

*The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.*

**For Immediate Release**

**19 September 2019**

**EVR Holdings plc**  
(‘EVR’ or the ‘Company’)

### **Half-yearly Results**

EVR Holdings (AIM: EVRH), a creator of virtual reality (‘VR’) entertainment content, is pleased to announce its Half-yearly Results for the six months to 30 June 2019.

### **Highlights**

- On 7 June 2019, the Company announced a £5m equity investment from John Gore together with a strategic partnership between the Company’s principal subsidiary MelodyVR Limited (‘MelodyVR’) with John Gore Organisation to facilitate VR capture and distribution of Broadway Theatre content;
- On 1 July 2019, MelodyVR announced the release of its iOS and Android mobile applications, allowing music fans from around the world to enjoy content without the need for a dedicated VR device;
- On 4 July 2019 MelodyVR announced a content licencing agreement with Facebook Technologies, LLC allowing Facebook/Oculus to use MelodyVR’s content for advertising purposes and exploitation across YouTube, Facebook, Instagram and the Oculus website;
- On 4 July 2019, MelodyVR launched in 4 additional territories, Canada, Spain, Italy and Portugal extending the number of territories in which MelodyVR content is available to 14;
- On 5 July 2019 MelodyVR partnered with Wireless Festival to broadcast the 3 day event live in VR and via the MelodyVR app on all recent generation iOS and Android smartphones
- On 20 August 2019, MelodyVR announced its launch on the new Oculus Quest VR device;
- On 27 August 2019, MelodyVR announced its partnership with ABC and its programme *Good Morning America* (‘GMA’) to deliver a live broadcast of GMA’s summer concert series featuring Marshmello and Kane Brown live from New York’s Central Park in the first ever simultaneous broadcast across National Television and live Virtual Reality,
- As at 30 June 2019 the Company has cash and cash equivalents in excess of £17.5 million for future expansion and development

Chairman and CEO Anthony Matchett commented *“The launch of MelodyVR on mobile devices marks a new chapter in our Company’s strategic direction. Within the first week of launching our mobile app we were the number 1 trending app on the UK’s Google Play store and ranked in the top 20 apps on Apple’s UK app store. Over the last two months, we have seen our install base grow significantly and with a rich calendar of upcoming content and events, we expect that user numbers will continue to accelerate as we transition to a subscription based revenue model.*

**- Ends -**

### **EVR Holdings plc**

**Anthony Matchett**, Executive Chairman & CEO

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[www.evrholdings.com](http://www.evrholdings.com)

**Arden Partners plc**: Nominated Adviser and sole broker

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**Corporate Finance**: Ciaran Walsh/Ruari McGirr/Ben Cryer

**Corporate Broking**: Simon Johnson

## Chairman's Statement

Over the last six years MelodyVR, has built proprietary technology, entered into unique agreements with rightsholders, and has launched consumer facing applications in order to deliver music fans a revolutionary new way to engage with both music, and with the artists they love. Initially, the MelodyVR application was solely available via dedicated VR devices and although user numbers continue to grow across dedicated VR devices on a daily basis, 2019 marks a pivotal year for our business, with the recent launch of the MelodyVR application across both smartphone and tablets.

Comparatively, the smartphone and VR device market are significantly different in a number of key areas; billions have been spent on VR research and development to-date, yet dedicated VR devices have been slower than anticipated to reach consumers and are still to reach mainstream consumer adoption, whereas smartphones continue to enjoy widespread adoption with 1.43 billion new smartphone devices sold in 2018. Noting the significant demand from music fans throughout the world for MelodyVR's exclusive library of content and live-streamed performances, the decision was taken to realign internal resources to focus on the much larger mobile market.

These initiatives led to the release of the MelodyVR iOS and Android application on 1<sup>st</sup> July 2019 which has since seen exceptional traction in terms of consumer adoption and use. In the first two months of release alone, smartphone installs of the MelodyVR app, surpassed the entire first year install-base of our VR applications, across all VR devices, cumulatively.

