

26 July 2018

**One Media iP Group Plc**  
**("One Media" or the "Group")**

**INTERIM RESULTS**

One Media iP Group Plc (AIM: OMIP), a digital media content provider that exploits primarily music intellectual property rights, is pleased to announce its unaudited results for the six months ended 30 April 2018.

**Financial Summary**

- Revenue increased by 5.1% to £1,205,262 (H1 2017: £1,147,131)
- Profit before tax increased by 43.3% to £213,144 (H1 2017: £148,781)
- Gross margins improved to 48.9% (H1 2017: 45.3%)
- EBITDA increased 28.8% to £341,294 (H1 2017: £264,935)
- Earnings per share of 0.21p (H1 2017: 0.19p)
- Cash balance of £880,267 at 30 April 2018 (31 October 2017: £383,051)

**Operational Summary**

- Revenue increase driven primarily by growth in streaming of music
- 80% of revenues derived from the audio exploitation business
- Second major international music company signed to utilise the services of the Technical Copyright Analysis Tool ("TCAT")
- Ivan Dunleavy appointed as Chairman and Lord Michael Grade as Non-Executive Director

**Ivan Dunleavy, Chairman, commented:** "In the first half of the year, One Media has continued to make steady progress against its key performance indicators compared with the same period last year. This is in no small part due to the commitment of its executive team and staff. The music industry has experienced continued growth, which has been led by the expansion in streaming services and the advent of devices like the Amazon Echo (Alexa) and Google Home. One Media continues to benefit from this shift that has led to consumers changing their music buying habits and embracing streaming services. As a result, the Board remains confident of expediting the scale up of the business by exploiting the global growth of music streaming."

**Michael Infante, Chief Executive, added:** "I said this time last year that we had changes to make and I am happy to confirm that we have delivered on those changes to position us to be able to move towards becoming a music publishing business. A big part of our planning for this year was to add scale and to that end we were fortunate to be joined by Lord Michael Grade and Ivan Dunleavy as directors who bring significant experience and expertise that will enable us to accelerate our growth. In the first half of this year, we also bolstered our sales initiative to support our audio licensing opportunities enabling us to report an increase in turnover and profit compared with the first half of last year. We have also maintained a healthy cash position."

"We are navigating the ongoing shift from music downloads to streaming. All eyes are on the growth of music listening and the only change is format – the music content remains constant. Like the broader market, we are aligning ourselves with these changes and making sure we are well-positioned for the future. We are pleased with our progress and encouraged with the results of our actions to grow One Media."

**For further information, please contact:**

**One Media iP Group Plc**

Ivan Dunleavy, Chairman

+44 (0)175 378 5500

Michael Infante, Chief Executive

**Cairn Financial Advisers LLP (Nominated Adviser)**

Liam Murray, Jo Turner

+44 (0)20 7213 0880

**Panmure Gordon (UK) Ltd (Broker)**

James Stearns, Andrew Potts

+44 (0)20 7886 2500

**Luther Pendragon Ltd (Financial PR)**

Harry Chathli, Claire Norbury

+44 (0)20 7618 9100

**Operational Review**

In the first half of the year, One Media continued to make steady progress against its key performance indicators compared with the same period in 2017. The Group saw its revenues increase by 5% compared with the previous year, reflecting the sustained growth of the industry as consumers continue to increase their music consumption through streaming services. Overall, 80% of the Group's revenues were from its audio exploitation business, with video licensing making up the balance.

In February 2018, the Group announced that a second major international music company had signed to utilise the services of TCAT to monitor music conflicts and potential copyright infringements. Revenues from the use of TCAT are still relatively small, however, management expects that it will be rolled out to other organisations in the future as well as being used to monitor the Group's own music business and thereby starting to make an additional contribution to revenues.

In April 2018, the Board was pleased to appoint Ivan Dunleavy as the Chairman and Lord Michael Grade as a Non-Executive Director. This followed their equity investment of £375,000 in the Group.

The IFPI (International Federation of the Phonographic Industry) Global Music Report 2018, stated that the global recorded music market grew by 8.1% in 2017, which is its third consecutive year of growth since the IFPI began tracking the market in 1997 – reflecting the industry's return to growth. The report also highlighted that streaming remains the main driver of revenues and, for the first time, has become the single largest revenue source with 176 million users of paid streaming services contributing to year-on-year streaming growth of 41.1%. In 2017, streaming accounted for 38.4% of total recorded music revenue, according to the report. The Directors believe that this growth in the market gives the Group a significant opportunity to take advantage of the growth in streaming services.

**Financial Review**

The Group has continued to successfully manage its financial position over the 6-month period to 30 April 2018 through its profitable operations. The Group's consolidated revenue was £1,205,262 (H1 2017: £1,147,131) and gross margins improved to 48.9% (H1 2017: 45.3%). During the period, foreign exchange movements had an adverse impact on reported revenue of £13,500 compared with a £400 loss in H1 2017.

