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If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were market "ex" by the London Stock Exchange plc ("**London Stock Exchange**"), please forward this document, but not the accompanying personalised Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee.

This document does not constitute an offer to purchase, acquire or subscribe for, or the solicitation of an offer to purchase, acquire or subscribe for Placing Shares nor is it an invitation to purchase, acquire or subscribe for Placing Shares.

This document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of Section 21 of FSMA.

Application will be made for the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange ("**AIM**"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. **This document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this document. The rules applicable to AIM are less demanding than those applicable to the Official List. It is emphasised that no application is being made for admission of the Placing Shares to the Official List. The Placing Shares will not be dealt on any other recognised investment exchange and no other such application will be made.**

Subject to, *inter alia*, the passing of the Resolutions at the General Meeting, it is expected that admission of the Placing Shares will become effective and dealings in the Placing Shares will commence on AIM at 8.00 a.m. on **12 February 2020**. The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission.

IMMOTION GROUP PLC

(a public limited company incorporated in England and Wales with registered number 10964782)

Proposed Placing of 39,310,339 Ordinary Shares at 7.25 pence per share

Notice of General Meeting

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company which is set out on pages 10 to 16 (inclusive) of this document. This letter recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. The Directors of Immotion Group plc accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. The Company and the Directors, whose names appear on page 9 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

Notice convening a General Meeting of the Company, to be held at WH Ireland Limited's offices, 24 Martin Lane, London, EC4R 0DR on 10 February 2020 at 10.00 a.m., is set out at the end of this document.

The action to be taken by Shareholders in respect of the General Meeting is set out on page 15 of this document. If you hold your Existing Ordinary Shares in certificated form, whether or not you plan to attend the General Meeting, you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post or, during normal business hours only, by hand, at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, by no later than 10:00 a.m. on 6 February 2020 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your Existing Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (CREST ID: 7RA11) by no later than 10.00 a.m. on 6 February 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

The Placing Shares described in this document have not been, and will not be, registered under the United States Securities Act of 1933 (“**Securities Act**”) or under the securities laws of any state of the United States. The Placing Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Placing Shares in the United States. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, offers, sales or transfers of the Placing Shares in or into the United States for a period of time following completion of the Placing by a person (whether or not participating in the Placing) may violate the registration requirement of the Securities Act.

Furthermore, the Placing Shares have not been and will not be registered under the applicable laws of any of Australia, Canada, the Republic of South Africa or Japan and, consequently, may not be offered or sold to any national, resident or citizen thereof.

The distribution of this document and/or any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law or regulation and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This document should not be distributed, forwarded to or transmitted in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Copies of this document are available, free of charge, at the office of Immotion Group plc at East Wing, Ground Floor, The Victoria, MediaCityUK, Manchester, England, M50 3SP and on the Company’s website <https://immotion.co.uk>.

WH Ireland Limited (“**WH Ireland**”) and Alvarium Capital Partners Ltd (“**Alvarium**”) are authorised and regulated by the Financial Conduct Authority and are acting exclusively for the Company and no-one else in connection with the Fundraising and are not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Fundraising or the contents of this document or any other matter referred to herein. No representation or warranty, express or implied, is made by WH Ireland or Alvarium as to any of the contents of this document, and neither WH Ireland nor Alvarium has authorised the contents of any part of this document and neither accepts any liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Nothing in this paragraph shall serve to exclude or limit any responsibilities which WH Ireland or Alvarium may have under FSMA or the regulatory regime established thereunder.

WH Ireland is also acting as nominated adviser to the Company. Its responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Cautionary note regarding forward-looking statements

This document contains statements about Immotion Group plc that are or may be deemed to be “forward-looking statements”.

