



RNS

Half-year/Interim Report

## Unaudited Half Year Results

### IMMEDIA GROUP PLC

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ISSUED ON BEHALF OF **IMMEDIA GROUP PLC**  
WEDNESDAY, 30 SEPTEMBER 2020  
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")

*"Audio visual and digital communications solutions for leading Brands"*

#### 2020 UNAUDITED HALF - YEAR RESULTS

Immedia (AIM: IME), announces its unaudited Half-Year results for the six months ended 30 June 2020.

*"The difficulties caused by COVID-19 have overshadowed the good things that we created in Q1 2020 in terms of increased customer engagement. With our cost base firmly under control and elements of the business experiencing some recovery, we are confident that whilst revenue will be reduced the 2020 EBITDA outturn will represent an improvement on the very disappointing 2019 EBITDA results. Indeed the H1 EBITDA performance was considerably better the same period in 2019.*

*As a result of the Placing last month where we raised £1.1m, the Company is now debt free, except for finance leases and a Government "bounce back" loan. We believe that we are well placed to move ahead with a new strategic direction following a thorough overhaul of processes and structure."*

*Your business has undergone huge change in 2020 in terms of pace, people, and processes. We believe the results of an improved business model will be tangible both in the rest of 2020 and into 2021."*

**Ross Penney**  
CEO Immedia

#### 2020 Half-Year key points

- EBITDA performance of the business significantly better than the corresponding period in the prior year
- IME delivered superlative work to Nationwide Building Society (COVID-19 staff channel for homeworkers), JD Sports Fashion plc (social distance messaging in local languages across Europe), Dana Petroleum (Walk 2 Work Campaign video), Fugro (offshore wind animation), North East Scotland Food and Drink (Virtual Awards 2020) and many others
- Lockdown resulted in closure of client sites and delays to project work resulting in limited revenue opportunities for IME

#### Key financials

	Unaudited Half-Year ended 30 June 2020	Unaudited Half-Year ended 30 June 2019	Audited Year- ended 31 December 2019
Revenue	£1,328,069	£1,741,721	£4,020,443
EBITDA*	£ (219,403)	£ (315,490)	£ (699,584)
Loss from operating activities	£ (321,055)	£ (447,004)	£ (941,552)
Loss before income tax	£ (360,867)	£ (457,181)	£ (991,461)
Net fair value (loss)/gain on financial assets	£ (3,900)	£57,000	£57,000
Total comprehensive loss for the period	£ (364,767)	£ (396,785)	(£1,015,460)

Loss per share - basic (pence)	(2.63)	(3.31)	(7.81)
Loss per share - diluted (pence)	(2.63)	(3.31)	(7.81)
Net cash and cash equivalents	£352,733	£44,571	£237,574

\*Loss before interest, tax, depreciation, amortisation, and impairment charges

Included in the EBITDA loss are exceptional costs of £161,894 relating mainly to employment costs and the remaining costs of an aborted takeover

#### Post period-end highlights

- Share Placing and Subscription completed on 15 September 2020. £1.1m raised to be used for working capital and to repay costs of the aborted transaction undertaken in 2019 and H1 2020.
- Short - term loan of £ 0.3m repaid following Placing
- New business activities secured in 2020 with Headmasters, Fugro, Deep Green, Weir Oil and Gas, Stork and JFD Global; other market opportunities continue to be developed by the team
- Rebranding of the trading entity to **avcimmedia**, reflecting a stronger brand entity and culture which will bring together the Aberdeen (AVC) and Newbury (Immedia) offices and take advantage of synergies within the business
- The restructure and revision of the business model and processes highlighted in last week's preliminary results announcement will enhance productivity and efficiency and deliver greater focus and pace.

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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 which trades as **avcimmedia**. Our interactive audio channels deliver original and relevant content, via **avcimmedia'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 **avcimmedia** 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. **Avcimmedia's** clients include BP, FIFA, BMW/Mini, JD Sports Fashion plc, O2, Shell, Subway Europe, Nationwide Building Society, and IKEA.

### Immedia Group plc

Unaudited Half-Year Results for the six months ended 30 June 2020

#### INTRODUCTION

Although the EBITDA result for the Half-Year is unsatisfactory, it is significantly better than in the corresponding period in the prior year, especially given the detrimental effects of the COVID-19 pandemic and the significant one-off exceptional costs taken in the period.