In the last 11 weeks since launching MelodyVR on mobile, we've seen hundreds of thousands of streams from consumers, across both our existing library of content and a number of unique live events. In July, we broadcast three days of coverage from Wireless Festival, one of the world's most recognisable urban music events. In August 2019, we partnered with ABC and Good Morning America, to deliver a simultaneous broadcast via the MelodyVR app and across National Television in the United States, which saw extensive coverage of our platform across the TV network, as well as 100,000 users accessing MelodyVR from all 50 states in America, and 14 other countries globally. We've also released exclusive recorded content from leading global artists such as: Panic! at the Disco, Lewis Capaldi, Rae Sremmurd, Julia Michaels as well as Marshmello and Kane Brown.

Looking ahead, EVR Holdings has two key areas of focus, firstly the growth and development of the MelodyVR platform, and in addition the on-going development of our joint venture with the John Gore Organisation, which will bring theatrical productions from Broadway in New York, and the West-End in London, to consumers around the world.

In respect of MelodyVR, we continue to pursue a number of key initiatives, focused on delivering growth and building long-term revenues. Firstly, our company intends to transition to a subscription model later this year, which will provide unlimited access to our on-demand content library in exchange for a monthly fee, and will deliver recurring revenues to the business. We also intend to make subscriptions available to consumers via a number of high-profile partners, which will be announced over the coming months. Alongside our subscription offering we will continue to make real-time live events available on the platform, which will be available to purchase on-demand, via the MelodyVR app, as well as via online ticketing partners. Following a brief period of realignment, and by making our platform available on mobile devices, we have since demonstrated that the demand for our content is vast, and in turn, the potential for revenue generation via our mobile platforms in particular is significant and we are excited by the opportunity for revenue growth over the coming 12 months.

Secondly, we will soon begin to ship our MelodyVR viewers, both with MelodyVR subscriptions, and bundled with live tickets. Our low-cost MelodyVR viewer, enables any consumer to have an immersive VR experience, simply by utilising their existing smartphone. In user testing, the feedback from the majority of consumers using the MelodyVR viewer with the MelodyVR application, showed that the device delivers a comparable or better experience than Oculus Go, yet will be available to consumers for about 10% of the cost of a dedicated VR device. We believe that this entry-level device will lead to greater consumption of our content, in particular due to its accessible price point and in-turn will lead to the wider adoption of dedicated VR devices.

In respect of our joint venture with the John Gore Organisation, development of content has already commenced, with the recording of Broadway productions underway. For the same reason that MelodyVR exists in respect of Music; Theatre exhibits the same fundamental characteristics, including restrictions on physical attendance. The two epicentres of the theatre industry are widely accepted as New York and London, concentrating physical availability to only two cities, and due to this limited availability, current theatres cannot fulfil the worldwide demand for popular productions. In addition, the price point of an average Broadway theatre ticket is currently \$58 dollars and is increasing year on year. In many cases, the high cost of tickets exceeds many less-affluent potential attendees' affordability. In addition, most well-known theatre productions operate at over 95% seating capacity per show, making the purchase of a physical ticket, especially for the best seats, particularly challenging. With this in mind, our technology has the power to remove the barriers of both cost,

availability and location, for millions of consumers worldwide and we look forward to bringing theatre and the arts in an immersive format, to a global audience.

### **Principal Risks and Uncertainties**

Immersive content is an emerging market which makes it difficult to evaluate our current and future prospects. Whilst the Directors believe MelodyVR is peerless in terms of our entertainment offering, technical capabilities and licencing and distribution network, awareness and engagement with our content will need to grow before we are able to capitalise on the significant opportunities we see before us. We will continue to rely on the ability to acquire and renew content licenses from a limited number of major and minor content owners and other rights holders in order to provide our service. Our long-term success will depend on our ability to attract and retain users, and to successfully monetise an increasing number of uses who engage with our MelodyVR platform. We will continue to depend on key personnel to develop great products and services, as well as operate our business, and if we are not able to retain, attract and integrate quality personnel, our ability to successfully scale our business could be impaired. If we are unable to preserve our culture, we could lose the innovation, teamwork and focus that has contributed so fundamentally to our business to date.

