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For Immediate Release

9 May 2019

EVR Holdings plc

(‘EVR’, the ‘Group’ or the ‘Company’)

Full Year Results

EVR Holdings (AIM: EVRH), the leading creator of virtual reality music (‘VR’) content and operator of the MelodyVR platform, is pleased to announce its results for the year ended 31 December 2018.

Highlights

- The official launch of the MelodyVR music platform in the US, UK and 8 European territories.
- Partnership agreement with Ibiza Rocks Group for the provision of immersive VR marketing and content production tools and sponsorship of the MelodyVR music platform.
- Broadcast the first real time global VR stream of a live performance event featuring Liam Payne formerly of One Direction.
- Continued expansion of content and distribution opportunities through the signing of multi-year licence agreements with a number of music labels, publishers and music venues.
- Group revenues of £1.2m from content sales and partnership deals (2017: £nil). Operating loss of £11.3m as a result of increased investment in people and operating capabilities (2017: £6.2 million loss).
- Completion of a successful equity placing to raise £20 million (before costs).
- As at 31st December 2018 the Company had cash and cash equivalents in excess of £19 million for future expansion and development.

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Chairman's Statement

Our principal subsidiary MelodyVR is a leading virtual reality (VR) music platform that provides digital on demand access to an extensive library of live music performances from many of the world's most loved and listened to artists. Since launching our service in May 2018, our aim has been to deliver immersive music experiences globally, capturing the magic of live performance whether re-lived via recorded content, or streamed to fans in real-time.

Currently, access to music content on the MelodyVR platform is available via a free to the user application on the market-leading Oculus platform, which is owned and operated by Facebook. Through licensing agreements with major record labels and music publishers, such as Universal Music Group, Warner Music Group and Sony Music Entertainment, users can instantly enjoy an extensive catalogue of free and paid for content, each providing an unrivalled VR visual and audio experience. Our licensing agreements provide for various monetisation models which ensures rights holders, artists and songwriters are appropriately compensated and incentivised for their work. We believe that we have the most comprehensive, and only global licensing arrangements in the world for the creation and distribution of music VR content.

December 2018 saw our inaugural live stream event, featuring Liam Payne, formerly of One Direction, perform to a full-capacity venue in London. This event was broadcast live to 36 countries on both the MelodyVR platform and Facebook 360, and to date this content alone has achieved more than 127,000 views. Delivering this first-of-its-kind high resolution VR content in real-time, in addition to the recorded content available via MelodyVR's existing music library, provides significant opportunities for revenue generation and will continue to drive awareness of MelodyVR's services, as well as providing ever more immersive engagement for fans and music lovers alike, on a global basis.

In order to extend the reach and accessibility of our offering, we are working with both new and existing media and platform partners to market and distribute our service - from media, technology, events and brand partners through to the telecoms, hardware and other non- music related industries. The success of our live stream event in December 2018, and the viewing metrics achieved particularly via Facebook's 360 social platform, illustrated significant consumer appetite for MelodyVR content. While VR device adoption continues to build, we will focus on our mobile strategy to extend the reach of our music content library to the 1 billion plus smartphone devices around the world.

Where others have scaled operations in anticipation of mass market appeal, our measured expansion has allowed us to conserve valuable cash resources, preserve agility and capitalise on our first mover advantage in this young and embryonic industry. Ultimately the success of our model will depend on our ability to scale. We are reassured by the experiences of those who have already experienced our immersive content and are confident that given the right access, awareness and availability of our content, user numbers and the quality of engagement will deliver profitable growth. We will, therefore, continue to invest in key marketing and product

initiatives, to accelerate reach and believe that at scale we will benefit from substantial revenues and improved margins.

Significant events in 2018

- In May 2018, we launched our MelodyVR music platform in the UK and US, allowing users to access our exclusive music library via Facebook's Oculus Go VR headset device.
- In June 2018, availability of the MelodyVR platform was extended across a further 8 countries.
- In October 2018, we announced that we had entered in to an agreement with Ibiza Rocks Group for the provision of immersive VR content production and sponsorship of the MelodyVR music platform.
- In November 2018, Oculus launched a major holiday season marketing campaign to promote both its Oculus Go VR headset and showcased selected content partners of which MelodyVR featured prominently.
- In December 2018, MelodyVR broadcast its virtual reality first live stream event, featuring Liam Payne formerly of One Direction. This event successfully utilised MelodyVR's proprietary broadcast technology to deliver a simultaneous, real time global VR broadcast of the live performance.
- During and subsequent to the year end, the Group signed multi-year licence agreements with a number of music labels, publishers and music venues.