In our announcement on 6 April 2020 we referred to many positive trading developments in Q1 2020, and to the fact that at this early stage of the year we were trading in line with management expectations. Due to the impact of COVID-19 in Q2 and beyond, we have not had the opportunity to deliver many substantial new opportunities, although recent signs of recovery give us confidence that incremental revenue streams will materialise.

The business used the relative quietness of the lockdown period in Q2 to bring about significant change in the business. A renewed vision and structure now unite the whole business on a single P&L. Major changes have also occurred in personnel and processes, resulting in a harmonious, supportive team culture and environment in which colleagues are encouraged to use their own initiative in pursuit of the Company's goals.

The Group has undertaken a full review in 2020 to refine Group strategy through a single unified brand - **avcimmedia** - 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. We have placed the engagement and retention of the best possible staff at the centre of our revised strategic landscape. The objective is to maximise benefit to staff members and shareholders alike.

Our people are doing their utmost both operationally and in business development to manage the current precarious COVID-19 situation. We remain confident that, with a lot of hard work already done to remodel the business, and in an improved environment, we will generate future substitutional and incremental margins that will deliver value to all stakeholders.

#### FINANCIAL RESULTS

Revenue in the period being reported decreased 24% to £1,328,069 (H1 2019: £1,741,721). As above the COVID-19 outbreak has been a significant factor in this HY1 result. In addition, the Group experienced one retail contract (HSBC UK) coming to a natural end in the business cycle after some 15 years. Steps to manage working capital in the business have been implemented.

#### EBITDA

Considering the developments above, EBITDA loss for the period was (£219,403) (H1 2019: (£315,490)); an improvement of £96,087. Included in the EBITDA loss are exceptional costs of £161,984 relating mainly to employment costs and the remaining costs of an aborted transaction. Cash management remains a priority, and in the first half cash increased to £352,733 (H1 2019: £44,571). The Group has a provision for doubtful debts of £94,730 and a £50,000 "bounce back" loan from the Government to assist with trading difficulties brought about by COVID-19.

#### INVESTMENTS

As in previous years, our investment in AudioBoom Group plc, the leading spoken word audio platform (AIM: BOOM), showed fluctuations in value during the period. In accordance with our IFRS accounting regime, a loss on revaluation of investments of £3,900 has been reported in the first half-year (HY1 2019: gain of £57,000). Cumulatively, the Group remains in surplus on its investment.

## OPERATIONS

The weaker than anticipated trading referred to above has resulted in further cost reduction measures; the full effect of these will be realised in the latter part of this year.

## PEOPLE

We are a people-centred organisation and our staff are at the forefront of the organisation's culture and values.

The business employs 27 people, and, on behalf of all stakeholders, I would once again like to thank each one of them for their hard work and dedication particularly as we go through one of the toughest years we have experienced.

## OUTLOOK

The recent Placing and Subscription has provided a firm working capital base from which to pursue the Company's strategy and new marketing initiatives.

Our first priority will always be to ensure a safe working environment for all of our employees, and, at the same time we have remained in regular communication with our customers to understand their needs through lockdown and over the coming months. Businesses throughout the UK have been affected by COVID-19, market uncertainty and investment delays and there is no doubt that these trends may continue for some time.

Despite this backdrop however, we have not stood still; we have acted decisively to reshape the business to make it leaner, more efficient, and quicker to respond to market opportunities. Stakeholders can expect to see numerous marketing activities highlighting the range of Group products and services in the near future.

It is pleasing to report that we are experiencing re-engagement with clients and increased activity in our project-based business.

Finally, there is great spirit in the business despite the challenging circumstances we find ourselves in. We remain determined and believe that this spirit will translate into commercial success in the short to medium-term.

We look forward to updating all stakeholders in a timely fashion as new opportunities come to fruition and existing contracts are extended.

### Note: Market guidance

In view of the continued turbulent market conditions caused by COVID-19, and the Government guidelines in place, the Company remains unable to give guidance on the 2020 outturn other than that provided in this announcement.

