

Placing and Subscription to raise £1.1 million

IMMEDIA GROUP PLC

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20 August 2020

For immediate release

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

Proposed Placing and Subscription to raise £1.1 million Notice of General Meeting

Immedia (AIM: IME), a supplier of multi-media content and digital solutions for leading brands and global businesses, announces that it has conditionally raised gross proceeds of £1.1 million via the placing of 8,000,000 new Ordinary Shares at £0.10 per share (the "Placing Shares") and a Subscription for 3,000,000 new Ordinary Shares at £0.10 per share (the "Subscription Shares").

The Placing and Subscription are conditional, inter alia, on the passing of the Resolutions by Shareholders at the General Meeting, details of which are set out below. If the Resolutions are passed, admission of the Placing Shares and Subscription Shares to trading on AIM is expected to occur on or about 8.00 a.m. on 15 September 2020. Shareholders' attention is drawn to the paragraph below entitled "General Meeting" which contains important information about the format of, and attendance at, the meeting.

Background to and reasons for the Placing and Subscription

In the trading statement released on 18 June 2020, Immedia indicated that the Board was considering raising extra funding from a variety of sources. This is in the context of the severely challenging Covid-19 pandemic, which has materially affected the Group's business, both in its retail sector concentration and the project based Aberdeen division which has seen booked work cancelled or delayed.

The pandemic has halted the encouraging start to 2020 to which the Group referred in its Covid-19 trading statement released on 6 April 2020. In light of the ongoing uncertainty around the 2020 outturn because of Covid-19 the Directors now consider it prudent to introduce new capital to the Group.

The Directors have been working vigorously in pursuit of the Group's long-term strategic goal of delivering enhanced value to stakeholders. For this reason, Immedia signed non-binding heads of terms for a potential acquisition in the second half of 2019. This process ultimately turned out to be unsuccessful.

The funds raised through the Placing and Subscription will, in part, be used to pay some transaction costs arising from this aborted acquisition. In addition, funds will be used to repay some short-term loan finance, leaving the Group with zero debt (other than finance leases).

The majority of funds raised will be used as general working capital to support Group trading in what is an unprecedented time for the global business community.

The Group has taken decisive action in recent months to reorganise its structures and processes in order to deliver greater pace and efficiency. In addition, the Group has revamped the external presentation of its business to better define product and service offerings in target retail, energy, sport and education sectors. The Group has rebranded as AVC Immedia, clearly operating as a single business across a number of different locations. The new strapline - Audio Visual Communication for Brands - both refers to the AVC part of the new trading name and represents a concise summary of the Group's service offering.

The rest of the year and into 2021 will be focused on delivering top line growth in the business through a number of initiatives including targeted cross selling amongst the Group's numerous blue-chip clients.

Much has changed internally and externally but the focus on long term client satisfaction will always remain. Immedia will seek to bolster its service offering and add strategic value with compatible acquisitions where appropriate.

Use of Proceeds

The Company is raising funds to enable the Board to repay some short-term loan finance and pay abortive transaction costs. The majority of the money will be utilised to fund the Company's general working capital requirements.

The Placing and Subscription

Under the Placing, 8,000,000 Placing Shares have been placed with investors at £0.10 per Placing Share. Pursuant to the Subscription, Mark Horrocks (and his related family interests) have agreed to subscribe for 3,000,000 Subscription Shares at £0.10 per Subscription Share. The Issue Price represents a discount of approximately 31.0% to the mid-market closing price of £0.145 per share on 19 August 2020, the latest practicable date prior to this announcement.

Mark Horrocks (and his related family interests) are currently interested in 4,121,638 Ordinary Shares, representing 28.31 per cent. of the Existing Ordinary Shares. The reason for splitting the fundraising between the Placing and the Subscription is that Mark Horrocks (and his related family interests) intend to support the fundraise in proportion to their current total shareholding. However, if the Placing was not approved, but the Subscription proceeded, Mark Horrocks (and his family interests) would become interested in more than 30 per cent. of the Company's issued share capital and would be obliged to make a mandatory cash offer for the Ordinary Shares in Immedia under Rule 9 of the City Code, which is not their intention. For this reason, the Resolutions proposed at the General Meeting are inter-conditional such that if the Resolutions in relation to the Placing are not passed then the Subscription will not proceed.

Assuming all resolutions are passed at the General Meeting and Admission occurs, Mark Horrocks (and his related family interests) would hold 7,121,638 Ordinary Shares representing 27.87 per cent. of the Enlarged Share Capital following the Placing and Subscription.

