

28 June 2024

One Media iP Group Plc
("One Media", the "Group" or the "Company")

Interim Results for the six months ended 30 April 2024

Revenues stable with core business of music rights continuing to deliver positive performance

One Media (AIM: OMIP), the digital media content owner and manager which specialises in the active monetisation of music and video intellectual property rights, together with copyright protection technology, announces its unaudited interim results for the six months ended 30 April 2024.

Financial Highlights

- Increase in Group revenue to £2.8m (H1 2023: £2.7m), of which £2.6m was generated from intellectual property royalties, driven by organic growth and expert management of copyrights portfolio
- Net revenue at £1.8m (H1 2023: £1.8m) mainly due to ongoing allocation of resources to the Group's Technical Copyright Analysis Tool software ("TCAT"), in line with Group strategy
- 14% increase in EBITDA to £0.9m (H1 2023: £0.8m), with growth largely due to management focus on cost efficiencies within TCAT business and ongoing performance of core portfolio of music copyrights
- Notwithstanding funding of TCAT, considering that no new material additions have been made to the portfolio, the core business of copyright investments performed positively and in line with expectations, delivering an EBITDA of £1.1m
- Debt decreased to £1.3m (H1 2023: £1.7m) with continuation of payments in line with refinancing terms reducing Coutts facility by a further £0.4m
- Cash balance at 30 April 2024 of £0.9m (H1 2023: £2.2m)
- Increase in EPS to 0.08p (H1 2023: 0.07p)
- Net margin maintained at 67% (H1 2023: 67%)
- Final dividend of 0.055p per share distributed in June 2024

Operational Highlights

- Continued focus on active management of music copyrights portfolio to maximise income potential of rights under ownership
- Entertain Me acquisition, completed in November 2023, performing well and delivering multiples in line with expectations
- No further catalogue investments due to prioritisation of cash towards TCAT subsidiary
- Experimental launch of a new record label, 'The Carolean', to take advantage of the explosion in sales of vinyl record market, where a 7.1% CAGR is projected from 2024-2032
- Efforts to establish and grow software subsidiary, TCAT, ongoing, with focus on cost efficiencies, new product launches and sales and marketing functions

Market and outlook

- Music industry continuing to enjoy benefits of industry tailwinds, supporting strong value and revenue growth with growing opportunities to monetise music.
- Long term impact of artificial intelligence (AI) on the music industry yet to be determined, with the potential for both positive and negative outcomes for the music industry and the Group, including the increased discoverability of its catalogues and copyright infringement, which TCAT was built to tackle. The management and Board continue to keep developments under review as part of its day to day operations.

Michael Infante, CEO said: "One Media's principal expertise is in managing and investing in music copyrights and this core part of our business continues to perform well and in line with expectations. Our capacity to grow our Group profits, however, is somewhat constrained by the continued strategic allocation of resources, including management time, towards establishing and growing our music anti-piracy technology tool, TCAT. This strategy remains under constant review and, as stated previously, we ultimately see TCAT's future lying outside of the core music group. As expected, the delivery of shareholder value continues to be the overriding priority for the management team and Board."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation. The person who arranged the release of this information is Michael Infante, Chief Executive Officer of the Company.

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About One Media iP Group Plc

One Media is a digital music rights acquirer, publisher and distributor with a diversified catalogue of over 400,000 music tracks. The Group specialises in purchasing and monetising intellectual property rights with proven, repeat income streams. One Media adds value to its content by maximising its availability in over 600 digital stores globally, including Apple Music, YouTube, Amazon and Spotify.

One Media's music is also widely used for synchronisation in film and TV whilst its video content is primarily viewed on YouTube where One Media operates over 20 YouTube channels as a certified partner. Additionally, its copyright infringement and digital music audit tool software TCAT is used by major record labels and the world leading digital international distributor. Men & Motors, the Company's branded car channel, is now available via YouTube www.youtube.com/channel/UCNLIybn_9jgQaVONZISRwCg

One Media is listed on the AIM Market of the London Stock Exchange under the ticker 'OMIP'.

