30 September 2020

Immotion Group plc

(“Immotion Group”, the “Company” or the “Group”)

Interim Results

Immotion Group plc (AIM:IMMO.L), the provider of ‘Out of Home’ virtual reality (“VR”) experiences, is pleased to announce its Interim Results for the six months to 30 June 2020.

Highlights

- Revenue for the six months to 30 June 2020: £0.8m (2019: £1.3m)
- Almost four months of period effectively lost to COVID-19 lockdown
- Sites began to re-open in July, and August 2020
- 23 Partner sites and 5 IVR sites now open and trading
- Three new sites have opened since lockdown, including Mandalay Bay
- Encouraging overall levels of trading at re-opened sites
- Operating costs reviewed and reduced
- Un-audited August revenue of £311k
- Un-audited August EBITDA loss narrowed to circa £30k
- Initial sales of UVISAN ultra-violet sanitisation cabinets
- Let’s Explore Oceans ‘in home’ product ready for launch
- Cash on hand at 25 September 2020 of £1.2m

Robin Miller, Chairman of Immotion Group said: *“Prior to lockdown, the Company was extremely well positioned to capitalise on its investments. The opening of our largest installation to date, ‘Undersea Explorer’ at Shark Reef, Mandalay Bay, Las Vegas, was planned for early April 2020. This along with numerous other planned Partner installs in the pipeline would have taken us past EBITDA breakeven.”*

“Like many leisure orientated businesses, the pandemic has had a very significant impact on trading. I am, however, pleased to report that we have started to see some of our existing sites re-open, along with a number of new sites, including Mandalay Bay, which opened, albeit with a reduced capacity, on 1 August 2020. These openings have enabled our revenues to grow from almost nothing as a direct result of the lockdown, to over £300,000 in the month of August. Overall, where we are allowed to open, the uptake of our offering, even with reduced footfall, is very encouraging. Whilst many sites remain un-opened, we are encouraged by the level of uptake, and the willingness of consumers to engage with our experiences.

Our team has been very proactive in launching two new revenue generating products utilising our assets, skills and knowledge wisely. The first, our UVISAN cabinets, was born out of a need to sanitise our own VR equipment. Our team designed a proprietary UV cabinet capable of cleaning and disinfecting our VR headsets (and a wide range of other equipment) in a matter of minutes. We have now started third party sales.

The second new product is our in-home offering, 'Let's Explore Oceans' due to launch tomorrow, 1 October 2020, which utilises content we have created and invested in over the years, along with a number of new Augmented Reality experiences, to bring consumers a cutting-edge immersive product they can enjoy in the comfort of their home."

"These new initiatives along with significant cost reductions are a testament to the team and its ability to react and adapt to the current situation. With our recovering revenues, tight control of costs and new revenue streams, we are confident in our ability to survive this crisis and put the business back on track to profitability."

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014

Enquiries

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Overview

In early March 2020, the Company was readying to install headsets into a number of new partner locations, including its largest installation to date, an 'Undersea Explorer' 36-seater theatre project at the MGM-owned Mandalay Bay Resort, in Las Vegas.

However, by mid-March 2020, the Company began to see an impact on the business as a result of the COVID-19 pandemic, and by 24 March 2020, the majority of our locations were forced to close as much of the world went into a full lockdown. All sites eventually closed and as a consequence, the remainder of H1 saw zero revenue.

All our Partner and Immotion VR sites were closed and no new installations occurred. Work at the Mandalay Bay site (which had been scheduled to open in early April 2020) was suspended. This was deeply disappointing as we had expected the original scheduled opening of Mandalay Bay and other new Partner sites would move the Group into a monthly profit at the EBITDA level for the first time in April 2020.

The Lockdown Period

We anticipated a lengthy lockdown with little or no revenue and carried out an immediate full review of our business. We implemented a programme of cost reductions (including pay cuts for all monthly salaried employees paid £30,000 or more, including Directors) and focused on cash preservation. We applied in both the UK and USA for available government support and undertook a placing of new ordinary shares, which completed in late May 2020, raising £1.2m net of expenses.

We have benefitted from the Coronavirus Jobs Retention Scheme in the UK and in the USA we have received $161,000 under the Paycheck Protection Program and $150,000 through the Economic Injury Disaster loan regime (the former received in H1 and the latter since the period end). Repayment of the majority of the Paycheck Protection Program loan is expected to be forgiven by the US government in accordance with the terms of the scheme. We have also secured a £50,000 bounce back loan from the UK Government (also after the period end).