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words ‘targets’, ‘plans’, ‘believes’, ‘expects’, ‘aims’, ‘intends’, ‘will’, ‘may’, ‘should’, ‘anticipates’, ‘estimates’, ‘projects’, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of Immotion Group plc.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Rules and/or the FSMA), Immotion Group plc does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Immotion Group plc or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors of Immotion Group plc at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising	23 January 2020
Publication of this document and Form of Proxy	23 January 2020
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 6 February 2020
General Meeting	10.00 a.m. on 10 February 2020
Admission and commencement of dealings in the Placing Shares on AIM	8.00 a.m. on 12 February 2020
CREST accounts credited with Placing Shares in uncertified form	8.00 a.m. on 12 February 2020
Dispatch of share certificates in respect of the Placing Shares to be issued in certified form	By 26 February 2020

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.
3. The admission and commencement of dealings in the Placing Shares on AIM are conditional on, *inter alia*, the passing of the Resolutions at the General Meeting.

ISSUE STATISTICS

Issue Price	7.25 pence
Number of Existing Ordinary Shares	286,165,544
Number of Placing Shares to be issued	39,310,339
Proceeds of the Fundraising (before expenses)	£2.85 million
Enlarged Share Capital following Admission	325,475,883
Percentage of Enlarged Share Capital represented by the Placing Shares	12.08 per cent.

DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) and the Form of Proxy unless the context requires otherwise:

“ Admission ”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“ Announcement ”	the announcement (including the Appendix which forms part of the announcement) issued by the Company on 23 January 2020.
“ AIM ”	AIM, a market operated by the London Stock Exchange
“ AIM Rules ”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“ Alvarium ”	Alvarium Capital Partners Ltd, joint brokers to the Company in respect of the Placing
“ Board ” or “ Directors ”	the directors of the Company whose names are set out on page 9 of this document
“ Bookbuild ”	the accelerated bookbuilding to be conducted by WH Ireland and Alvarium pursuant to the Placing Agreement and this Announcement
“ Brokers ”	WH Ireland and Alvarium are each a “ Broker ”
“ Business Day ”	any day on which banks are usually open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
“ certificated ” or “ in certificated form ”	a share or other security not held in uncertificated form (that is, not in CREST)
“ Code ”	the City Code on Takeovers and Mergers
“ Concert Party ”	certain of the Shareholders comprising Martin Higginson, Samuel Higginson, Jon Liddell, Andrew Jones, Paul Hepworth, Dimitrios Georgiou, Napier Brown Holdings Limited, Emma Stanyon, Daniel Wortley, David Marks, Ian Liddell, Gary Martin, Griffin Stenger, John Ketcham, Broadway Ventures Limited, Spencer Moulton, Peter Edmondson, Colston Trustees as Trustees of Curtis Banks SIPP – T Santry, Colston Trustees as Trustees of Curtis Banks SIPP – C W Stemp, Colston Trustees as Trustees of Curtis Banks SIPP – M Stemp, Angus McSween, Paul Reynolds, Perseus International Limited, Simon Mizzi, Patrick Brennan, Storia Credit Holdings Limited, Charles Shepherd, Garry Lucas, John Hepworth, Mark Hepworth, Mahmud Kamani, Clare Hughes, Benjamin Robertson, John Alexander Glynn Davies, Gabriel Fysh, Pitchcroft Capital Limited, Leonie Dobbie, William Dobbie, Sir Robin Miller, Rod Findley, Kenneth Musen, Alasdair Ritchie, Cameron Ritchie, Duncan Ritchie, Janice Ritchie, Peter Caddock, Tracy Liddell, Arek Antoniak, Lancaster Royal Grammar School Charity, The Megafone (UK) Limited Retirement Benefits Scheme, Fair Value Capital Limited, Timothy Michael Santry, Matthew Thomas Stemp, Charles William Stemp, Sure Ventures PLC and M Capital Ventures Limited