Application will be made to the London Stock Exchange for the Placing Shares and Subscription Shares to be admitted to trading on AIM, subject to approval of the Resolutions. It is expected that Admission will become effective and that dealings in the Placing Shares and Subscription Shares, will commence on AIM at 8.00 a.m. on or around 15 September 2020.

Assuming no options are exercised prior to Admission and no other issues of Ordinary Shares take place, the Placing Shares and Subscription Shares will represent approximately 43.04 per cent. of the ordinary share capital of the Company in issue immediately following Admission.

General

All Placing Shares and Subscription Shares will be issued credited as fully paid and will rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared on or after the date on which they are issued.

Related Party Transactions

Mark Horrocks (and his related family interests) have agreed to subscribe for the 3,000,000 Subscription Shares. The Subscription, which is conditional on the passing of the Resolutions and Admission, constitutes a related party transaction under Rule 13 of the AIM Rules for Companies. In addition, the Company has entered into a fundraising agreement with Intrinsic Capital LLP, where Mark Horrocks is a Partner, to pay Intrinsic Capital LLP a commission of 2.5 per cent. of the value of the funds raised under the Placing and Subscription. The Independent Directors consider, having consulted with SPARK, the Company's Nominated Adviser, that the terms of Subscription and the fundraising agreement are fair and reasonable insofar as the Company's Shareholders are concerned.

General Meeting

A notice convening the General Meeting to be held at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD, at 10.00 a.m. on 14 September 2020.

Whilst Shareholder participation at general meetings is important to the Company, the Board fully supports the current UK Government requirements for people to avoid large gatherings and non-essential social contact. The Board takes its responsibility to safeguard the health of its shareholders, stakeholders and employees very seriously and so the following measures will be put in place for the General Meeting in response to the COVID-19 pandemic:

- The Board has concluded that shareholders, their proxies and corporate representatives SHOULD NOT ATTEND THE GENERAL MEETING IN PERSON. No such persons will be permitted entry to either the meeting or to the building in which it is to be held.
- Shareholders wishing to vote on any of the resolutions are urged to do so by appointing a proxy (who should be the Chairman of the Meeting) to vote on your behalf. You can appoint a proxy by returning the completed form to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by email to voting@shareregistrars.uk.com.
- Voting on all resolutions will be done on a poll.

Proxy appointments, whether submitted electronically or by post, must be received by no later than 10.00 a.m. on 10 September 2020.

Board Recommendation

Mark Horrocks, together with his family interests, is participating in the Subscription so has not taken part in the Board's consideration in relation to the Subscription. The Independent Directors consider that the Subscription will promote the success of the Company for the benefit of its members as a whole. Accordingly, the Independent Directors unanimously recommend Shareholders to vote in favour of the relevant Resolutions at the General Meeting, as Ross Penney intends to do in respect of his own beneficial holding of 443,388 Ordinary Shares representing approximately 3.05 per cent. of the Existing Ordinary Shares.

All of the Directors consider that the Placing will promote the success of the Company for the benefit of its members as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the relevant Resolutions at the General Meeting, as Ross Penney and Mark Horrocks (and his related family interests) intend to do in respect of their own beneficial holdings of, in aggregate, 4,565,026 Ordinary Shares representing approximately 31.65 per cent. of the Existing Ordinary Shares.

Circular

A circular, containing the notice of General Meeting will be posted to Shareholders today and will be made available on the Company's website (www.immediapl.com). The Terms in this announcement have the same meaning as defined in the Circular.

For further information please contact:

Immedia Group Plc Tim Hipperson, Non-executive Chairman Ross Penney, Chief Executive	Tel: +44 (0) 1635 556200
SPARK Advisory Partners Limited (Nomad) Mark Brady Neil Baldwin	Tel: +44 (0) 203 368 3550
SP Angel Corporate Finance LLP (Broker) Abigail Wayne	Tel: +44 (0) 207 470 0470
Tooley Street Communications (IR & media relations) Fiona Tooley	Tel: +44 (0) 7785 703523

About Immedia Group Plc

Immedia Group Plc is a multi-media content and digital solutions provider to global businesses delivering audio visual communication services for brands.

The business provides 'live' branded channels to retail locations across the UK and Europe. Immedia's interactive audio channels deliver targeted original content via its own DreamStream-X platform with encrypted Dreamstream technology deployed in each location. Each channel is supported with powerful data analytics tools that monitor audience activity and provide data to enable Immedia to further enhance audience engagement.

In addition, Immedia creates original audio production and video content as well as 3D animation and the supply, installation and maintenance of audio visual equipment.

Immedia clients include Shell, Subway, BP, Nationwide Building Society, JD Sports, O2, BMW, IKEA, and FIFA.

To read more about our business, visit www.immediapl.com or email us on enquiries@immediapl.com

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