One of the challenges the pandemic forced upon us was how to clean VR headsets in a rapid, effective and safe manner at our locations. Anticipating consumer and Partner concerns about hygiene when sites re-open, our team quickly designed and developed our own sanitisation product to service our highest traffic sites, where manual cleaning of headsets would not be practical. This led to the UVISAN cabinet, which uses ultra-violet light to kill bacteria and viruses. Our product has many potential applications and we have now begun to sell it to third parties. This is discussed in more detail below.

Given the considerable uncertainty regarding the length of any lockdown and its impact, we decided to accelerate our 'in-home' initiative, utilising our existing content and studio expertise to create a complementary product, which could be sold through direct to consumer channels, as well as through our Partner sites when they re-opened.

Post Lockdown (Post Period End Trading)

Our first Partner sites began to re-open in early July. At the time of writing we have 23 Partner sites and 5 ImmotionVR units trading. We were delighted that Mandalay Bay finally opened on 1 August 2020 (though some 4 months later than was expected) and, in the absence of any further lockdowns, we expect it to be a strong contributor even at reduced footfall.

At the commencement of lockdown, we had 42 Partner sites in operation; of which 3 will not re-open; but we have completed 3 new installations since lockdown, including Mandalay Bay. Of our current Partner site portfolio, 4 sites have not yet re-opened and a further 15 are open but have not yet re-opened interactive attractions such as ours. We are hopeful that more sites will begin to re-open in the coming months.

Footfall in general has been very heavily impacted by the pandemic, in large part we believe due to regulatory or self-imposed restrictions on footfall due to social distancing requirements. However, where sites are open, we are seeing good uptake of our offering. Average revenue per headset in the seven weeks from 3 August 2020 across all Partner sites in operation for any part of that period (excluding Mandalay Bay) was £243 which was 74% of that for any sites in operation in any part of the equivalent period in 2019. Whilst this is not an exact site-by-site comparison, we believe the overall outcome is very encouraging given social distancing and significantly reduced footfall. Partner average revenue per headset in the same period on the same basis was 31% higher than in 2019 when Mandalay Bay is included.

Whilst trading conditions remain challenging and uncertain, there have been some encouraging signs. In particular, there does not seem to be a significant resistance amongst customers to using VR headsets. The three new sites we have opened since lockdown, including our Undersea Explorer at Shark Reef Aquarium, Mandalay Bay, have traded well so far. Mandalay Bay is our largest site to date, with a 36 seat VR theatre and an interactive pre-show area.

Whilst we still have a significant number of sites closed, or with restricted footfall, un-audited aggregate revenue for August 2020 was £0.3m with the underlying EBITDA loss (after taking the benefit of furlough grants and benefitting from reduction in operating costs) was circa £30k. Revenue can be analysed as follows:

	Partner		**ImmotionVR**	
	July 2020	**August 2020**	**July 2020**	**August 2020**
Average headsets	57	116	55	61
Revenue	£45k	£246k	£13k	£50k
Average weekly revenue per headset	£178	£479	£53	£185

The monthly central operating cost base (excluding capitalised studio salaries and IFRS 16 charges) has averaged around £215k for July and August 2020 (circa £180k with the benefit of furlough grant). We continue to look for additional savings, particularly in the area of occupancy costs.

Going into lockdown we had a contracted pipeline of 122 Partner headsets (19 locations). Of those, 46 have now been installed at 3 sites (including 36 at Mandalay Bay). We remain in discussions with 12 Partners on 64 of the remaining headsets, with only 3 sites (12 headsets) having said they cannot at this stage proceed due to COVID-19 social distancing. Of the balance we have a mixture of target dates for installs in Q1 2021 (28 headsets; 5 locations) and those that are “on hold” pending recovery in footfall numbers (36 headsets; 7 locations).

For obvious reasons we are taking a very cautious approach on new sites and further capex in general. We believe our offering remains attractive to prospective partners and that there is plentiful future opportunity to grow the estate. However, beyond utilising existing stocks on known or selected new opportunities we do not anticipate major expansion in the short term.

With our reduced operating costs, the first priority is working with Partners on those key sites that have not yet re-opened or where performance is lagging and to provide assurance on hygiene and work on any social distancing concerns that remain.

