

A Sound Investment

FY 2021 Results: Double-digit earnings growth and investment into complementary Group platforms

April 2022

LON:OMIP

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A MILLION LOVE SONGS
Words and Music by Gary Barlow

♩ = 67

D^b 12/8 (2)

B^b7 12/8

E^bm7 12/8

1. 2. E^bm7/Ab 12/8

3. E^bm7/Ab 12/8

O^b

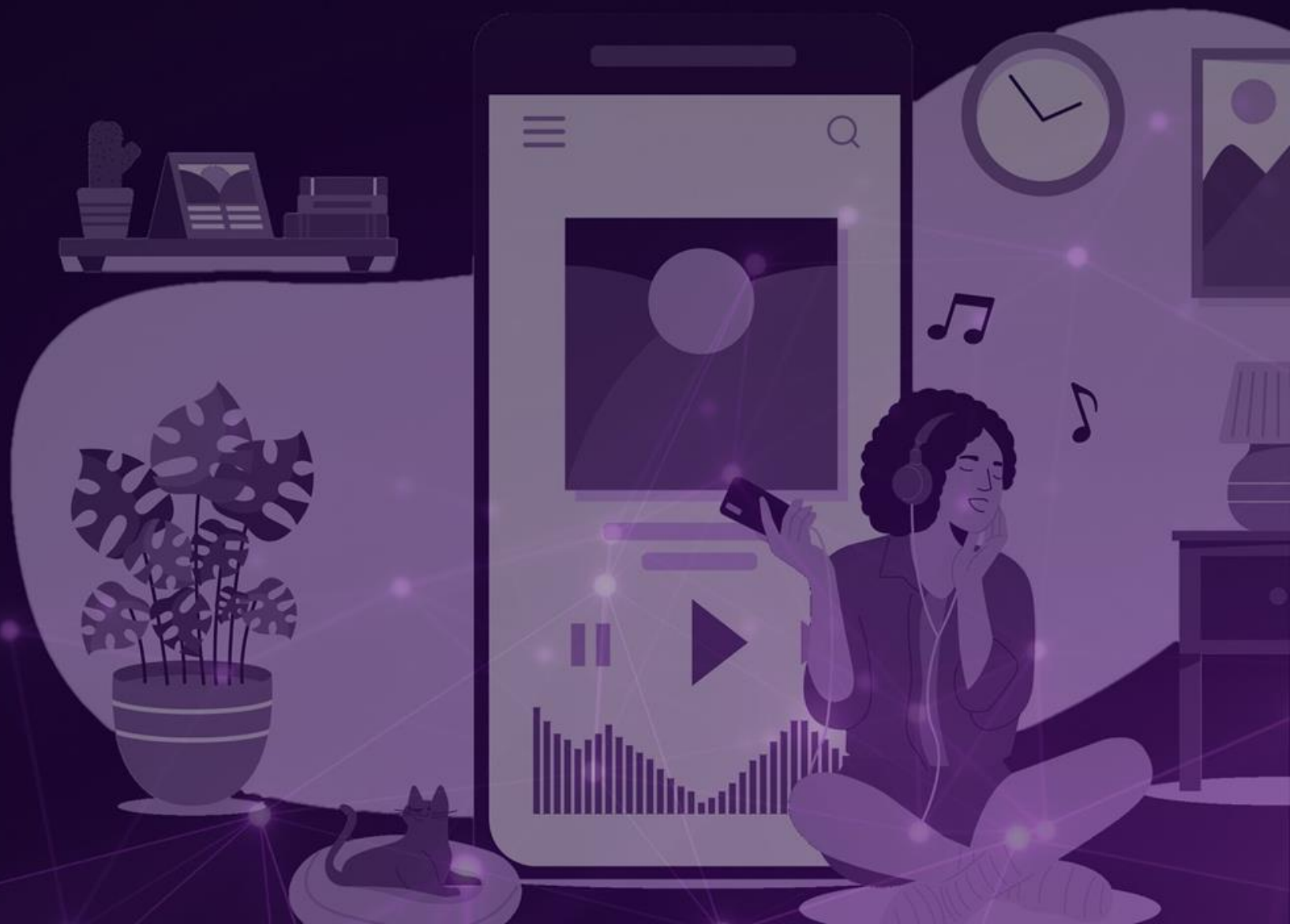
D^b 12/8

G/Ab 12/8

1. Put your head a - gainst my life what do you hear? - A
2. Look - ing for the fu - ture now, this is what I see, a

© 1992 EMI Virgin Music Ltd

1. Overview



Proven management team with deep industry expertise



Founder & Chief Executive Officer: Michael Infante

- +30 years' music industry experience
- Exec Producer for Royal Philharmonic Orchestra's largest recording project for over 140 classical albums
- Co-founder of Air Music & Media Group Plc (now MBL)
- Founded One Media iP Group in 2005



Chief Operating Officer: Alice Dyson

- +20 years' music industry experience
- 4 years as Managing Director of One Media Ltd.
- Director of BPI (British Phonographic Industry)



Finance Director: Steve Gunning

- +20 years' finance industry experience
- FD and Company Secretary of One Media Ltd. since 2016
- CIMA trained and member of the Association of Accounting Technicians



Chairman: Claire Blunt

- CEO International at Guardian Media Group
- COO & CFO of Hearst UK
- Leading financial roles at BrightHouse, Selecta Group, Hobbycraft and Staples



Non-Executive Director: Brian Berg

- Chairman of Eclipse Global Entertainment
- Senior advisory consultant in the media and music industry
- Executive Producer on hit musical 'Dreamboats and Petticoats'
- Former President of Universal Music Enterprises and Director of Universal Music

OMIP: Strategy & company overview

ONE MEDIA^{iP}

Owner, publisher and distributor of music copyrights, actively monetised delivering proven income streams

- Majority of revenues from royalties collected from use of content internationally: > 600 digital stores & 200 territories
- Focus on mature compositions with proven durability and latent potential, supporting reliable revenues with growth prospects
- Expansive catalogue of >200,000 music tracks diversified by genre delivering long term, growing and secure income, c. 97% recurring