For further information, please visit www.omip.co.uk and www.harmonyip.com/

Chairman's Statement

The half year results for the six months to 30 April 2024, while positive, have not delivered the same level of growth that we are used to achieving at One Media, with only a modest uplift in Group revenues and flat net revenues.

The core business of investing in and managing digital music rights is performing well and very much in line with expectations. However, the Group's ability to invest in and grow the portfolio, which focuses on evergreen tracks with a continued appeal to listeners of all ages and proven, recurring income streams, is limited at present by the level of resources required to establish and build the Group subsidiary, TCAT.

On 6 January 2023, we announced that an assessment of the strategic position of the TCAT business had been completed in conjunction with the Group's advisors and engagement with major shareholders. This included a consideration of both the external and internal funding options available, given the strength of the Group's balance sheet. The review concluded that greater value could be captured by retaining TCAT within the Group and supporting TCAT in reaching its next level of growth.

Since then, the Group strategy has focused on supporting TCAT through the introduction of cost efficiencies and the diversion of revenues from the successful digital copyrights business towards this anti-piracy SaaS platform. Alongside the TCAT management team, we continue to keep this strategy under review to ensure that it is delivering the best possible value for shareholders and all of the options available to us continue to be explored, including the possibility of bringing on board a partner with the financial flexibility and technology expertise to bring TCAT to its next level of development.

Financial performance

The Group financial performance for the period was positive but also reflected the ongoing allocation of resources towards TCAT, together with changes to some of the subscription models on DSPs (Digital Service Providers), particularly Amazon which traditionally accounts for the majority of our income from streaming platforms.

More than 12 months on, the full impact of the changes implemented at Amazon Music in November 2022, whereby the entirety of its library of 100 million songs was made available to Amazon Prime members at no additional cost to the consumer but to the detriment of royalty payments to music rightsholders, has now been felt.

While the move has led to a reduction in income to the Group from the Amazon Music platform, with a full year under the new model now past, we do not, at this stage, expect there to be any further impact on Group revenues. As the media has reported, disputes between music rightsholders and digital platforms, including Amazon Music, Spotify

and TikTok, are ongoing and the industry continues to push hard to ensure that music rightsholders, which include songwriters and musicians, get fairly paid for the creative works and intellectual property under their ownership.

This, alongside the strategy to divert revenues from the core business to fund TCAT, meant revenues grew only slightly to £2.8 million (H1 2023: £2.7 million). £2.6 million of this was generated from royalty payments derived from our portfolio of high quality digital music rights with a proven vintage and income performance. Net revenues were flat at £1.8 million.

Alongside the allocation of resources to TCAT, there has also been a focus on delivering cost efficiencies within the subsidiary business, which helped deliver a 14% increase in EBITDA to £0.9 million (H1 2022: £0.8 million). Excluding the TCAT investment, the core business of digital rights performed positively delivering a standalone EBITDA of £1.1 million.

Net margin has also been maintained at 67%, while EPS is also in line with the equivalent period last year, at 0.08p.

As at 30 April 2024 the Group's cash balance was £0.9 million (H1 2023: £2.2 million) and while borrowings have continued to decrease, reducing from £1.7 million at the year end to £1.3 million as at 30 April 2024.

Alongside the continued positive performance, a final dividend for the 2023 year of 0.055p per share was distributed in June 2024, which was approved by shareholders at the Company's Annual General Meeting held on 30 May 2024.

Operations and investments

The Group continues to monetise its portfolio of rights, with the highlights of the period including the launch of a new record label, 'The Carolean', to take advantage of the explosion in sales of vinyl records, which have just posted their sixteenth consecutive year of growth in the UK. A [recent report from the Entertainment Retailers Association](#) showed vinyl sales grew by 17.8% in 2023, generating £177.3 million in revenue.

One Media will use its Carolean record label to reissue some of the biggest songs and artists from its 250,000-strong catalogue. Initial reissues include collections from Mungo Jerry, whose global hit 'In the Summertime' remains the [joint-third biggest selling single of all time](#) (30 million sales), The Troggs, disco legend George McCrae and soul-reggae star Judy Boucher.