ImmotionVR

We have successfully re-opened 5 sites but will not re-open the others (including the site in the USA). This leaves us with the core of what were the best performing ImmotionVR sites in any case. They performed well in August 2020 and were all profitable at site level. We have now moved all sites to either turnover-based rents or low manageable fixed rents and/or leases terminable at short notice.

There are no business rates until April 2021 and VAT has been reduced to 5 per cent, both of which provide an uplift in the short term. This along with careful management of rotas and part time furloughing through until end October allows us to trade these sites at minimal risk and with potential for good profits in school and public holidays and weekends.

We are also examining some opportunities for short term pop-ups to cover the Christmas holiday period - which is a further means of utilising our available stock.

Let’s Explore Oceans

As we went into lockdown, it quickly became clear that we should accelerate our ‘in-home’ plans. With an arsenal of VR content, especially undersea experiences, it was clear this could be used to create a fully connected ‘in home’ offering, including VR headset and experiences in one, simple to use, boxed product.

This exciting new product will be launched tomorrow (1 October 2020).

UVISAN

We developed the UVISAN cabinet for our own purposes. It was clear that for our high traffic sites we would need an alternative to manual clean-down of our VR headsets in particular. We needed something that did not use chemicals or fluids and that safely and rapidly killed pathogens without damaging our equipment. Accordingly, we opted to use ultra-violet light, which is scientifically proven to be effective in killing viruses and bacteria.

Our cabinets allow rapid cleaning of not only our VR headsets and headphones but also a very wide range of other products. It is particularly well suited to sanitising sensitive electronic equipment, such as laptops, tablets, notebooks, headphones, microphones as the UV light does not damage these.

Therefore, we began to approach third parties and we have now made initial third-party sales to schools; universities and industrial partners. We also have trials underway with some important industrial and healthcare parties.

We have also been asked by a number of parties if we have an ambient UV sanitising product for rooms and surfaces and we are in the process of designing a cost-effective product in conjunction with an educational establishment.

Outlook

We continue to tread cautiously and are focused on working with existing partners to optimise trading at sites that are open and to do what we can to assist in the re-opening of sites that remain closed. Our first priority is to reach EBITDA and then operating cashflow breakeven.

We have invested in developing 'Let's Explore' and 'UVISAN' and believe that these can also begin to contribute in a meaningful way to our fixed costs of operation over the coming months and have the potential to flourish into businesses in their own right.

Rather than any major new capex in our Partner estate, we will seek to deploy the stock of machines on hand into sites that are already in our known pipeline or for selected new opportunities, in both cases where we believe that any cost of commissioning will be rapidly recovered.

This has been an exceptionally difficult period and we have had to make some tough decisions, including saying goodbye to valued colleagues. We are proud of the resilience and professionalism of our team. We do not expect the road ahead to be easy; we will stay focused and nimble, seeking to balance caution with growth.

IMMOTION GROUP PLC
INTERIM CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2020

	Notes	Unaudited Six months to 30 June 20 £'000	Unaudited Six months to 30 June 19 £'000	Audited 12 months to 31 December 19 £'000
Continuing operations	**3**			
Revenue		818	1,280	3,606
Cost of sales		(789)	(1,154)	(2,509)
Gross profit		**29**	**126**	**1,097**
Other income	**4**	308	-	-
Administrative expenses		(2,867)	(2,629)	(6,524)
Operating loss		**(2,530)**	**(2,503)**	**(5,427)**
Memorandum:				
Adjusted EBITDA		**(1,212)**	**(1,443)**	**(2,494)**
Amortisation		(352)	(236)	(561)
Depreciation		(851)	(569)	(1,304)
Share based payments		(64)	(131)	(171)
Impairment of intangible assets		-	-	(458)
Loss on disposal of fixed assets		(24)	-	(12)
Restructuring costs		(27)	(124)	(427)
Loss from operations		**(2,530)**	**(2,503)**	**(5,427)**
Finance costs		(45)	(74)	(108)
Finance income		1	2	4
Loss before taxation		**(2,574)**	**(2,575)**	**(5,531)**
Tax credit		58	137	84
Loss for the period from continuing operations		**(2,516)**	**(2,438)**	**(5,447)**
Profit from discontinued operations		-	44	32
Loss after taxation		**(2,516)**	**(2,394)**	**(5,415)**
Other comprehensive income / (expense) for the period				
Profit / (loss) on translation of subsidiary		67	4	(29)
Total comprehensive expense for the period		**(2,449)**	**(2,390)**	**(5,444)**
Earnings per share	**5**	**£0.01**	**£0.01**	**£0.01**
Basic EPS from continuing operations		(0.77)	(1.06)	(2.13)
Basic EPS from discontinued operations		-	0.02	0.01
Basic EPS from loss for the period		(0.77)	(1.04)	(2.12)
Diluted EPS from continuing operations		(0.77)	(1.06)	(2.13)
Diluted EPS from discontinued operations		-	0.02	0.01
Diluted EPS from loss for the period		(0.77)	(1.04)	(2.12)