Two complementary businesses supporting diversified income streams:

- **Harmony IP:** established 2020 enabling composers and master rights owners to release portions of equity from their music
 - Gives artists greater flexibility to access future earnings while retaining majority ownership of intellectual property
 - Supplements revenue streams, expands opportunity to create strongly aligned partnerships and supports long term acquisition pipeline
- **TCAT Ltd:**
 - Proprietary, specialist anti-piracy tool developed by One Media
 - Identifies illegal or unlicensed use of digital music, maximising revenue capture
 - Real time data on past performance and expected future content trends supporting and further de-risking acquisitions

Royalty returns largely uncorrelated to equity markets: predictable & generating annuity-like income

Music Monetisation - Follow the Money

ONE MEDIA^{iP}

RIGHTS HOLDERS

THE WRITER

- The **creator of the composition**, writing the lyrics and/or composing the tune to form a song
- Royalties are due every time the composition is **performed, recorded, played or reproduced**
- Rights typically **last for 70 years** from the death of the last writer

THE PERFORMER

- Entitled to a **royalty** paid **subject to the contract with their record label** and, additionally, via **registering their performances for licences with the PPL** (Phonographic Performance Limited)

THE RECORD LABEL

- A **collective of music recordings** performed by various performers that are distributed to digital platforms
- Invests in recordings and is both responsible for **paying royalties to writers and performers** and **receiving royalties from the digital retailers**

MECHANICAL ROYALTIES

Paid when a copy of a song is made

PERFORMANCE ROYALTIES

Paid when a song is broadcast or performed live

SYNCHRONISATION ROYALTIES

Paid when a song is used in visual media

PHYSICAL

DIGITAL

STREAMING

RADIO

PUBLIC PLAY

GAMING

MOVIES

TV & TV ADS

One Media aims to acquire the **master rights** (*rights of the owner of the original sound recording*), the **publishing rights** (*rights belong to the owner of the actual musical composition*) and the **writer's share of income**.

