



RNS

Final Results

## 2019 Preliminary Results

### IMMEDIA GROUP PLC

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*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.*

Thursday, 24 September 2020

### **Immedia Group Plc**

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

*multi-media content and digital solutions provider to global businesses*

### **2019 Preliminary Results**

Immedia Group Plc (AIM: IME) today announces its preliminary results for the year ended 31 December 2019.

#### **Immedia Group Plc** **Preliminary results for the year ended 31 December 2019**

*"2019 was a disappointment after the improved performance in the prior year in terms of revenue and profitability. Our unique mix of brand engagement and creative skills underpins our ability to secure new business. 2020 business activity has been affected by the COVID-19 outbreak, but we are also witnessing a pipeline of new opportunities with several key potential clients across our target verticals which we hope will take effect when restrictions ease again."*

**Tim Hipperson, Chairman**

#### **FINANCIAL HIGHLIGHTS**

- A reduced performance after an improved 2018
- 14% decrease in revenue to £4,020,443
- EBITDA loss of £699,583 (2018: profit £262,588)
- Trading EBITDA loss (excluding a one-off bad debt provision and one-off transaction costs) of £(317,434)
- One-off transaction costs of £279,360
- Loss before tax of £991,461 (2018: profit £106,204)
- Cash balances decreased to £237,574 (2018: £369,698)
- The Group has lease liabilities totaling £184,393 (2018: £77,044). The increase being due to the adoption of IFRS 16.

#### **OPERATIONAL HIGHLIGHTS**

- Extension of business with Nationwide Building Society, IKEA and Subway
- New business with Headmasters, Fugro, Deep Green, Weir Oil and Gas, Stork and JFD Global
- Review and rationalisation of business processes and overhead costs

*"2019 was a year of challenge as the business sought to match and beat its 2018 performance in extraordinarily volatile political and economic conditions. That we ultimately failed to do so is no reflection on the hard work and commitment shown by the entire team. We developed new business with high end hair salon chain Headmasters as well as energy businesses JFD Global, Deep Green, Weir, Fugro, Stork and Shell. Tourism and sport clients were represented by FIFA and Visit Aberdeenshire amongst many others. In 2020 we restructured the business and management team to deliver even greater cohesion and focus. We are confident that the results of the many changes made in the business will bear fruit in the short to medium term."*

**Ross Penney, Chief Executive of Immedia**

| <b>2019 Financial Summary</b>  |   |  |
|--|---|--|
|  | <b>12 months ended<br/>31 December<br/>2019</b> | 12 months ended<br>31 December<br>2018 |
| <b>Revenue</b>   | <b>£4,020,443</b>                               | £4,686,934                             |
| <b>(Loss)/profit before interest, taxation, depreciation, amortisation and impairment charges (EBITDA)</b> | <b>£(699,583)</b>                               | £262,588                               |
| <b>(Loss)/profit before tax</b>  | <b>£(991,461)</b>                               | £106,204                               |
| <b>Net fair value gain/(loss) on available for sale assets</b>   | <b>£54,900</b>                                  | £(112,800)                             |
| <b>Total comprehensive (loss)/profit for the year</b>  | <b>£(1,017,560)</b>                             | £42,949                                |
| <b>Basic (loss)/earnings per share</b>   | <b>(7.81)p</b>                                  | 1.13p                                  |
| <b>Diluted (loss)/earnings per share</b>   | <b>(7.81)p</b>                                  | 1.08p                                  |
| <b>Basic pre-tax (loss)/earnings per share</b>   | <b>(7.22)p</b>                                  | 0.77p                                  |
| <b>Year-end balance of cash and cash equivalents</b>   | <b>£237,574</b>                                 | £369,698                               |
| <b>Net (debt)/funds</b>  | <b>£(245,069)</b>                               | £292,654                               |

### Statement by the Chairman, Tim Hipperson

Whilst full of ambition and endeavour, 2019 was ultimately a disappointing year which saw the Group struggle to maintain its 2018 performance in an uncertain political and economic climate due to the uncertainty around Brexit and a December general election.

In 2018 Immedia delivered improved results based on the extension of relationships with key customers including JD Sports Fashion plc and in particular Nationwide Building Society, for whom we undertook an extensive installation programme into all UK Nationwide branches.