IMMOTION GROUP PLC
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2020
(unaudited)

	Share capital £'000	Share premium £'000	Retained earnings £'000	Foreign exchange reserve £'000	£'000
Balance at 31 December 2018	78	9,999	(3,861)	(16)	6,200
Total comprehensive expense for the period	-	-	(2,394)	-	(2,394)
Currency translation of overseas subsidiary	-	-	-	4	4
Issue of new shares	22	3,278	-	-	3,300
Issue costs deducted from equity	-	(219)	-	-	(219)
Share based payment expense	-	-	131	-	131
Balance at 30 June 2019	**100**	**13,058**	**(6,124)**	**(12)**	**7,022**
Total comprehensive expense for the period	-	-	(3,021)	-	(3,021)
Issue of new shares	15	2,406	-	-	2,421
Issue costs deducted from equity	-	(154)	-	-	(154)
Share based payment expense	-	-	40	-	40
Currency translation of overseas subsidiary	-	-	-	(33)	(33)
Balance at 31 December 2019	**115**	**15,310**	**(9,105)**	**(45)**	**6,275**
Total comprehensive expense for the period	-	-	(2,516)	-	(2,516)
Currency translation of overseas subsidiary	-	-	-	67	67
Issue of new shares	37	4,164	-	-	4,201
Issue costs deducted from equity	-	(328)	-	-	(328)
Share based payment expense	-	-	64	-	64
Balance at 30 June 2020	**152**	**19,146**	**(11,557)**	**22**	**7,763**

IMMOTION GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Notes	Unaudited 30 June 20	Unaudited 30 June 19	Audited 31 December 19
		£'000	£'000	£'000
ASSETS				
Non-current assets				
Property, plant and equipment		2,638	1,838	2,395
Right of use assets		580	914	737
Intangible assets	**6**	3,971	4,517	4,020
Total non-current assets		**7,189**	**7,269**	**7,152**
Current assets				
Inventories		-	147	-
Trade and other receivables		668	1,139	803
Cash and cash equivalents		1,811	737	474
Total current assets		**2,479**	**2,023**	**1,277**
Total assets		**9,668**	**9,292**	**8,429**
LIABILITIES				
Current liabilities				
Trade and other payables		(947)	(864)	(1,060)
Finance leases		(340)	(559)	(401)
Bank overdraft and loans		(180)	(156)	(101)
Deferred tax		(7)	(38)	(27)
Contract liabilities		(12)	(113)	(14)
Total current liabilities		**(1,486)**	**(1,730)**	**(1,603)**
Total current net assets / (liabilities)		**993**	**293**	**(326)**
Non-current liabilities				
Bank loans		(95)	(88)	(55)
Finance leases		(324)	(435)	(496)
Other payables		-	(17)	-
Total non-current liabilities		**(419)**	**(540)**	**(551)**
TOTAL NET ASSETS		**7,763**	**7,022**	**6,275**
CAPITAL AND RESERVES				
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
Issued share capital	**7**	152	100	115
Share premium account	**7**	19,146	13,058	15,310
Foreign exchange reserve		22	(12)	(45)
Retained earnings		(11,557)	(6,124)	(9,105)
		7,763	**7,022**	**6,275**