We don't just buy: we create, monitor and monetise

Unlike other pure acquisition funds, OMiP actively sweats content to maximise its potential and income delivery

All new content is immediately digitally analysed to ensure its metadata is correct across over 80 recognised categories

Team of expert **Creative Technicians** repurpose content, create artwork and perfect metadata so it is readily discoverable across all digital stores

Content performance continually monitored, including progress of music tracks, and videos perfected and edited for distribution via chosen channels, e.g. You Tube

You cannot just fit and forget! Experience and deep asset management expertise required to fully exploit recordings



Expert team in place to maximise income potential of content

2. Financial Results



FY 2021: Results summary

ONE MEDIA^{iP}

REVENUE

+10%

Revenue increased 10% to £4.4 million
(2020: £4 million)

OPERATING PROFIT

+5.5%

Operating profit increased 5.5% to £1.07 million
(2020: £1.02 million)

EBITDA

+11%

EBITDA increased 10% to £1.65 million
(2020: £1.49 million)

FCF YIELD

7%

(2020: 6%)

ACQUISITIONS

£4.3m

£4.3m invested across 9 acquisitions at an average blended 11.2 multiple

FINAL DIVIDEND

0.055p

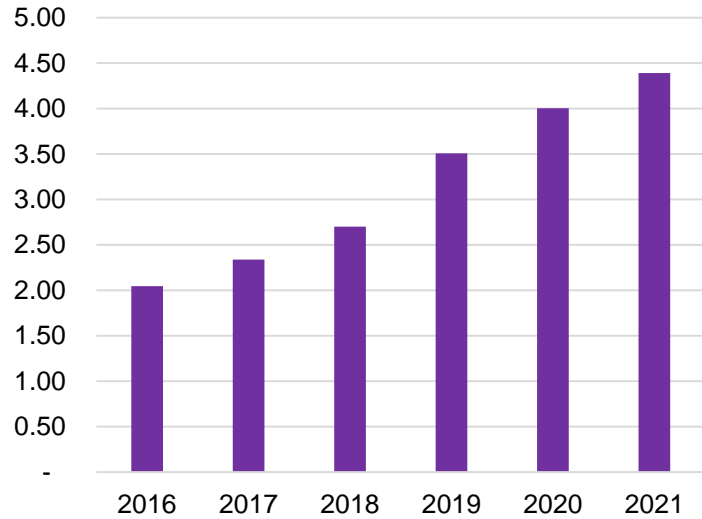
Final dividend of 0.055p per share

Double digit growth driven by active catalogue management
& supportive structural trends