This one-off boost to revenues and profits proved to be something of a double edged sword. Whilst undoubtedly welcome, the challenge was to find substitutional revenues and margins in the 2019 financial year. For a number of reasons this proved impossible.

In July 2019 we recognised that revenue would fall short of market expectations and, in our Interim results released on 30 September 2019, referred to "an anticipated difficult H2 in prospect". This turned out to be the case, as the pattern of clients delaying investment and spending decisions brought about by the uncertainty over Brexit continued.

In the announcement of 20 August 2020 relating to the Placing and Subscription to raise £1.1m, we noted that we had signed non-binding Heads of Agreement in H2 2019 for a potential acquisition. This would have been a strategically transformative event; however in spite of the huge amount of work done on the transaction events largely outside our control meant we were unable to complete the transaction earlier this year.

Whilst we remain dissatisfied with the 2019 outcome, there is no doubting the talent and commitment of all the team members at Immedia. I would like to thank every one of them.

I would particularly like to pay tribute to Bruno Brookes, who stepped down as Chief Executive in May this year. Bruno founded the business more than 20 years ago. Without Bruno I would not be writing this statement; I thank him profoundly for all he has done for the Group and wish him every success in the new opportunities he will explore.

### Current Trading, Prospects and post Balance Sheet events

Like the majority of UK businesses, Immedia has been substantially affected by the Covid-19 pandemic, as we explained in our trading updates of 6 April and 18 June 2020. We have taken all necessary steps to manage costs and ensure the stability of your business.

Current trading has been considerably affected by the Covid-19 outbreak. It remains very difficult to give authoritative guidance on the 2020 outcome other than to say it is certain that revenues will be substantially below those achieved in 2019.

Under our new CEO Ross Penney we are following a coherent and focused strategy that we are confident will bring rewards for all stakeholders in the future.

The Group has undertaken a full review in 2020 to refine Group strategy through a single unified brand - AVC Immedia - with a simple strapline - "Audio Visual Communication for Brands". The Group is working on systematic cross-and upselling to its broad portfolio of blue chip clients, in tandem with a buy and build strategy to bring strategically focused companies into the Group in the fields of content production, app development and data analytics.

Our objective remains to deliver sustained growth and value to all our stakeholders over the coming years.

### Review by the Chief Executive, Ross Penney

#### THE BUSINESS

2019 was a year of challenge as the business sought to match and beat its 2018 performance in extraordinarily volatile political and economic conditions.

That we ultimately failed to do so is no reflection on the work and commitment shown by the entire team. We developed new business with high end hair salon chain Headmasters as well as energy businesses JFD Global, Deep Green, Weir, Fugro, Stork and Shell. Tourism and sport clients were represented by FIFA and Visit Aberdeenshire amongst many others.

We are delighted that relationships with key clients Nationwide Building Society, Subway and IKEA have gone from strength to strength. We believe we are a key part of the marketing and communication mix for each of these brands.

We extended our relationship with O2 by a further 18 months and expanded our reach in the JD Sports Fashion plc retail network into additional European territories.

Our business delivered a huge range of audio and visual content to tens of thousands of employees and customers of our hundreds of clients. We maintained a 99%+ uptime on all our streaming services we are rightfully proud of our team of high achieving creatives.

Since the year end we restructured the business and management team to deliver even greater cohesion and focus. We are confident that the results of the many changes made in the business will bear fruit in the short to medium term.

## RESULTS

The business saw a drop in performance in 2019 following the encouraging year in 2018, returning to making a loss before tax of £991,461 on revenues of £4,020,443. The total comprehensive loss was £1,017,560, reflecting an increase in the carrying value of £54,900 in our strategic investment in the AIM quoted spoken word audio platform Audioboom Group PLC (AIM:BOOM).

In our trading update of 22 July 2019 we anticipated a 2019 EBITDA trading loss in the region of (£0.3m). The actual EBITDA trading loss was (£0.32m). However there were additional exceptional costs affecting EBITDA comprised of aborted transaction costs of £0.28m as well as a total bad debt provision of £0.11m, resulting in a total EBITDA loss of (£0.7m).

## CURRENT TRADING AND PROSPECTS

The Group has made huge progress in restructuring itself under a common brand - AVC Immedia and strapline - Audio Visual Communication for Brands.

This phrase encapsulates all Group services from live radio to technical 3D animation for the energy industry - in all channels of audio and visual content we deliver brand funded content with matchless passion, pride and skill. We set our sights high in recruitment, and are delighted that one of the UK's leading animators, Rob Hancock, joined us in 2020.