In addition to the Carolean launch, 'The Magic Flute - Dies Bildnis ist bezaubernd schön' from the Point Classics catalogue has been placed in the highly acclaimed, American post-apocalyptic drama The Walking Dead: Dead City, S1EP06. The episode aired 23 July 2023 on AMC.

The strategic focus on TCAT has restricted management's ability to invest in new catalogues to build out the portfolio of rights. The most recent acquisition, completed in September 2023 and comprising the licensor's income share of the 'Entertain Me' catalogue of rights on an in-perpetuity basis, has performed well and the returns multiple has been fully in line with expectations.

Alongside the successful catalogues business, efforts to establish and grow TCAT as the go to software platform to protect rightsholders from copyright infringement have focused largely on enforcing cost efficiencies across the business; investment in expanding its product offer to the industry; and supporting the sales and marketing function.

The technology landscape is moving at a rapid pace, particularly now with the acceleration in AI capabilities and corresponding growth in specialist music technology companies, whose singular mission is often well funded. The rapid growth of this change is making the development of TCAT more challenging, given the current restrictions in funding. The strategy for the business remains under review, including the possibility of combining with a partner whose sole expertise lies in AI driven music technology, in light of the Board and management's primary duty to its shareholder base.

Environmental, social and governance

ESG continues to form a fundamental part of our corporate strategy. We fully recognise the importance of environmental stewardship, social responsibility and good governance as custodians of your company and best practice business operators.

As ever, we remain committed to upholding the highest standards of corporate governance, transparency and ethical business practices. Our Board of Directors and management team work within a strong governance framework, ensuring that we operate with integrity and, at all times, in the best interests of our shareholders.

We actively engage with local communities on an ongoing basis through various philanthropic activities and volunteering efforts. This includes our voluntary contribution to the BPI; The Tring Park School of Performing Arts;

placements for undergraduates and apprentices within our Creative Technician team; and offering assistance to artists within the One Media digital distribution arena to help them to better understand their royalty reporting income with one-to-one engagement.

Market backdrop and outlook

As outlined in the 2023 annual results, the outlook for the music industry is positive, boding well for the investment proposition of our core business.

We are confident in the quality of our portfolio, supported by the ability of the experts we have within the One Media team, is very well positioned to benefit from these structural tailwinds and the growing popularity and longevity of artists and music with an older vintage.

Finally, I would like to express gratitude to the management team for their hard work and of course to our shareholders for their ongoing support.

Claire Blunt
Chairman

Unaudited Consolidated Statement of Comprehensive Income For the six months ended 30 April 2024

	Unaudited 6 months ended 30 April 2024 £	Unaudited 6 months ended 30 April 2023 £	Audited 12 months ended 31 October 2023 £
Revenue	2,755,829	2,731,644	5,363,434
Distribution charges	(570,789)	(572,920)	(1,134,118)
Royalty costs	(227,609)	(227,917)	(420,736)
Other costs	(117,946)	(110,088)	(314,523)
Net revenue	<u>1,839,485</u>	<u>1,820,719</u>	<u>3,494,057</u>
Amortisation of catalogues	(507,691)	(408,353)	(853,215)
Administration expenses	(995,609)	(1,094,913)	(2,111,708)
FOREX gains	13,930	24,696	(30,996)
Operating profit	<u>350,115</u>	<u>312,149</u>	<u>408,138</u>

	300,110	372,170	700,100
Share based payments	-	-	(68,634)
Finance costs	(63,552)	(66,411)	(139,996)
Finance income	-	-	-
Profit on ordinary activities before taxation	286,563	275,738	289,508
Tax expense	(103,328)	(110,033)	(184,597)
Profit for period attributable to equity shareholders and total comprehensive income for the period	183,235	165,705	104,911
Basic earnings per share	0.08p	0.07p	0.05p

