

2 May 2017

Digital Barriers plc

("Digital Barriers" or the "Group")

Framework Contract and Trading Update

*Framework contract with leading services provider into the Energy and Maritime sectors
Further trading update for the twelve months ended 31 March 2017*

Digital Barriers plc (AIM: DGB, the "Group"), the specialist provider of visually intelligent solutions to the global surveillance, security and safety markets, provides the following update.

Framework contract secured

The Group is pleased to announce that it has secured a framework contract with an existing customer: one of the world's leading remote communications providers serving the Energy and Maritime sectors. Under the framework contract, the Group's EdgeVis technology will be used to deliver video services over constrained satellite bandwidths to Energy and Maritime customers in remote locations around the world.

This new framework contract, one of several that were in the final stages of negotiation at the time of the Group's trading update on 24 March 2017, includes minimum value thresholds for the Group of \$0.75m in the current financial year and then \$2.25m in each subsequent financial year thereafter, for the duration of the agreement, in order for the customer to maintain its exclusive rights to the resale of certain specialist Digital Barriers' products into the Energy and Maritime sectors.

Further update on trading

The Group also provides a further update on trading for the year ended 31 March 2017. Headlines from the period include:

- Contracted total revenue (sales) expected to be £31.0 million, representing an increase of 46% over the prior year (FY16: £21.1 million)
- Contracted organic revenue (sales) expected to be £20.8m, representing an increase of 23% over the prior year (FY16: £16.9 million).
- Reported total revenue expected to be £26.5 million, an increase of 26% over the prior year (FY16: £21.1 million)
- Total secured backlog under contract at 31 March 2017 increasing more than 75% on the same position last year at £11.4 million (FY16: £6.5 million).
- Reported organic revenue expected to be £16.2 million, a decrease of 11% over the prior year (FY16: £18.2 million)
- Organic secured backlog under contract at 31 March 2017 expected to increase more than fivefold year on year to £5.4 million (FY16: £1.0 million).
- EBITDA is expected to be in line with market expectations.
- Net cash at 31 March 2017 was £1.0 million.

In the Group's previous trading update on 24 March 2017, details were given of eight contracts and framework agreements that had been expected to close by the end of the year. Although none of those contracts were secured by 31 March 2017, four have already been secured in the month following the end of the financial year and three of the remaining four contracts are expected to close in the first half of the current financial year.

The Group has made better start to the current financial year, with more than £15 million of revenue now in contracted backlog for delivery during the current financial year. This stronger order book will help the Group address its challenge of contract award timing and delivery and, consequently, its ability to predict financial performance around accounting period ends.

As illustrated by the G4S and Careem contract awards announced earlier this month, the Group is also increasing its focus on channel sales and licensing deals. These types of relationship should provide the potential for recurring revenues and improve revenue visibility, but can take time to negotiate and secure. The Group has other similar deals in negotiation, which it expects to complete and announce during the current financial year.

Zak Doffman, CEO, said:

"We continue to work through closing the opportunities in front of us and we are making progress. We are keenly aware that only by building our forward order book, and securing recurring revenue deals, can we better manage and predict our financial performance on a period by period basis.

So for instance, this year we have already announced notable contracts with Careem, with G4S Europe and with one of our major US customers. The latest framework contract, announced today, significantly expands our sales reach across the energy and maritime sectors. Such frameworks are a key part of our strategy, and this month a similar framework agreement for ThruVis led to the first sale of the technology into the mainland China mass transportation market, part of a significant ongoing procurement programme.

The current financial year has begun as we would have hoped and we have signed many of the contracts deferred from the year ended 31 March 2017 early in the current period."

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About Digital Barriers

Digital Barriers provides visually intelligent solutions to the global surveillance, security and safety markets. We deliver zero-latency streaming and analysis of secure video and related intelligence over wireless networks, including cellular, satellite, IP mesh and cloud, utilising significantly less bandwidth than standard technologies. Our rapidly-installed fixed and mobile solutions for covert, remote and wide-area deployments, as well as vehicle and body-worn applications, have been sold into more than fifty countries, and have been proven in some of the world's most demanding operational environments. We also provide advanced video content analysis and body scanning to identify safety concerns and threats in real-time.

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