Review of business and 2018 financial results

It is now 12 months since MelodyVR launched on the Oculus platform, which consists of a suite of VR devices, featuring an immersive content environment – the Oculus Store. This digital storefront can be accessed via the Oculus Go, a stand-alone, all in one headset combining both visual clarity with immersive sound to bring virtual reality experiences to life. In November 2018, Facebook launched a global advertising campaign in which MelodyVR featured in order to stimulate sales of its headset hardware and raise VR awareness. Given the global nature of the campaign, the commitment that Facebook has publicly made to the adoption of VR and to the success of its own Oculus VR headset suite, headset sales figures for Q4 2018 will have seen good growth.

Our inaugural live stream event featuring Liam Payne achieved strong viewer metrics with over 127,000 views to date, the majority of which were accessed via the Facebook 360 platform. This portal provides viewers with the ability to experience full 360 degree, 2D content for those without access to a VR headset. The success of this format and the proven appetite for Melody's content has reinforced our belief in our own monetisation model whether as a truly immersive VR experience or as a peripheral second screen consumption.

We have an important partnership deal with Ibiza Rocks which demonstrates our ability to earn sponsorship revenues from leveraging MelodyVR's technical expertise and the appeal of our music platform. Ibiza Rocks have been both a sponsor of our site and our marketing partners and we continue to work together to secure both targeted audiences and exclusive content. In addition, we will seek to evaluate the adoption of more innovative advertising offerings particularly in conjunction with the continued programme of live events through the coming year.

During the year we raised £20 million (before costs) via the issuance of new shares primarily to institutional investors. The cash raised during 2018 will ensure that we have sufficient resources to continue to scale our business responsibly, regardless of the state of the capital markets and the uncertainty which currently surrounds the UK.

The Group reported revenues for the year totalling £1.2m (2017: £nil) from content sales and partnership deals. The gross loss of £0.2m has been calculated after the deduction of content creation costs as well as amounts due to all rights holders. These amounts include commissions and revenue share arrangements due to app stores, record labels, artists, publishers, songwriters and exclusive event / venue partners.

The operating loss before non-recurring and non-cash items for the year amounted to £10.1m (2017: Loss £5.2m) reflecting our investment in people and our operating capabilities as we scaled up for launch and ready the business for the next stage of its development. After non-recurring and non-cash items, net financing charges and taxation, the Group reported a loss of £11.3m (2017: Loss £6.2m) resulting in a loss per share of 0.9p (2017: Loss 0.61p).

Following the launch of the Melody VR platform, it was determined that the company has met the necessary conditions to be able to capitalise and reflect £1.82m of intangible assets on its balance sheet, consisting of £0.67m of R&D development spend and £1.15m of content assets. These amounts will be amortised over their useful lives and expenses of £0.15m and £0.18m respectively were reflected during the year.

As at 31 December 2018 the Group had cash reserves of £19.3m (2017: £12.4m) reflecting the successful fundraising completed during the year.

Technology and development

The group intends to continue to make significant investment in capturing and creating new content to further enrich the library of experiences of the MelodyVR platform. In addition, we will develop new equipment and enhance the functionality of our existing product. Product development expenses are primarily comprised of costs incurred for development of equipment related to the capture and production of content together with resources expended on the Group's existing platform and service offerings. In 2019 we anticipate extending this to include new advertising products, the introduction of new mobile applications, an enhanced website and improvements to our content delivery services. The costs incurred during 2018, include related employee compensation and benefits, facility costs and consulting costs.

I would like to take this opportunity to extend my gratitude to our shareholders, customers and business partners for their support, effort and insights over the course of these past years. The development of our business would not have been attained without the efforts of the management team and the unwavering commitment of our staff.

Going forward, the Group will continue to pursue opportunities to keep up with this evolving marketplace and optimise its corporate strategy of creating long-term value for stakeholders, and I look forward to reporting on our progress over the course of the coming year.