Profit before tax amounted to £213,144 (H1 2017: £148,781). As a result of the Group's business model, with a relatively fixed cost base, an increase in revenue results in an even higher contribution to profit.

EBITDA increased to £341,294 (H1 2017: £264,935) and basic earnings per share amounted to 0.21p compared with 0.19p for the equivalent period last year despite an increase in the issued share capital of the Group from 71,053,698 shares in issue at 30 April 2017 to 87,353,698 at 30 April 2018.

Cash balances at 30 April 2018 were £880,267 (H1 2017: £228,628). In November 2017, Lord Michael Grade and Ivan Dunleavy made an equity investment totalling £375,000 in One Media. The Group also had a cash inflow from operations during the period of £183,147 (H1 2017: £6,659).

**Outlook**

The momentum of the first half of 2018/19 has been sustained into the second half as the Group continues to build on the steady progress achieved to date to re-position itself. With the return to

growth in the music industry and sustained global expansion in music streaming, the Board remains confident in its ability to expedite the scale up of the business and deliver shareholder value.

## Unaudited Consolidated Statement of Comprehensive Income

	Unaudited 6 months ended 30 April 2018	Unaudited 6 months ended 30 April 2017	Audited 12 months ended 31 October 2017
	£	£	£
<b>Revenue</b>	1,205,262	1,147,131	2,337,624
Cost of sales	(615,835)	(628,093)	(1,281,897)
<b>Gross profit</b>	<u>589,427</u>	<u>519,038</u>	<u>1,055,727</u>
Administrative expenses	(376,288)	(370,352)	(758,311)
<b>Operating profit</b>	<u>213,139</u>	<u>148,686</u>	<u>297,416</u>
Finance income	5	95	185
<b>Profit on ordinary activities before taxation</b>	<u>213,144</u>	<u>148,781</u>	<u>297,601</u>
Tax expense	(30,349)	(16,573)	(30,829)
<b>Profit for period attributable to equity shareholders and total comprehensive income for the year</b>	<u>182,795</u>	<u>132,208</u>	<u>266,772</u>
<b>Basic earnings per share</b>	<u>0.21p</u>	<u>0.19p</u>	<u>0.38p</u>

## Unaudited Consolidated Statement of Financial Position

	Unaudited 30 April 2018 £	Unaudited 30 April 2017 £	Audited 31 October 2017 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	3,387,479	3,394,925	3,383,597
Property, plant and equipment	16,100	5,230	16,970
	<u>3,403,579</u>	<u>3,400,155</u>	<u>3,400,567</u>
<b>Current assets</b>			
Trade and other receivables	588,031	447,690	478,804
Cash and cash equivalents	880,267	228,628	383,051
<b>Total current assets</b>	<u>1,468,298</u>	<u>676,318</u>	<u>861,855</u>
<b>Total assets</b>	<u><b>4,871,877</b></u> =====	<u><b>4,076,473</b></u> =====	<u><b>4,262,422</b></u> =====
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	478,834	468,318	491,619
Deferred tax	46,795	22,532	34,397
	<u>525,629</u>	<u>490,850</u>	<u>526,016</u>
<b>Total liabilities</b>	<u>525,629</u>	<u>490,850</u>	<u>526,016</u>
<b>Equity</b>			
Called up share capital	436,768	355,268	355,268
Share redemption reserve	239,546	239,546	239,546
Share premium account	1,786,895	1,457,645	1,457,645
Share based payment reserve	123,496	90,979	107,198
Retained earnings	1,759,543	1,442,185	1,576,749
<b>Total equity</b>	<u><b>4,346,248</b></u>	<u><b>3,585,623</b></u>	<u><b>3,736,406</b></u>
<b>Total equity and liabilities</b>	<u><b>4,871,877</b></u> =====	<u><b>4,076,473</b></u> =====	<u><b>4,262,422</b></u> =====

Unaudited Consolidated Statement of Changes in Equity

	Share capital	Share redemption reserve	Share premium	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 November 2016	355,268	239,546	1,457,645	74,440	1,309,977	3,436,876
Profit for the six months to 30 April 2017	-	-	-	-	132,208	132,208
Share based payment charge	-	-	-	16,539	-	16,539
<b>At 30 April 2017</b>	<b>355,268</b>	<b>239,546</b>	<b>1,457,645</b>	<b>90,979</b>	<b>1,442,185</b>	<b>3,585,623</b>
Profit for the six months to 31 October 2017	-	-	-	-	134,564	134,564
Share based payment charge	-	-	-	16,219	-	16,219
<b>At 31 October 2017</b>	<b>355,268</b>	<b>239,546</b>	<b>1,457,645</b>	<b>107,198</b>	<b>1,576,749</b>	<b>3,736,406</b>
Profit for the six months to 30 April 2018	-	-	-	-	182,794	182,794
Proceeds from the issue of new shares	81,500	-	329,250	-	-	410,750
Share based payment charge	-	-	-	16,298	-	16,298
<b>Balance at 30 April 2018</b>	<b>436,768</b>	<b>239,546</b>	<b>1,786,895</b>	<b>123,496</b>	<b>1,759,543</b>	<b>4,346,248</b>
	=====	=====	=====	=====	=====	=====

