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SHIFTING UP A GEAR \$70 MILLION CAPITAL RAISING TO FAST-TRACK GROWTH STRATEGY

KEY POINTS

- Infomedia Ltd is raising \$70 million¹ to provide enhanced financing flexibility to accelerate its M&A strategy, maintain momentum in the core and emerge from the current environment in a position of significant strength
- Non-underwritten Share Purchase Plan (SPP) to raise up to \$15 million²
- Unique opportunity to execute expanding pipeline of acquisition opportunities concentrated on technology, customers and geographies
- New car sales for Automotive industry significantly impacted by COVID-19; Infomedia has introduced a number of pre-emptive initiatives to mitigate potential disruptions
- IFM trading performance remains robust due to high levels of recurring revenues, globally diversified operations, and strategy concentrated on automotive Aftersales
- FY20 outlook reaffirmed - Revenue \$93m-\$95m (up 10%-12%); NPAT \$18m-\$19m (up 12%-18%)

23 April 2020 – Sydney, Australia: Infomedia Ltd (ASX:IFM), a leading software provider in parts, service and data insights to the global automotive industry, today announces that it is undertaking a fully underwritten institutional Placement to raise approximately \$70 million (**Placement**) and a follow-on non-underwritten Share Purchase Plan (**SPP**) to raise up to \$15 million (together, the **Capital Raising**) to accelerate its growth strategy.

“We believe COVID-19 provides a unique opportunity to fast-track our growth strategy towards acquiring quality assets that leverage our global parts, service and data insights platform with enhanced technology, access to new customers and entry to new geographies. This Capital Raising puts us in a strong position to take advantage of value attractive and operationally accretive opportunities that will emerge in the current environment, and strengthen our position as one of few market-leading software service providers in the automotive industry globally”, said Infomedia’s CEO and Managing Director, Mr Jonathan Rubinsztein.

USE OF FUNDS

Proceeds from the Capital Raising will provide enhanced financial flexibility to maintain momentum and emerge from the current environment in a position of significant strength by accelerating:

- the execution of Infomedia’s expanding pipeline of acquisition opportunities that will enhance its core technology capabilities globally, open access to new customers and increase breadth and depth in key geographic markets; and
- the development of organic parts, service and data insights capabilities and investments in product innovation to further improve operating leverage.

¹ Calculated with reference to Infomedia’s current available placement capacity of 46,606,449 shares multiplied by the Placement Price. Subject to rounding.

² Infomedia reserves the right to increase or decrease the size of the SPP and/or scale back applications under the SPP at its discretion

These initiatives will consolidate and expand Infomedia's platform and market position and further accelerate Infomedia's growth strategy.

COVID-19 UPDATE

Prior to COVID-19, the automotive industry was facing significant change as automakers and dealers looked to diversify revenue streams to increase profitability beyond traditional car sales. The outbreak of COVID-19, and subsequent lockdown and social distancing measures that followed, have hastened industry shifts globally.

New car sales globally are experiencing a further material slow-down in response to Government initiatives. However, the Aftersales segment is generally regarded as an essential service and is expected to act as a catalyst and stimulate the adoption of technology that improves service productivity, profitability and customer retention.

In response to COVID-19, management moved swiftly in early March, to pre-emptively fortify the business in five key areas:

1. **Protect Staff & Customers:** the global workforce of 350 employees transitioned smoothly to remote working. Approximately 60% of the global workforce moved to 80/20 flex schedules which involves four working days and one day of annual leave in an average five-day week. Infomedia's regional sales teams proactively engaged with each customer to understand challenges and identify opportunities to further support.
2. **Defend the Topline:** measures were introduced to defend and protect the top-line by actively pursuing all sales opportunities that are closeable and managing the impact on recurring revenue.
3. **Manage BAU:** introduced an increased cadence of regular, virtual communication and collaboration at all levels, across teams and across regions, resulting in significant, positive cultural shifts and increases in productivity.
4. **Manage Costs & Cash:** increased focus on cash collection and cost reduction, including travel and entertainment.
5. **Attack Not Only Protect:** increased focus on positioning for attack. Enhanced funding flexibility from the Capital Raising brings forward several M&A initiatives, provides greater resourcing depth and enables concurrent actions critical to accelerating Infomedia's strategic growth objectives.

Infomedia's leadership team believes that opportunities are emerging as its current and target customers focus on improved profitability in their Aftersales service offering to offset declines in other revenue sources. "Infomedia remains more committed than ever to support our customers through this period by capitalising on industry trends³ and further strengthening our position as one of few global, market leading software solutions providers in the Aftersales segment of the global automotive industry", Mr Rubinsztein said.