Ross Penney  
Chief Executive Officer  
On behalf of Immedia Group plc  
30 September 2020

## Immedia Group plc Unaudited Half-Year results for the six months ended 30 June 2020

### Consolidated statement of profit or loss

	Unaudited Half-Year June 2020	Unaudited Half-Year June 2019	Audited Full-Year December 2019
Revenue	1,328,069	1,741,721	4,020,443
Cost of sales	(542,165)	(823,876)	(1,976,945)
Gross profit	785,904	917,845	2,043,498
Admin expenses	(945,065)	(1,364,849)	(2,698,790)
Exceptional items	(161,894)		(286,260)
Loss from operations	(321,055)	(447,004)	(941,552)
Finance income	84	114	-
Finance cost	(39,896)	(10,291)	(49,909)
Loss before tax	(360,867)	(457,181)	(991,461)
Tax expense (S/B Tax Income)	-	3,396	(80,999)
Loss for the period	(360,867)	(453,785)	(1,072,460)
<b>Loss per share (pence)</b>			
Basic and Diluted	(2.63)	(3.31)	(7.81)

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

	Unaudited Half-Year June 2020	Unaudited Half-Year June 2019	Audited Full-Year December 2019
Loss for the period	(360,867)	(453,785)	(1,072,460)
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on equity investments not held for trading designated as FVTOC	(3,900)	57,000	54,900
Total comprehensive loss for the period	(364,767)	(396,785)	(1,017,560)

### Consolidated balance sheet

	Unaudited Half-Year June 2020	Unaudited Half-Year June 2019	Audited Full-Year December 2019
<b>Assets</b>			
Property, plant, and equipment	192,996	375,563	268,182
Intangible assets	235,402	278,435	253,099
Deferred tax asset	0	84,395	0

Available for sale assets	111,000	117,000	114,900
Total non-current assets	539,398	855,393	636,181
<b>Current assets</b>			
Inventories	155,231	206,278	201,462
Trade and other receivables	556,219	904,343	986,318
Prepayments	85,973	116,554	63,141
Cash and cash equivalents	352,733	44,571	237,574
Total current assets	1,150,156	1,271,746	1,488,495
Total assets	1,689,554	2,127,139	2,124,676
<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	21,000	27,000	24,900
Retained losses	(8,477,072)	(7,497,530)	(8,116,206)
Total equity	(1,163,936)	(178,394)	(799,170)
<b>Liabilities</b>			
Deferred tax	0	0	0
Trade and other payables	0	0	0
Provisions	42,500	42,500	42,500
Total non-current liabilities	42,500	42,500	42,500
Borrowings	250,000	69,981	298,250
Finance leases	135,521	192,296	184,394
Trade and other payables	2,317,670	1,851,717	2,253,590
Deferred income	107,799	149,039	145,112
Total current liabilities	2,810,990	2,263,033	2,881,346
Total liabilities	2,853,490	2,305,533	2,923,846
Total equity and liabilities	1,689,554	2,127,139	2,124,676

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

	Share capital	Share premium account	Merger reserve	Shared-based payment	Investment valuation reserve	Retained losses	Total equity
	£	£	£	£	£	£	£
Balance at 1 January 2020	1,455,684	3,586,541	2,245,333	4,578	24,900	(8,116,205)	(799,169)
Loss for the year						(360,867)	(360,867)
Other comprehensive income for the year:							
Fair value gain on equity investments not held for trading designated as FVTOCI					3,900		3,900
Total comprehensive loss for the year:	0	0	0	0	(3,900)	(360,867)	(364,767)
<b>Balance at 30 June 2020</b>	<b>1,455,684</b>	<b>3,586,541</b>	<b>2,245,333</b>	<b>4,578</b>	<b>21,000</b>	<b>(8,477,072)</b>	<b>(1,163,936)</b>

	Share capital	Share premium account	Merger reserve	Shared-based payment	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						(453,785)	(453,785)
Other comprehensive income for the year:							
Fair value gain on equity investments not held for trading designated as FVTOCI					57,000		57,000
Total comprehensive loss for the year:	0	0	0	0	57,000	(453,785)	(396,785)
<b>Balance at 30 June 2019</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>(7,497,530)</b>	<b>(178,394)</b>

	Share capital	Share premium account	Merger reserve	Shared-based payment	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 for the year:							
Fair value gain on equity investments not held for trading					54,900		54,900
							0

designated as FVTOCI								0
Total comprehensive loss for the year:	0	0	0	0	54,900	(1,072,460)	(1,017,560)	
<b>Balance at 31 December 2019</b>	1,455,684	3,586,541	2,245,333	4,578	24,900	(8,116,205)	(799,169)	