Unaudited Consolidated Statement of Financial Position As at 30 April 2024

	Unaudited 30 April 2024	Unaudited 30 April 2023	Audited 31 October 2023
	£	£	£
Assets			
Non-current assets			
Intangible assets	15,651,830	14,384,649	15,723,653
Property, plant and equipment	24,902	25,940	55,650
	<u>15,676,732</u>	<u>14,410,589</u>	<u>15,779,303</u>
Current assets			
Trade and other receivables	1,810,328	1,546,820	1,614,573
Cash and cash equivalents	850,044	2,157,169	1,243,445
Total current assets	<u>2,660,372</u>	<u>3,703,989</u>	<u>2,858,018</u>
Total assets	<u>18,337,104</u>	<u>18,114,578</u>	<u>18,637,321</u>
Liabilities			
Current liabilities			
Trade and other payables	1,464,968	1,030,698	1,776,971
Deferred tax	236,468	158,253	236,468
	<u>1,701,436</u>	<u>1,188,951</u>	<u>2,013,439</u>
Borrowings	1,326,521	1,685,210	1,497,970
Total liabilities	<u>3,027,957</u>	<u>2,874,161</u>	<u>3,511,409</u>
Equity			
Called up share capital	1,112,231	1,112,231	1,112,231
Share redemption reserve	239,546	239,546	239,546
Share premium account	9,484,577	9,484,577	9,484,577
Share based payment reserve	428,207	504,399	428,207
Retained earnings	4,044,586	3,899,664	3,861,351

Total equity	<u>15,309,147</u>	<u>15,240,417</u>	<u>15,125,912</u>
Total equity and liabilities	<u>18,337,104</u>	<u>18,114,578</u>	<u>18,637,321</u>

Unaudited Consolidated Statement of Changes in Equity
For the six months ended 30 April 2024

	Share capital	Share redemption reserve	Share premium	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 November 2022	1,112,231	239,546	9,484,577	504,399	3,733,959	15,074,712
Proceeds from the issue of new shares	-	-	-	-	-	-
Profit for the six months to 30 April 2023	-	-	-	-	165,705	165,705
Share based payment charge	-	-	-	-	-	-
At 30 April 2023	<u>1,112,231</u>	<u>239,546</u>	<u>9,484,577</u>	<u>504,399</u>	<u>3,899,664</u>	<u>15,240,417</u>
Share based payment adjustment	-	-	-	(144,826)	144,826	-
Dividends paid	-	-	-	-	(122,345)	(122,345)
Profit for the six months to 31 October 2023	-	-	-	-	(60,794)	(60,794)
Share based payment charge	-	-	-	68,634	-	68,634
At 31 October 2023	<u>1,112,231</u>	<u>239,546</u>	<u>9,484,577</u>	<u>428,207</u>	<u>3,861,351</u>	<u>15,125,912</u>
Proceeds from the issue of new shares	-	-	-	-	-	-
Profit for the six months to 30 April 2024	-	-	-	-	183,235	183,235
Share based payment charge	-	-	-	-	-	-
Balance at 30 April 2024	<u>1,112,231</u>	<u>239,546</u>	<u>9,484,577</u>	<u>428,207</u>	<u>4,044,586</u>	<u>15,309,147</u>

Unaudited Consolidated Cash Flow Statement
For the six months ended 30 April 2024

Unaudited 6 months ended 30 April 2024	Unaudited 6 months ended 30 April 2023	Audited 12 months ended 31 October 2023
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	£	£	£
Cash flows from operating activities			
Profit before taxation	286,564	275,738	289,508
Amortisation	507,691	408,353	853,215
Depreciation	27,496	25,571	59,568
Share based payments	-	-	68,634
Finance income	-	-	-
Finance costs	63,552	66,411	139,996
(Increase)/decrease in receivables	(195,756)	(74,451)	(152,021)
(Decrease)/increase in payables	(395,813)	(72,802)	783,172
Corporation tax paid	-	(6,108)	(144,866)
Net cash inflow from operating activities	293,734	622,712	1,897,206
Cash flows from investing activities			
Investment in copyrights / licenses	(206,805)	(72,791)	(1,385,329)
TCAT development	(225,811)	(282,181)	(753,507)
Investment in fixed assets	-	(38,512)	(67,950)
Finance income	-	-	-
Net cash used in investing activities	(432,616)	(393,484)	(2,206,786)
Cash flow from financing activities			
Finance cost paid	(64,519)	(57,722)	(125,813)
Bank loan	-	-	-
Loan notes repayment	(190,000)	(190,000)	(374,480)
Loan notes	-	-	-
Dividend paid	-	-	(122,345)
Net cash (outflow) from financing activities	(254,519)	(247,722)	(622,638)
Net change in cash and cash equivalents	(393,401)	(18,494)	(932,218)
Cash at the beginning of the period	1,243,445	2,175,663	2,175,663
Cash at end of the period	850,044	2,157,169	1,243,445

