

One Media IP Group Plc

("One Media" or "OMiP" or the "Group" or the Company")

Interim Results for the six-months ended 30 April 2019

One Media iP (AIM: OMIP), the digital media content owner which exploits intellectual digital property rights around music, video and copyright technology, announces its Interim Results for the six-month period ended 30 April 2019.

Financial Highlights

- Revenue increased 31.6% to £1,585,687 (30 April 2018: £1,205,262)
- Operating profit increased 23.9% to £284,360 (30 April 2018: £229,437)
- EBITDA increased 18.6% to £404,715 (2018: £341,294)
- Cash balances of £5,184,301 at 30 April 2019 (31 October 2018: £5,576,379)

Operational Highlights

- Receipt of a recoupable advance against future digital earnings of US \$1,000,000 (January 2019)
- Acquisition of the music catalogue of Spanish label, Locomotive Records, for US \$750,000 (February 2019)
- Acquisition of a composition catalogue from Michael Dulaney, an American country music songwriter, for US \$850,000 (April 2019)
- Continued success through synchronisation deals with multiple secured in the first half of the year
- Post-period end acquisitions of composition catalogues from Cole Taylor, an American country music singer-songwriter, for up to US \$290,000 and Daniel Bashta, an American contemporary Christian singer and songwriter, for US \$725,000
- Invested US \$2.6m through the acquisition of 4 catalogues, on a blended acquisition multiple of circa 7x

Ivan Dunleavy, Chairman of OMiP, stated: *"The six-months to 30 April 2019 represented the first period on which we can report acquisitions arising from the Company's enhanced strategy to acquire and own music rights. New music rights contributed £135,448 and like-for-like revenues grew pleasingly by 20.3% in the period.*

"With funds available to deploy, One Media is well placed to continue to source and acquire music rights from our growing pipeline of such opportunities."

Michael Infante, CEO of OMiP, added: *“We are pleased to have started 2019 with a succession of rights purchases and to be reporting results in line with market expectations. Committed to scaling the business and strengthening our catalogue of content, we were delighted to identify and complete a number of great value acquisitions in genres that we see as having strong potential for growth, as more people begin to use streaming as their primary method of consuming music around the world. The global recorded music market shows no signs of slowing, reporting growth of 9.7% in 2018, with streaming being the driving force behind this, growing 34% in the same period.*

“We now look to the remainder of 2019 with a solid pipeline of opportunities for further acquisitions and confidence in our ability to capitalise and strengthen our positioning within this growing market.”

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

One Media iP Group Plc

| | |
|--|---------------------|
| Michael Infante - Chief Executive | +44 (0)175 378 5501 |
| Ivan Dunleavy - Chairman | +44 (0)175 378 5500 |
| www.omip.co.uk | |

| | |
|---|---------------------|
| Cairn Financial Advisers LLP (Nominated Adviser) | +44 (0)20 7213 0880 |
|---|---------------------|

Liam Murray
Jo Turner
Ludovico Lazzaretti

| | |
|---|---------------------|
| Panmure Gordon (UK) Ltd (Broker) | +44 (0)20 7886 2500 |
|---|---------------------|

James Stearns

| | |
|---------------------------------------|---------------------|
| Yellow Jersey PR (PR & IR) | +44 (0)20 3004 9512 |
|---------------------------------------|---------------------|

Georgia Colkin
Joe Burgess
omip@yellowjerseypr.com

Operational Review

The Group has continued to make steady progress in the first half of the year and was pleased to announce a series of catalogue purchases as part of its stated acquisition programme. The Group has remained focused on seeking catalogues of exceptional value, in a diverse range of genres where it sees potential for large future growth in streaming revenues.

In February 2019, the Group announced it had acquired the catalogue of Locomotive Records for US \$750,000, broadening its music library with contemporary Spanish progressive rock music, notably featuring a number of tracks from the acclaimed band Mågo de Oz. A great addition to One Media’s

catalogue, the acquisition will enhance the Group's growth of streaming in territories including Spain, Latin America and the USA.

