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent to you unless you have previously notified IMImobile's registrar, Link Group, that you wished to receive all documents in hard copy form or unless requested in accordance with the procedure set out below.*

*If you would like to request a hard copy of this Announcement from IMImobile please contact IMImobile's registrar, Link Group, on 0371 664 0300 (from within the UK) or on +44 371 664 0300 (from outside the UK), or by writing to Link Group, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Calls are charged at 12 pence per minute and will vary by provider. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09:00 and 17:30, Monday to Friday, excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes*

### ***Information relating to IMImobile Shareholders***

*Please be aware that addresses, electronic addresses and certain other information provided by IMImobile Shareholders, persons with information rights and other relevant persons for the receipt of communications from IMImobile may be provided to Bidco during the Offer Period as required under section 4 of Appendix 4 to the Code.*

### ***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### ***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Rule 2.9 of the Code**

*For the purposes of Rule 2.9 of the Code, IMImobile confirms that, as at the Last Practicable Date, it had 82,470,795 ordinary shares of 10 pence each in issue and admitted to trading on AIM. The International Securities Identification Number for IMImobile Shares is GB00BLBP4Y22.*

### **General**

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

### **Time**

*All times shown in this Announcement are London times, unless otherwise stated.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**7 DECEMBER 2020**

**RECOMMENDED CASH OFFER**

**for**

**IMIMOBILE PLC**

**by**

**CISCO SYSTEMS HOLDINGS UK LIMITED**

**an indirect wholly-owned subsidiary of Cisco Systems, Inc.**

**to be effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

**1. Introduction**

The board of directors of Bidco, an indirect wholly-owned subsidiary of Cisco, and the Independent IMImobile Directors are pleased to announce that they have reached agreement on the terms of a recommended cash offer by Bidco for the acquisition of the entire issued and to be issued ordinary share capital of IMImobile.

The Offer is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

**2. The Offer**

Under the terms of the Offer, which shall be subject to the Conditions and further terms set out in Appendix 1 and to the full terms and conditions of the Offer which will be set out in the Scheme Document, each Scheme Shareholder will be entitled to receive:

**for each Scheme Share                      595 pence in cash**

The terms of the Offer value the entire issued and to be issued ordinary share capital of IMImobile at approximately £543 million on a fully diluted basis and represent a premium of approximately:

- 51.6 per cent. to the Closing Price of 393 pence for each IMImobile Share on 2 November 2020 (being the last Business Day before Cisco's first approach to IMImobile);
- 47.8 per cent. to the Closing Price of 403 pence for each IMImobile Share on 4 December 2020 (being the last Business Day before the date of this Announcement); and
- 59.7 per cent. to the six-month volume weighted average price of 373 pence as at 4 December 2020 (being the last Business Day before the date of this Announcement).

If any dividend, other distribution or return of capital is declared, made or paid in respect of the IMImobile Shares on or after the date of this Announcement and prior to the Effective Date, Bidco reserves the right to reduce the consideration payable in respect of each IMImobile Share by the amount of all or part of any such dividend, other distribution or return of capital, except where IMImobile Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive such dividend, other distribution or return of capital and retain it. If Bidco exercises this right or makes such a reduction in respect of a dividend or other distribution, IMImobile Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

The Scheme Shares will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date.

Full details of the Scheme will be included in the Scheme Document, together with notices of the Court Meeting and the General Meeting. The Scheme Document will be published as soon as reasonably practicable (subject to the availability of the Court to approve the posting of the Scheme Document). The Panel has consented to a posting date later than 28 days following the date of this Announcement. Subject to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective in the first quarter of 2021.

### **3. Background to and reasons for the Offer**

Cisco is a global leader in networking, offering a wide array of technology solutions and services across networking, collaboration, security, communications and cloud applications. Cisco's Contact Centre offerings are evolving as its customers move towards Contact Centre as a Service, a trend which has accelerated as more agents work from home.

Customer expectations are rising. In a competitive market, businesses now compete not only on products and services, but also on the quality of the interactive experience they can offer to their customers. Cisco's vision is to create a comprehensive CXaaS offer for customers, offering a platform to provide consistently enjoyable customer experiences. In order to improve the understanding, analysis and optimisation of customer journeys, Cisco added an experience management solution that provides customer sentiment analytics as well as natural language capabilities that enable AI-powered customer interactions. IMImobile offers software and services which allow enterprises to stay constantly connected to their customers and which will allow Cisco to progress its vision of offering a comprehensive CXaaS offering.

IMImobile's services enable enterprises to offer their customers enhanced interactive experiences, for example:

- (a) IMImobile makes it easy for businesses to communicate with a customer in that customer's channel of choice;
- (b) IMImobile allows a business to manage seamlessly interactions across the entire customer journey;



- (c) IMImobile provides omni-channel programmability that comes in the form of APIs as well as low-code flow-builders enabling businesses to rapidly and painlessly change the workflows that allow them to serve and interact with their customers;
- (d) IMImobile orchestrates and integrates interactions with enterprise systems, on an easy-to-use cloud communications platform; and
- (e) IMImobile automates interactions to improve experiences, saving time and reducing costs.

Following completion of the Offer, Cisco will be able to provide customer-facing businesses with an end-to-end customer interaction management solution as well as an ability to drive faster and smarter customer interactions and orchestration throughout the journey and lifecycle of the customer. Furthermore, Cisco will be able to extend journey analytics and customer interaction capabilities beyond the Contact Centre and be able to provide a comprehensive set of popular channels including WhatsApp, RCS and Apple Business Chat. Every touchpoint on every channel will be an opportunity to deliver rich, engaging intuitive experiences where every interaction matters.

#### 4. Recommendation

The Independent IMImobile Directors, who have been so advised by Investec as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing its financial advice, Investec has taken into account the commercial assessments of the IMImobile Directors. Investec is providing independent financial advice to the Independent IMImobile Directors for the purposes of Rule 3 of the Code.

**Accordingly, the Independent IMImobile Directors intend to recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that IMImobile Shareholders vote in favour of the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, that IMImobile Shareholders accept such Offer) as the Independent IMImobile Directors who hold IMImobile Shares have irrevocably undertaken to do in respect of their own entire beneficial holdings, amounting to, in aggregate, 6,316,457 IMImobile Shares, representing approximately 7.7 per cent. of the issued share capital of IMImobile as at the Last Practicable Date, as more fully described in Appendix 3.**

The Executive IMImobile Directors have not participated in the decision to make the recommendation referred to above as they are beneficiaries under the incentivisation arrangements described in paragraph 11 of this Announcement. However, the Executive IMImobile Directors, being Jay Patel, Michael Jefferies and Shyamprasad Bhat, support the Offer, and each of them has, pursuant to an irrevocable undertaking, undertaken to vote in favour of the resolutions relating to the Offer at the Court Meeting and the General Meeting in respect of their beneficial holdings of 4,115,936 IMImobile Shares, representing, in aggregate, approximately 5.0 per cent. of the issued share capital of IMImobile as at the Last Practicable Date.

#### 5. Background to and reasons for the Independent IMImobile Directors' recommendation

The board of directors and management team of IMImobile have built a strong business since its initial public offering in 2014, growing the market capitalisation of IMImobile from £56.7 million on 27 June 2014 to £331.9 million as at the Last Practicable Date. This has been achieved through a combined organic and inorganic growth strategy, building one of the market's leading Communications Platform as a Service (CPaaS) businesses.

This continued progress in CPaaS stems from the sustained growth across all sectors and regions for cloud communication platform products and services. In addition, increasing momentum from digital transformation trends, combined with new client wins in the North American market and a strong

pipeline of opportunities means the IMImobile Group is well positioned to deliver an acceleration of growth in the future.

The Independent IMImobile Directors consider that the IMImobile Group's market position is a result of the implementation of its growth strategy:

- (a) to grow the IMImobile Group's share of customer interactions within existing clients;
- (b) to accelerate the IMImobile Group's market penetration of its technologies through partnerships;
- (c) to be at the forefront of introducing new innovative customer engagement technologies; and
- (d) to leverage acquisitions for market distribution.

In line with its strategy, the IMImobile Group completed the milestone strategic acquisition of 3Cinteractive in August 2019, which strengthened its position in North America and established its position as one of the global leaders in RCS Business Messaging.

The IMImobile Group has continued to seek further strategic acquisition opportunities in line with the clear trend for consolidation in the CPaaS market. This has led to increasing valuation multiples across the sector which IMImobile has benefitted from but which has also hindered IMImobile's advances in competitive acquisition processes.

Whilst the Independent IMImobile Directors believe there is potential for future growth in equity value for IMImobile Shareholders, they recognise the benefits of a combination with Cisco which is a large global market participant with relevant industry experience and a commitment to the ongoing investment requirements of supporting the international growth of the IMImobile Group's CPaaS platform in a rapidly growing and consolidating marketplace.

The Independent IMImobile Directors have evaluated the Offer on behalf of the IMImobile Shareholders and have also considered the interests of IMImobile's employees, customers and other key stakeholders. The Independent IMImobile Directors have held detailed discussions regarding the terms of the potential acquisition of IMImobile by Cisco. These discussions have resulted in the Offer at a price of 595 pence in cash for each IMImobile Share, which the Independent IMImobile Directors are pleased to note results in a premium enterprise value to EBITDA, less capitalised R&D, valuation multiple in comparison to the wider sector peer group.

In the current uncertain economic climate, the Independent IMImobile Directors believe that an offer from a substantial organisation, committed to the expansion of the IMImobile Group, which also gives IMImobile Shareholders an opportunity to realise their investment in cash, at a significant premium to the prevailing share price, is in the best interests of all stakeholders. As such, the Independent IMImobile Directors believe that the Offer represents a compelling opportunity for IMImobile Shareholders to immediately and fully realise the value from their investment in cash at a significant premium.

The Independent IMImobile Directors, who have been so advised by Investec as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable and unanimously intend to recommend that IMImobile Shareholders vote in favour of the Scheme at the Court Meeting and that IMImobile Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own IMImobile Shares, representing, in aggregate, approximately 7.7 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date.