We expect the EBITDA for 2020, whilst loss making, to be substantially improved on the 2019 figure both as a result of the numerous measures taken to manage costs in the light of Covid-19 and the absence of one-off costs relating to the aborted transaction and bad debt provision.

## POST BALANCE SHEET EVENT

On 20 August 2020 the Company announced a Placing and Subscription to raise £1.1m (before expenses) to repay short term debt and pay abortive transaction costs, with the majority of the funds being used for the Company's general working capital. As a result, the Company is now debt free, except for finance leases. This exercise was completed successfully on 15 September 2020.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASHFLOWS

Management of costs and cash remains a key focus. However, due to reduced revenue and margin performance the result has been a decrease in cash to £237,574 (2018: £369,698).

The adoption of IFRS16 has added assets to the value of £191,647 (of which £184,599 related to property leases) to the balance sheet as at 1 January 2019, with corresponding finance lease liabilities. At 31 December 2019, the NBV of right-of-use assets was £175,428 (property leases: £117,472), with a corresponding lease liability of £184,393 (property leases: £121,994). The Group repaid leases totalling £92,517 during the year.

Although the Group shows a net shareholders deficit of £799,169 at the end of 2019, a new Share issue was announced in August 2020, and finalised in September 2020, which raised £1.1m to offset this.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*for the year ended 31 December 2019*

|                              | 2019             | 2018             |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| <b>Continuing operations</b> |                  |                  |
| Revenue                      | 4,020,443        | 4,686,934        |
| Cost of sales                | (1,976,945)      | (2,166,366)      |
| <b>Gross profit</b>          | <b>2,043,498</b> | <b>2,520,568</b> |

|  |                    |             |
|--|--------------------|-------------|
| Administrative expenses                | (2,985,049)        | (2,409,875) |
| <b>Operating (loss)/profit</b>         | <b>(941,551)</b>   | 110,693     |
| Finance income                         | -                  | 159         |
| Finance cost                           | (49,910)           | (4,648)     |
| <b>(Loss)/profit before income tax</b> | <b>(991,461)</b>   | 106,204     |
| Income tax                             | (80,999)           | 49,545      |
| <b>(Loss)/profit for the year</b>      | <b>(1,072,460)</b> | 155,749     |
|  |                    | -           |
| <b>(Loss)/earnings per share</b>       |                    |             |
| Basic (pence)                          | (7.81)             | 1.13        |
| Diluted (pence)                        | (7.81)             | 1.08        |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
for the year ended 31 December 2019

|   | 2019               | 2018      |
|---|--------------------|-----------|
|   | £                  | £         |
| <b>(Loss)/profit for the year</b>   | <b>(1,072,460)</b> | 155,749   |
| Other comprehensive income/(loss)   |                    |           |
| Items that will not be reclassified to profit or loss:  |                    |           |
| Fair value gain/(loss) on equity investments not held for trading<br>designated as fair value through OCI | 54,900             | (112,800) |
| <b>Total comprehensive (loss)/income for the year</b>   | <b>(1,017,560)</b> | 42,949    |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
At 31 December 2019

|                               | 2019             | 2018             |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| <b>Assets</b>                 |                  |                  |
| <b>Non-current assets</b>     |                  |                  |
| Goodwill                      | 191,018          | 191,018          |
| Owned                         |                  |                  |
| Intangible assets             | 62,081           | 116,487          |
| Property, plant and equipment | 92,754           | 225,475          |
| Right-of-use                  |                  |                  |
| Property, plant and equipment | 175,428          | -                |
| Investments                   | 114,900          | 60,000           |
| Deferred tax                  | -                | 84,395           |
|                               | <b>636,181</b>   | <b>677,375</b>   |
| <b>Current assets</b>         |                  |                  |
| Inventories                   | 201,462          | 153,915          |
| Trade and other receivables   | 1,049,459        | 770,279          |
| Cash and cash equivalents     | 237,574          | 369,698          |
|                               | <b>1,488,495</b> | <b>1,293,892</b> |
| <b>Total assets</b>           | <b>2,124,676</b> | <b>1,971,267</b> |
| <b>Equity</b>                 |                  |                  |
| <b>Shareholders' Equity</b>   |                  |                  |
| Called up share capital       | 1,455,684        | 1,455,684        |
| Share premium                 | 3,586,541        | 3,586,541        |
| Merger reserve                | 2,245,333        | 2,245,333        |
| Share based payment reserve   | 4,578            | 4,578            |
| Investment valuation reserve  | 24,900           | (30,000)         |
| Retained losses               | (8,116,205)      | (7,043,745)      |
| <b>Total equity</b>           | <b>(799,169)</b> | <b>218,391</b>   |