“Company” or “Immotion Group”	Immotion Group plc, a company incorporated in England and Wales with registered number 10964782
“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
“Directors”	the directors of the Company whose names appear on page 9 of this document and “Director” shall mean any one of them
“EEA”	the European Economic Area
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately after Admission as enlarged by the issue and allotment of the Placing Shares
“Existing Ordinary Shares”	the issued share capital of the Company as at the date of this document, being 286,165,544 Ordinary Shares
“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority (and its predecessor, the Financial Services Authority) in its capacity as the competent authority for the purposes of Part VI of FSMA
“Form of Proxy”	the enclosed form of proxy for use by Shareholders in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	the issue of 39,310,339 Ordinary Shares via the Placing at the Issue Price
“General Meeting”	the general meeting of the Company to be held at 10.00 a.m. on 10 February 2020 (or any reconvened meeting following any adjournment of the general meeting) at WH Ireland Limited’s offices, 24 Martin Lane, London, EC4R 0DR, notice of which is set out at the end of this document
“Group Company”	the Company and its existing subsidiaries and subsidiary undertakings
“Headsets”	individual VR headsets installed at ImmotionVR and Partners’ sites.
“ImmotionVR”	the Company’s trading name for its own operated VR activities
“Issue Price”	7.25 pence per share
“Joint Brokers”	WH Ireland and Alvarium
“London Stock Exchange”	London Stock Exchange plc
“Market Abuse Regulation”	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and the European Securities and Markets Authority)
“Notice” or “Notice of General Meeting”	the notice of the General Meeting set out at the end of this document
“Ordinary Shares”	ordinary shares of 0.040108663 penny each in the share capital of the Company

“Panel”	the Panel on Takeovers and Mergers
“Partners”	third parties who work together with the Immotion Group under a revenue sharing arrangement
“Placee”	any person who has conditionally agreed to subscribe for Placing Shares
“Placing”	the conditional placing, by WH Ireland and Leander, as agent of and on behalf of the Company, of the Placing Shares on the terms and subject to the conditions contained in the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 23 January 2020 between the Company, Alvarium and WH Ireland relating to the Placing
“Placing Shares”	the new Ordinary Shares to be issued to Placees pursuant to the Placing
“Presentation”	the investor presentation to prospective Placees relating to the Group and its business
“Publicly Available Information”	any information announced through a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Announcement
“Registrar”	Neville Registrars Limited, registrars to the Company
“Regulatory Information Service”	one of the regulatory information services authorised by the FCA acting in its capacity as the UK listing authority to receive, process and disseminate regulatory information
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholders”	holders of Ordinary Shares
“Uncertificated” or “In Uncertificated Form”	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“United States” or “US”	the United States of America
“VR” or “Virtual Reality”	virtual reality, the computer-generated simulation of a three dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment
“WH Ireland”	WH Ireland Limited, the nominated adviser and broker to the Company
“£”, “pounds sterling”, “penny” or “pence”	UK pounds sterling, the lawful currency of the United Kingdom

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Sir Robin Miller (<i>Non-Executive Chairman</i>) Martin Higginson (<i>Chief Executive Officer</i>) David Marks CA (<i>Group Finance Director</i>) Rodney Findley (<i>Group Commercial Director</i>) Nicholas Lee ACA (<i>Non-Executive Director</i>)
Registered Office	East Wing, Ground Floor The Victoria MediaCityUK Manchester M50 3SP
Company Secretary	Daniel Wortley, ACMA
Nominated Adviser & Joint Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Joint Broker	Alvarium Capital Partners Ltd 1st Floor 10 Old Burlington Street London W1S 3AG
Solicitors to the Company	DWF Law LLP Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Solicitors to the Nomad and Joint Brokers	BDP Pitmans LLP 50 Broadway London SW1H 0BL
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

LETTER FROM THE CHAIRMAN

IMMOTION GROUP PLC

(a public limited company incorporated in England and Wales with registered number 10964782)

Directors:

Sir Robin Miller (*Non-Executive Chairman*)
Martin Higginson (*Chief Executive Officer*)
David Marks CA (*Group Finance Director*)
Rodney Findley (*Group Commercial Director*)
Nicholas Lee ACA (*Non-Executive Director*)

Registered Office:

East Wing
Ground Floor
The Victoria
MediaCityUK
Manchester
M50 3SP

23 January 2020

To holders of Ordinary Shares and, for information only, to holders of options over Ordinary Shares

Dear Shareholder,

**Proposed Placing of 39,310,339 Ordinary Shares at 7.25 pence per share
and
Notice of General Meeting**

1. Introduction

On 23 January 2020, Immotion Group plc announced that it had raised £2.85 million (before expenses) through a conditional placing of 39,310,339 Placing Shares at an issue price of 7.25 pence per share. It is intended that the net proceeds of the Fundraising will be used pre-dominantly to accelerate the Company's growth plans. The Directors do not currently have authority to allot all of the Placing Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the Placing Shares at the General Meeting, together with approval to disapply pre-emption rights in respect of the proposed issue on the terms set out in the Resolution in the Notice of General Meeting.