Anthony Matchett
Executive Chairman

PRIMARY FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income For the year ended 31 December 2018

	2018 £	2017 £
Continuing operations:		
Revenue	1,180,623	-
Cost of sales	(1,427,674)	-
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GROSS LOSS	(247,051)	-
	-----	-----
Administrative expenses	(11,260,086)	(6,192,145)
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OPERATING LOSS	(11,507,137)	(6,192,145)
	-----	-----
Operating loss before non-recurring and non-cash items	(10,142,438)	(5,168,043)
Depreciation	(388,833)	(141,607)
Amortisation	(329,073)	-
Share based payments	(646,793)	(882,495)
	-----	-----
OPERATING LOSS	----	(6,192,145)
	(11,507,137)	-----
Finance income	42,929	2,988
Finance costs	-	(6,348)
Foreign exchange gain/(loss)	73,253	(36,377)
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LOSS FOR THE YEAR BEFORE TAXATION	(11,390,955)	(6,231,882)
Taxation	121,016	-

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NET LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(11,269,939)	(6,231,882)
Attributable to:		
Owners of the parent company	(11,270,952)	(6,231,882)
Non – controlling interest	1,013	-
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LOSS PER SHARE – from continuing operations – basic and diluted	(0.9)p	(0.61)p
	=====	=====

Consolidated Statement of Financial Position as at 31 December 2018

	2018	2017
	£	£
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	933,992	638,429
Goodwill	603,476	603,476
Other intangible assets	1,492,071	-
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	----	----
TOTAL NON-CURRENT ASSETS	3,029,539	1,241,905
	-----	-----
	----	----
CURRENT ASSETS		
Trade and other receivables	1,601,896	202,835
Cash and cash equivalents	19,327,948	12,409,820
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TOTAL CURRENT ASSETS	20,929,844	12,612,655
	-----	-----
	----	----
TOTAL ASSETS	23,959,383	13,854,560

		=====	=====
			=
CURRENT LIABILITIES			
Trade and other payables		(1,933,437)	(613,351)
		-----	-----
NET ASSETS		22,025,946	13,266,122
		=====	=====
			=
EQUITY			
Share capital		13,690,204	12,184,391
Share premium reserve		36,258,164	18,308,854
Retained Earnings		(20,273,806)	(9,002,854)
Share option reserve		1,974,265	1,327,472
Merger relief reserve		486,611	486,611
Non-controlling interests		(44,990)	(46,003)
Currency Translation Reserve		(61,959)	10,194
Reverse takeover reserve		(10,002,543)	(10,002,543)
		-----	-----
TOTAL EQUITY		22,025,946	13,266,122
		=====	=====
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**Consolidated Statement of Changes in Equity
For the year ended 31 December 2018**

	Share capital	Share premium	Merge r Relief Reserv e	Share Option Reserve	Retained Losses	Reverse Takeover Reserve	Non-Contr olling Interest	Currency Translation Reserve	T
	£	£	£	£	£	£	£	£	
Balance at 1 January 2017	10,067,861	5,903,289	486,611	444,977	(2,770,972)	(10,002,543)	(46,003)		-
			1)			

Share issue	2,116,530	12,405,565	-	-	-	-	-	-
Grant of share options/warrants	-	-	-	882,495	-	-	-	-
Loss and comprehensive loss for the year	-	-	-	-	(6,231,882)	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Currency transaction reserve	-	-	-	-	-	-	-	10,194
Balance at 31 December 2017	12,184,391	18,308,854	486,611	1,327,472	(9,002,854)	(10,002,543)	(46,003)	10,194
Share issue	1,250,000	17,798,293	-	-	-	-	-	-
Grant of share options/warrants	255,813	151,017	-	646,793	-	-	-	-
Loss and comprehensive loss for the year	-	-	-	-	(11,270,952)	-	-	-
Non-controlling interest	-	-	-	-	-	-	1,013	-
Currency transaction reserve	-	-	-	-	-	-	-	(72,153)
Balance at 31 December 2018	13,690,204	36,258,164	486,611	1,974,265	(20,273,806)	(10,002,543)	(44,990)	(61,959)