The Executive IMImobile Directors have not participated in the decision to make the recommendation referred to above as they are beneficiaries under the incentivisation arrangements described in paragraph 11 of this Announcement. However, the Executive IMImobile Directors, being Jay Patel, Michael Jefferies and Shyamprasad Bhat, support the Offer, and each of them has, pursuant to an irrevocable undertaking, undertaken to vote in favour of the resolutions relating to the Offer at the Court Meeting and the General Meeting in respect of their beneficial holdings of 4,115,936 IMImobile Shares, representing, in aggregate, approximately 5.0 per cent. of the issued share capital of IMImobile as at the Last Practicable Date.

## **6. Irrevocable undertakings and letters of intent**

Bidco has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of the Offer) in respect of 25,844,714 IMImobile Shares, representing, in aggregate, approximately 31.3 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date. These irrevocable undertakings have been received from:

- (a) Liontrust, in respect of 15,412,321 IMImobile Shares, representing approximately 18.7 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date; and
- (b) each of the IMImobile Directors who holds IMImobile Shares, representing, in aggregate, 10,432,393 IMImobile Shares, being approximately 12.6 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date. The irrevocable undertakings received from the IMImobile Directors remain binding in the event of a higher offer.

Bidco has also received non-binding letters of intent from each of Hargreave Hale and Octopus Investments to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of the Offer) in respect of, in aggregate, 19,100,656 IMImobile Shares, representing approximately 23.2 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date.

Bidco has therefore received irrevocable undertakings or letters of intent in respect of, in aggregate, 44,945,370 IMImobile Shares, representing approximately 54.5 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date.

Further details of these irrevocable undertakings and letters of intent (including the circumstances in which the irrevocable undertakings will cease to be binding or otherwise fall away) are set out in Appendix 3 to this Announcement.

## **7. Information on Cisco and Bidco**

### ***Cisco***

Cisco is a global leader in networking with a wide array of technology solutions and services across networking, collaboration, security, communications and cloud applications. Cisco has been providing innovative solutions since 1984 and has a very successful track record of acquiring and integrating new companies and technologies to broaden its portfolio.

Cisco's products and technologies are grouped into the following categories: Infrastructure Platforms, Applications, Security and Other Products. In addition to Cisco's product offerings, it provides a broad range of service offerings, including technical support services and advanced services. Increasingly, Cisco is delivering its technologies through software and services.

Cisco currently operates in more than 115 countries and employs over 70,000 employees. In the fiscal year ended 25 July 2020, Cisco generated revenues of approximately USD49 billion and net income of approximately USD11 billion.

### ***Bidco***

Bidco is a company incorporated under the laws of England and Wales and is an indirect wholly-owned subsidiary of Cisco. Bidco was incorporated on 2 July 2012. The principal activity of Bidco is the holding of investments in other companies in the Cisco Group.

For the financial year ended 27 July 2019, Bidco reported total losses of USD123 million.

## **8. Information on IMImobile**

IMImobile was incorporated in England and Wales on 4 December 2013 with registration number 08802718 and the IMImobile Shares were admitted to trading on AIM on 27 June 2014. IMImobile is a communications software provider whose solutions enable enterprises to automate digital customer communications and interactions to improve customer experience and reduce operating costs.

IMImobile's enterprise cloud communications software platform orchestrates customer interactions, connecting existing business systems with digital communications channels. Organisations that trust IMImobile 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.

IMImobile is headquartered in London with offices across the UK, Hyderabad, Toronto, Boca Raton, Dubai and Johannesburg and has over 1,100 employees worldwide. IMImobile is quoted on AIM, the market of that name operated by the London Stock Exchange, with the TIDM code IMO.

For the financial year ended 31 March 2020, IMImobile reported revenue of £171.2 million, gross profit of £79.1 million, adjusted profit before tax of £14.6 million, and adjusted profit after tax of £12.3 million.

## **9. Current trading and IMImobile Profit Forecast**

IMImobile published its half year results for the six months ended 30 September 2020 earlier today. For the six month period ended 30 September 2020, IMImobile reported revenue of £75.9 million, gross profit of £39.0 million and adjusted profit after tax of £6.8 million.

In IMImobile's annual general meeting statement and trading update published on 29 September 2020, IMImobile made the following statement:

*“The Board are pleased with the Group's performance in the financial year to date and remain confident that the results for the full year will be in line with market expectations.”*

This statement constitutes a profit forecast for the purposes of the Code and the requirements of Rule 28.1(c)(i) of the Code apply to such statement.

### ***Basis of preparation***

The IMImobile Directors confirm that the IMImobile Profit Forecast has been properly compiled and is based on the unaudited management accounts of IMImobile for August 2020 and IMImobile's unaudited forecasts for the financial year ending 31 March 2021.

The IMImobile Profit Forecast does not take into account the costs and the impact of the Offer.

In confirming the IMImobile Profit Forecast, the IMImobile Directors have made the following assumptions in respect of the financial year ending 31 March 2021:

*Assumptions outside of IMImobile's influence or control:*

- (a) there will be no material adverse change to IMImobile's commercial relationships;
- (b) there will be no material changes in market conditions over the period to 31 March 2021 in relation to either customer demand or competitive environment;
- (c) there will be no material adverse events that will have a significant impact on IMImobile's major customers or suppliers;
- (d) there will be no material adverse change to IMImobile's business model or market environment before the end of the financial year ending 31 March 2021;
- (e) there will be no material change to existing prevailing global macroeconomic and political conditions during the 12 months ending 31 March 2021;
- (f) there will be no material change in legislation, taxation or regulatory requirements impacting IMImobile's operations, expenditure or its accounting policies; and
- (g) there will be no material litigation or regulatory investigations, or material unexpected developments in any existing litigation or regulatory investigation, in relation to any of IMImobile's operations, products or services.

*Assumptions within IMImobile's influence or control:*

- (a) total capital expenditure during the 12 months ending 31 March 2021 will be broadly in line with existing guidance;
- (b) IMImobile's cost base will not materially change over the forecast period to 31 March 2021;
- (c) IMImobile's accounting policies will be consistently applied in the remainder of the financial year ending 31 March 2021;
- (d) there will be no material change in the existing operational strategy of IMImobile; and
- (e) IMImobile will not carry out any acquisitions or disposals, nor will it enter into, terminate or vary any joint venture, which is material in the context of the IMImobile Profit Forecast.

***IMImobile Directors' confirmation***

The IMImobile Directors have considered the IMImobile Profit Forecast and confirm that it remains valid, that it has been properly compiled on the basis of the assumptions set out above and that the basis of the accounting policies used is consistent with the accounting policies of IMImobile for the 12 months ended 31 March 2020 and in accordance with IFRS.

**10. Strategic plans and intentions with regard to assets, management, employees and pensions**

***General***

Cisco has a successful track record of managing acquired businesses and building on their success. Cisco is confident in the overall prospects of IMImobile's business and the products which it offers, and is excited to partner with the IMImobile management team to develop the quality of its customer offering and to grow the IMImobile business in the longer term.

Prior to the date of this Announcement, consistent with market practice, Bidco has been granted access to IMImobile's senior management team for the purpose of undertaking confirmatory due diligence. As a result of that due diligence process, Cisco has been able to develop a preliminary strategy that it anticipates delivering for the IMImobile business. Upon completion of the Offer, Cisco will benefit from having greater access to the business, employees and customers of IMImobile and will be able to formulate more detailed long-term strategic plans for IMImobile. It is anticipated that this more detailed and long-term strategic and operational planning will be completed within twelve months of the Effective Date. This will include plans to integrate IMImobile's product offerings, advance its technology and add further value to the enlarged set of customers.

From the due diligence that Cisco has been able to conduct to date, Cisco believes that IMImobile is a well-positioned business that extends and enhances Cisco's existing capabilities, and Cisco intends to support IMImobile's existing strategic ambitions.

Following completion of the Offer, Cisco does not expect there to be any impact on the strategic plans, management, employees and locations of Cisco's existing business.

### ***VAS Segment***

Cisco is aware that the board of directors of IMImobile has been considering its options in respect of the VAS Segment. Earlier this year, the board of directors of IMImobile commenced work on formally reorganising the IMImobile Group into two differentiated areas based upon their respective product sets, as disclosed in IMImobile's results for the year ended 31 March 2020.

Cisco notes that, as disclosed in IMImobile's interim results for the six months ended 30 September 2020, the board of directors of IMImobile has decided to conduct a strategic review of the activities relating to the VAS Segment, which may lead to a possible divestiture of the VAS Segment.

Following completion of the Offer, Cisco will support IMImobile in its strategic review of the VAS Segment which may include a sale to a third party, a sale to the existing management or a reduction in its activities.

In the event that the VAS Segment is divested or there is a reduction in its activities, Cisco expects that there would be no material impact on the business activities of the retained IMImobile Group.

### ***Research and development***

Cisco will perform a full review of IMImobile's product development roadmap and existing research and development functions following completion of the Offer. This may lead to the identification of business areas where expenditure can be increased in order to develop new, highly valued functionality or to accelerate the existing product development roadmap and/or it may lead to the identification of certain areas of duplicated research and development headcount, where operational efficiencies can be achieved across the combined research and development functions. Cisco does not expect the Offer to result in material headcount reductions within the research and development team.

From the confirmatory due diligence conducted to-date, Cisco intends to maintain the majority of IMImobile's product development roadmap. Further analysis is needed to ascertain which products have the potential to be leveraged more broadly across the wider Cisco Group. Any such products will have their product development roadmap prioritised.

### ***Employees and management***

Cisco greatly values its employees and takes tremendous pride in being named number one in the World's Best Workplaces list by Great Place to Work® for 2019 and 2020.

Cisco attaches great importance to the skill and experience of IMImobile's management and employees and recognises their important contribution to what has been achieved by IMImobile as a business. Cisco confirms that, following completion of the Offer, the existing contractual and statutory employment rights of IMImobile employees will be fully safeguarded in accordance with applicable law.