Following this, in April 2019 One Media was extremely pleased to announce the acquisition of the publishing and songwriter's rights to 93 songs written by Grammy nominated country music songwriter, Michael Dulaney, for US \$850,000. Dulaney has been a prolific songwriter over the years and has had major hit songs performed by the likes of Faith Hill and Jason Aldean.

Acquisition momentum continued post-period end, with further acquisitions announced in May and July. In May 2019, the Group acquired the songwriter's share of a number of songs written by Cole Taylor, a country singer-songwriter for a total consideration of US \$260,000 at completion, and a maximum deferred consideration based on financial performance of US \$30,000 within 24 months. The catalogue includes some of his major hits including two that reached No.1 in the *Billboard* Country charts.

In July 2019 One Media announced the acquisition of the income from the publishing and songwriter's share of the song '*God's not Dead*' by Daniel Bashta for US \$725,000. The song has become the signature tune to the films of the same name '*God's Not Dead*', '*God's Not Dead 2*' and '*God's Not Dead: A Light in Darkness*'. The films have grossed close to US \$100m. The song was first released as a single on 12 October 2011, peaking at No. 2 on 9 June 2012 after spending 22 weeks on the *Billboard* Hot Christian Songs chart and then charting again when the film of the same name was released in 2014.

To date, the four catalogues, acquired for a total of approximately US \$2.6m, represent a blended acquisition multiple of circa 7x. With these acquisitions the Company has now broadened the breadth and depth of content in the One Media library to include Spanish and Country music, areas which are seeing tremendous growth in global consumption. Latin America has seen the highest rate of music revenue growth globally for four consecutive years according to research by the International Federation of the Phonographic Industry, and Country music amassed almost 51 billion streams in 2018, a 46 percent growth over the 2017 numbers according to Nielsen Music.

Whilst the Group has focused on securing key acquisitions it has also remained committed to maximising the value of the existing catalogue. Over the last six months, One Media has licenced songs for synchronisation deals with a number of TV series such as Amazon Prime's, '*Too Old To Die Young*' and Marvel's '*Cloak and Dagger*', as well as a TV advert for Unison, the world's first home co-investing company and Abercrombie & Fitch.

In addition, progress continues on TCAT, One Media's Technical Copyright Analysis Tool, and the work on digital fingerprinting is an exciting addition to its development. The Group continues to service the requirements of a major record label and distributor as previously announced. At the period end, the carrying value for research and development in TCAT was £547,268.

Financial Review

The Group has continued to manage its financial position over the six-month period to 30 April 2019 with profitable operations. Group consolidated revenue was £1,585,687 for the six-months ended 30 April 2019 (30 April 2018: £1,205,262).

Profit before tax amounted to £143,738 (30 April 2018: £213,144) and EBITDA increased 18.6% to £404,715 (2018: £341,294). During the period, the Company has not issued new shares as consideration for acquisitions and has used existing cash resources as consideration. Cash balances at 30 April 2019 were £5,184,301 (30 April 2018: £880,267).

Litigation

The Company is pleased to report that there are no current or pending litigation issues.

Dividend

The Group continues to review the dividend policy in line with its cash resources and requirements. No dividend is announced at this time.

Outlook

We have entered the second half of 2019 with a strong, expanding pipeline of potential deals and we are confident that we will maintain this momentum as we progress into the second half of the year.

Michael Infante
Chief Executive
10 July 2019

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 30 April 2019

| | Unaudited 6 months ended 30 April 2019 £ | Unaudited 6 months ended 30 April 2018 £ | Audited 12 months ended 31 October 2018 £ |
|--|--|---|--|
| Revenue | 1,585,687 | 1,205,262 | 2,702,374 |
| Cost of sales | (843,177) | (615,835) | (1,325,448) |
| Gross profit | <u>742,510</u> | <u>589,427</u> | <u>1,376,926</u> |
| Administrative expenses | (458,150) | (359,990) | (738,168) |
| Operating profit | <u>284,360</u> | <u>229,437</u> | <u>638,758</u> |
| Share based payments | (39,728) | (16,298) | (115,061) |
| Finance costs | (65,953) | - | (37,201) |
| Fund raise costs | (35,017) | - | - |
| Finance income | 76 | 5 | 8 |
| Profit on ordinary activities before taxation | <u>143,738</u> | <u>213,144</u> | <u>486,504</u> |
| Tax expense | (24,436) | (30,349) | (81,488) |
| Profit for period attributable to equity shareholders and total comprehensive income for the year | <u>119,302</u> | <u>182,795</u> | <u>405,016</u> |
| Basic earnings per share | <u>0.10p</u> | <u>0.21p</u> | <u>0.44p</u> |