## Unaudited Consolidated Cash Flow Statement

	Unaudited 6 months ended 30 April 2018 £	Unaudited 6 months ended 30 April 2017 £	Audited 12 months ended 31 October 2017 £
<b>Cash flows from operating activities</b>			
Profit before taxation	213,144	148,781	297,601
Amortisation	116,109	112,998	234,911
Depreciation	2,121	1,222	3,350
Share based payments	16,298	16,539	32,758
Finance income	(5)	(95)	(185)
(Increase)/decrease in receivables	(30,210)	15,884	(15,229)
(Decrease)/increase in payables	(157,382)	(288,670)	(267,761)
Corporation tax paid	23,072	-	-
<b>Net cash inflow from operating activities</b>	<u>183,147</u>	<u>6,659</u>	<u>285,445</u>
<b>Cash flows from investing activities</b>			
Investment in TCAT	(95,435)	(113,790)	(224,375)
Investment in fixed assets	(1,251)	-	(13,868)
Finance income	5	95	185
<b>Net cash used in investing activities</b>	<u>(96,681)</u>	<u>(113,695)</u>	<u>(238,058)</u>
<b>Cash flow from financing activities</b>			
Proceeds from the issue of new shares	410,750	-	-
<b>Net cash inflow from financing activities</b>	<u>410,750</u>	<u>-</u>	<u>-</u>
<b>Net change in cash and cash equivalents</b>	497,216	(107,036)	47,387
<b>Cash at the beginning of the period</b>	383,051	335,664	335,664
<b>Cash at end of the period</b>	<u><u>880,267</u></u> =====	<u><u>228,628</u></u> =====	<u><u>383,051</u></u> =====

**Notes to the Interim Report  
For the six months ended 30 April 2018**

**1. Nature of operations and general information**

One Media iP Group Plc and its subsidiaries' ("the Group") principal activities are the acquisition and licensing of intellectual copyrights and publishing for distribution through digital media and through traditional media outlets.

One Media iP Group Plc is the Group's ultimate parent company incorporated in England and Wales under the Companies Act 2006. The registered office of One Media iP Group Plc is 623 East Props Building, Goldfinger Avenue, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The financial information set out in this interim report does not constitute statutory accounts. The Group's statutory financial statements for the year ended 31 October 2017 are available from the Group's website. The auditor's report on those financial statements was unqualified.

**2. Accounting policies**

**Basis of preparation**

These interim consolidated financial statements are for the six months ended 30 April 2018. They have been prepared following the recognition and measurement principles of IFRS. They do not include all the information required for full annual statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 October 2017.

This unaudited interim statement has not been subject to a review by the Group's auditors, James Cowper Kreston.

**Comparatives**

The comparative periods represent the unaudited results for the six-month period ended 30 April 2017 and the audited twelve months for the year ended 31 October 2017.

**3. Earnings per share**

The calculation of the earnings per share is based on the profit for the financial period divided by the weighted average number of shares in issue during the period.

	<b>Unaudited 6 months ended 30 April 2018</b>	<b>Unaudited 6 months ended 30 April 2017</b>	<b>Audited 12 months ended 31 October 2017</b>
Profit for period attributable to equity shareholders	£182,795	£132,208	£266,772
Weighted average number of shares in issue	87,353,698	71,053,698	71,053,698
<b>Basic earnings per share</b>	<b>0.21p</b> =====	<b>0.19p</b> =====	<b>0.38p</b> =====

The diluted earnings per share would be lower than the basic earnings per share as the exercise of share options would be dilutive.



#### 4. Share capital

	Unaudited 30 April 2018	Unaudited 30 April 2017	Audited 31 October 2017
Group and company	£	£	£
<b>Authorised:</b>			
200,000,000 ordinary shares of 0.5p each	1,000,000	1,000,000	1,000,000
	=====	=====	=====
<b>Issued:</b>			
Ordinary shares of 0.5p each			
87,353,698 (2017: 71,053,698) ordinary shares of 0.5p each	436,768	355,268	355,268
	=====	=====	=====

#### 5. Share options

Michael Infante, a director of the Company, was granted an option over 500,000 shares in March 2011 that were scheduled to expire in March 2018. As Michael Infante was unable to exercise the options without either making a mandatory offer under Rule 9 of The Takeover Code or seeking a waiver from the obligations of Rule 9, the Board decided in February 2018 to extend the exercise period of these options until 31 March 2019. Due to an administrative oversight, the extension was not notified at that time.

#### 6. Interim statement

Copies of this statement are available from the Group's website, [www.omip.co.uk](http://www.omip.co.uk), as well as from its registered office at: 623 East Props Building, Goldfinger Avenue, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.