



**Immedia Group PLC - IME**  
UNAUDITED HALF-YEAR RESULTS  
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ISSUED ON BEHALF OF **IMMEDIA GROUP PLC**  
**Thursday, 27 September 2018**  
**IMMEDIATE RELEASE**

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

#### **IMMEDIA GROUP PLC**

("Immedia" or the "Company" or the "Group")

#### **UNAUDITED HALF-YEAR RESULTS**

Immedia (AIM: IME), a supplier of multi-media content and digital audience engagement solutions for leading brands and global businesses, announces its unaudited half-year results for the six months ended 30 June 2018.

**Commenting on the performance, Immedia's CEO Bruno Brookes said:**

*"I am pleased to report that the Group has made good progress during the first half.*

*Strengthened relationships with existing clients, new business coming on stream and the impact of cost control measures implemented in 2017 have combined to substantially turn around below par 2017 results.*

*We expect the positive progress this year to continue in the second half and are focused on maintaining growth and momentum into 2019 and beyond.*

*The outlook is positive. We are engaged at a senior level with companies in all our strategic pillars of retail, sport, education and workforce. Our innovations are working in alignment with our strategy to transform our client companies into media owners rather than media buyers."*

## HIGHLIGHTS

- 9% increase in revenue to £2,016,677 compared to H1 2017
- EBITDA turned positive compared to a loss in H1 2017
- Successful launch of the JD-X app with JD Sports
- The take-up of SUBWAY® Radio continues to exceed Board expectations
- Post the period end:
  - Service trial with major UK financial services institution has been successful and resulted in a contract to provide services to the entire estate
  - Continued expansion of JD-X and other services to JD Sports

## KEY FINANCIALS

	<b>Unaudited Half year to 30 June 2018</b>	Unaudited Half year to 30 June 2017	Audited Year to 31 Dec 2017
Revenue	<b>£2,016,677</b>	£1,845,278	£3,548,689
EBITDA*	<b>£39,878</b>	£(104,382)	£(512,847)
Results from operating activities	<b>£(33,871)</b>	£(188,146)	£(692,118)
Loss before income tax	<b>£(35,220)</b>	£(188,225)	£(693,268)
Net fair value (loss)/profit on financial assets	<b>£(55,800)</b>	£(34,500)	£7,800
Total comprehensive loss for the period	<b>£(91,020)</b>	£(222,725)	£(663,768)
Loss per share - basic (pence)	<b>(0.26)</b>	(1.37)	(4.89)
Loss per share - diluted (pence)	<b>(0.26)</b>	(1.37)	(4.89)
Net Cash and cash equivalents	<b>£148,825</b>	£82,138	£53,743

*\*Profit/(Loss) before interest, tax, depreciation, amortisation and impairment charges*

**FULL STATEMENT ATTACHED**

**Enquiries:**

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About **Immedia Group plc**

[www.immediapl.com](http://www.immediapl.com)

**Immedia** Group is a multi-media content and digital solutions provider to global businesses and organisations investing in internal and/or brand communications. Our interactive audio channels deliver original and relevant content, via **Immedia's** Dreamstream-X platform, to a client's workforce and/or customer base. Each channel is supported with powerful data analytics, which monitor audience activity and provide data to enable **Immedia** to enhance audience engagement. The Group also creates original video, 3D animation, app and web content, as well as supplying and installing audio visual equipment.

**Immedia's** clients include: BP, FIFA, HSBC, JD Sports Fashion plc, O2, Shell, Subway Europe, Superdrug and IKEA.

## **IMMEDIA GROUP PLC**

### **Unaudited Half-Year Results for the six months ended 30 June 2018**

#### **INTRODUCTION**

I am pleased to report that the Group enjoyed a more successful half year than in the corresponding period last year.

Both revenue and profitability showed solid improvement over the corresponding 2017 period and reflect the continuing strengthening of client relationships, long awaited new business coming on stream and the full impact of cost control measures initiated across the business, particularly within our AVC Immedia division.

The strength of the team in all sectors - management, business development, creative, operations and financial - gives excellent grounds for confidence in H2 2018 and beyond.

## FINANCIAL RESULTS

Revenue in the period being reported increased 9.3% to £2,016,677 (H1 2017: £1,845,278).

The Group has continued its strong relationships with clients, with product and service development from several clients boosting revenues and exceeding budgeted figures.

An extensive set of measures to manage cost versus investment within the business was implemented in 2017. We are confident that the full benefits of these measures will be apparent in the 2018 financial year.