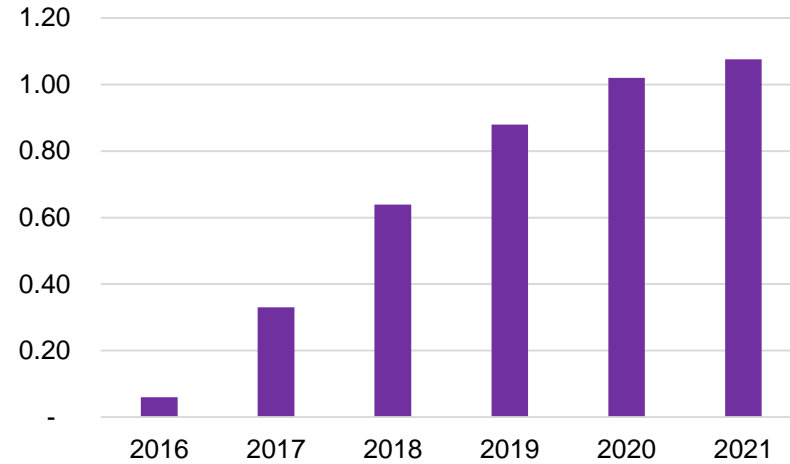
2021 Financial Results

Six years of year on year growth

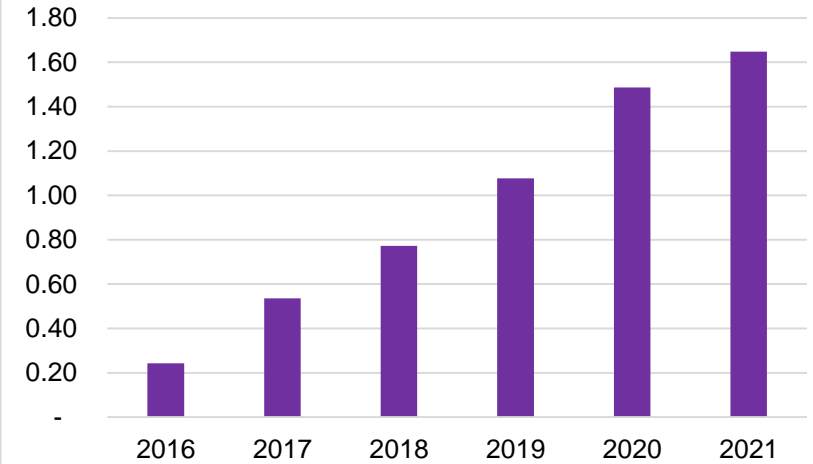
Revenue £m



Operating profit £m



EBITDA £m



2021 Financial Performance

ONE MEDIA^{iP}

	FY 2021 £	% change	FY 2020 £
Revenue	4,389,581	+10%	4,005,385
Net revenue	2,780,526	+13%	2,459,351
Gross margin	63.3%	+1.9%	61.4%
Amortisation of catalogues	(599,308)	-15%	(523,170)
Administration expenses	(1,040,706)	-13%	(919,250)
Operating profit	1,075,958	+6%	1,019,884
EBITDA	1,648,459	+11%	1,485,645
Finance costs	(184,045)	+18%	(223,384)
Asset disposal	(93,939)	-	-
Profit before tax	720,797	-2%	734,043
Basic earnings per share	0.24p	-43%	0.42p

2021 Balance Sheet

ONE MEDIA^{iP}

	FY 2021 £	% change	FY 2020 £
Intangible assets	13,484,077	+52%	8,884,158
Fixed assets	44,007	-52%	91,260
Trade and other receivables	1,481,077	+30%	1,141,555
Cash and cash equivalents	2,565,813	-62%	6,766,424
Total assets	17,574,974	+4%	16,883,397
Trade and other payables	937,622	+14%	823,151
Deferred tax	132,830	+13%	117,356
Borrowings	1,745,735	+3%	1,697,241

Positive Independent catalogue valuation

ONE MEDIA^{iP}

- YM&U Group engaged post period end to undertake detailed assessment and fully independent valuation of Group catalogues
- Portfolio independently valued at £34.8 million (as at April 2022), reflecting blended NPS multiple of 12.5x
- [The YM&U valuation states:](#)

“The Catalogues acquired by One Media IP (including acquisitions over the last three years) are varied and across the 7 grouped areas reviewed they have been performing well. There are steady and consistent income streams which is what you would like and need to see from a portfolio of catalogues and there is little reliance on one ‘superstar’ catalogue which dominates the revenue generation. The “Pre 2019” catalogues collectively are performing well, and we would expect the collective value to far exceed the original purchase price.”

£34.8m

Value of One Media iP catalogue

- Valuation compares favourably to blended cost and average historic blended multiple over all content acquired since 2006 (6x) and **£14m value** applied on Company’s asset register (as at 31 October 2021)

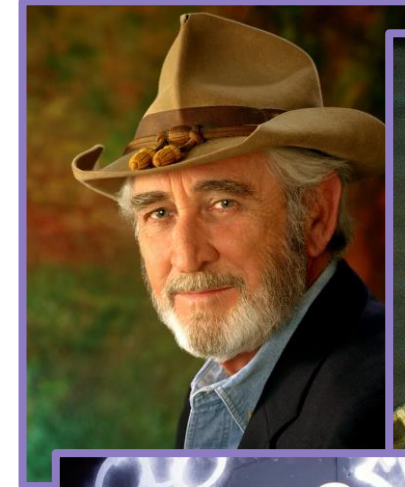
Demonstrates success of Group strategy & significant upside potential