IMMOTION GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2020

	Unaudited Six months to 30 June 20 £'000	Unaudited Six months to 30 June 19 £'000	Audited 12 months to 31 December 19 £'000
OPERATING ACTIVITIES			
Loss before tax including discontinued operations	(2,574)	(2,531)	(5,499)
Adjustments for:			
Share based payments	64	131	171
Depreciation	851	569	1,302
Loss on disposal of fixed assets	24	-	12
Amortisation	352	236	561
Impairment of intangible assets	-	-	458
Finance costs	45	74	108
Finance income	(1)	-	(4)
Foreign exchange on retranslation of fixed assets	(101)	(11)	(32)
Foreign exchange loss	67	4	(29)
Taxation refund received	-	-	289
Operating loss before changes in working capital and provisions	**(1,273)**	**(1,528)**	**(2,663)**
Increase in stocks	-	(14)	133
Decrease in trade and other receivables	173	357	339
Decrease in trade and other payables	(113)	(117)	(55)
Cash flows used in operating activities	**(1,213)**	**(1,302)**	**(2,246)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(931)	(1,750)	(2,883)
Purchase of intangible assets	(288)	(715)	(1,005)
Disposals of property, plant and equipment	54	25	15
Foreign exchange on retranslation of fixed assets	-	-	32
Cash consumed by investing activities	**(1,165)**	**(2,440)**	**(3,841)**
FINANCING ACTIVITIES			
Finance costs	(45)	(74)	(108)
Finance income	1	2	4
New Loans and finance leases	174	1,063	1,166
Loan repayments	(55)	(91)	(560)
Finance lease repayments	(233)	(213)	-
Issue of ordinary shares	4,201	3,300	5,721
Costs on issue of shares	(328)	(219)	(373)
Cash generated by financing activities	**3,715**	**3,768**	**5,850**
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,337**	**26**	**(237)**
Cash and cash equivalents brought forward	474	711	711
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**1,811**	**737**	**474**

IMMOTION GROUP PLC
NOTES TO THE INTERIM REPORT
for the six months ended 30 June 2020

1. Corporate information

The interim consolidated financial statements of the Group for the period ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 29 September 2020. Immotion Group Plc ("the company") is a Public Limited Company quoted on AIM, incorporated in England and Wales. The interim consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

2. Statement of Accounting policies

2.1 Basis of Preparation

The entities consolidated in the half year financial statements of the company for the six months to 30 June 2020 comprise the company and its subsidiaries (together referred to as "the Group").

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2019.

The directors are satisfied that, at the time of approving the consolidated interim financial statements, it is appropriate to adopt a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the European Union.

2.2 Accounting Policies

The interim results' announcement has been prepared in accordance with IFRSs, International Accounting Standards and Interpretations issued by the International Accounting Standards Board, as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRSs. The consolidated financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of these interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended 31 December 2019, except for the new and revised IFRSs effective 1 January 2020. None of the amendments adopted on 1 January 2020 have had a material impact on the interim consolidated financial statements of the Group.

The preparation of these consolidated half year financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates in preparing these consolidated half year financial statements.

Going concern - the ongoing impact of COVID-19 on the Group has been considered in the preparation of these interim consolidated financial statements. At the reporting date income generation has re-commenced; the Group has adopted new distancing and cleansing processes; and the directors remain confident in the long-term future performance of the Group, whilst recognising that continuous monitoring of, and adjustment to, the effects of COVID-19, will be essential. In reaching their conclusion, the Directors considered the financial position of the Group, and the forecast trading, for 12 months from the reporting date. The forecasts assume a staged recovery back to pre-COVID-19 trading conditions and no further widespread lockdowns throughout the period.

Impairment of intangible assets and goodwill – recoverable amounts are based on value in use calculations using management's best estimate of future performance. On the basis of the forecast cash flows prepared it is concluded that no impairment of intangible assets and goodwill is required.

Recently applied accounting standards and interpretations adopted

IFRS 16

Effective 1 January 2019, IFRS 16 replaced IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value.

The Group adopted IFRS 16 using the modified retrospective approach with recognition from the transitional date (1 January 2019) without restatement of comparative figures.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities, except where the lease is of low value, or the lease term is 12 months or less. The lease liabilities are measured at the present value of the required lease payments at commencement, discounted using the Group's incremental borrowing rate, considered to be 6%.

Government grants and assistance

The Group has applied IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance – in relation to Government grants received in the period to 30 June 2020 (further details in Note 4). No government grants or assistance were received in prior periods.

In accordance with IAS 20 the accruals method of accounting has been adopted.

- grants in recognition of specific expenses are recognised in profit or loss in the same period as the relevant expenses;
- grants related to depreciable assets are recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised; and
- grants related to non-depreciable assets which require the fulfilment of certain obligations are recognised in profit or loss over the periods that bear the cost of meeting the obligations.

3. **Segment Information**

The Group's primary reporting format for segment information is business segments which reflect the management reporting structure in the Group.