Following completion of the Offer, Cisco intends to review IMImobile's business and operations over a period of twelve months, including with respect to corporate functions. Based on its experience from making previous acquisitions, Cisco does not expect the Offer to result in material headcount reductions in the IMImobile business overall (including the research and development team, as mentioned above).

Cisco does not intend to make any material changes to the balance of skills and functions of employees and management of IMImobile. Once IMImobile ceases to be quoted on AIM, certain corporate and support functions may be reduced in scope or will not be needed, which will potentially require reduced headcount in these areas. The finalisation and implementation of any workforce reductions will be subject to comprehensive planning and engagement with employees and consultation with employee representatives as required by applicable local law. Any individuals affected will be treated in a manner consistent with the high standards, culture and practices of both IMImobile and Cisco.

Subject to compliance with applicable local law, as part of the review referred to above, Cisco intends to migrate IMImobile employees onto Cisco's terms and conditions of employment, consistent with the terms and conditions of employment of Cisco employees of an equivalent level. Cisco has not yet had the opportunity to finalise the timing and details of the integration plan, but would expect the migration to commence within the first twelve months after completion of the Offer.

It is intended that, upon completion of the Offer, each of the non-executive IMImobile Directors will resign as an IMImobile Director.

### ***Pensions***

Cisco recognises the importance of IMImobile's pension obligations and of ensuring that employees' existing contractual and statutory rights regarding pensions are fully safeguarded in accordance with applicable law. No member of the IMImobile Group participates in a defined benefit pension scheme.

As part of the review referred to above, Cisco intends to evaluate the IMImobile pension schemes with a view to transferring IMImobile employees into existing Cisco pension schemes in due course in accordance with local law. Until such migration occurs, Cisco intends to maintain employer contributions to IMImobile's pension schemes in accordance with applicable law and existing contractual terms.

### ***Headquarters, locations and fixed assets***

Cisco intends to maintain IMImobile's business presence and headquarter functions in the London area. In conjunction with the review of IMImobile's business and operations referred to above, Cisco will also perform a full review of all of IMImobile's locations of business and this may lead to the identification of requirements for new locations, locations for future growth and investment and/or locations where there is unnecessary duplication or where operational efficiencies can be achieved.

Save as set out above in connection with the review of IMImobile's locations of business, Cisco has no intention to redeploy the fixed assets of IMImobile.

### ***Trading facilities***

IMImobile Shares are currently admitted to trading on AIM. A request will be made to the London Stock Exchange to cancel the admission to trading of the IMImobile Shares on AIM, to take effect from or shortly after the Effective Date.

### ***Views of the Independent IMImobile Directors***

In considering the recommendation of the Offer to IMImobile Shareholders, the Independent IMImobile Directors have given due consideration to Cisco's intentions for the business, management, employees and locations of business of IMImobile.

The Independent IMImobile Directors note the intention of Cisco to undertake a more detailed review of the business, products and locations of IMImobile following completion of the Offer and to finalise integration planning and commence migration of IMImobile employees onto Cisco terms and conditions of employment, subject to compliance with applicable local law, each of which is expected to occur within twelve months of the Effective Date.

The Independent IMImobile Directors are pleased that Cisco has confirmed its intention to support IMImobile's existing strategic ambitions and its affirmation of the importance of IMImobile's management and employees and recognition of their important contribution. In particular, the Independent IMImobile Directors welcome Cisco's confirmation that it does not intend to initiate any material headcount reductions or changes in location of IMImobile's existing business presence in the London area in the near term. The Independent IMImobile Directors welcome Cisco's confirmation that, following completion of the Offer, the existing contractual and statutory employment rights, including pension rights, of IMImobile employees will be fully safeguarded in accordance with applicable law.

## **11. Incentivisation arrangements**

Cisco wishes to ensure strong business momentum through retention and to ensure that IMImobile employees are fairly treated. Accordingly, Cisco has agreed retention arrangements for the Executive IMImobile Directors, each of which is conditional on completion of the Offer.

The relevant details are as follows:

- (a) Jay Patel, Group Chief Executive Officer of IMImobile, will enter into a new service agreement, pursuant to which he will continue to receive his current base salary of £300,000 per annum;
- (b) Michael Jefferies, Group Chief Financial Officer of IMImobile, will enter into a new service agreement, pursuant to which he will receive a base salary of £200,000 per annum and, for the first two years following the Effective Date, an annual bridging payment of £60,000 (payable in instalments); and
- (c) Shyamprasad Bhat, Group Chief Technical Officer of IMImobile, will enter into a new service agreement, pursuant to which he will receive a base salary of INR9,000,000 per annum.

After the Effective Date, each of the Executive IMImobile Directors will be eligible to participate in Cisco's standard annual cash incentive plans that are applicable to others at the same positions and levels within Cisco. In addition, after the Effective Date, the Executive IMImobile Directors will be eligible to receive Cisco equity incentive grants in the ordinary course.



In addition, Cisco and the Executive IMImobile Directors have agreed to the following retention arrangements, subject to continued employment (the **Executive Retention Arrangements**):

- (a) Jay Patel will receive a cash payment of USD3,000,000 from Cisco, payable in the following instalments: (i) USD1,000,000 payable on the first anniversary of the Effective Date; and (ii) the remaining USD2,000,000 payable in equal quarterly instalments over the two year period commencing on the first anniversary of the Effective Date;
- (b) Michael Jefferies will receive a cash payment of USD1,500,000 from Cisco, payable in the following instalments: (i) USD500,000 payable on the first anniversary of the Effective Date; and (ii) the remaining USD1,000,000 payable in equal quarterly instalments over the three year period commencing on the first anniversary of the Effective Date; and
- (c) Shyamprasad Bhat will receive a cash payment of USD500,000 from Cisco, payable on the first anniversary of the Effective Date.

The Executive Retention Arrangements are subject to standard leaver terms.

Other than as set out above, Cisco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of IMImobile's management.

As required by Rule 16.2 of the Code, Investec has reviewed the terms of the arrangements with the Executive IMImobile Directors set out above and has confirmed that, in its opinion, those arrangements with the Executive IMImobile Directors are fair and reasonable as far as IMImobile's Shareholders are concerned. In providing this advice to the Independent IMImobile Directors, Investec has taken into account the commercial assessments of the Independent IMImobile Directors.

## 12. **IMImobile Share Plans**

Participants in the IMImobile Share Plans will be contacted regarding the effect of the Offer on their rights under the IMImobile Share Plans and appropriate proposals shall be made to such participants in due course.

Details of the terms of such proposals will be included in the Scheme Document and in separate letters to be sent to the participants in the IMImobile Share Plans.

## 13. **Financing of the Offer**

The cash consideration payable to IMImobile Shareholders pursuant to the Offer will be funded from the existing cash resources of the Cisco Group.

Barclays, in its capacity as financial adviser to Bidco, is satisfied that the resources available to Bidco are sufficient to satisfy in full the cash consideration payable to IMImobile Shareholders under the terms of the Offer.

## 14. **Offer-related arrangements**

### 14.1 *Confidentiality Agreement*

Cisco Investments LLC, an indirect wholly-owned subsidiary of Cisco, and IMImobile entered into a confidentiality agreement dated 11 November 2020 (the **Confidentiality Agreement**) pursuant to which Cisco has undertaken to: (a) keep confidential information relating to, inter alia, the Offer and IMImobile and not to disclose it to third parties (other than to certain permitted parties), unless required by law or regulation; and (b) use the confidential information only in connection with the Offer, unless required by law or regulation.

These confidentiality obligations shall remain in force for a period of 24 months from the date of the Confidentiality Agreement (unless terminated earlier as a result of the Scheme becoming Effective or, in the event that the Offer is implemented by way of a Takeover Offer, the Takeover Offer becoming unconditional in all respects in accordance with its terms).

The Confidentiality Agreement also includes customary non-solicitation obligations on Cisco, subject to customary carve-outs, for a period of nine months from the date of the Confidentiality Agreement and a standstill provision in favour of IMImobile, subject to customary carve-outs, for a period of twelve months from the date of the Confidentiality Agreement.

#### *14.2 Flexera Confidentiality Agreement*

Flexera Software LLC has been engaged by Cisco to review and perform a code audit on IMImobile's products and to provide Cisco with reports and analysis related thereto. In connection with this engagement, Flexera Software LLC and IMImobile entered into a confidentiality agreement dated 18 November 2020 (the **Flexera Confidentiality Agreement**) pursuant to which Flexera Software LLC has undertaken to: (a) keep confidential information relating to IMImobile and its technical information and not to disclose it to third parties (other than to certain permitted parties) unless required by law or regulation; and (b) use the confidential information only in connection with advising Cisco in connection with the Offer, unless required by law or regulation.

These confidentiality obligations shall remain in force until thirty days after the date either Flexera Software LLC or IMImobile notifies the other of its intention to terminate.

#### *14.3 Co-operation Agreement*

Pursuant to a co-operation agreement dated 7 December 2020 (the **Co-operation Agreement**): (a) IMImobile has agreed to co-operate with Bidco to assist with the satisfaction of certain merger control conditions; (b) Bidco has agreed to provide IMImobile with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (c) Bidco has agreed to certain provisions if the Scheme should switch to a Takeover Offer; and (d) IMImobile and Bidco have agreed certain arrangements in respect of the IMImobile Share Plans.

The Co-operation Agreement will terminate, inter alia: (a) if the Offer is withdrawn or lapses; (b) if prior to the Long Stop Date any Condition becomes incapable of satisfaction; (c) at Bidco's election if the Independent IMImobile Directors withdraw their recommendation of the Offer or if the Independent IMImobile Directors recommend a competing proposal; (d) if the Scheme does not become Effective in accordance with its terms by the Long Stop Date; or (e) otherwise as agreed in writing between Bidco and IMImobile.

### **15. Structure of and conditions to the Offer**

It is intended that the Offer will be effected by means of a Court-sanctioned scheme of arrangement between IMImobile and the Scheme Shareholders under Part 26 of the Companies Act, although Bidco reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Offer by way of a Takeover Offer as an alternative to the Scheme.