As we announced in April, Immedia also benefited from a one-off installation and equipment supply contract following a successful service implementation with a major UK financial services institution. This association, which had been operating on an extended trial basis, was contracted post period end and further detail can be found below.

### EBITDA

In light of the developments above EBITDA for the period was £39,878 (H1 2017: loss (£104,382) ; a significant improvement. Cash balances increased accordingly to £148,825 (H1 2017: £82,138), with the Group remaining virtually debt free.

As in previous years, Immedia's investment in AudioBoom Group plc, the leading spoken-word audio platform (AIM: BOOM), showed significant fluctuations in value during the period. In accordance with our IFRS accounting regime, a loss on revaluation of investments of £55,800 has been reported in the first half (H1 2017: loss of £34,500). Cumulatively, the Group remains in profit on its investment.

### OPERATIONS

The Directors are encouraged by the performance of the business in the period and the opportunities that lie ahead.

It is also pleasing to report that recent major contracts with both JD Sports and SUBWAY® are exceeding Board expectations. In addition, our multi-channel network propositions and brand content delivery continue to attract substantial levels of interest and successful conversion rates.

Overall, the new business pipeline is positive and activity is growing across the business network. This gives the Board confidence in its strategy and the future.

### AVC IMMEDIA

2018 is a year of dynamic activity for AVC Immedia. This division continues to work with a wide range of high-profile customers in the energy, sport, transport, tourism and leisure sectors. Examples of projects include:

- *FIFA* - a team was sent to Russia to film Fan Fest Entertainment in World Cup stadia
- *Weir Oil and Gas* - OTC 2018 production, Augmented Reality, interactive and 3D animation content
- *Maersk* - 360°, drone and promotional project film
- *Petrofac* - construction animation for building work in the Falkland Islands
- *Visit Aberdeenshire* - series of promotional tourism films

## PEOPLE

To support the opportunities and confirmed forward business, we have taken the opportunity to recruit and strengthen our teams to ensure that we have the talent and resource skills set to service new and existing client projects. This has included adding a Client Services Manager in Newbury and a new dedicated animation team in Aberdeen.

The business now employs 31 people and, on behalf of all stakeholders, I would like to thank each one of them for their hard work and dedication.

## POST PERIOD END

Since the end of the period we are pleased to report that we have provided JD Sports with updated mobile application modules for the IOS and Android platforms. The Group has also completed the roll-out of JD-X to over 370 of JD Sports UK stores, with a roll-out to European stores anticipated to begin in Q4 2018.

Immedia also recently announced a contract with a major UK financial services institution to deliver a mixture of services including live presenter led radio in high street locations together with equipment supply and installation, part of which had been started in the first half of the year.

## OUTLOOK

The one-off programme of installations with the major UK high street financial services institution will contribute significantly to profitability in 2018.

Our motivation is on maintaining momentum in recurring revenue in 2019 and beyond. Whilst AVC Immedia is seeing improved market conditions in the Aberdeen area as the oil price is on a rising trend, our focus is to continue to expand the geographical reach of AVC's state of the art film, production and 3D design services.

We continue to work in the forefront of mobile technology and in App entertainment services to take the 'in store' experience 'out of store'. This is the future, and I am pleased to state that Immedia remains a leader in these new technologies and retail experiences. We expect this trend to continue and intensify in the coming years and the business is well placed to lead this initiative in our key market segments.

After a positive start to the year the Directors expect this momentum to continue over the second half of the financial year, and are comfortable in meeting the market's expectation for the full year.

Our aspiration driven strategy is to turn our clients into media owners; we expect to announce further initiatives in this regard and we look forward to keeping our stakeholders updated over the coming months.

Bruno Brookes, CEO  
On behalf of **Immedia Group plc**  
27 September 2018

## IMMEDIA GROUP PLC

(Immedia or the Company or the Group)