The Fundraising is conditional, *inter alia*, on Admission becoming effective, the Placing Agreement between the Company, WH Ireland and Alvarium becoming unconditional and not being terminated (in accordance with its terms), and the passing by the Shareholders of the Resolutions at the General Meeting, including special resolutions which will give the Directors the required authority to disapply statutory pre-emption rights in respect of the allotment of the Placing Shares. Subject to all relevant conditions being satisfied (or, if applicable, waived), it is expected that the Placing Shares will be admitted to trading on AIM on or about 12 February 2020. The Placing Shares will, assuming there is a full take-up pursuant to the Placing, represent approximately 12.08 per cent. of the Enlarged Share Capital.

The purpose of this letter is to outline the background to, and reasons for, the Fundraising and explain why the Board consider the Fundraising to be in the best interests of the Company and its Shareholders as a whole, and why the Directors recommend that you vote in favour of the Resolutions, as they intend to do themselves in respect of the Existing Ordinary Shares beneficially held by them.

Shareholder approval will be sought in respect of the Fundraising at the General Meeting which is convened for 10 February 2020 at 10.00 a.m. and will take place at WH Ireland Limited, 24 Martin Lane, London, EC4R 0DR.

2. Trading Update

- The Company ended 2019 with 302 installed headsets of which 117 were ImmotionVR ("IVR") and 185 were Partners.
- 2019 trading in line with market expectations.

- Revenue share Partnership signed with MGM Resorts International for installation of a 36-seat VR theatre and interactive exhibit (“the Exhibit”) at the Mandalay Bay Resort & Casino’s Shark Reef Aquarium, in Las Vegas. The standard entry package offered for Shark Reef includes the Aquarium and Exhibit with the value attributed to the Exhibit being a minimum of \$5. The agreement provides that Immotion will receive 50 per cent. of all revenue attributed to the Exhibit and, not less than \$2.50 per ticket sold on this basis. This package has historically received in excess of 500,000 paying visitors per annum (Immotion is replacing the current exhibit). The agreement is for an effective minimum term of 18 months. The new installation will feature a 36 seat VR Theatre featuring its ‘Swimming with Humpbacks’ and ‘Shark Dive’ VR cinematic experiences. Along with the theatre there will be a range of pre-show exhibitions, including a number of immersive and interactive experiences.
- The Company also announced on 15 January 2020 that it has signed contracts with the London Eye, a further four aquariums and with its first European zoo partner for a total of 27 headsets. Additionally, the Company has agreed terms, subject to contract, with a further nine aquariums and five entertainment sites for a further 66 headsets.
- The 63 contracted (including Mandalay Bay) and 66 ‘subject to contract’ headsets referred to above are expected to be installed during Q1 2020 and will, once installed, take the Company’s total installed base to 431 headsets.
- The Company’s existing installed estate, combined with these expected headset installations, will result in an installed base which should deliver monthly underlying EBITDA breakeven (based on forecasted operating costs) by or around the end of Q1 2020.
- The Company’s model continues to mature, and whilst the gestation period for Aquarium, and large footfall locations is longer than that of Family Entertainment Centres, revenue per headset is proving to be superior, thus delivering better return on capital.
- The Company now has the technical solutions necessary for one operator to launch multiple VR theatre seats simultaneously from one terminal. This gives it the ability to offer much larger VR theatre solutions to Partners wanting to offer VR experiences as a core element of their offering, without having to deploy large numbers of staff to operate them.
- The Company is in active discussions on a number of opportunities for larger installations.
- In Q2 2020, the Company expects to launch a range of exciting new “edutainment” experiences aimed at family-focused, high traffic destinations such as zoos; science centres, museums and larger entertainment locations.