Consolidated Statement of Cash Flows
For the year ended 31 December 2018

	Notes	2018 £	2017 £
Operating activities			
Loss from continuing operations		(11,390,955)	(6,231,882)
<i>Adjustments for:</i>			
Depreciation of tangible assets		388,833	141,607
Amortisation of intangible assets		329,073	-
Share based payment expense		646,793	882,495
Increase in trade and other receivables		(1,115,147)	(241,392)
Increase in trade and other payables		1,118,317	508,120
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		-----	-----
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(10,023,086)	(4,941,052)
		-----	-----
		-----	-----
Investing activities			
Purchase of property, plant and equipment		(682,040)	(550,278)
Investment in intangible assets		(1,821,144)	-
		-----	-----
		-----	-----
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,503,184)	(550,278)
		-----	-----
		-----	-----
Financing activities			
Proceeds from issue of ordinary share capital		19,048,293	14,174,918
Proceeds from the exercise of warrants		406,831	347,176
		-----	-----
		-----	-----
NET CASH GENERATED FROM FINANCING ACTIVITIES		19,455,124	14,522,094
		-----	-----
		-----	-----
Increase in cash and cash equivalents		6,928,854	9,030,764
Effect of changes in foreign exchange rates		(10,726)	9,363
Cash and cash equivalents brought forward		12,409,820	3,369,693
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		-----	-----
CASH AND CASH EQUIVALENTS CARRIED FORWARD		19,327,948	12,409,820
		=====	=====
		=====	=====

ABRIDGED NOTES TO THE PRIMARY FINANCIAL STATEMENTS

For the 12 months ended 31 December 2018

The financial statements of the Group for the 12 months ended 31 December 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by European Union.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2018 or 2017 as defined by sec on 435 of the Companies Act 2006 but is derived from those accounts. Statutory accounts for 2017 have been delivered to the Registrar of Companies, and those for 2018 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, and (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under sec on 498 (2) or (3) of the Companies Act 2006 in respect of the accounts.

Basis of Consolidation

Where the Group has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Business Combinations

The Consolidated Financial Statements comprise the period for the 12 months to 31 December 2018. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Consolidated within these financial statements are results from subsidiaries: MelodyVR Ltd (100% ownership), MelodyVR Inc (100% ownership), MelodyVR Holdings Ltd (100% ownership) and Immersive Construction Ltd (51% ownership).

Going Concern

The Financial Statements have been prepared on the going concern basis. The Directors have prepared cash flow forecasts through to 30 June 2020, covering the 12 month period beyond the signing date of these financial statements. As there are sufficient existing resources to operate for the foreseeable future the Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Capitalisation of Development and Content creation costs

The Group recognises both internal development costs as well as VR content creation costs as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation of intangible assets is recognised in the consolidated statement of comprehensive income/costs in the expense category consistent with the function of the intangible assets.

Amortisation rates applicable to development costs is 33% straight line.

Amortisation rates applicable to content assets released during the period is as follows:

Year 1: 80%
 Year 2: 15%
 Year 3: 5%

1. LOSS FROM OPERATIONS

This has been arrived at after charging:

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
Depreciation of property, plant and equipment	388,833	-	141,607	-
Amortisation on internally generated intangible assets	329,073	-	-	-
	=====	=====	=====	=====
	=	=	=	=

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
During the year the Company obtained the following service from the Company's auditors:				
Fees payable to the Company's auditors for the audit of the Company's annual accounts	25,500	14,000	24,850	13,500
Fees payable to the Company's auditors for other services:				
Tax services	5,925	5,925	3,582	3,582
Other services	5,550	5,550	4,950	4,950
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	36,975	25,475	33,382	22,032

2. AUDITORS REMUNERATION

3. DIRECTORS' AND EMPLOYEE REMUNERATION

	2018		2017	
	Group	Company	Group	Company
The amount paid to directors and employees, is as follows:	£	£	£	£
Wages and salaries	4,669,734	1,096,010	1,861,673	480,775
Social security costs	553,006	145,283	218,347	79,199
Pension costs	73,975	-	-	-
Share based payment costs	507,446	173,994	239,836	63,686
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	5,804,161	1,415,287	2,319,856	623,660
	=====	=====	=====	=====

