

20 February 2019

Mobile Tornado Group plc
("Mobile Tornado", the "Company" or the "Group")

Trading update and notice of results

Mobile Tornado (AIM: MBT), the leading provider of instant communication mobile applications to the enterprise market, today issues a trading update ahead of the announcement of results for the year ended 31 December 2018. The audited results are expected to be announced in the week commencing 15 April 2019.

Trading in the second half of the year, and therefore for the full year, was in line with the Board's expectations. A good trading performance during the second half has resulted in a significant improvement in adjusted EBITDA* loss during this period, when compared to the first six months. As a result, subject to audit, the Board expects to report revenue and adjusted EBITDA loss for the year ended 31 December 2018 and net debt as at 31 December 2018 in line with market expectations.

Jeremy Fenn, Chairman of Mobile Tornado, said: *"Given the momentum generated in the second half of 2018, the Board is optimistic and excited about the opportunities that lie ahead in 2019. Our significant and continued investment in the technical platform has begun to pay off. We have the only carrier grade end-to-end instant communication solution that works over any IP Network, transitioning seamlessly across 2G, 3G, 4G and Wi-Fi. Along with the additional enhancements described below, we are now engaging with multiple enterprises and Government agencies who are attracted to the robustness, flexibility and functionality of our platform."*

The Company's improved second half trading performance has been driven by:

- progress in relation to a recent contract win with a major Mobile Network Operator ("MNO") in Israel, which has generated encouraging early sales of a bundled solution under the new Capex model (perpetual license and device); and
- further enhancements made to the technical platform, both in terms of product offering as described in further detail below and improvements made to the overall operating efficiency of the platform, positively impacting total operating expenses.

The Directors consider that there is increasing interest in the Group's proposition, driven to a large extent by the continued improvements that are being made to the platform. As the functionality and flexibility of the platform continues to be enhanced, the markets that the Company is able to address increase substantially.

Some of the improvements to the product offering that have been recently deployed include the following:

- The dual redundant server platform can now be deployed for between \$20k and \$200k, enabling customers to meet the requirements for between 1,000 and 200,000 users. All platforms deliver the full product suite, comprising Push-to-Talk, Push-to-Alert, Push-to-Locate and Push-to-Message. The increased flexibility of the solution is allowing the Group to move into markets previously dominated by Digital Mobile Radio and Land Mobile Radio technologies, which are more expensive and require dedicated devices.

- The Dispatch platform has been further developed and forms a key component of the Company's end-to-end solution. It is now a major driver for new customers and markets. The platform can now handle simultaneously up to 18 channels, which meets the public safety requirements for most government agencies.
- Government contracts also require higher security platforms and in the latest release of the software the Company has introduced end-to-end encryption based on an improved AES256 encryption standard, whereby the audio is encrypted with a different encryption key on every PoC transmission.
- The technical team has also improved the efficiency of the platform such that the battery consumption has been materially reduced, allowing the device to be used for days between charges, rather than hours. One of the biggest challenges with all mobile devices has always been the battery life, and this is particularly relevant and important in the public safety markets that the Group is now engaged with.
- In March 2019, the Company will be launching its recording server that will enable a customer to record all private and group calls across the platform. This data can be stored for future investigations that are extremely important for public safety customers.

The Directors consider that the above developments significantly strengthen the Group's proposition across all of its core markets.

**excluding exchange differences and non-recurring items*

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