3. Operational update



Acquisitions in year under review

- Acquisition strategy: identify overlooked and undervalued content, maximising exposure, usage and ultimately returns
- £4.3m of investment across nine acquisitions at an average 11.2 blended multiple
- Largest acquisition undertaken by One Media to date – composition rights to the catalogue of over 200 tracks of country music star Don Williams
- Headline Highlights include:
 - Producer's income royalties to Take That's 'A Million Love Songs', 'Could It Be Magic' and 'I Found Heaven'
 - Barry Blue's producer rights into Heatwave's Boogie Nights and Always and Forever
 - Producer's rights to music performed by Culture Club, including global hits 'Karma Chameleon' and 'Do You Really Want to Hurt Me'
 - Kid Creole & the Coconuts composition rights for 'Annie I'm Not Your Daddy'
- All 2021 investments undertaken through Harmony IP and income accretive
- Investment activity **post period** end includes licensor's share of royalty income to Orbital Digital Ltd catalogue, containing several thousand recordings and bringing new relationship with Dutch content distributor FUGA



Continuing focus on active value creation & maximising potential through new monetisation opportunities

Harmony IP: Unlocking future earnings today



- Established in 2020 following £6m million equity raise www.harmonyip.com
- Aims to acquire 10-30% of IP equity on agreed multiples, mainly targeting composers' rights
- Gives artists greater flexibility to access future earnings while retaining majority ownership of intellectual property
- Facilitates increased exposure to long term income streams, enabling further expansion and diversification of recurring revenues
- Extends opportunity to create strongly aligned partnerships supporting long term acquisition pipeline
- No other known operators offering option to artists this
- Provides artists with valuable aligned partnership and access to anti-piracy tool, TCAT
- Significant interest from artists underpinning strong growth prospects

Further diversifies Group revenues, generates strategic partnerships



Tackling music piracy

- Proprietary, specialist anti-piracy tool developed by One Media, established as a subsidiary business in 2021 www.tcat.media
- Software platform licensed on a subscription basis and/or as SaaS basis centrally hosted
- Identifies the illegal or infringing use of digital music across major stores (Apple, Amazon, Spotify) capturing lost revenue and auditing territorial usage
- Provides real time data on past performance and expected future trends of content: supports and further de-risks acquisitions
- Business plan on track: expected to be profitable over the medium term
- Management team and board appointed: deep expertise across technology, software and music industries
- Positive trials with two major labels, world's largest digital aggregator and UK music trade body, the BPI
- Advanced Fundraise underway to support next phase of growth