	2018		2017	
	Group	Company	Group	Company
The average number of employees for the year was as follows:	No.	No.	No.	No.
Directors	5	5	6	6
Senior Management	1	-	1	-
Staff	48	-	23	-
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	54	5	30	6
	=====	=====	=====	=====

Details for directors' remuneration is as follows:

Director	Current salary £	Total 2018 £	Total 2017 £
Anthony Matchett	275,000	442,500	165,077
Steven Hancock	220,000	305,667	153,846
Sebastian Theron (resigned: 15 January 2019)	-	277,000	136,179
Simon Cole	50,000	35,416	25,000
Ian Hanson	40,000	31,250	16,955
Andy Botha	40,000	1,613	-
Sean Nicolson (resigned: 7 February 2018)	-	2,564	25,000
Peter Reed (resigned: 26 April 2017)	-	-	25,000
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		---	-

The remuneration committee approved the salary increases and bonuses for executive directors post the launch of the MelodyVR application on 1 May 2018. Non-executive fees were also increased in line with market rates.

4. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the year. IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making company with outstanding share options and warrants, net loss per share would be decreased by the exercise of options. Therefore the antidilutive potential ordinary shares are disregarded in the calculation of diluted EPS. Reconciliation of the profit and weighted average number of shares used in the calculation are set out below:

	2018	2017
	Group	Group
	£	£
Loss attributable to equity holders of the Company:		
Continuing and total operations	(11,269,939)	(6,231,882)
	-----	-----
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings	1,252,156,578	1,022,052,742
Weighted average number of ordinary shares and dilutive shares and other instruments in issue for fully diluted earnings	1,613,487,210	1,452,275,506
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	Pence per Share	Pence per Share
Loss per share		
Basic and diluted per share		
Continuing and total operations	(0.9p)	(0.61p)
	=====	=====

5. INTANGIBLE FIXED ASSETS

	Goodwill	Development costs	Content assets – in production	Content assets – released	Total
Cost	£	£	£	£	£
At 1 January 2018	603,476	-	-	-	603,476
Additions	-	667,819	646,344	506,981	1,821,144
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Issued and fully paid	Shares No.	Value £	premium £
At 31 December 2018:			
Ordinary shares of 1p each	1,308,195,592	13,690,204	36,744,776
Deferred shares of 0.24p each	150,520,616	361,249	-
Deferred shares of 0.95p each	26,000,000	247,000	-
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At 31 December 2018:	1,484,716,208	14,298,453	36,744,776
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The deferred shares do not confer upon the holders right to any dividends or the right to attend or vote at general meetings of the Company.

7. SHARE OPTIONS AND WARRANTS

The Group operates share-based payment arrangements to remunerate directors and key employees in the form of options and warrants. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The fair value at grant date is independently determined using the Black Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

In determining the expected price volatility, the directors have taken account of expectations regarding the current and future circumstances in the virtual reality market, both from the perspective of investment into content creation and hardware manufacture, and from the perspective of consumer trends, to assess the expected uptake of virtual reality as a mainstream outlet for music and other media and entertainment genres.

DIRECTOR OPTIONS AND WARRANTS

The following table sets out the details of options and warrants held by directors at 31 December 2018:

Director	Warrants and options in parent at 1 January 2018	Issued during the year	Warrants and options at 31 December 2018	Exercis e price	Expiry date
Simon Cole	4,615,090	-	4,615,090	1.1p	16.05.202 6
Anthony Matchett	11,537,725	-	11,537,725	1.1p	16.05.202 6
Steven Hancock	11,684,783	-	11,684,783	1.1p	16.05.202 6
Sebastian Theron	3,640,830	-	3,640,830	1.1p	13.10.202 6
	1,023,279	-	1,023,279	8.125p	17.07.202 7

Ian Hanson	4,615,090	-	4,615,090	8.125p	17.07.2027
Andy Botha	-	4,615,090	4,615,090	5.7p	20.12.2028
	<u>37,116,797</u>	<u>4,615,090</u>	<u>41,731,887</u>		

No options or warrants issued to directors were exercised, have lapsed or been forfeited during the year. This calculation takes into account warrants and options awarded to directors in the performance of their duties.