3. Background to and the reasons for the Fundraising

We are pleased with the performance of our Partner business and in particular the Aquarium sites, which have exceeded the directors’ expectations. We ended 2019 with 302 installed headsets, 117 of which are in our own operated ImmotionVR operations. As outlined historically, these IVR sites should continue to deliver a solid and profitable contribution and will remain part of the Company’s portfolio, but we do not intend to increase this number, preferring to focus on our growing Partnership model.

To this end, we are delighted to announce we have concluded a revenue share Partnership with Mandalay Bay Resort & Casino for installation of a 36-seat VR theatre and interactive exhibit at the resort’s Shark Reef Aquarium, in Las Vegas. This will include entertaining and informative pre-show elements, as well as a self-contained 36-seat VR theatre. The standard entry package offered for Shark Reef includes the Aquarium and Exhibit with the value attributed to the Exhibit being a minimum of \$5. The agreement provides that Immotion will receive 50% of all revenue attributed to the Exhibit and not less than \$2.50 per ticket sold on this basis. This package has historically received in excess of 500,000 visitors per annum (Immotion is replacing the current exhibit). The agreement is for an effective minimum term of 18 months.

The Company also announced on 15 January 2020 that it has reached agreement, either contractually, or subject to contract, for the installation of a further 93 headsets across 20 new and existing Partner locations.

The Company is now 100 per cent. focused on this growing Partnership model, where we see significant opportunity for our immersive “edutainment” experiences, that fit with high traffic destinations, operated by established sector participants. We believe there is opportunity on a global basis across aquariums; zoos; science centres; museums and other selected high traffic entertainment destinations.

Our initial offering to Partners was based on a small footprint, typically two to six headsets (one to three machines). As we have focused in on the sectors above, we have aimed to develop VR experiences that are a good fit with Partners’ offerings e.g. our Swimming with Sharks and Whale experiences, targeted at aquariums. This has allowed us to narrow the range of content being produced and better focus our content creation team. We have also developed theming and branding alongside our hardware to better communicate with potential audiences and ultimately to drive revenues.

As our offering has become more established, and our installed base has grown, we have seen interest emerge in larger installations, as well as new partner sectors for which we are developing new immersive experiences. With the larger installations, we aim to become more of an integral part of these locations, rather than just a smaller ancillary offering. Initial interest has come from a range of potential Partners. All are high traffic locations; some have little or nothing in the way of immersive experiences; some have older technologies such as 4D theatres, which they are looking to replace or re-purpose with a more immersive theatre experience or as part of a larger interactive exhibit including a VR theatre.

Whilst the directors have no doubt that our smaller footprint offering will continue to be attractive to many partners, and will remain a key part of our business, especially with those Partners who are space constrained, we also see a major longer-term opportunity to develop larger offerings more integral to a venue.

We have considerable opportunity in front of us and with the pipeline before us, we believe our business will move into EBITDA profitability at or around the end of Q1 2020 and subsequently begin to generate cash that can be used for further capital expenditure. However, in the meantime, we do not want to lose momentum and accordingly the Board has decided to strengthen the Company’s balance sheet and capacity to maintain growth with the Placing.

Trading & Prospects

Trading for 2019 has finished in line with expectations and we have made a good start to 2020. The festive period was expectedly strong with revenue per headset across the Aquarium sector delivering £794 per week.

Aquariums have remained the best performers, and proved robust over the quieter winter months, with average weekly revenue per headset of £476 for the year versus £303 for our overall partner estate.

Our installed base at 31 December 2019 and implied total after adding headsets in the pipeline is as follows:

	<i>Sites</i>	<i>Headsets</i>
Current		
IVR	9	117
Partners	37	185
Installed Base	46	302
Agreed Pipeline	18	93
<i>(contracted and ‘agreed terms’ or announced on 15 January 2020)</i>		
Mandalay Bay	1	36
Implied Total	65	431

The Agreed Pipeline will be satisfied from our current stock of 136 headsets, bought in anticipation of this demand.

The current Partner estate, at 31 December 2019, breaks down as follows:

	<i>Locations</i>	<i>Headsets</i>
Aquariums	14	52
Other Partner sites	23	133
Total	37	185

As can be seen from our pipeline of sites (plus prospects under discussion), there is a short-term emphasis on aquariums, which along with the forthcoming Mandalay Bay installation, we expect to benefit overall revenue per headset performance and materially increase overall average Partner revenue per headset.