Unaudited Half-Year results for the six months ended 30 June 2018

### Consolidated statement of profit or loss

	notes	<b>Unaudited Half-year ended 30 June 2018 £</b>	Unaudited Half-year ended 30 June 2017 £	Audited Year ended 31 December 2017 £
<b>Revenue</b>		2,016,677	1,845,278	3,548,689
Cost of sales		(957,450)	(851,256)	(1,759,046)
<b>Gross profit</b>		<u>1,059,227</u>	<u>994,022</u>	<u>1,789,643</u>
Administrative expenses		(1,093,098)	(1,182,168)	(2,481,761)
<b>Loss from operations</b>		<u>(33,871)</u>	<u>(188,146)</u>	<u>(692,118)</u>
Finance income		71	109	202
Finance cost		(1,420)	(188)	(1,352)
<b>Loss before tax</b>		<u>(35,220)</u>	<u>(188,225)</u>	<u>(693,268)</u>
Tax credit		-	-	21,700
<b>Loss for the period</b>		<u>(35,220)</u>	<u>(188,225)</u>	<u>(671,568)</u>
<b>Earnings per share (pence)</b>				
Basic and Diluted	5	(0.26)	(1.37)	(4.89)

### Consolidated statement of profit or loss and other comprehensive income

	notes	<b>Unaudited Half-year ended 30 June 2018 £</b>	Unaudited Half-year ended 30 June 2017 £	Audited Year ended 31 December 2017 £
<b>Loss for the period</b>		(35,220)	(188,225)	(671,568)
Items that will not be reclassified subsequently to profit or loss:				
Fair value (loss)/gain on equity investments not held for trading designated as FVTOCI		(55,800)	(34,500)	7,800
<b>Total comprehensive loss for the period</b>		<u>(91,020)</u>	<u>(222,725)</u>	<u>(663,768)</u>

## IMMEDIA GROUP PLC

(Immedia or the Company or the Group)

Unaudited Half-Year results for the six months ended 30 June 2018

### Consolidated balance sheet

	notes	Unaudited Half-year At 30 June 2018 £	Unaudited Half-year At 30 June 2017 £	Audited At 31 December 2017 £
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		176,455	260,960	200,838
Intangible assets		336,602	395,541	366,099
Deferred tax assets		34,850	13,150	34,850
Financial assets	4	117,000	130,500	172,800
<b>Total non-current assets</b>		664,907	800,151	774,587
<b>Current assets</b>				
Inventories		162,976	147,582	69,803
Trade and other receivables		652,096	639,363	519,129
Prepayments		155,654	175,136	107,915
Cash and cash equivalents		148,825	82,138	53,743
<b>Total current assets</b>		1,119,551	1,044,219	750,590
<b>TOTAL ASSETS</b>		1,784,458	1,844,370	1,525,177
<b>Equity</b>				
Share capital		1,455,684	1,455,684	1,455,684
Share premium		3,586,541	3,586,541	3,586,541
Merger reserve		2,245,333	2,245,333	2,245,333
Share-based payment reserve		4,578	4,578	4,578
Investment valuation reserve		27,000	40,500	82,800
Retained losses		(7,234,714)	(6,716,151)	(7,199,494)
<b>Total equity</b>		84,422	616,485	175,442
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Finance leases		2,871	5,063	1,542
Provisions		42,500	42,500	42,500
<b>Total non-current liabilities</b>		45,371	47,563	44,042
<b>Current liabilities</b>				
Finance leases		8,612	2,495	5,514
Trade and other payables		1,461,813	1,083,275	1,233,522
Contract liabilities		184,240	94,552	66,657
<b>Total current liabilities</b>		1,654,665	1,180,322	1,305,693
<b>Total liabilities</b>		1,700,036	1,227,885	1,349,735
<b>Total equity and liabilities</b>		1,784,458	1,844,370	1,525,177

## IMMEDIA GROUP PLC

(Immedia or the Company or the Group)

Unaudited Half-Year results for the six months ended 30 June 2018

### Consolidated statement of changes in equity Attributable to equity shareholders in the Company

Total equity at 30 June 2018 (unaudited)	Share capital £	Share premium account £	Merger Reserve £	Share- based payment reserve £	Investment revaluation reserve £	Retained losses £	Total Equity £
Balance as at 1 January 2018	1,455,684	3,586,541	2,245,333	4,578	82,800	(7,199,494)	175,442
Loss for the year	-	-	-	-	-	(35,220)	(35,220)
Other Comprehensive Income for the period:							
Fair value loss on equity investments not held for trading designated as FVTOCI	-	-	-	-	(55,800)	-	(55,800)
<b>Total comprehensive loss for the year</b>	-	-	-	-	(55,800)	(35,220)	(91,020)
<b>Balance at 30 June 2018</b>	<b>1,455,684</b>	<b>3,586,541</b>	<b>2,245,333</b>	<b>4,578</b>	<b>27,000</b>	<b>(7,234,714)</b>	<b>84,422</b>