EQUITY SETTLED SHARE OPTION SCHEME

The Group operates an approved enterprise management incentive scheme under which employees have been granted options to purchase shares in EVR Holdings plc. The unexercised options at 31 December 2018 expire on the tenth anniversary from the grant date and are subject to vesting criteria.

The following table sets out the details of share options held at 31 December 2018:

	2018		2017	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	5.1p	28,609,707	1.1p	13,828,472
Granted during the year	6.9p	17,526,814	8p	16,906,731
Exercised during the year	-	-	-	-
Forfeited during the year	8.5p	(1,650,000)	2.8p	(2,125,496)
As at 31 December	5.7p	<u>44,486,521</u>	5.1p	<u>28,609,707</u>
Vested and exercisable at 31 December	5.2p	19,366,068	3.1p	5,320,719

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Weighted average exercise price	Share options 31 December 2018	Share options 31 December 2017
13 October 2016	13 October 2026	1.1p	12,212,157	12,212,157
02 February 2017	02 February 2027	7.8p	6,750,000	6,750,000
17 July 2017	17 July 2027	8.13p	8,647,550	8,647,550
12 March 2018	12 March 2028	8.69p	7,661,724	-
07 December 2018	07 December 2028	4.85p	4,600,000	-
20 December 2018	20 December 2028	5.7p	4,615,090	-
Total			<u>44,486,521</u>	<u>28,609,707</u>
Weighted average remaining contractual life of options outstanding at end of period			8.79 years	9.79 years

Of the share options outstanding at 31 December 2018 13,845,270 are held by directors of the Company.

WARRANTS

The Group issues warrants to directors, key advisors, commercial partners and others in consideration of the benefit accruing to the Group. The following table sets out the details of warrants held at 31 December 2018:

	2018		2017	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	6.4p	226,775,183	2.1p	164,448,322
Granted during the year	5.5p	6,000,000	13.3p	86,479,852
Exercised during the year	1.6p	(25,581,327)	1.5p	(24,152,991)
Forfeited during the year	1.4p	(208,335)	-	-
		=====		=====
As at 31 December	7p	206,985,521	6.4p	226,775,183
		=====		=====
Vested and exercisable at 31 December	7p	206,985,521	6.4p	226,775,183
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Warrants outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price	Share options 31 December 2018	Share options 31 December 2017
31 July 2015	31 July 2018	1.4p	-	14,969,125
31 July 2015	31 July 2020	1.2p	9,230,180	9,230,180
30 June 2016	30 June 2026	1.1p	51,294,234	51,294,234
16 October 2016	16 October 2019	1.85p	10,741,329	21,561,866
22 December 2016	22 December 2021	4.3p	43,239,926	43,239,926
17 July 2017	17 July 2022	14.2p	43,239,926	43,239,926
20 March 2017	20 March 2022	12.4p	43,239,926	43,239,926
29 October 2018	29 October 2023	5.5p	6,000,000	-
			-----	-----
Total			206,985,521	226,775,183
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Weighted average remaining contractual life of options outstanding at end of period			4.68 years	5.33 years

Of the warrants outstanding at 31 December 2018, 27,886,617 are held by directors of the Company.

MEASUREMENT OF FAIR VALUES

The model inputs for options granted during the year ended 31 December 2018 included:

	Share options scheme		Warrants	
	2018	2017	2018	2017
Fair value at grant date	4.6p	4.21p	1.8p	0.7p
Share price at grant date	8.46p	8.5p	5.25p	9.51p
Exercise price	6.87p	7.98p	5.5p	13.29p
Expected volatility (weighted-average)	40%	40.0%	40%	40%
Expected life (weighted average)	10 years	9.42 years	5 years	5 years
Risk-free interest rate	0.50%	0.50%	0.50%	0.50%

Total expenses arising from share-based payment transactions recognised in Other Comprehensive Income during the year were as follows:

	2018	2017
	£	£
Options and warrants issued to directors	173,994	63,686
Options issued under employee share scheme	333,452	175,950
Warrants issued to commercial and other partners	139,347	642,859
	=====	=====
Total	646,793	882,495
	=====	=====
Share option reserve	1,974,265	1,327,472
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8. POST BALANCE SHEET EVENTS

There have been no material events since the reporting date.