Unaudited Consolidated Statement of Financial Position As at 30 April 2019

| | Unaudited 30 April 2019 £ | Unaudited 30 April 2018 £ | Audited 31 October 2018 £ |
|--------------------|---------------------------------|---------------------------------|---------------------------------|
| Assets | | | |
| Non-current assets | | | |

| | | | |
|-------------------------------------|-------------------|------------------|------------------|
| Intangible assets | 4,684,070 | 3,387,479 | 3,351,304 |
| Property, plant and equipment | 11,844 | 16,100 | 12,221 |
| | <u>4,695,914</u> | <u>3,403,579</u> | <u>3,363,525</u> |
| Current assets | | | |
| Trade and other receivables | 804,944 | 588,031 | 680,960 |
| Cash and cash equivalents | 5,184,301 | 880,267 | 5,576,379 |
| | <u>5,989,245</u> | <u>1,468,298</u> | <u>6,257,339</u> |
| Total current assets | | | |
| | <u>10,685,159</u> | <u>4,871,877</u> | <u>9,620,864</u> |
| | ===== | ===== | ===== |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 1,431,225 | 478,834 | 526,224 |
| Deferred tax | 58,133 | 46,795 | 58,574 |
| | <u>1,489,358</u> | <u>525,629</u> | <u>584,798</u> |
| Borrowings | 1,600,963 | - | 1,600,258 |
| | <u>1,600,963</u> | <u>-</u> | <u>1,600,258</u> |
| Total liabilities | 3,090,321 | 525,629 | 2,185,056 |
| | <u>3,090,321</u> | <u>525,629</u> | <u>2,185,056</u> |
| Equity | | | |
| Called up share capital | 678,018 | 436,768 | 678,018 |
| Share redemption reserve | 239,546 | 239,546 | 239,546 |
| Share premium account | 4,314,220 | 1,786,895 | 4,314,220 |
| Share based payment reserve | 261,987 | 123,496 | 222,259 |
| Retained earnings | 2,101,067 | 1,759,543 | 1,981,765 |
| | <u>7,594,838</u> | <u>4,346,248</u> | <u>7,435,808</u> |
| Total equity | 7,594,838 | 4,346,248 | 7,435,808 |
| | <u>7,594,838</u> | <u>4,346,248</u> | <u>7,435,808</u> |
| Total equity and liabilities | 10,685,159 | 4,871,877 | 9,620,864 |
| | ===== | ===== | ===== |

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 April 2019

| | 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 | 107,198 | 1,576,749 | 3,736,406 |
| 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 |
| At 30 April 2018 | 436,768 | 239,546 | 1,786,895 | 123,496 | 1,759,543 | 4,346,248 |
| Proceeds from the issue of new shares | 241,250 | - | 2,653,750 | - | - | 2,895,000 |
| Fund raise costs | - | - | (126,425) | - | - | (126,425) |
| Profit for the six months to 31 October 2018 | - | - | - | - | 222,222 | 222,222 |
| Share based payment charge | - | - | - | 98,763 | - | 98,763 |
| At 31 October 2018 | 678,018 | 239,546 | 4,314,220 | 222,259 | 1,981,765 | 7,435,808 |
| Profit for the six months to 30 April 2019 | - | - | - | - | 119,302 | 119,302 |
| Share based payment charge | - | - | - | 39,728 | - | 39,728 |
| Balance at 30 April 2019 | 678,018 | 239,546 | 4,314,220 | 261,987 | 2,101,067 | 7,594,838 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