We intend to broaden our Partner base in the second half of 2020 with the introduction of a number of new and exciting immersive experiences. We will update the market on these in due course.

Accordingly, we continue to believe, based on our forecasted cost base, that we will reach monthly EBITDA breakeven at or around the end of Q1 2020, and to be operating cash flow breakeven as we move towards 500 installed headsets.

Use of Proceeds

The net proceeds of the Placing will be used predominantly to fund capital expenditure on new installations for anticipated future growth, as well as for general business and working capital requirements.

We expect this additional capital expenditure to enable us to build an installed base of circa 625 headsets, at which stage we believe the business should be able to fund further capital expenditure from both operational cash flow as well as debt facilities, which we believe should become available.

4. Information on the Fundraising

Immotion Group plc has conditionally raised gross proceeds of £2.85 million before expenses through the issue of 39,310,339 Placing Shares at 7.25 pence per share.

As announced on 23 January 2020, WH Ireland and Alvarium have, as Joint Brokers for the Company, conditionally placed the Placing Shares at the Issue Price with new and existing investors.

The Placing Agreement and the issue of the Placing Shares are conditional, *inter alia*, upon:

- (i) the passing of the Resolutions to be proposed at the General Meeting;
- (ii) the compliance by the Company with all of its obligations under the Placing Agreement to the extent that they are required to be performed on or prior to Admission of the Placing Shares;
- (iii) the Placing Agreement not having been terminated prior to Admission of the Placing Shares; and
- (iv) Admission of the Placing Shares occurring by no later than 8.00 a.m. on 12 February 2020 (or such later time and/or date as the Company and the Joint Brokers may agree, being not later than 8.00 a.m. on 28 February 2020).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Fundraising will not proceed.

The Placing Agreement contains customary warranties given by the Company to the Joint Brokers as to matters relating to the Company and its business and a customary indemnity given by the Company to the Joint Brokers in respect of liabilities arising out of or in connection with the Placing.

The Joint Brokers may terminate the Placing Agreement prior to Admission of the Placing Shares in certain circumstances, including, amongst other things, if the Company is in breach of any of its obligations under the Placing Agreement (including the warranties contained in the Placing Agreement); if there is a material adverse change in the financial position or prospects of the Group; or if there is a material adverse change in national or international financial, monetary, economic, political, environmental, or stock market conditions which (in the opinion of the Joint Brokers acting in good faith) is or will be or is likely to be materially prejudicial to the Group or to the Placing or Admission of the Placing Shares in Post Admission Dealings.

The Issue Price represents a discount of 11.0 per cent. to the closing middle market price of 8.15 pence per Ordinary Share on 22 January 2020 (being the latest practicable date prior to the announcement of the Fundraising on 23 January 2020). The Placing Shares will represent approximately 12.08 per cent. of the Enlarged Share Capital.

Application will be made to the London Stock Exchange for the Placing Shares be admitted to trading on AIM. It is expected that Admission of the Placing Shares will become effective on 12 February 2020 and that dealings for normal settlement in the Placing Shares will commence at 8.00 a.m. on 12 February 2020. The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Placing Shares.

5. The Concert Party and the Code

As set out in the Company's Admission Document dated 12 July 2018, the Company has a "Concert Party" which, at the time of the Company's initial public offering ("IPO") held, in aggregate, 72.14 per cent. of the then fully diluted issued share capital of the Company.

Since the IPO, the Concert Party's percentage ownership of the Company has reduced, primarily as a result of dilution and share trading and, accordingly, the Company understands that the members of the Concert Party currently hold 146,918,469 Existing Ordinary Shares and options over 8,414,083 to be issued Ordinary Shares, representing approximately 51.34 per cent. of the current issued share capital of the Company and 52.73 per cent. of the fully diluted issued share capital of the Company. The Placing will result in further dilution of the Concert Party's interest to below 50 per cent of both the issued and to be issued share capital of the Company.

Patrick Brennan, a member of the Concert Party, has agreed to participate in the Placing.