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of IMImobile. This is to be achieved by the transfer of the Scheme Shares to Bidco, in consideration for which the Scheme Shareholders will receive the cash consideration on the basis set out in paragraph 2 of this Announcement.

To become Effective, the Scheme must be approved at the Court Meeting by the requisite majority of Scheme Shareholders at the Court Meeting. In respect of the approval of the Scheme, Scheme Shareholders will be entitled to cast one vote for each Scheme Share held. The Scheme also requires

the Resolutions to be approved by the requisite majority of IMImobile Shareholders at the General Meeting. It is expected that the General Meeting will be held immediately after the Court Meeting. In respect of the Resolutions to be proposed at the General Meeting, IMImobile Shareholders will be entitled to cast one vote for each IMImobile Share held.

Once the necessary approvals have been obtained at the Court Meeting and the General Meeting, and the other Conditions (save for the Condition set out at paragraph 1 and paragraph 2(c) of Part A of Appendix 1) have been satisfied or, if applicable, waived) the Scheme must be sanctioned by the Court (with or without modification but subject to any modification being on terms reasonably acceptable to Bidco and IMImobile). The Scheme will only become Effective once a copy of the Court Order is delivered to the Registrar of Companies for registration.

The Offer is subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions that will be set out in the Scheme Document, including, among other things:

- (a) the Scheme becoming Effective by the Long Stop Date;
- (b) the approval of the Scheme by a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting representing at least 75 per cent. in value of the Scheme Shares voted by such holders, or at any adjournment thereof on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and IMImobile and the Court may allow);
- (c) the passing of the Resolutions by the requisite majority at the General Meeting to be held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and IMImobile and the Court may allow);
- (d) the sanction of the Scheme by the Court on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and IMImobile and the Court may allow); and
- (e) the receipt of certain merger control approvals.

The Scheme Document will include full details of the Scheme, together with an explanatory statement providing details of the Offer, and the notices convening the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Offer and will specify the necessary actions to be taken by IMImobile Shareholders. The Scheme Document will be sent to IMImobile Shareholders as soon as reasonably practicable (subject to the availability of the Court to approve the posting of the Scheme Document). The Panel has consented to a posting date later than 28 days following the date of this Announcement.

Subject to the satisfaction or waiver of the Conditions, and certain further terms set out in Appendix 1 and to be set out in the Scheme Document, and subject to the approval and availability of the Court, it is expected that the Scheme will become Effective in the first quarter of 2021.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour) and the cash consideration payable under the Scheme will be despatched to Scheme Shareholders no later than 14 days after the Effective Date.

Any IMImobile Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, among other matters, provide

that the IMImobile Articles be amended to incorporate provisions requiring any IMImobile Shares issued after the Scheme Record Time (other than to Bidco or its nominee(s)) to be automatically transferred to Bidco on the same terms as the Offer (other than terms as to timings and formalities). The provisions of the IMImobile Articles (as amended) will avoid any person (other than Bidco or its nominee(s)) holding IMImobile Shares after the Effective Date.

If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Offer will not proceed (unless the Panel otherwise consents).

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court and the applicable requirements of the Code and the Panel.

#### **16. Right to switch to a Takeover Offer**

Bidco reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Offer by way of a Takeover Offer as an alternative to the Scheme. In such event, the Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Offer.

Further, in such circumstances, if sufficient acceptances of the Offer are received and/or sufficient IMImobile Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining IMImobile Shares in respect of which the Offer has not been accepted.

#### **17. Cancellation of admission to trading on AIM and re-registration**

It is intended that dealings in IMImobile Shares will be suspended on or shortly before the Effective Date at a time to be set out in the Scheme Document. It is further intended that an application will be made to the London Stock Exchange for the cancellation of admission to trading of IMImobile Shares on AIM, with effect from or shortly after the Effective Date.

The last day of dealing in IMImobile Shares on AIM is currently expected to be the Business Day immediately prior to the Effective Date and it is currently intended that no transfers will be registered after 6.00 p.m. on that date.

Share certificates in respect of IMImobile Shares will cease to be valid and should be destroyed on the Effective Date. In addition, entitlements held within CREST to IMImobile Shares will be cancelled on the Effective Date.

It is Bidco's intention that, in due course and following the cancellation of admission to trading on AIM, IMImobile will be re-registered as a private limited company.

#### **18. Disclosure of interests in IMImobile**

As at the close of business on the Last Practicable Date, other than the irrevocable undertakings and letters of intent referred to in paragraph 6 of this Announcement, none of Cisco, Bidco, or any of their directors, or, so far as Cisco and Bidco are aware, any person acting, or deemed to be acting, in concert with Bidco, had:

- (a) an interest in, or right to subscribe for, relevant securities of IMImobile;
- (b) any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery

obligation or right to require another person to purchase or take delivery of, relevant securities of IMImobile;

- (c) procured an irrevocable commitment or letter of intent to accept the terms of the Offer in respect of relevant securities of IMImobile; or
- (d) borrowed, lent or entered into any financial collateral arrangements or dealing arrangements in respect of any IMImobile Shares.

Other than the irrevocable undertakings and letters of intent described in paragraph 6 of this Announcement, no arrangement exists between Bidco or IMImobile or any person acting in concert with Bidco or IMImobile in relation to IMImobile Shares. For these purposes, an arrangement includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to IMImobile Shares which may be an inducement to deal or refrain from dealing in such securities.

In the interests of secrecy prior to this Announcement, Bidco has not made any enquiries in respect of the matters referred to in this paragraph 18 of certain parties who may be deemed by the Panel to be acting in concert with Bidco for the purposes of the Offer. Enquiries of such parties will be made as soon as practicable following the date of this Announcement, and Bidco confirms that further disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Code will be made as soon as possible and, in any event, by no later than 12 noon on the date falling 10 business days after the date of this Announcement.

## **19. Dividends**

If any dividend, other distribution or return of capital is declared, made or paid in respect of the IMImobile Shares on or after the date of this Announcement and with a record date prior to the Effective Date, Bidco reserves the right to reduce the consideration payable in respect of each IMImobile Share by the amount of all or part of any such dividend, other distribution or return of capital, except where IMImobile Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive such any dividend, other distribution or return of capital and retain it. If Bidco exercises this right or makes such a reduction in respect of a dividend or other distribution, IMImobile Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital.

## **20. Overseas shareholders**

The availability of the Offer and the distribution of this Announcement to persons resident in, or citizens of, or otherwise subject to, jurisdictions outside the UK may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. IMImobile Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement is not intended and does not constitute or form part of any offer to sell or to subscribe for, or any invitation to purchase or subscribe for, or the solicitation of any offer to purchase or otherwise subscribe for any securities. IMImobile Shareholders are advised to read carefully the Scheme Document and the Forms of Proxy once these have been despatched.

## **21. General**

In deciding whether or not to vote or procure votes to approve the Scheme at the Court Meeting or to vote or procure votes in favour of the Resolutions to be proposed at the General Meeting in respect of

their IMImobile Shares, IMImobile Shareholders should rely on the information contained, and follow the procedures described, in the Scheme Document.

Barclays and Investec have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

The Scheme Document will not be reviewed by any federal state securities commission or regulatory authority in the US, nor will any commission or authority pass upon the accuracy or adequacy of the Scheme Document. Any representation to the contrary is unlawful and may be a criminal offence.

Appendix 2 contains the bases and sources of certain information used in this Announcement. Appendix 3 contains details of the irrevocable undertakings and letters of intent received by Bidco in relation to the Offer that are referred to in this Announcement. Appendix 4 contains definitions of certain terms used in this Announcement.

## **22. Documents available on website**

Subject to certain restrictions in relation to persons in Restricted Jurisdictions, copies of the following documents will, by no later than 12 noon on the Business Day following the date of this Announcement, be made available on Cisco's website at <http://investor.cisco.com/Recommended-cash-offer> and IMImobile's website at <https://investors.imimobile.com/regulatory-announcements/recommended-cash-offer> until the end of the Offer Period:

- (a) this Announcement;
- (b) the irrevocable undertakings and letters of intent referred to in paragraph 6 above and summarised in Appendix 3 to this Announcement;
- (c) the Confidentiality Agreement;
- (d) the Flexera Confidentiality Agreement;
- (e) the Co-operation Agreement; and
- (f) the consent letters from each of Barclays and Investec as referred to in paragraph 21 above.

None of the contents of any website referred to in this Announcement, or the content of any other website accessible from hyperlinks on either such website, is incorporated into or forms part of, this Announcement.

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Allen & Overy LLP and Fenwick & West LLP are retained as legal advisers to Cisco and Bidco. Addleshaw Goddard LLP is retained as legal adviser to IMImobile.