Unaudited Consolidated Cash Flow Statement

For the six months ended 30 April 2019

| | Unaudited 6 months ended 30 April 2019 £ | Unaudited 6 months ended 30 April 2018 £ | Audited 12 months ended 31 October 2018 £ |
|--|--|--|---|
| Cash flows from operating activities | | | |
| Profit before taxation | 178,756 | 213,144 | 486,505 |
| Amortisation | 128,315 | 116,109 | 247,406 |
| Depreciation | 3,579 | 2,121 | 7,653 |
| Share based payments | 39,728 | 16,298 | 115,061 |
| Finance income | (76) | (5) | (8) |
| Finance costs | 100,970 | - | 37,201 |
| (Increase)/decrease in receivables | (123,985) | (30,210) | (202,155) |
| (Decrease)/increase in payables | 779,424 | (157,382) | (87,013) |
| Corporation tax paid | (2,272) | 23,072 | 27,104 |
| | <hr/> | <hr/> | <hr/> |
| Net cash inflow from operating activities | 1,104,439 | 183,147 | 631,754 |
| | <hr/> | <hr/> | <hr/> |
| Cash flows from investing activities | | | |
| Investment in copyrights / TCAT | (1,461,080) | (95,435) | (215,113) |
| Investment in fixed assets | (3,201) | (1,251) | (2,904) |
| Finance income | 76 | 5 | 8 |
| | <hr/> | <hr/> | <hr/> |
| Net cash used in investing activities | (1,464,205) | (96,681) | (218,009) |
| | <hr/> | <hr/> | <hr/> |
| Cash flow from financing activities | | | |
| Proceeds from the issue of new shares | - | 410,750 | 3,305,750 |
| Share issue costs | (35,017) | - | (126,425) |
| Loan notes | 705 | - | 1,600,258 |
| | <hr/> | <hr/> | <hr/> |
| Net cash inflow from financing activities | (34,312) | 410,750 | 4,779,583 |
| | <hr/> | <hr/> | <hr/> |
| Net change in cash and cash equivalents | (392,078) | 497,216 | 5,193,328 |
| Cash at the beginning of the period | 5,576,379 | 383,051 | 383,051 |
| | <hr/> | <hr/> | <hr/> |
| Cash at end of the period | 5,184,301 | 880,267 | 5,576,379 |
| | ===== | ===== | ===== |

**Notes to the Interim Report
For the six months ended 30 April 2019**

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 audio and audio-visual intellectual copyrights and publishing for distribution through the digital medium and to a lesser extent through traditional media outlets.

One Media iP Group Plc is the Group's ultimate parent company incorporated under the Companies Act in England and Wales. The address of One Media iP Group Plc registered office 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 2018 are available from the Group's website www.omip.co.uk. 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 2019. 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 2018.

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 months period ended 30 April 2019 and the audited twelve months figures for the year ended 31 October 2018.

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.

| | Unaudited 6 months ended 30 April 2019 | Unaudited 6 months ended 30 April 2018 | Audited 12 months ended 31 October 2018 |
|--|---|---|--|
| Profit for period attributable to equity shareholders | 119,302 | 182,794 | 405,016 |
| Weighted average number of shares in issue at period end | 116,171,507 | 87,353,698 | 92,244,794 |
| Basic earnings per share | 0.10p ===== | 0.21p ===== | 0.44p ===== |

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

4. Share capital

| Group and company | Unaudited 30 April 2019 £ | Unaudited 30 April 2018 £ | Audited 31 October 2018 £ |
|---|--|--|--|
| Authorised: | | | |
| 200,000,000 ordinary shares of 0.5p each | 1,000,000 ===== | 1,000,000 ===== | 1,000,000 ===== |
| Issued: | | | |
| Ordinary shares of 0.5p each | | | |
| 135,603,699 (2018: 135,603,699) ordinary shares of 0.5p each | 678,018 ===== | 436,768 ===== | 678,018 ===== |

5. Interim statement

Copies of this statement are available from Group's registered Office at:

623 East Props Building, Goldfinger Avenue, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.