Immediately following Admission and assuming the issue of all of the Placing Shares, including those to Patrick Brennan, the members of the Concert Party will hold, in aggregate, approximately 45.78 per cent. of the issued share capital and, including options, approximately 47.14 per cent. of the fully diluted Enlarged Share Capital of the Company.

Following the Placing, as the Concert Party will hold more than 30 per cent. but less than 50 per cent. of the Company's voting share capital at Admission, any further acquisition of any interest in shares in the Company by any member of the Concert Party may trigger an obligation under Rule 9 of the Code requiring the members of the Concert Party to make a general offer to all Shareholders to acquire the entire issued share capital of the Company.

6. General Meeting

The Directors do not currently have authority to allot all of the Placing Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the Placing Shares at the General Meeting, together with approval to disapply pre-emption rights in respect of the proposed issue.

In addition, in order for the Company to have sufficient flexibility to raise additional funds and/or pursue acquisition opportunities, the Directors are also seeking the approval of Shareholders for a general authority to allot Ordinary Shares equal to 5 per cent. of the Enlarged Share Capital on a non pre-emptive basis.

A notice convening the General Meeting, which is to be held at 10:00 a.m. at WH Ireland Limited, 24 Martin Lane, London, EC4R 0DR on 10 February 2020, is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1, which is an ordinary resolution to specifically authorise the Directors to allot relevant securities up to an aggregate nominal amount of £15,766.86, being equal to 39,310,339 Ordinary Shares (i.e. the number of Placing Shares to be issued in the Fundraising);

- Resolution 2, which is conditional on the passing of resolution 1 and is a special resolution to specifically authorise the Directors to issue and allot the Placing Shares referred to in Resolution 1, pursuant to the Fundraising on a non-pre-emptive basis;
- Resolution 3, which is conditional on the passing of resolutions 1 and 2, an ordinary resolution to generally authorise the Directors to allot relevant securities up to an aggregate nominal amount of £43,079.53, being equal to 33 per cent. of the Enlarged Share Capital;
- Resolution 4, which is conditional on the passing of resolutions 1 to 3 (inclusive) and is a special resolution to authorise the Directors to issue and allot Ordinary Shares equal to 5 per cent. of the Enlarged Share Capital on a non-pre-emptive basis.

The authorities to be granted pursuant to the Resolutions shall expire on the date which is 15 months from the date of the resolution or if earlier the conclusion of the next annual general meeting of the Company (unless renewed varied or revoked by the Company prior to or on that date).

7. Actions to be taken

In respect of the General Meeting

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the General Meeting

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, by no later than 10:00 a.m. on 6 February 2020 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (CREST ID: 7RA11) by no later than 10:00 a.m. on 6 February 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

Alternatively, Shareholders can also vote online by logging onto to www.sharegateway.co.uk and following the instructions therein. Shareholders will need their personal proxy registration code (Activity Code) as shown on the Form of Proxy.

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy, the use of the CREST Proxy Voting service or voting online will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

8. Recommendation

Shareholders should be aware that if any of the Resolutions are not passed, the Fundraising will not proceed. The Company would then need to secure alternative funding in the near future which may not be forthcoming and in this event, the Directors may be required to take action which could result in the value attributable to Shareholders being severely reduced or becoming nil.

The Directors believe that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolutions.

Each of the Directors at the time of the Fundraising each also being a Shareholder, has irrevocably undertaken to vote in favour of the Resolutions in respect of, in aggregate, 44,468,123 Existing Ordinary Shares, representing approximately 15.54 per cent. of the issued ordinary share capital as at the date of this document.

Yours sincerely

Sir Robin Miller
Chairman

IMMOTION GROUP PLC

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Immotion Group plc (the “**Company**”) will be held at WH Ireland Limited, 24 Martin Lane, London, EC4R 0DR at 10:00 a.m. on 10 February 2020 for the purpose of considering and, if thought fit, passing resolutions 1 and 3 as ordinary resolutions and resolutions 2 and 4 as special resolutions.