### Consolidated statement of cash flows

	Unaudited Half-Year 2020	Unaudited Half-Year 2019	Audited Full -Year 2019
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period before income tax	(360,867)	(457,181)	(991,461)
<i>Adjustments for:</i>			
Depreciation and amortisation charges	101,652	131,514	241,968
Loss on sale of assets			493
Exceptional gain from negative goodwill			
Financial income	(84)	(114)	0
Financial expense	39,896	10,291	49,910
(Increase)/decrease in trade and other receivables and prepayments	409,017	(250,618)	(280,930)
(Increase)/decrease in inventories	46,231	(52,363)	(47,547)
Increase/(decrease) in trade and other payables and deferred income	26,767	367,424	765,370
Increase in provisions	0	0	0
<b>Net cash from operating activities</b>	<u>262,612</u>	<u>(251,047)</u>	<u>(262,197)</u>
<b>Taxation</b>			
Taxation	<u>0</u>	<u>0</u>	<u>3,396</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant, and equipment			
Interest received	84	114	
Acquisition of property, plant, and equipment	(8,769)	(63,903)	(30,896)
Acquisition of intangible assets			
Acquisition of investments			
<b>Net cash from investing activities</b>	<u>(8,685)</u>	<u>(63,789)</u>	<u>(30,896)</u>
<b>Cash flows from financing activities</b>			
Repayment of bank loan	(50,000)	0	300,000
Repayment of finance leases	(48,872)	0	(92,517)
Interest paid	(39,896)	(10,291)	(49,910)
Amounts repaid under invoice financing facility	0	0	0
Purchase of own shares for EBT	0	0	0
<b>Net cash from financing activities</b>	<u>(138,768)</u>	<u>(10,291)</u>	<u>157,573</u>
Net decrease in cash and cash equivalents	115,159	(325,127)	(132,124)
Cash and cash equivalents at 1 January	<u>237,574</u>	<u>369,698</u>	<u>369,698</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>352,733</u></u>	<u><u>44,571</u></u>	<u><u>237,574</u></u>

### Immedia Group plc

#### 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 2019 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 2020 and 30 June 2019 is unaudited.

This announcement was approved by the Board on 29 September 2020.

#### 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 2019 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 2019 and 31 December 2020. 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 2019 have been applied consistently to these unaudited financial statements to 30 June 2020.

No standards have become applicable for accounting periods commencing on or after 1 January 2020.

#### 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.



The Company has taken the irrevocable election to classify this investment as FVTOCI. At 30 June 2020 the fair value of the investment was £111,000 with a current period fair value loss of £3,900 recognised in other comprehensive income (30 June 2019 fair value £117,000 with fair value gain of £57,000 recognised in other comprehensive income; 31 December 2019 fair value £114,900 with fair value gain of £54,900 recognised in other comprehensive income).

As at the date of approval of this report, the investment represents c.0.4% of AudioBoom Group plc's shares in issue and has a fair value of £103,500.

#### 5. Loss per share

	Unaudited Half-Year 2020 Number	Unaudited Half-Year 2019 Number	Audited Full Year 2019 Number
<u>Basic</u>			
Weighted average number of shares in issue	14,556,844	14,556,844	14,556,844
Less weighted average number of own shares	(832,374)	(832,374)	(832,374)
Weighted average number of shares in issue for basic earnings per share	<u>13,724,470</u>	<u>13,724,470</u>	<u>13,724,470</u>

The basic and diluted earnings per share are calculated using the after tax loss attributable to equity shareholders for the financial period of £360,867 (30 June 2019: loss £453,875; 31 December 2019: loss £1,072,460) divided by the weighted average number of Ordinary shares in issue in each of the relevant periods: 30 June 2020: 13,724,470 shares (30 June and 31 December 2019: 13,724,470 shares). For the period to 30 June 2020 and the year to 31 December 2019 and period to 30 June 2019 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.

#### 2019 Annual Report and Financial Statements

The Annual Report for the year ended 31 December 2019 has been posted to shareholders today together with the Notice of Meeting (NOM) and Form of Proxy.

The Annual Report will also be available to view and download on the Company's website at [www.immediapl.com](http://www.immediapl.com)

#### 2020 Annual General Meeting (AGM)

The AGM will be held on 29 October 2020 at 10am. Based on the most recent Public Health England and Government guidance, public gatherings for annual general meetings will not be permitted on the date the AGM is due to be held, and accordingly shareholders must not attend the AGM in person. For further guidance please refer to the investor website or the NOM.

#### 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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