| <b>Liabilities</b>                  |                  |                  |
|-------------------------------------|------------------|------------------|
| <b>Non-current liabilities</b>      |                  |                  |
| Financial liabilities               | 83,969           | 49,580           |
| Provisions                          | 42,500           | 42,500           |
|                                     | <u>126,469</u>   | <u>92,080</u>    |
| <b>Current Liabilities</b>          |                  |                  |
| Trade and other payables            | 2,253,590        | 1,511,586        |
| Contract liabilities                | 145,112          | 121,746          |
| Financial liabilities               | 398,674          | 27,464           |
|                                     | <u>2,797,376</u> | <u>1,660,796</u> |
| <b>Total liabilities</b>            | <u>2,923,845</u> | <u>1,752,876</u> |
| <b>Total equity and liabilities</b> | <u>2,124,676</u> | <u>1,971,267</u> |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                    | Share capital    | Share premium account | Merger reserve   | Share based payment reserve | Investment valuation reserve | Retained losses    | Total equity   |
|------------------------------------|------------------|-----------------------|------------------|-----------------------------|------------------------------|--------------------|----------------|
|                                    | £                | £                     | £                | £                           | £                            | £                  | £              |
| Balance at 1 January 2018          | 1,455,684        | 3,586,541             | 2,245,333        | 4,578                       | 82,800                       | (7,199,494)        | 175,442        |
| Profit for the year                | -                | -                     | -                | -                           | -                            | 155,749            | 155,749        |
| Other comprehensive loss           | -                | -                     | -                | -                           | (112,800)                    | -                  | (112,800)      |
| Total comprehensive income         | -                | -                     | -                | -                           | (112,800)                    | 155,749            | 42,949         |
| <b>Balance at 31 December 2018</b> | <b>1,455,684</b> | <b>3,586,541</b>      | <b>2,245,333</b> | <b>4,578</b>                | <b>(30,000)</b>              | <b>(7,043,745)</b> | <b>218,391</b> |

|                                    | Share capital    | Share premium account | Merger reserve   | Share based payment reserve | Investment valuation reserve | Retained losses    | Total equity     |
|------------------------------------|------------------|-----------------------|------------------|-----------------------------|------------------------------|--------------------|------------------|
|                                    | £                | £                     | £                | £                           | £                            | £                  | £                |
| Balance at 1 January 2019          | 1,455,684        | 3,586,541             | 2,245,333        | 4,578                       | (30,000)                     | (7,043,745)        | 218,391          |
| Loss for the year                  | -                | -                     | -                | -                           | -                            | (1,072,460)        | (1,072,460)      |
| Other comprehensive income         | -                | -                     | -                | -                           | 54,900                       | -                  | 54,900           |
| Total comprehensive loss           | -                | -                     | -                | -                           | 54,900                       | (1,072,460)        | (1,017,560)      |
| <b>Balance at 31 December 2019</b> | <b>1,455,684</b> | <b>3,586,541</b>      | <b>2,245,333</b> | <b>4,578</b>                | <b>24,900</b>                | <b>(8,116,205)</b> | <b>(799,169)</b> |

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

|   | 2019             | 2018           |
|---|------------------|----------------|
|   | £                | £              |
| <b>Cash flows from operating activities</b> |                  |                |
| (Loss)/profit before income tax             | (991,461)        | 106,204        |
| <i>Adjustments for:</i>                     |                  |                |
| Depreciation and amortisation charges       | 241,968          | 151,895        |
| Loss on disposal of fixed assets            | 493              | 5,054          |
| Finance income                              | -                | (159)          |
| Finance costs                               | 49,910           | 4,648          |
| Increase in inventories                     | (47,547)         | (84,111)       |
| Increase in trade and other receivables     | (280,930)        | (143,236)      |
| Increase in trade and other payables        | 765,370          | 333,153        |
| <b>Cash generated from operations</b>       | <u>(262,197)</u> | <u>373,448</u> |
| <b>Taxation</b>                             |                  |                |
| Taxation                                    | 3,396            | -              |
| <b>Cash flows from investing activities</b> |                  |                |
| Purchase of tangible fixed assets           | (30,896)         | (40,106)       |
| Interest received                           | -                | 159            |