ORDINARY RESOLUTION – AUTHORITY TO ALLOT PLACING SHARES

1. **THAT**, in accordance with section 551 of the Companies Act 2006 (the “**Act**”) and in addition to the existing authorities, the directors of the Company from time to time (the “**Directors**”) be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £15,766.86 (comprising 39,310,339 Placing Shares (as such term is defined in the circular posted to Shareholders together with this notice (the “**Circular**”)) provided that this authority will expire on the date which is fifteen months from the date of the resolution, or, if earlier, the conclusion of the next annual general meeting of the Company (unless renewed varied or revoked by the Company prior to or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTION – PLACING SHARES DISAPPLICATION OF PRE-EMPTION RIGHTS

2. **THAT**, subject to and conditional upon the passing of resolution 1, in accordance with section 571(1) of the Act, the Directors be empowered to allot equity securities for cash (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 1 above, as if section 561 of the Act did not apply to any such allotment, up to an aggregate nominal value of £15,766.86 (comprising 39,310,339 Placing Shares, (as such term is defined in the Circular)), provided that this authority will expire on the date which is fifteen months from the date of the resolution or, if earlier, the conclusion of the next annual general meeting of the Company (unless renewed varied or revoked by the Company prior to or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this resolution had not expired.

ORDINARY RESOLUTION – GENERAL AUTHORITY TO ALLOT

3. **THAT**, subject to and conditional upon the passing of resolutions 1 to 2 (inclusive), in accordance with section 551 of the Act and in addition to the existing authorities, the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £43,079.53 (comprising 33 per cent. of the Enlarged Share Capital (as such term is defined in the Circular)) provided that this authority will expire on the date which is fifteen months from the date of the resolution, or, if earlier, the conclusion of the next annual general meeting of the Company (unless renewed varied or revoked by the Company prior to or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTION – GENERAL DISAPPLICATION OF PRE-EMPTION RIGHTS

4. **THAT**, subject to and conditional upon the passing of resolutions 1 to 3 (inclusive), in accordance with section 571(1) of the Act, the Directors be empowered to allot equity securities for cash (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 3 above, as if section 561 of the Act did not apply to any such allotment, up to an aggregate nominal value of £6,527.20 (comprising 5 per cent. of the Enlarged Share Capital (as such term is defined in the Circular)), provided that this authority will expire on the date which is fifteen months from the date of the resolution or, if earlier, the conclusion of the next annual general meeting of the Company (unless renewed varied or revoked by the Company prior to or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this resolution had not expired.

By order of the Board

Daniel Wortley
Company Secretary

Registered Office;
East Wing
Ground Floor
The Victoria
MediaCityUK
Manchester
M50 3SP

Registered in England and Wales No.: 10964782

Date: 23 January 2020

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 9 below.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Neville Registrars Limited at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD no later than 10:00 a.m. on 6 February 2020 (or, in the event of any adjournment, no later than 10:00 a.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays excluded)), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
4. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in note 9(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
5. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.
6. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the company of the votes they may cast), members must be registered in the register of members of the Company by 6:00 p.m. on 6 February 2020 (or, in the event of any adjournment, 10.00 a.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays excluded)). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. You may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrars (Crest Participant ID: 7RA11) so that it is received no later than 10.00 a.m. on 6 February 2020. Please note the following:
 - (a) in order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST proxy instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
 - (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
 - (c) the Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Shareholders can submit their vote electronically at www.sharegateway.co.uk by completing the authentication requirements on the website so as to be received by 10.00 a.m. on 6 February 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)). Shareholders will need to use their personal proxy registration code (Activity Code), which is printed on the form of proxy, to validate the submission of their proxy online.
11. As at the close of business on the date immediately preceding this notice, the Company’s issued share capital comprised 286,165,544 ordinary shares. Each ordinary share carries the right to vote at the meeting and, therefore, the total number of voting rights in the Company as at close of business on the date immediately preceding this notice is 286,165,544.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company’s registrars. In the case of a member which is a company, the revocation notice must be executed in accordance with note 12 above. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice and must be received by the Company’s registrars not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the holding of the meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
14. Any shareholder attending the meeting has the right to ask questions. Pursuant to section 319A of the Act, the Company must cause to be answered at the meeting any question relating to the business being dealt with at the meeting that is put by a shareholder attending the meeting, except in certain circumstances (for example if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information).