***Important notices relating to financial advisers***

*Barclays, which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Cisco and Bidco and no one else in connection with the Offer and shall not be responsible to anyone other than Cisco and Bidco for providing the protections afforded to clients of Barclays nor for providing advice in connection with the Offer or any other matter referred to herein.*

*In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in IMImobile securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

*Investec, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively as financial adviser for IMImobile and no one else in relation to the Offer and/or other matters set out in this Announcement and will not be responsible to anyone other than IMImobile for providing the protections afforded to the clients of Investec, or for providing advice in relation to the Offer, the contents of this Announcement or any other matter referred to herein. Neither Investec nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Investec in connection with the Offer, this Announcement, any statement contained herein or otherwise.*

*In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Investec and its affiliates will continue to act as exempt principal trader in IMImobile securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

*N+1 Singer, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as joint broker to IMImobile and for no one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than IMImobile for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this Announcement.*

### ***Further information***

*This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire or subscribe for or dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely through the Scheme Document (or, in the event that the Offer is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Offer, including details of how to vote in respect of the Scheme. IMImobile Shareholders are advised to read the Scheme Document (including the related Forms of Proxy) (and/or, in the event that the Offer is to be implemented by way of a Takeover Offer, the Offer Document) once this becomes available because it will contain important information in relation to the Offer. Any vote in respect of resolutions to be proposed at the Court Meeting and/or the General Meeting, and any decision in respect of the Scheme or other response in relation to the Offer, by IMImobile Shareholders should be made only on the basis of the information contained in the Scheme Document (and/or, in the event that the Offer is to be implemented by way of a Takeover Offer, the Offer Document).*

*This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.*

*This Announcement does not constitute a prospectus or prospectus exempted document.*

### ***Overseas shareholders***

*The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to participate in the Offer or to vote their Scheme Shares in respect of the Scheme at the Court Meeting or in respect of the Resolutions to be proposed at the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting and/or General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Offer shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.*

*Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer.*



*If the Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

*The availability of the Offer to IMImobile Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. Further details in relation to IMImobile Shareholders in overseas jurisdictions will be contained in the Scheme Document.*

*The Offer will be subject to English law and the applicable requirements of the Court, the Code, the Panel, the London Stock Exchange, the AIM Rules and the FCA.*

### **Notice to US investors**

*The Offer relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.*

*Accordingly, the Offer is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Furthermore, the payment and settlement procedure with respect to the Offer will comply with the relevant rules under the Code, which differ from US payment and settlement procedures, particularly with regard to the date of payment of consideration.*

*However, if Bidco were to elect to implement the Offer by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a Takeover Offer would be made in the United States by Bidco and no one else, in compliance with US law and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder.*

*In accordance with normal United Kingdom practice, Cisco, Bidco or their nominees or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of IMImobile outside of the US, other than pursuant to the Offer, until the date on which the Offer and/or Scheme becomes effective, lapses or is otherwise withdrawn, in compliance with applicable law, including the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to the Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The receipt of consideration by a US holder for the transfer of its IMImobile Shares pursuant to the Offer will likely be a taxable transaction for United States federal income tax purposes. Each US holder of IMImobile Shares is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to such holder, including under applicable United States state and local tax laws, as well as overseas and other tax laws that may be applicable.*

*Some or all of IMImobile's officers and directors reside outside the US, and some or all of its assets are or may be located in jurisdictions outside the US. Therefore, investors may have difficulty effecting service of process within the US upon those persons or recovering against IMImobile or its officers or directors on judgments of US courts, including judgements based upon the civil liability provisions of the US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment. It may not be possible to sue IMImobile or its officers or directors in a non-US court for violations of the US securities laws.*

*Neither the SEC nor any US state securities commission has approved or disapproved or passed judgment upon the fairness or the merits of the Offer or determined if this Announcement is adequate, accurate or complete.*

*Financial information relating to IMImobile included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS and may not therefore be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

### **Forward-looking statements**

*This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer, and other information published by IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group contain statements which are, or may be deemed to be, "forward looking statements". 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, without limitation, "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "hope", "continue", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements include, but are not limited to, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects, (ii) business and management strategies and the expansion and growth of the operations of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, (iii) the effects of government regulation on the business of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, (iv) negative effects relating to this Announcement and/or status of the Offer, (v) the possibility that any of the conditions to the Offer will not be satisfied, and (vi) significant transaction costs (including litigation) or unknown liabilities. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among such factors are changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.*

*These forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which IMImobile, any member of the IMImobile Group, Cisco, Bidco or any member of the Cisco Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. By their nature, these forward-looking statements involve known and unknown risks, and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this Announcement may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons reading this Announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. None of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, or their respective members, directors, officers, employees, advisers or any person acting on behalf of one or more of them, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.*

*None of IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group, or their respective members, directors, officers, employees, advisers or any person acting on behalf of one or more of them, has any intention or accepts any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent legally required. All subsequent oral or written forward-looking statements attributable to IMImobile, any member of the IMImobile Group, Cisco, Bidco or any other member of the Cisco Group or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.*

### ***No profit forecasts or estimates***

*Save in relation to the statements made by IMImobile at paragraph 9 of this Announcement, no statement in this Announcement is intended as a profit forecast or estimate for Cisco, Bidco or IMImobile for any period and no statement in this Announcement should be interpreted to mean that cash flow from operations, earnings, or earnings per share or income of those persons (where relevant) for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, earnings, earnings per share or income of those persons (as appropriate).*

### ***Publication on a website***

*A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 and Rule 26.2 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, on IMImobile's website at <https://investors.imimobile.com/regulatory-announcements/recommended-cash-offer> and on Cisco's website at <http://investor.cisco.com/Recommended-cash-offer> by no later than 12 noon on the Business Day following the date of this Announcement.*

*Neither the content of these websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this Announcement.*

### ***Requesting hard copy documents***

*In accordance with Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement (and any information incorporated into it by reference to another source) in hard copy form free of charge. A person may also request that all future documents, announcements and information sent to that person in relation to the Offer should be in hard copy form. For persons who have received a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent to you unless you have previously notified IMImobile's registrar, Link Group, that you wished to receive all documents in hard copy form or unless requested in accordance with the procedure set out below.*

*If you would like to request a hard copy of this Announcement from IMImobile please contact IMImobile's registrar, Link Group, on 0371 664 0300 (from within the UK) or on +44 371 664 0300 (from outside the UK), or by writing to Link Group, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Calls are charged at 12 pence per minute and will vary by provider. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09:00 and 17:30, Monday to Friday, excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

### ***Information relating to IMImobile Shareholders***

*Please be aware that addresses, electronic addresses and certain other information provided by IMImobile Shareholders, persons with information rights and other relevant persons for the receipt of communications from IMImobile may be provided to Bidco during the Offer Period as required under section 4 of Appendix 4 to the Code.*

### ***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### ***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Rule 2.9 of the Code**

*For the purposes of Rule 2.9 of the Code, IMImobile confirms that, as at the Last Practicable Date, it had 82,470,795 ordinary shares of 10 pence each in issue and admitted to trading on AIM. The International Securities Identification Number for IMImobile Shares is GB00BLBP4Y22.*

### **General**

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

### **Time**

*All times shown in this Announcement are London times, unless otherwise stated.*

## APPENDIX 1

### CONDITIONS TO AND FURTHER TERMS OF THE OFFER

The Offer will be subject to the Conditions and further terms set out in this Appendix 1 and in the Scheme Document.

#### Part A

##### Conditions to the Offer

1. The Offer will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the Code, by no later than 11.59 p.m. on the Long Stop Date.

##### Scheme approval

2. The Scheme will be conditional upon:

(a)

- (i) its approval by a majority in number of Scheme Shareholders who are present and vote (and who are entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court, representing not less than 75 per cent. in value of the Scheme Shares in issue at the Voting Record Time voted by such Scheme Shareholders; and
- (ii) the Court Meeting and any separate class meeting which may be required by the Court being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Bidco and IMImobile may agree and the Court may allow);

(b)

- (i) all resolutions necessary to implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting; and
- (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Bidco and IMImobile may agree and the Court may allow); and

(c)

- (i) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Bidco and IMImobile); and
- (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date, if any, as Bidco and IMImobile may agree and the Court may allow).

3. In addition, Bidco and IMImobile have agreed that, subject to the requirements of the Panel and in accordance with the Code, the Offer will also be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

##### Regulatory approvals

### *Austria*

- (a) the Offer having been cleared by the Austrian Competition Authorities (Federal Competition Authority, Federal Cartel Prosecutor and the Cartel Court). This Condition shall be deemed satisfied if:
  - (i) the Federal Competition Authority as well as the Federal Cartel Prosecutor have not issued a request for an in-depth investigation of the Offer within the necessary timeframe;
  - (ii) the Federal Competition Authority as well as the Federal Cartel Prosecutor have jointly and formally waived their right to apply for an in-depth investigation pursuant to Section 11(4) of the Austrian Cartel Act (**KartG**);
  - (iii) the Cartel Court or the Supreme Cartel Court has issued a decision terminating the in-depth investigation, holding that the Offer is (a) not a notifiable concentration (Section 12(1) no 1 KartG) or (b) not prohibited and is compatible with the applicable merger control provisions (Section 12(1) no 3 KartG), whether unconditionally or subject to commitments, and either of such decisions has become final and binding; or
  - (iv) the proceedings are terminated by the Austrian Cartel Court pursuant to Section 14(1) KartG (because the statutory time period of the in-depth investigation lapsed without a decision taken or all requests for in-depth review have been withdrawn).

### *Germany*

- (b) the German Federal Cartel Office (**FCO**, *Bundeskartellamt*) having notified Bidco in writing or by e-mail that it has no jurisdiction to review the Offer, or having cleared the Offer by: (i) notifying Bidco within the one-month period under Sec. 40 para. 1 of the German Act against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*, **GWB**) that the conditions for a prohibition according to Sec. 36 para. 1 of the GWB are not met; (ii) clearing the Offer within the four month period under Sec. 40 para. 2 clause 2 of the GWB or within the extended waiting period under Sec. 40 para. 2 clause 4 no. 1 of the GWB; or (iii) permitting the time limits according to Sec. 40 para.1 or 2 of the GWB to expire without having served the relevant notices or decisions respectively;

### *South Africa*

- (c) the approval of the Offer by the South African Competition Authorities under the Competition Act, No. 89 of 1998 on terms satisfactory to Bidco;

### *United Kingdom*

- (d) the CMA:
  - (i) deciding, on terms reasonably satisfactory to Bidco, not to make a Phase 2 CMA Reference; or
  - (ii) as at the date on which all other Conditions (with the exception of sanction of the Scheme by the Court pursuant to paragraph 2(c) above) of the Offer are satisfied or waived (i) not having requested submission of a Merger Notice or commenced a phase 1 review by indicating that the Initial Period has begun, or (ii) having responded to a briefing paper in writing that it has no further questions in relation to the Offer (and has not otherwise opened an inquiry, or implied that it is still investigating whether to open an inquiry);

- (e) to the extent that, in the reasonable opinion of Bidco, the Offer or any matter arising from or related to the Offer requires notification to or approval by any Relevant Authority in the United Kingdom under laws relating to national security, all necessary notifications or filings having been made and all appropriate waiting periods (including any extensions thereof) having expired, lapsed or been terminated, or all necessary clearances or approvals being granted (or being deemed in accordance with the relevant law to have been granted), or the receipt by Bidco of notification that no further action will be taken by the Relevant Authority in relation to the Offer, in each case on terms satisfactory to Bidco;