  

Total equity at 30 June 2017 (unaudited)	Share capital £	Share premium account £	Merger Reserve £	Share-based payment reserve £	Investment revaluation reserve £	Retained losses £	Total Equity £
Balance at 1 January 2017	1,455,684	3,586,541	2,245,333	4,578	75,000	(6,527,926)	839,210
Loss for the period	-	-	-	-	-	(188,225)	(188,225)
Other comprehensive income for the period:							
Fair value loss on equity investments not held for trading designated as FVTOCI	-	-	-	-	(34,500)	-	(34,500)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(34,500)	(188,225)	(222,725)
<b>Balance at 30 June 2017</b>	<b>1,455,684</b>	<b>3,586,541</b>	<b>2,245,333</b>	<b>4,578</b>	<b>40,500</b>	<b>(6,716,151)</b>	<b>616,485</b>

  

Total equity at 31 December 2017 (audited)	Share capital £	Share premium account £	Merger Reserve £	Share-based payment reserve £	Investment revaluation reserve £	Retained losses £	Total Equity £
Balance as at 1 January 2017	1,455,684	3,586,541	2,245,333	4,578	75,000	(6,527,926)	839,210
Loss for the year	-	-	-	-	-	(671,568)	(671,568)
Other comprehensive income for the period:							
Fair value gain on equity investments not held for trading designated as FVTOCI	-	-	-	-	7,800	-	7,800
<b>Total comprehensive gain/(loss) for the year</b>	-	-	-	-	7,800	(671,568)	(663,768)
<b>Balance at 31 December 2017</b>	<b>1,455,684</b>	<b>3,586,541</b>	<b>2,245,333</b>	<b>4,578</b>	<b>82,800</b>	<b>(7,199,494)</b>	<b>175,442</b>

**IMMEDIA GROUP PLC**  
(Immedia or the Company or the Group)

Unaudited Half-Year results for the six months ended 30 June 2018

**Consolidated statement of cash flows**

	notes	<b>Unaudited Half-year At 30 June 2018 £</b>	Unaudited Half-year At 30 June 2017 £	Audited At 31 December 2017 £
<b>Cash flows from operating activities</b>				
Loss for the period before income tax		(35,220)	(188,225)	(693,268)
<i>Adjustments for:</i>				
Depreciation, amortisation and impairment charges		73,749	83,764	179,271
Loss on sales of assets		-	-	1,396
Finance income		(71)	(109)	(202)
Finance cost		1,421	188	1,352
(Increase)/decrease in trade and other receivables and prepayments		(180,705)	80,020	267,476
(Increase)/decrease in inventories		(93,173)	(49,229)	28,550
Increase in trade and other payables and contract liabilities		345,875	44,441	166,790
<b>Net cash from operating activities</b>		<b>111,876</b>	<b>(29,150)</b>	<b>(48,635)</b>
<b>Taxation</b>		-	-	-
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment		3,160	-	-
Interest received		71	109	202
Acquisition of property, plant and equipment		(14,178)	(11,293)	(18,631)
<b>Net cash from investing activities</b>		<b>(10,947)</b>	<b>(11,184)</b>	<b>(18,429)</b>
<b>Cash flows from financing activities</b>				
Repayment of finance leases		(4,426)	(3,226)	(3,727)
Interest paid		(1,421)	(188)	(1,352)
<b>Net cash from financing activities</b>		<b>(5,847)</b>	<b>(3,414)</b>	<b>(5,079)</b>
Net increase/(decrease) in cash and cash equivalents		95,082	(43,748)	(72,143)
Cash and cash equivalents at the beginning of the period		53,743	125,886	125,886
<b>Cash and cash equivalents at the end of the period</b>		<b>148,825</b>	<b>82,138</b>	<b>53,743</b>

## IMMEDIA GROUP PLC

(Immedia or the Company or the Group)

Unaudited Half-Year results for the six months ended 30 June 2018

### NOTES TO THE FINANCIAL STATEMENTS

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act"). The statutory accounts for the year ended 31 December 2017 have been filed with the Registrar of Companies. The report of the auditors on these statutory accounts was unqualified, did not draw to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Act. The financial information for the six months ended 30 June 2018 and 30 June 2017 is unaudited.

This announcement was approved by the Board on 26 September 2018.