6 months to 30 June 2020

	Immotion VR £'000	**Partners £'000**	**Content £'000**	**Head Office £'000**	**Total 6 months to 30 June 2020 £'000**
Revenue	243	563	7	5	818
Cost of sales	(366)	(370)	(50)	(3)	(789)
Government grants	-	-	-	259	259
Rent income	-	-	-	49	49
Admin expenses*	(185)	(432)	(31)	(901)	(1,549)
Operating loss	**(308)**	**(239)**	**(74)**	**(591)**	**(1,212)**
Amortisation	(5)	(6)	(288)	(53)	(352)
Depreciation	(221)	(432)	(46)	(152)	(851)
Loss on disposal	-	-	-	(24)	(24)
Restructuring	-	(15)	(9)	(3)	(27)
Finance costs	-	-	-	(45)	(45)
Finance income	-	-	-	1	1
Share based payments	-	-	-	(64)	(64)
Tax	-	-	20	38	58
Loss for the period	**(534)**	**(692)**	**(397)**	**(893)**	**(2,516)**

*Admin expenses exclude depreciation, amortisation, loss on disposal, restructuring costs, finance costs and income, taxation and share based payments.

3. Segment Information (continued)

	External revenue by location of customer			Location of assets			Net tangible capital expenditure by location of assets		
	30-Jun-20 Continuing £'000	30-Jun-19 Continuing £'000	31-Dec-19 Continuing £'000	30-Jun-20 £'000	30-Jun-19 £'000	31-Dec-19 £'000	30-Jun-20 £'000	30-Jun-19 £'000	31-Dec-19 £'000
United Kingdom	345	719	1,599	7,449	7,612	6,437	239	592	1,182
United States of America	301	348	1,031	1,988	1,445	1,698	692	898	1,358
Netherlands	-	77	422	-	-	-	-	-	-
China	7	34	156	12	-	14	-	-	17
Australia	85	23	187	41	18	52	-	18	73
Germany	9	14	83	33	34	43	-	40	65
Spain	-	12	-	-	-	-	-	-	-
United Arab Emirates	39	8	55	74	123	95	-	141	83
Japan	-	5	5	-	-	-	-	-	-
Estonia	-	1	1	-	-	-	-	-	-
Portugal	-	(17)	-	-	-	-	-	-	-
France	2	-	5	6	-	8	-	-	9
Saudi Arabia	29	56	62	65	60	82	-	61	96
Eire	1	-	-	-	-	-	-	-	-
Total	**818**	**1,280**	**3,606**	**9,668**	**9,292**	**8,429**	**931**	**1,750**	**2,883**

More than 10% of revenue was generated from one customer. This has been recognised within the ImmotionVR and Partners' revenues.

Total revenues for the period to 30 June 2020 from 10% plus customers:

	£'000
USA	123
UK	192
Total	**315**

4. Other Income

Other income for the period of £308k includes £259k received from the UK Government under the Coronavirus Job Retention Scheme, and £49k of property rental income.

The government grant of £259k covered 80% of the payroll costs incurred in April, May and June 2020 of furloughed employees.

The Group is satisfied that it has met all the conditions relating to these grants and that no liability for repayment of the grants exists.

The Group has not benefited from any other Government grants or assistance in the period to 30 June 2020 or in any prior periods of account.

5. Earnings per share

The calculation of the group basic and diluted loss per ordinary share is based on the following data:

	Unaudited Six months to	**Unaudited Six months to**	**Audited 12 months to**
	30 June 20	**30 June 19**	**31 Dec 19**
	£'000	**£'000**	**£'000**
The earnings per share is based on the following:			
Continuing earnings post tax loss attributable to shareholders	(2,516)	(2,438)	(5,447)
Discontinued earnings post tax earnings attributable to shareholders	-	44	32
Basic weighted average number of shares	328,286,069	230,119,542	255,564,704
Diluted weighted average number of shares	328,286,069	230,119,542	255,564,704
	£0.01	**£0.01**	**£0.01**
Basic earnings per share	(0.77)	(1.04)	(2.12)
Diluted earnings per share	(0.77)	(1.04)	(2.12)
Continuing earnings per share	(0.77)	(1.06)	(2.13)
Continuing diluted earnings per share	(0.77)	(1.06)	(2.13)
Discontinued earnings per share	-	0.02	0.01
Discontinued diluted earnings per share	-	0.02	0.01

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the period. The weighted average number of equity shares in issue in the period to 30 June 2020 was 328,286,069.