£9bn

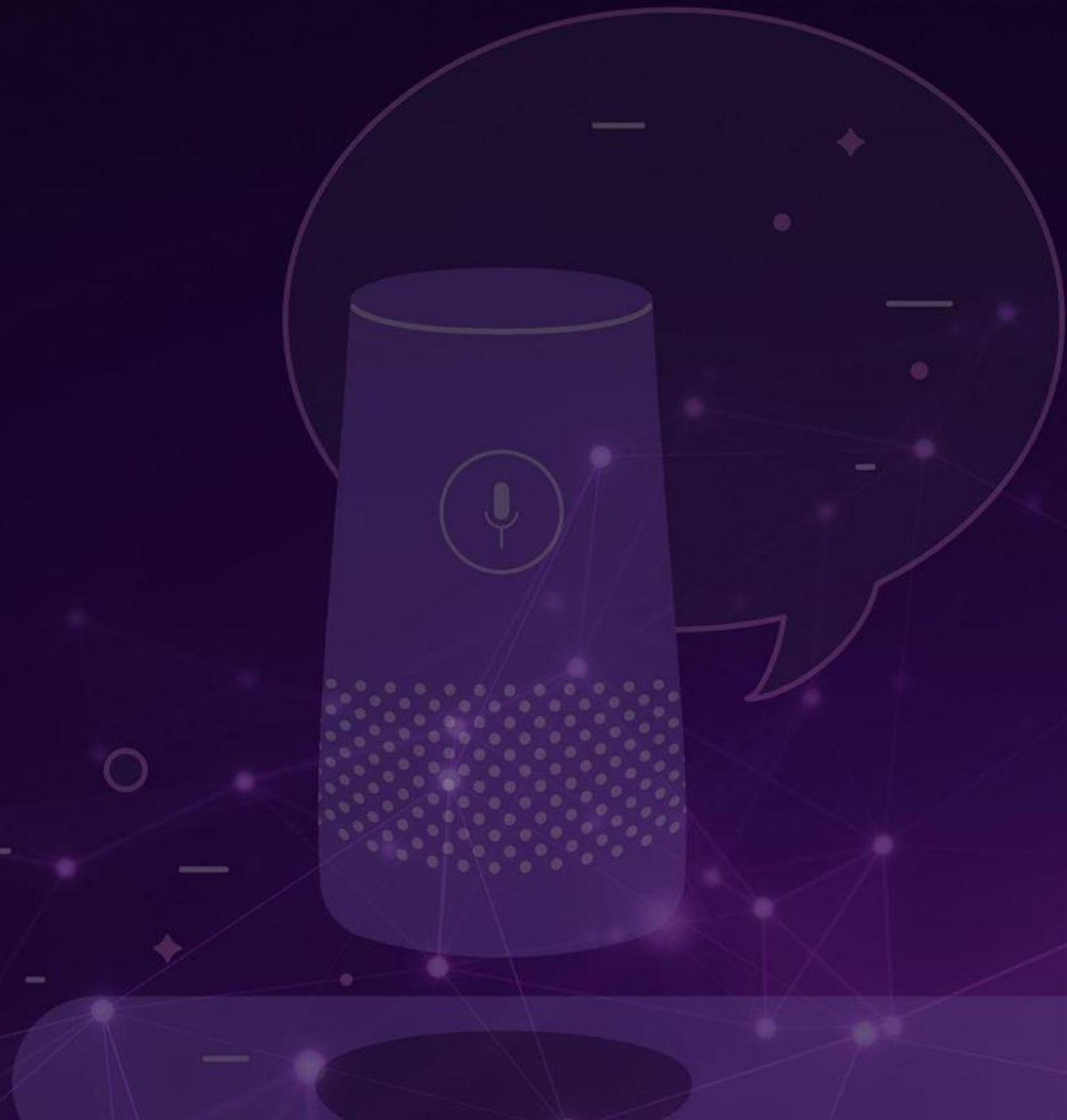
Cost of piracy to global economy

38%

Global music listeners acquiring music illegally

Significant global market opportunity

4. Outlook & conclusion



Growing Market

GLOBAL REVENUE GROWTH

+18.5%

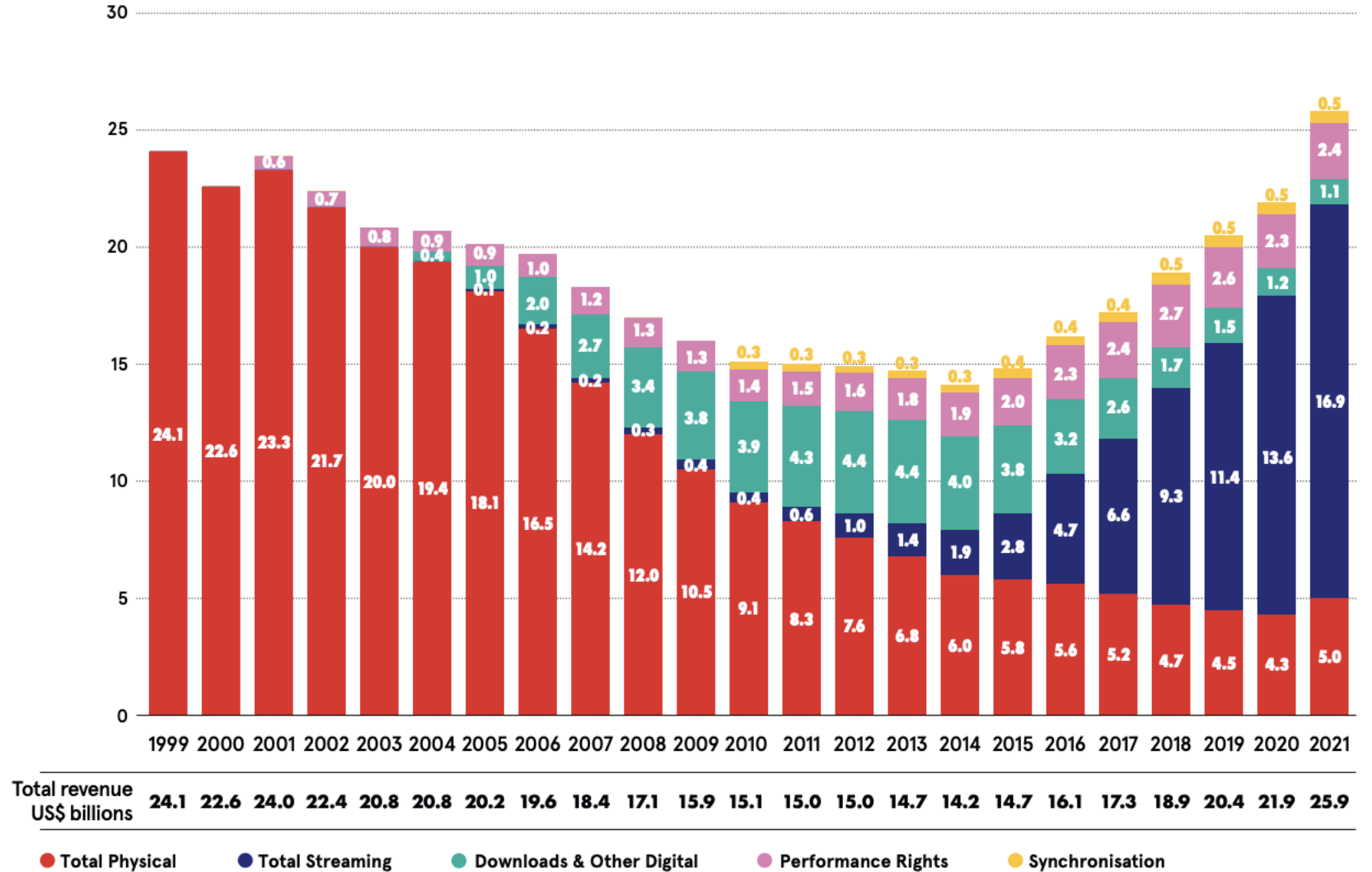
STREAMING SHARE OF GLOBAL REVENUE

65.0%

GROWTH IN PAID STREAMING REVENUE

21.9%

GLOBAL RECORDED MUSIC INDUSTRY REVENUES 1999 - 2021 (US\$ BILLIONS)



Market opportunity & outlook

- Market backdrop continues to be strongly supportive
- Goldman Sachs has significantly upgraded industry forecasts, driven by streaming and growing demographic trends:
 - music industry revenues set to double by 2030 to **\$131 billion** (split as follows):
 - global live music revenues to reach **\$38 billion**, music publishing **\$12.5 billion** and recorded music **\$80 billion**
- Digital marketplace remains immature with significant road to run and technology innovations improving access to and recognition of IP rights
- Opportunity landscape expanding far beyond traditional DSPs:
 - New monetisation avenues are continuing to open up, e.g. Facebook, Peloton, Digital Radio Stations (such as iHeart Radio), Rakuten, IMusica and YouTube Subscription.
 - Digital TV music stations supplementing digital radio stations, combined with Smart Speaker technology and voice activated play listing
 - Advances in the Metaverse and the growth of non-fungible tokens (“NFTs”) creating new music usage opportunities



Positive outlook supported by accelerating structural trends & market growth expectations

Conclusion

ONE MEDIA^{iP}

- Positive performance delivering double digit revenue growth
- Strong, income accretive acquisition pipeline
- Harmony IP and TCAT providing additional income streams and strategic opportunities with exciting potential
- Independent portfolio valuation demonstrates long term success of Group strategy and indicates significant upside potential
- Backdrop remains supportive with positive outlook underpinning dividend
- One Media well placed to take advantage of new opportunities and continue to grow revenues

Positive outlook supported by accelerating structural trends & market growth expectations

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2021