TRADING UPDATE & FY20 OUTLOOK

Infomedia has traded in line with expectations to 31 March 2020 and experienced growth across parts, services and data insights. Cash generation year to date remains robust with a cash balance of \$15.2 million as at 31 March 2020, after the payment of the 1H20 Interim Dividend and deferred consideration associated with a previous acquisition.

³ Refer to previously released company documents including 2019 Annual Report which details 5 Key Trends impacting the Global Automotive Industry <https://www.infomedia.com.au/investors/annual-and-half-year-reports/>.

Infomedia reaffirms its FY20 outlook to deliver low double-digit growth in revenue and earnings. A range for FY20 Revenue and Net Profit After Tax (**NPAT**) is provided for the purposes of this Capital Raising.

- FY20 Revenue in the range of \$93 million to \$95 million (an increase of 10% - 12% on FY19)
- FY20 NPAT in the range of \$18 million to \$19 million (an increase of 12% - 18% on FY19)

“While the future impacts of COVID-19 are very difficult to quantify, we remain confident given the strength of our business due to a diverse global customer base, 95% recurring revenue and strong cash conversion. Today’s Placement allows us to capitalise on emerging growth opportunities”, said Infomedia’s CFO, Mr Richard Leon.

Further information on Infomedia’s FY20 trading performance and outlook will be provided at its full year results in August 2020.

FULLY UNDERWRITTEN PLACEMENT

Infomedia is undertaking a fully underwritten Placement to raise approximately \$70 million. The Placement will be conducted at \$1.50 per new share (**Placement Price**) which represents an 11.8% discount to Infomedia’s last closing price of \$1.70 per share on 22 April 2020. The Placement will result in approximately 46.6 million new shares being issued, representing approximately 15% of Infomedia’s existing issued share capital.

The Placement is fully underwritten by Merrill Lynch Equities (Australia) Limited.

NON-UNDERWRITTEN SHARE PURCHASE PLAN

Infomedia will also offer eligible shareholders in Australia and New Zealand the ability to participate in a non-underwritten SPP for up to \$30,000 of new shares per eligible shareholder, up to a total of \$15 million in aggregate. Infomedia reserves the right to increase the size of the SPP or scale back applications under the SPP at its discretion. The new shares under the SPP will be issued at the lower of the Placement Price and a 2% discount to the 5-day volume weighted average price (**VWAP**) up to and including the SPP closing date.

The SPP offer documentation will be made available on ASX and despatched to eligible Infomedia shareholders (being those persons registered as ordinary shareholders at the SPP record date with a registered address in Australia or New Zealand) on or about 30 April 2020.

Infomedia’s CEO and Managing Director, Jonathan Rubinsztein and all eligible Infomedia Directors have committed to participate in the SPP.

New shares issued under the Placement and the SPP will rank equally with existing Infomedia shares on issue.

INDICATIVE TIMETABLE

The timetable below is indicative only and subject to change. All times below as Sydney, Australia time (AEST).

Event	Date
SPP Record Date	7:00pm (AEST), Wednesday, 22 April 2020
Trading halt and announcement of the Placement and SPP	Thursday, 23 April 2020
Placement bookbuild	Thursday, 23 April 2020
Announcement of the outcome of the Placement	Friday, 24 April 2020
Trading halt lifted – trading resumes on the ASX	Friday, 24 April 2020
Settlement of New Shares issued under the Placement	Tuesday, 28 April 2020
Issue and normal trading of New Shares issued under the Placement	Wednesday, 29 April 2020
SPP offer opens and SPP offer booklet is dispatched	Thursday, 30 April 2020
SPP offer closes	5:00pm (AEST), Thursday, 21 May 2020
SPP issue date	Thursday, 28 May 2020
Normal trading of New Shares issued under the SPP	Friday, 29 May 2020
Dispatch of holding statements	Friday, 29 May 2020

ADDITIONAL INFORMATION

Further details of the Placement and SPP are set out in the investor presentation also released on the ASX today. The investor presentation contains important information including key risks and foreign selling jurisdictions with respect to the Capital Raising.

ENDS

This release was authorised by the Infomedia Ltd Board.

About Infomedia: Infomedia Ltd (ASX:IFM) is a technology services developer and supplier of electronic parts catalogues and service systems to the global automotive industry. Infomedia also provides information management and analysis for the Australian automotive and oil industries. Infomedia has led innovation in service infrastructure within global automotive distribution networks for more than 25 years and continues to expand its reach within the three regions in which it operates.

Please visit Infomedia's website <https://www.infomedia.com.au> and YouTube channel <https://www.youtube.com/infomedialtd> for more information.

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Important Notice

FORWARD-LOOKING STATEMENTS

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Infomedia, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Infomedia's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Infomedia cautions shareholders and prospective shareholders not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Infomedia, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Infomedia as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Infomedia, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The new shares of Infomedia to be offered and sold in the Placement and the SPP have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.