6. Intangible Assets

	Other intangible assets	Goodwill acquired on acquisition	Development costs	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2020	539	2,438	1,973	4,950
Additions	2	-	286	288
Foreign exchange adjustment	-	-	26	26
At 30 June 2020	**541**	**2,438**	**2,285**	**5,264**
Amortisation				
At 1 January 2020	422	-	508	930
Charge	58	-	294	352
Foreign exchange adjustment	-	-	11	11
At 30 June 2020	**480**	**-**	**813**	**1,293**
Net book value				
30 June 2020	**61**	**2,438**	**1,472**	**3,971**
31 December 2019	117	2,438	1,465	4,020

Development costs are fully amortised on a straight-line basis over 3 years.

For projects which are still underway and are not ready to be used no amortisation has been charged.

Other intangible assets are being amortised principally over a period of 3 years. Domains are amortised over 10 years and the website over 2 years.

Goodwill is not amortised.

Amortisation is charged to administrative costs in the Statement of Comprehensive Income.

7. Share capital

Called up share capital **Allotted, issued and fully paid**	**No.**	**Value** **£'000**
Ordinary shares of 0.040108663 pence each	379,538,083	152

Shares issued in the 6 month period to 30 June 2020:

Date	**Description**	**No shares**	**Price/ share**	**Gross share value**	**Cash received**
			£	**£**	**£**
12.02.2020	Issue of shares of 0.040108663p each	39,310,339	0.0725	2,850,000	2,850,000
27.05.2020	Issue of shares of 0.040108663p each	54,062,200	0.0250	1,351,555	1,351,555
		93,372,539		**4,201,555**	**4,201,555**
As at 30 June 2019		**250,351,584**		**13,869,010**	**10,703,886**
As at 31 December 2019		**286,165,544**		**16,289,027**	**13,073,885**
As at 30 June 2020		**379,538,083**		**20,490,582**	**17,275,440**

8. Related party transactions

Brand consultancy services to the value of £6,250 (year to 31 December 2019: £50,437) were invoiced in the period to Immotion Group Plc by S Higginson, the adult son of M J Higginson. M J Higginson is a director of Immotion Group Plc. There was £nil (31 December 2019: £nil) outstanding at the period end to / from Immotion Group Plc to / from S Higginson.

M J Higginson, a director of Immotion Group Plc, is a director and controlling shareholder of M Capital Investment Properties Limited. Services to the value of £47,938 (year to 31 December 2019: £62,500) were invoiced in the period by M Capital Investment Properties Limited to Immotion Group Plc. At 30 June 2020, Immotion Group Plc owed £Nil (31 December 2019: £Nil) to M Capital Investment Properties Limited.

R Miller, a director of Immotion Group Plc, is a director of Robin Miller Consultants Ltd. In the period, services totalling £7,500 (year to 31 December 2019: £15,112) were billed to Immotion PLC from Robin Miller Consultants Ltd. At 30 June 2020, £1,250 (31 December 2019: £1,250) was owing from Immotion Group Plc to Robin Miller Consultants Ltd.

M J Higginson and R Miller, directors of Immotion Group Plc, are directors of Digitalbox Plc, the parent company of Digitalbox Publishing Limited. Services to the value of £1,532 (year to 31 December 2019: £17,437) were invoiced in the period by Digitalbox Publishing Limited to Immotion Group Plc. At 30 June 2020, Immotion Group Plc owed £Nil (31 December 2019: £4,672) to Digitalbox Publishing Limited.

D Marks, a director of Immotion Group Plc, was advanced a loan in a prior period by the subsidiary Immotion Studios Limited. Interest is charged on the loan at 3% per annum. At 30 June 2020, D Marks owed £15,523 (31 December 2019: £15,343) inclusive of interest.

E Stanyon, adult step-daughter of M J Higginson, a director of Immotion Group Plc, was advanced a loan in a prior period by the subsidiary Immotion Studios Limited. Interest is charged on the loan at 3% per annum. At 30 June 2020, E Stanyon owed £8,388 (31 December 2019: £8,291) inclusive of interest.

The total amounts paid to key management personnel during the period was £275,151. The key management personnel are considered to be the directors of Immotion Group Plc.

9. Seasonality

The Group's activities are not subject to significant seasonal variation.