|  |                  |                 |
|--|------------------|-----------------|
| <b>Net cash from investing activities</b>          | <b>(30,896)</b>  | <b>(39,947)</b> |
| <b>Cash flows from financing activities</b>        |                  |                 |
| New loans in year                                  | <b>300,000</b>   | -               |
| Payment of lease liabilities                       | <b>(92,517)</b>  | (12,898)        |
| Interest paid                                      | <b>(49,910)</b>  | (4,648)         |
| <b>Net cash from financing activities</b>          | <b>157,573</b>   | <b>(17,546)</b> |
| (Decrease) / increase in cash and cash equivalents | <b>(132,124)</b> | 315,955         |
| Cash and cash equivalents at beginning of year     | <b>369,698</b>   | 53,743          |
| <b>Cash and cash equivalents at end of year</b>    | <b>237,574</b>   | <b>369,698</b>  |

## **Immedia Group Plc**

### **NOTES TO THE FINANCIAL INFORMATION**

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006.

The financial information for the year ended 31 December 2018 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The statutory accounts for the year ended 31 December 2019 have not yet been delivered to the Registrar of Companies, nor have the auditors yet reported on them.

The 2019 accounts will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The Annual Report and Notice of Annual General Meeting will be posted to the shareholders by 30 September 2020 and will be made available on the Company's website ([www.immediapl.com](http://www.immediapl.com)) at that time.

This preliminary announcement was approved by the Board on 23 September 2020.

#### **1. Principal activity**

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 required to deliver these services.

#### **2. Basis of preparation**

The financial information has been prepared and approved by the Directors in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRSs) as adopted by the EU ("Adopted IFRSs").

#### **Going concern**

The Group meets its day to day working capital requirements through the combined use of its cash balances and receivable and payable balances.

Although COVID-19 and Brexit have caused uncertainty and had a substantial effect on the operations of many businesses, the Group has just completed a successful fundraising of £1.1m, as detailed in note 6 (Events after the reporting period). These funds will be used to repay some short-term borrowing (the outstanding loan of £300,000), clear the costs of the aborted acquisition from earlier in 2020 and fund working capital requirements for the foreseeable future.

The Directors have reviewed forecasts of future cash flows of the Group. On the basis of current financial projections prepared to December 2021, which assume continuing improvements in the managing of costs and a reasonable level of new work won within the AV division, the Directors are satisfied that the Group has adequate resources to continue to pay its liabilities as they fall due, and to continue in operation for at least 12 months from the date of signing of the financial statements.

The financial statements were approved by the Board of Directors on 23 September 2020.

#### **3. Financial assets**

In March 2014, the Group invested £90,000 in the purchase of 6,000,000 shares in AudioBoom Group Plc, an AIM-listed spoken-word audio platform for hosting distributing and monetising content, as part of the Group's strategy to broaden its digital marketing and communications services.

The Group has taken the irrevocable election to classify this investment as fair value through OCI. At 31 December 2019 the fair value of the investment was £114,900 (31 December 2018: £60,000) with a net fair value gain in 2019 of £54,900 recognised in other comprehensive income (2018: loss £112,800).

As at the date of approval of this report, the investment represents c.0.4% of Audioboom Group Plc's ordinary shares in issue and has a fair value of £92,700.

#### **4. Earnings per share**

|   | 2019 Number | 2018 Number |
|---|-------------|-------------|
| <u>Basic</u>  |             |             |
| Weighted average number of shares in issue                              | 14,556,844  | 14,556,844  |
| Less weighted average number of own shares                              | (832,374)   | (832,374)   |
|   | <hr/>       | <hr/>       |
| Weighted average number of shares in issue for basic earnings per share | 13,724,470  | 13,724,470  |
|   | <hr/>       | <hr/>       |
| Basic (loss)/earnings per share   | (7.81)p     | 1.13p       |

|   | 2019 Number | 2018 Number |
|---|-------------|-------------|
| <u>Diluted</u>  |             |             |
| Weighted average number of shares in issue                                | 13,724,470  | 13,724,470  |
| Add shares which dilute   | -           | 666,847     |
|   | <hr/>       | <hr/>       |
| Weighted average number of shares in issue for diluted earnings per share | 13,724,470  | 14,391,317  |
|   | <hr/>       | <hr/>       |
| Diluted (loss)/earnings per share   | (7.81)p     | 1.08p       |