#### 1. Reporting entity

Immedia Group Plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The address of the Company's registered office, and its principal place of business, is 7-9 The Broadway, Newbury, Berkshire RG14 1AS. The consolidated financial statements of the Company as at and for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is involved in marketing and communication services through the provision of interactive digital channels products and services using music, radio and screen-based media to provide brand conversation, engaging entertainment and innovative technical solutions. It also supplies, installs and maintains the equipment used to deliver these services.

#### 2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 December 2017 and 31 December 2018. The Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information.

#### 3. Significant accounting policies

The accounting policies set out in detail in note 3 of the Group's consolidated financial statements to 31 December 2017 have been applied consistently to these unaudited financial statements to 30 June 2018, with the exception of the adoption of new or amended standards as set out below:

The following standards have become applicable for accounting periods commencing on or after 01 January 2018 and the appropriate adjustments have been considered:

- IFRS 9 - *Financial Instruments*
- IFRS 15 - *Revenue from Contracts with Customers*

The impact of the adoption of these standards and the new accounting policies are disclosed in note 6 of these financial statements.

#### 4. Financial assets

In March 2014 the Group invested £90,000 in the purchase of 6,000,000 shares in AudioBoom Group plc, an AIM-quoted audio social media platform, as part of the Group's strategy to broaden its digital marketing and communications services.

As described in note 6, the Company has taken the irrevocable election to classify this investment as FVTOCI. At 30 June 2018 the fair value of the investment was £117,000 with a current period fair value loss of £55,800 recognised in other comprehensive income (*30 June 2017 fair value £130,500 with fair value loss of £34,500 recognised in other comprehensive income; 31 December 2017 fair value £172,800 with fair value gain of £7,800 recognised in other comprehensive income*).

As at the date of approval of this report, the investment represents c.0.5% of AudioBoom Group plc's shares in issue and has a fair value of £126,000.

#### 5. Earnings per share

	<b>Unaudited</b>	Unaudited	Audited
	<b>as at</b>	as at	as at
	<b>30 June 18</b>	30 June 17	31 Dec 17
	<b>Number</b>	Number	Number
	<hr/>	<hr/>	<hr/>
Weighted average number of shares in issue	<b>14,556,844</b>	14,556,844	14,556,844
Less weighted average number of own shares	<b>(832,374)</b>	(832,374)	(832,374)
Weighted average number of shares in issue for basic earnings per share	<b>13,724,470</b>	13,724,470	13,724,470
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The basic and diluted earnings per share are calculated using the after tax loss attributable to equity shareholders for the financial period of £35,220 (*30 June 2017: loss £188,225; 31 December 2017: loss £671,568*) divided by the weighted average number of Ordinary shares in issue in each of the relevant periods: 30 June 2018: 13,724,470 shares (*30 June and 31 December 2017: 13,724,470 shares*). For the period to 30 June 2018 and the year to 31 December 2017 and period to 30 June 2017 and in accordance with IAS 33, the diluted loss per share is stated as the same amount as basic as there is no dilutive effect.

## 6 Adoption of new accounting standards

### (i) IFRS 9 - Financial instruments

#### ***Equity investments reclassified from Available-for-Sale to FVTOCI***

As disclosed in note 4, the Group holds an investment in Audioboom Plc. The Group does not consider this is held for trading. As permitted by IFRS 9, the Group has designated this investment, by way of an irrevocable election, at the date of initial application as measured at FVTOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

#### **Impairment of Financial Assets**

IFRS 9 requires the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model. Therefore, it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to all the Group's financial assets.

No changes to the impairment provisions were made on transition to IFRS 9 as the effects were felt to be immaterial. In assessing impairment requirements on financial assets, the Group now considers the historic loss rates, which have been minimal, in conjunction with expected future losses and credit losses as a result of potential defaults. This will, as mandated by IFRS 9, continue to be reassessed as and when further information becomes available or when conditions change.

### (ii) IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 *Revenue from Contracts with Customers* from 1<sup>st</sup> January 2018 and, following a review of the contracts held by the Group, this has not resulted in any changes to existing revenue recognition policies and no adjustments have been made to the amounts recognised in the financial statements.

**By order of the Board**  
**27 September 2018**

## **FORWARD LOOKING STATEMENTS**

This document contains certain forward-looking statements which reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future thereby involving a degree of uncertainty. Although the Group believes that the expectations reflected in these statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Given that these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements whether because of new information, future events or otherwise.

The Half-Year Report will be available to view and download from the Group's website at [www.immediapl.com](http://www.immediapl.com)

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