*Other*

- (f) if, in the reasonable opinion of Bidco, approval from a Relevant Authority is required for, or a Relevant Authority decides to review, the Offer or any matter arising from or related to the Offer, it being established in terms satisfactory to Bidco that such Relevant Authority approves (or is deemed to approve) or will permit the Offer to proceed on terms satisfactory to Bidco;

**General Third Party clearances**

- (g) the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, administrative, environmental, professional or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a **Third Party**) of any termination right, right of pre-emption, first refusal or similar right arising as a result of or in connection with the Offer including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, IMImobile by Bidco or any member of the Bidco Group;
- (h) no Third Party having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to (in any case which is material in the context of the Offer):
  - (i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the Wider Bidco Group or any member of the Wider IMImobile Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own, control or manage any of their respective assets or properties or any part thereof;
  - (ii) require, prevent or delay, or alter the terms envisaged for, any proposed divestiture by any member of the Wider Bidco Group of any shares or other securities in IMImobile;
  - (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider IMImobile Group or to exercise management control over any such member;
  - (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Bidco Group or of any member of the Wider IMImobile Group;
  - (v) make the Offer or its implementation or the acquisition or proposed acquisition by Bidco or any member of the Wider Bidco Group of any shares or other securities in,

or control of IMImobile void, illegal, and/or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise adversely interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;

- (vi) require (save as envisaged in the Offer or sections 974 to 991 (inclusive) of the Companies Act) any member of the Wider Bidco Group or the Wider IMImobile Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider IMImobile Group or the Wider Bidco Group owned by any third party;
- (vii) impose any limitation on or result in any delay in the ability of any member of the Wider Bidco Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider IMImobile Group which is materially adverse in the context of the Wider IMImobile Group or the Wider Bidco Group; or
- (viii) result in any member of the Wider IMImobile Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any IMImobile Shares having expired, lapsed or been terminated;

- (i) all material filings, applications and/or notifications which are necessary or considered appropriate by Bidco (acting reasonably) having been made in connection with the Offer and all relevant waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated and all material statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by any member of the Wider Bidco Group of any shares or other securities in, or control or management of, IMImobile or any member of the Wider IMImobile Group or the carrying on by any member of the Wider IMImobile Group of its business;
- (j) all material authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals for the proposed acquisition of any shares or other securities in, or control of, IMImobile by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all necessary Third Parties or persons with whom any member of the Wider IMImobile Group has entered into contractual arrangements or other material business relationships, and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider IMImobile Group, remaining in full force and effect and all material filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same at the time at which the Offer becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

**Certain matters arising as a result of any arrangement, agreement etc.**

- (k) except as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider IMImobile Group is a party or by or



to which any such member or any of its assets are or may be bound, entitled or subject, which, in each case as a consequence of the Offer or the proposed acquisition of any shares or other securities in IMImobile or because of a change in the control or management of IMImobile or otherwise, would or would reasonably be expected to result in:

- (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely affected or any onerous obligation or liability arising or any action being taken or arising thereunder;
- (iii) any assets or interests of any such member being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member other than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so;
- (viii) the creation of any liability, actual or contingent, by any such member, other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (ix) any requirement on any such member to acquire, subscribe, pay up or repay any shares or other securities (or the equivalent),

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider IMImobile Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (ix) of this Condition;

## **No material transactions, claims or changes in the conduct of the business of the IMImobile Group**

- (l) except as Disclosed, no member of the Wider IMImobile Group having, since 31 March 2020:
- (i) save as between IMImobile and the Wider IMImobile Group, issued, agreed to issue, authorised or proposed the issue of additional shares of any class or securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
  - (ii) other than to another member of the Wider IMImobile Group, sold (or agreed to transfer or sell) any treasury shares;
  - (iii) other than to another member of the IMImobile Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
  - (iv) save for intra-IMImobile Group transactions, authorised or implemented any merger or demerger with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business;
  - (v) save for intra-IMImobile Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital or issued or authorised the issue of any debentures or incurred or increased any indebtedness or contingent liability;
  - (vi) issued, authorised or proposed the issue of any debentures or (save for intra-IMImobile Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any liability (actual or contingent);
  - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
  - (viii) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or entered into or changed the terms of any contract with any director or senior executive;
  - (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider IMImobile Group or the Wider Bidco Group or which involves an obligation of such a nature or magnitude or which is other than in the ordinary course of business;
  - (x) been unable or deemed unable, or admitted in writing that it is unable, to pay its debts as they fall due or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

- (xi) (other than in respect of a member of the Wider IMImobile Group which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- (xii) commenced negotiations with any of its creditors or taken any step with a view to rescheduling or restructuring any of its indebtedness or entered into a composition, compromise, assignment or arrangement with any of its creditors whether by way of a voluntary arrangement, scheme of arrangement, deed of compromise or otherwise;
- (xiii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider IMImobile Group or the Wider Bidco Group other than to a nature and extent which is normal in the context of the business concerned;
- (xiv) waived, settled, abandoned or compromised any claim or admitted any dispute, claim or counter-claim whether made or potential and whether by or against any member of the Wider IMImobile Group (otherwise than in the ordinary course of business);
- (xv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xvi) made any alteration to its constitutional documents;
- (xvii) having made or agreed or consented to any change to:
  - (A) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider IMImobile Group for its directors, employees or their dependents;
  - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
  - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;
- (xviii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider IMImobile Group; or
- (xix) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of IMImobile Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

### **No adverse change, litigation or regulatory enquiry**

- (m) except as Disclosed, since 31 March 2020:
  - (i) no material adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider IMImobile Group;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider IMImobile Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider IMImobile Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider IMImobile Group;
  - (iii) no contingent or other liability having arisen or become apparent to Bidco which would be reasonably likely to materially adversely affect any member of the Wider IMImobile Group, taken as a whole;
  - (iv) no steps having been taken which might reasonably be expected to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider IMImobile Group which is necessary for the proper carrying on of its business; and
  - (v) no member of the Wider IMImobile Group having conducted its business in breach of any applicable laws and regulations;

### **No discovery of certain matters**

- (n) except as Disclosed, Bidco not having discovered:
  - (i) that any financial, business or other information concerning the Wider IMImobile Group as contained in the information publicly disclosed before the date of this Announcement at any time by or on behalf of any member of the Wider IMImobile Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure by or on behalf of the Wider IMImobile Group through the publication of an announcement via the Regulatory Information Service or otherwise; or
  - (ii) that any member of the Wider IMImobile Group is subject to any liability (actual or contingent) which is not disclosed in the annual report and accounts of IMImobile for the financial year ended 31 March 2020;
- (o) except as Disclosed, Bidco not having discovered that:
  - (i) any past or present member of the Wider IMImobile Group has failed to comply in any material respect with any and/or all applicable legislation or regulations, of any jurisdiction with regard to the use, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair materially the environment (including property) or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever

the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any material liability (actual or contingent) on the part of any member of the Wider IMImobile Group;

- (ii) there is, or is likely to be, for that or any other reason whatsoever, any material liability (actual or contingent) of any past or present member of the Wider IMImobile Group to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider IMImobile Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction;

### **Anti-corruption, sanctions and criminal property**

- (p) except as Disclosed, Bidco not having discovered that:
  - (i) any past or present member, director, officer or employee of the IMImobile Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation or any person that performs or has performed services for or on behalf of the Wider IMImobile Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
  - (ii) any asset of any member of the Wider IMImobile Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
  - (iii) any past or present member, director, officer or employee of the IMImobile Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the US Office of Foreign Assets Control, or HM Treasury in the UK; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the European Union or any of its member states; or
  - (iv) any member of the IMImobile Group has been engaged in any transaction which would cause Bidco to be in breach of any law or regulation upon its acquisition of IMImobile, including the economic sanctions of the US Office of Foreign Assets Control, or HM Treasury in the UK, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the European Union or any of its member states.

## **Part B**

### **Waiver and invocation of the Conditions**

1. Subject to the requirements of the Panel in accordance with the Code, Bidco reserves the right to waive, in whole or in part, all or any of the Conditions in Part A above, except for Conditions 1, 2(a)(i), 2(b)(i) and 2(c)(i), which cannot be waived.
2. The Offer will be subject to the satisfaction (or waiver, if permitted) of the Conditions in Part A above, and to certain further terms set out in Part D below, and to the full terms and conditions which will be set out in the Scheme Document.
3. Conditions 2(a), 2(b) and 3(a) to 3(p) (inclusive) must be fulfilled, or waived (to the extent capable of waiver) by, no later than the appointed time of the Sanction Hearing. The Offer will lapse if it does not become Effective by 11.59 p.m. on the Long Stop Date. Bidco shall be under no obligation to waive or treat as satisfied any of the Conditions which are capable of waiver by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions to the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Code, Bidco may not invoke any Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Offer. The Conditions contained in paragraphs 1 and 2 of Part A and, if applicable, the acceptance condition referred to in Part C (in the event the Offer is implemented by way of a Takeover Offer), are not subject to this provision of the Code.

## **Part C**

### **Implementation by way of a Takeover Offer**

1. Subject to obtaining the consent of the Panel and the terms of the Co-operation Agreement, Bidco reserves the right to elect to implement the Offer by way of a Takeover Offer as an alternative to the Scheme.
2. In such event, such Takeover Offer will be implemented on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Takeover Offer, including (without limitation) the inclusion of an acceptance condition set at a level of 90 per cent. (or as otherwise agreed under the Co-operation Agreement (if applicable)) of the IMImobile Shares to which the Takeover Offer relates, (or such lesser percentage as may be determined by Bidco after consultation with the Panel (if necessary), being, in any case, Bidco having acquired or agreed to acquire (either pursuant to the Offer or otherwise) IMImobile Shares holding more than 50 per cent. of the voting rights normally exercisable at a general meeting of IMImobile, including, for this purpose, any such voting rights attaching to IMImobile Shares that are issued before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise). Further, if sufficient acceptances of the Takeover Offer are received and/or sufficient IMImobile Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of Chapter 3 of Part 28 of the Companies Act to compulsorily acquire any outstanding IMImobile Shares to which such Takeover Offer relates.