Notes to the Interim Report

For the six months ended 30 April 2024

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-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 2023 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 2024. 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 2023.

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 2023 and the audited twelve months figures for the year ended 31 October 2023.

3. Segmental Analysis

IFRS 8 'Operating Segments' requires the Group's segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The Chief Operating Decision Maker is considered to be the Chief Executive Officer of One Media IP Group Plc.

The Chief Operating Decision Maker receives and reviews segmental operating profit. Certain central administrative costs including Group Directors' salaries are included within the Group's Licenses result. This is consistent with the results as reported to the Chief Operating Decision Maker.

Each segment is shown net of intercompany transactions and balances within that segment. The eliminations remove intercompany transactions and balances between the different segment which primarily relate to the net draw down of loans and short-term working capital funding provided by One Media IP Group Plc to the other company in the Group. Inter-segment transactions are undertaken in the ordinary course of business on arm's length terms.

Information regarding the Group's reportable operating segments for the period ended 30 April 2024 is shown below:

Income statement	Licenses £	TCAT £	Total £	
Revenue	2,607,955	147,874	2,755,829	
Distribution charges	(570,789)	-	(570,789)	
Royalty costs	(227,609)	-	(227,609)	
Other costs	(77,979)	(39,967)	(117,946)	
Net revenue	1,731,578	107,907	1,839,485	
Amortisation	(415,943)	(91,748)	(507,691)	
Administration expenses	(696,859)	(298,750)	(995,609)	
Foreign exchange gains	15,109	(1,179)	13,930	
Operating profit	633,885	(283,770)	350,115	
Finance costs	(63,552)	-	(63,552)	
Profit / (loss) before taxation	570,333	(283,770)	286,563	
Tax expense			(103,328)	
Profit for the period			183,235	
	Licenses £	TCAT £	Eliminations £	Total £
Total assets and liabilities				
Total assets	18,345,625	3,346,802	(3,355,323)	18,337,104
Total liabilities	(3,010,797)	(3,372,483)	3,355,323	(3,027,957)
Total segment net assets/ (liabilities)	15,334,828	(25,681)	-	15,309,147

Revenue by segment

The Group considers it has two business segments with its Profit from the acquisition and exploitation of mixed media intellectual property rights for distribution and a SAAS platform, ultimately earned from its sole activity in the United Kingdom.

	Unaudited 30 April 2024 £	Unaudited 30 April 2023 £	Year ended 31 October 2023 £
Licenses and other media	2,607,955	2,550,124	5,027,137
intellectual property	147,874	181,520	336,297
TCAT			
	<u>2,755,829</u>	<u>2,731,644</u>	<u>5,363,434</u>

4. 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.

Basic earnings per share	Unaudited 6 months ended 30 April 2024	Unaudited 6 months ended 30 April 2023	Audited 12 months ended 31 October 2023
Profit for period attributable to equity shareholders	183,235	165,705	104,911
Weighted average number of shares in issue at period end	222,446,249	222,446,249	222,446,249
Basic earnings per share	0.08p	0.07p	0.05p

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

5. Share capital

Group and company	Unaudited 30 April 2024 £	Unaudited 30 April 2023 £	Audited 31 October 2023 £
Issued:			
Ordinary shares of 0.5p each			
222,446,249 ordinary shares of 0.5p each	1,112,231	1,112,231	1,112,231

6. Interim statement

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

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

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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