The **basic** and **diluted** (loss)/earnings per share are calculated using the after-tax loss attributable to equity shareholders for the financial period of £ (1,072,460) (2018: profit £155,749).

|   |         |       |
|---|---------|-------|
| Pre-tax (loss)/earnings per share         | 2019    | 2018  |
|   | <hr/>   | <hr/> |
| Basic pre-tax (loss)/earnings per share   | (7.22)p | 0.77p |
|   | <hr/>   | <hr/> |
| Diluted pre-tax (loss)/earnings per share | (7.22)p | 0.74p |

The basic and diluted pre-tax (loss)/earnings per share are calculated using the before tax (loss)/earnings attributable to equity shareholders for the financial period of £ (991,461) (2018: £106,204).

##### 5. Adoption of IFRS 16

IFRS 16 (Leases) was adopted as of 1 January 2019 without restatement of comparative figures.

A right of use asset and a lease liability has been recognised for all leases except leases of low value assets, which are considered to be those with a fair value below £4,500, and those with duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

##### The nature and accounting of Group's leasing activities

The Group has lease contracts for property, vehicles and other assets which have lease terms varying between 2 and 3 years. The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value.

Contracts may contain both lease and non-lease components. The Group allocates consideration between lease and non-lease components based on the price a lessor, or similar supplier, would charge to purchase that component separately. The lease term begins at the commencement date and includes any rent-free periods provided by the lessor. Lease terms vary between contracts and depend on the individual facts and circumstances of the contract.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 11.4%.

Below is a reconciliation of the values shown for 2018 and the current figures:

|   | Land & Buildings<br>£ | Other<br>£ |
|---|-----------------------|------------|
| Operating lease commitments disclosed as 31 December 2018           | 209,000               | 42,708     |
| Less: low value & short term lease recognised as an expense         | -                     | (34,998)   |
| Discounted using incremental borrowing rate at 1 January 2019       | (24,402)              | (662)      |
|   | <hr/>                 | <hr/>      |
| Lease liability and right of use asset recognised at 1 January 2019 | 184,598               | 7,048      |

##### 6. Events after the reporting period

Following the year ended 31 Dec 2019, the following non-adjusting events have occurred:

##### COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Company has been affected by the limited operations during the main lockdown period (late March 20 to July 20) of many of the businesses that it provides services for, although many of the staff continued to work from home where possible. The easing of the lockdown in July 2020 meant that many of these businesses re-opened. However, the subsequent additional lockdown in Aberdeen in August 2020 caused additional disruption to business activities based in that city. That lockdown ended in late August 2020.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

#### **Additional share issue**

As a result of the effect of COVID-19 on the Company, on 20 August 2020, the Company announced the Placing of 8,000,000 new Ordinary Shares at £0.10 a share, and a Subscription for 3,000,000 new Ordinary Shares at £0.10 a share. This issue raised gross proceeds of £1.1 million.

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 stock market announcement can be found at <https://www.londonstockexchange.com/news-article/IME/placing-and-subscription-to-raise-ps-1-1-million/14659794>.

#### **For further information please contact:**

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#### **About Immedia Group Plc**

Immedia Group Plc is a multi-media content and digital solutions provider to global businesses and organisations, who are investing in internal and/or brand communications.

Our business provides a wide range of 'live' branded channels specifically to retail locations across the UK and Europe with an estimated listening audience of 8.5 million listeners per week. Immedia's interactive audio channels deliver original and relevant content, via its own DreamStream-X platform with encrypted Dreamstream technology deployed in each location. Dreamstream-X provides a mix of 'on brand' national and localised content to a client's workforce and customer base. Each channel is supported with powerful data analytics tools which monitor audience activity and provide data to enable us to further enhance audience engagement.

Immedia Group also creates original video content, 3D animation, app and web development, as well as supplying and installing Audio Visual equipment.

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

To read more about our business, visit [www.immediapl.com](http://www.immediapl.com) or email us on [enquiries@immediapl.com](mailto:enquiries@immediapl.com)

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