## **Part D**

### **Certain further terms of the Offer**

1. If Bidco is required by the Panel to make an offer for IMImobile Shares under the provisions of Rule 9 of the Code, Bidco may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.
2. The Offer shall lapse if:
  - (a) in so far as the Offer constitutes, or is deemed to constitute, a concentration with an EU dimension within the scope of the EU Merger Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the EU Merger Regulation or makes a referral to the CMA under Article 9(1) of the EU Merger Regulation and then the Offer or matter arising from or relating to it becomes subject to a CMA Phase 2 Reference; or
  - (b) the Offer or any matter arising from or relating to it becomes subject to a CMA Phase 2 Reference,in each case before the date of the Court Meeting.
3. The availability of the Offer to persons resident in, or citizens of, or otherwise subject to, jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves of, and observe, any applicable requirements of their jurisdiction. IMImobile Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay and observe any applicable requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document.
4. If any dividend, other distribution or return of capital is declared, made or paid in respect of the IMImobile Shares on or after the date of this Announcement and with a record date prior to the Effective Date, Bidco reserves the right to reduce the consideration payable in respect of each IMImobile Share by the amount of all or part of any such dividend, other distribution or return of capital, except where IMImobile Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive such any dividend, other distribution or return of capital and retain it. If Bidco exercises this right or makes such a reduction in respect of a dividend or other distribution, IMImobile Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.
5. The Scheme Shares will be acquired by Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this Announcement or thereafter attaching thereto, including (without limitation) voting rights and the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date.
6. Bidco reserves the right for any other entity directly or indirectly owned by Bidco from time to time to implement the Offer.
7. Unless otherwise determined by Bidco or required by the Code, the Offer is not being made, directly or indirectly, in or into, or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign

commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and shall not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.

8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
9. The Scheme will be governed by the laws of England and Wales and will be subject to the jurisdiction of the Court and to the conditions and further terms set out in this Appendix 1 and to be set out in the Scheme Document. The Offer will also be subject to and will comply with the applicable requirements of the Companies Act, the Court, the Panel, the FCA, the AIM Rules and the Code. This Announcement does not constitute, or form part of, an offer or invitation to purchase IMImobile Shares or any other securities.



## APPENDIX 2

### SOURCES OF INFORMATION AND BASES OF CALCULATION

1. As at close of business on the Last Practicable Date, IMImobile had 82,470,795 IMImobile Shares in issue.
2. The fully diluted share capital of IMImobile of 91,313,527 IMImobile Shares is calculated on the basis of: (a) the number of issued IMImobile Shares set out in paragraph 1 above; and (b) an additional 8,842,732 IMImobile Shares which may be issued on or after the date of this Announcement on the exercise of options under the IMImobile Share Plans.
3. The value attributed to the entire issued and to be issued ordinary share capital of IMImobile is based upon the consideration of 595 pence for each Scheme Share, multiplied by the fully diluted share capital of IMImobile set out in paragraph 2 above.
4. Unless otherwise stated, all prices quoted for IMImobile Shares are Closing Prices.
5. Volume-weighted average prices have been derived from Bloomberg and have been rounded to the nearest pence.
6. The premium calculations to the price for each IMImobile Share have been calculated by reference to:
  - (a) the Closing Price of 393 pence per IMImobile Share on 2 November 2020 (being the last Business Day before Cisco's first approach to IMImobile);
  - (b) the Closing Price of 403 pence per IMImobile Share on 4 December 2020 (being the last Business Day before the date of this Announcement); and
  - (c) the six-month volume weighted average price of 373 pence as at 4 December 2020 (being the last Business Day before the date of this Announcement).
7. IMImobile's net cash as of 30 September 2020 is £2.0 million and is calculated as cash and cash equivalents net of bank borrowings (excluding capitalised borrowing costs).
8. The exchange rate used for the conversion of £ into USD is 1.3438, derived from Bloomberg, as at 4.00 p.m. on 4 December 2020.
9. Unless otherwise stated, annual financial information relating to IMImobile has been extracted from IMImobile's annual report and accounts for the year ended 31 March 2020 and half-year financial information has been extracted from IMImobile's interim results for the six months ended 30 September 2020.

### APPENDIX 3

#### IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

##### 1. IMImobile Directors' irrevocable undertakings

The following IMImobile Directors have each given an irrevocable undertaking to vote (or procure the voting) in favour of the Scheme at the Court Meeting and in favour of the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in relation to the following IMImobile Shares in which they are beneficially interested:

<b>Name</b>	<b>Number of IMImobile Shares in respect of which undertaking is given as at the Last Practicable Date</b>	<b>Percentage of IMImobile's issued share capital as at the Last Practicable Date (%)</b>
Jay Patel	3,632,500	4.4
Viswanatha Alluri	6,296,457	7.6
Shyamprasad Bhat	470,012	0.6
John Allwood	20,000	<0.1
Michael Jefferies	13,424	<0.1
<b>Total</b>	<b>10,432,393</b>	<b>12.6</b>

These irrevocable undertakings also extend to any further IMImobile Shares acquired by the IMImobile Directors, including as a result of the vesting of awards or the exercise of options under the IMImobile Share Plans.

These irrevocable undertakings remain binding in the event a higher competing offer is made for IMImobile and will only cease to be binding if:

- (a) Bidco announces, with the consent of the Panel, that it does not intend to proceed with the Offer;
- (b) if a competing offer for IMImobile becomes or is declared unconditional in all respects (if implemented by way of a takeover offer) or otherwise becoming effective in accordance with its terms (if implemented by way of a scheme of arrangement); or
- (c) on the earlier of: (a) the Long Stop Date; or (b) the date on which the Offer, if made, lapses, is withdrawn or otherwise terminates in accordance with its terms, as the case may be, or, if applicable, the Scheme does not become Effective.

These irrevocable undertakings will prevent each of the individuals listed above from: (i) exercising any right of withdrawal of any acceptance of the Offer where such a right is otherwise exercisable

under the Code; or (ii) otherwise selling all or any part of their respective IMImobile Shares into the market.

## 2. **IMImobile Shareholder's irrevocable undertaking**

Liontrust has given an irrevocable undertaking to vote (or procure the voting) in favour of the Scheme at the Court Meeting and in favour of the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in relation to 15,412,321 IMImobile Shares, representing approximately 18.7 per cent. of the issued ordinary share capital of IMImobile as at the Last Practicable Date.

This irrevocable undertaking will cease to be binding if:

- (a) Bidco announces, with the consent of the Panel, that it does not intend to proceed with the Offer;
- (b) if a competing offer for IMImobile becomes or is declared unconditional in all respects (if implemented by way of a takeover offer) or otherwise becoming effective in accordance with its terms (if implemented by way of a scheme of arrangement);
- (c) if a competing offer to acquire IMImobile is announced, however structured, under which the value of the consideration payable to IMImobile Shareholders for each IMImobile Share represents at least 10 per cent. or more than that payable pursuant to the Offer; if any competing offer includes non-cash consideration, such as shares or other securities, the value of the consideration offered shall be as determined by the IMImobile Directors (acting reasonably), having taken advice from IMImobile's financial adviser; or
- (d) on the earlier of: (a) the Long Stop Date; or (b) the date on which the Offer, if made, lapses, is withdrawn or otherwise terminates in accordance with its terms, as the case may be, or, if applicable, the Scheme does not become Effective.

The undertakings given by Liontrust in the irrevocable undertaking shall not apply to the extent that Liontrust is unable to comply with them as a result of a loss of mandate in respect of managed accounts or as a result of redemptions in the funds managed by Liontrust.

The irrevocable undertaking given by Liontrust will prevent it from: (i) exercising any right of withdrawal of any acceptance of the Offer where such a right is otherwise exercisable under the Code; or (ii) subject to certain exceptions, otherwise selling the number of IMImobile Shares in respect of which the irrevocable undertaking is given into the market.

## 3. **Letters of intent**

The following IMImobile Shareholders have each given a non-binding letter of intent to vote (or procure the voting) in favour of the Scheme at the Court Meeting and in favour of the Resolutions to be proposed at the General Meeting:

<b>Name</b>	<b>Number of IMImobile Shares in respect of which the letter of intent is given as at the Last Practicable Date</b>	<b>Percentage of IMImobile's issued share capital as at the Last Practicable Date (%)</b>
Hargreave Hale*	7,983,038	9.7
Octopus Investments	11,117,618	13.5
<b>Total</b>	<b>19,100,656</b>	<b>23.2</b>

\* on behalf of Marlborough UK Micro-cap Growth Fund, Marlborough Special Situations Fund and Marlborough Technology Fund

## APPENDIX 4

### DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

<b>AIM</b>	AIM, the market of that name operated by the London Stock Exchange;
<b>AIM Rules</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time;
<b>Announcement</b>	this announcement made in accordance with Rule 2.7 of the Code, including its Appendices;
<b>API</b>	an application programming interface;
<b>Appendices</b>	the appendices to this Announcement and <b>Appendix</b> has a corresponding meaning;
<b>associated undertaking</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations;
<b>Barclays</b>	Barclays Bank PLC, acting through its Investment Bank;
<b>Bidco</b>	Cisco Systems Holdings UK Limited, a company incorporated in England and Wales with registered number 08126561;
<b>Bidco Group</b>	Bidco and its subsidiary undertakings from time to time;
<b>Business Day</b>	a day, not being a public holiday, Saturday or Sunday, on which banks in London are open for normal business;
<b>Cisco</b>	Cisco Systems, Inc. a company organised under the laws of the State of California with tax identification number 77-0059951;
<b>Closing Price</b>	the closing middle market price of an IMImobile Share as derived from the Daily Official List published by the London Stock Exchange on any particular date;
<b>CMA</b>	the Competition and Markets Authority of the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time);
<b>CMA Phase 2 Reference</b>	a reference pursuant to sections 22, 33, 45 or 62 of the Enterprise Act 2002 (as amended) of the Offer to the chair of the CMA for the constitution of a group under

	Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>Code</b>	the City Code on Takeovers and Mergers;
<b>Companies Act</b>	the Companies Act 2006, as amended from time to time;
<b>Conditions</b>	the conditions to the Offer, as set out in Part A of Appendix 1, and to be set out in the Scheme Document;
<b>Confidentiality Agreement</b>	has the meaning given to it in paragraph 14.1 of this Announcement;
<b>Co-operation Agreement</b>	has the meaning given to it in paragraph 14.3 of this Announcement;
<b>Court</b>	the High Court of Justice of England and Wales;
<b>Court Meeting</b>	the meeting or meetings of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purposes of considering, and if thought fit, approving the Scheme (with or without amendment), including any adjournment, postponement or reconvention thereof;
<b>Court Order</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>CPaaS</b>	Communications Platform as a Service;
<b>CREST</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755));
<b>CXaaS</b>	Customer Experience as a Service;
<b>Dealing Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Disclosed</b>	the information which has been fairly disclosed: <ul style="list-style-type: none"> <li>(a) by or on behalf of IMImobile to Bidco or Cisco (or their officers, employees, agents or advisers) before the date of this Announcement;</li> <li>(b) in the annual report and accounts of IMImobile for the financial year ended 31 March 2020;</li> <li>(c) in this Announcement; or</li> </ul>

	(d) in any other public announcement made by IMImobile via a Regulatory Information Service prior to the date of this Announcement;
<b>EBITDA</b>	earnings before interest, tax, depreciation and amortisation;
<b>Effective</b>	in the context of the Offer: (a) if the Offer is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms, upon the delivery of the Court Order to the Registrar of Companies for registration; or (b) if the Offer is implemented by way of the Takeover Offer, the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Code;
<b>Effective Date</b>	the date on which the Offer becomes Effective;
<b>EU Merger Regulation</b>	Council Regulation (EC) No. 139/2004;
<b>Euroclear</b>	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 02878738;
<b>Excluded Shares</b>	any IMImobile Shares registered in the name of or beneficially owned by Bidco or its nominees or any member of the Bidco Group or held in treasury at the Scheme Record Time;
<b>Executive IMImobile Directors</b>	Jay Patel, Michael Jefferies and Shyamprasad Bhat;
<b>FCA</b>	the Financial Conduct Authority or its successor from time to time;
<b>Flexera Confidentiality Agreement</b>	has the meaning given to it in paragraph 14.2 of this Announcement;
<b>Forms of Proxy</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which will accompany the Scheme Document;
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended from time to time);
<b>General Meeting</b>	the general meeting of IMImobile Shareholders (including any adjournment, postponement or reconvention thereof) to be convened for the purpose of considering and, if thought fit, approving the Resolutions, notice of which shall be contained in the Scheme Document;
<b>Hargreave Hale</b>	Hargreave Hale Limited;

<b>IFRS</b>	International Financial Reporting Standards, as adopted by the European Union;
<b>IMImobile</b>	IMImobile PLC, a company incorporated in England and Wales with registered number 08802718;
<b>IMImobile Articles</b>	the articles of association of IMImobile from time to time;
<b>IMImobile Directors</b>	the directors of IMImobile as at the date of this Announcement or, where the context so requires, the directors of IMImobile from time to time;
<b>IMImobile Group</b>	IMImobile and its subsidiary undertakings from time to time and, where the context permits, each of them;
<b>IMImobile Profit Forecast</b>	the profit forecast of IMImobile referred to in paragraph 9 of this Announcement;
<b>IMImobile Shareholders</b>	holders of IMImobile Shares;
<b>IMImobile Share Plans</b>	the IMImobile 2014 Unapproved Group Option Plan, the IMImobile Company Share Option Plan, the IMImobile Employees Stock and Shares Plan 2011 (pursuant to which exchanged options are held), the IMImobile Global SAYE Plan and the IMImobile Europe Limited Flowering Share Plan;
<b>IMImobile Shares</b>	the ordinary shares of 10 pence each in the capital of IMImobile;
<b>Independent IMImobile Directors</b>	or the IMImobile Directors as at the date of this Announcement other than the Executive IMImobile Directors;
<b>Independent Directors</b>	
<b>Initial Period</b>	the statutory review period in which the CMA has to decide whether to make a Phase 2 CMA Reference under section 34ZA Enterprise Act 2002;
<b>INR</b>	the lawful currency of the Republic of India from time to time;
<b>Investec</b>	Investec Bank plc;
<b>Irrevocable Undertakings</b>	the irrevocable undertakings to vote or procure votes in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), as detailed in Appendix 3 to this Announcement;
<b>Last Practicable Date</b>	4 December 2020, being the last practicable date prior to publication of this Announcement;



<b>Liontrust</b>	Liontrust Investment Partners LLP;
<b>London Stock Exchange</b>	The London Stock Exchange plc or its successor;
<b>Long Stop Date</b>	31 August 2021 or such later date (if any) as Bidco and IMImobile may agree, with the consent of the Panel, and which (if required) the Court may allow;
<b>Merger Notice</b>	a notice to the CMA in the prescribed form as contemplated by section 96 Enterprise Act 2002;
<b>N+1 Singer</b>	Nplus1 Singer Advisory LLP;
<b>Octopus Investments</b>	Octopus Investments Nominees Ltd;
<b>Offer</b>	the recommended cash acquisition being made by Bidco to acquire the entire issued and to be issued share capital of IMImobile to be implemented by means of the Scheme (or by a Takeover Offer, under certain circumstances as described in this Announcement), on the terms and subject to the Conditions set out in this Announcement and to be set out in the Scheme Document (or the Offer Document, as applicable), and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
<b>Offer Document</b>	if the Offer is implemented by means of a Takeover Offer, the document to be sent or made available to IMImobile Shareholders and persons with information rights containing, among other things, the full terms and conditions of the Offer;
<b>Offer Period</b>	the period commencing on the date of this Announcement and ending on: (a) the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (b) the earlier of the date on which the Takeover Offer has become or has been declared unconditional as to acceptances and/or the date on which the Takeover Offer lapses or is withdrawn (or such other date as the Panel may decide), other than (in the case of (a)) where such lapsing or withdrawal is a result of Bidco exercising its right to implement the Offer by way of a Takeover Offer;
<b>Opening Position Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Panel</b>	the UK Panel on Takeovers and Mergers;
<b>PRA</b>	the Prudential Regulation Authority or its successor from time to time;
<b>RCS</b>	Rich Communication Services;

<b>Registrar of Companies</b>	the registrar of companies in England and Wales;
<b>Regulatory Information Service</b>	an information service authorised from time to time by the London Stock Exchange for the purposes of disseminating regulatory announcements;
<b>Relevant Authority</b>	any central bank, ministry, governmental, quasigovernmental, supranational (including the European Union), statutory, regulatory or investigative body, authority or tribunal (including any national or supranational antitrust, competition or merger control authority, any sectoral ministry or regulator and any foreign or national security investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction;
<b>relevant securities</b>	shall be construed in accordance with the Code;
<b>Resolutions</b>	the special resolution to be proposed by IMImobile at the General Meeting in connection with, among other things, the amendment of the IMImobile Articles and such other matters as may be necessary to implement the Scheme;
<b>Restricted Jurisdiction(s)</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to IMImobile Shareholders in that jurisdiction;
<b>Sanction Hearing</b>	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act;
<b>Scheme</b>	the proposed Court-sanctioned scheme of arrangement between IMImobile and Scheme Shareholders pursuant to which the Offer is to be made under Part 26 of the Companies Act, upon the terms and subject to the conditions set out in this Announcement and to be set out in the Scheme Document (with or subject to any modification, addition or condition which Bidco and IMImobile may agree and the Court may impose or, if required, approve);
<b>Scheme Document</b>	means the document to be sent or made available to IMImobile Shareholders and persons with information rights containing, among other things, the Scheme, the full terms and conditions of the Scheme and notices convening the Court Meeting and the General Meeting;

<b>Scheme Record Time</b>	the record date and time for the Scheme, as specified in the Scheme Document, by reference to which the entitlements of Scheme Shareholders under the Scheme will be determined, expected to be 6:00 p.m. on the Business Day immediately prior to the Effective Date;
<b>Scheme Shareholder(s)</b>	the holder of Scheme Shares from time to time;
<b>Scheme Shares</b>	<p>the IMImobile Shares:</p> <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) if any, issued after the date of the Scheme Document and before the Voting Record Time; and</li> <li>(c) if any, issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares are to be bound by the Scheme or in respect of which their holders are, or shall have agreed in writing to be, bound by the Scheme,</li> </ul> <p>but, in each case, other than Excluded Shares;</p>
<b>SEC</b>	US Securities and Exchange Commission;
<b>Significant Interest</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of: (a) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking; or (b) the relevant partnership interest;
<b>subsidiary, subsidiary undertaking and undertaking</b>	shall be construed in accordance with the Companies Act;
<b>Third Party</b>	has the meaning given to it in paragraph 3(g) of Part A of Appendix 1 to this Announcement;
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
<b>USD</b>	the lawful currency of the United States of America from time to time;
<b>US Exchange Act</b>	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

<b>VAS Segment</b>	IMImobile's Operator Value Added Services and Mobile Payments business;
<b>Voting Record Time</b>	the time and date by reference to which entitlement to vote on the Scheme will be determined, as specified in the Scheme Document;
<b>Wider Bidco Group</b>	Bidco and its parent undertakings and its and such parent undertakings' subsidiary undertakings, Cisco and their respective associated undertakings, and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a Significant Interest;
<b>Wider IMImobile Group</b>	IMImobile and its subsidiaries, subsidiary undertakings, associated undertakings (excluding any member of the Wider Bidco Group) and any other body corporate, partnership, joint venture or person in which IMImobile and all such undertakings (aggregating their interests) have a Significant Interest; and
<b>£ or pence</b>	the lawful currency of the United Kingdom from time to time.

All references in this Announcement to the singular include the plural and vice versa.

All references in this Announcement to any statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validly therefrom.