### **Results**

The Group made a consolidated accumulated loss of £7.1m for the 6 months under review and at 30 June 2019 the total of the consolidated balance sheet totalled £19.9m.

The Group showed a gross loss of £0.22m compared with a gross loss for the corresponding period last year of £0.22m.

The operating loss for the six months ended 30 June 2019 amounted to £7.2m compared with £4.4m for the corresponding period last year. This is driven by the significant investments made during the period mostly in product development and content production and post-production and compared favourably with the operating loss for H2 2018 of £7.1m demonstrating a strong management of the company's operations whilst delivering significant development efforts as outlined above.

### **Outlook**

The launch of our mobile application in July of this year, provided smartphone users with the ability to access our music content without the need for a dedicated VR device. The level of consumer engagement we have experienced from events such as the broadcast of Wireless Festival and Good Morning America summer concert series has validated the appetite for our content and will underpin the scaling of our install base in the near term and monetisation of our content in the longer term. Accordingly, due to the investment in our mobile strategy during the first half of this year, revenue numbers for the full year may not exceed those reported during 2018. Our mobile strategy will provide greater opportunities for commercial partnerships as we seek to drive consumer awareness. We are confident that these strong early metrics will continue and that we will be able to provide greater depth of insight when we release our full year results early next year.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR EVR HOLDINGS PLC

for the six months ended 30th June 2019

|   | Notes    | Unaudited<br>Six months to<br>30th June 2019<br>£ | Unaudited<br>Six months to<br>30th June 2018<br>£ | Audited<br>Year to<br>31st December 2018<br>£ |
|---|----------|---|---|---|
| Revenue   |          | 128,432   | 6,831   | 1,180,623                                     |
| Cost of Sales   |          | <u>(352,372)</u>                                  | <u>(225,028)</u>                                  | <u>(1,427,674)</u>                            |
| <b>Gross Profit/(Loss)</b>                                    |          | (223,940)   | (218,197)   | (247,051)                                     |
| Administrative expenses                                       |          | (6,974,796)                                       | (4,183,675)                                       | (11,260,086)                                  |
|   |          | _____   | _____   | _____   |
| <b>OPERATING LOSS</b>   |          | (7,198,736)                                       | (4,401,872)                                       | (11,507,137)                                  |
| Operating loss before non-recurring and non-cash items        |          | (6,146,383)                                       | (3,899,947)                                       | (10,142,438)                                  |
| Depreciation, Amortisation and Impairment                     |          | (864,120)   | (221,872)   | (717,906)                                     |
| Share based payments  |          | (188,233)   | (280,053)   | (646,793)                                     |
|   |          | -----   | -----   | -----   |
| <b>OPERATING LOSS</b>   |          | (7,198,736)                                       | (4,401,872)                                       | (11,507,137)                                  |
| Finance income  |          | 62,404  | -   | 42,929  |
| Finance costs   |          | (15,115)  | (12,121)  | -   |
| Foreign exchange gain   |          | 12,450  | 27,725  | 73,253  |
|   |          | _____   | _____   | _____   |
| <b>LOSS FOR THE PERIOD BEFORE TAXATION</b>                    |          | (7,138,997)                                       | (4,386,268)                                       | (11,390,955)                                  |
| Taxation  |          | -   | -   | 121,016                                       |
|   |          | _____   | _____   | _____   |
| <b>NET LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b> |          | (7,138,997)                                       | (4,386,268)                                       | (11,269,939)                                  |
| Attributable to:  |          |   |   |   |
| Owners of the parent company                                  |          | (7,138,997)                                       | (4,386,268)                                       | (11,269,952)                                  |
| Non – controlling interest                                    |          | -   | -   | 1,013   |
|   |          | _____   | _____   | _____   |
| Loss per share  | <b>5</b> |   |   |   |
| Basic and Diluted from Continuing Operations                  |          | (0.54)p   | (0.37)p   | (0.9)p  |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR EVR HOLDINGS PLC

for the six months ended 30th June 2019

(unaudited)

|   | Share<br>Capital<br>£ | Share<br>Premium<br>Reserve<br>£ | Merger<br>Relief<br>Reserve<br>£ | Share<br>Option<br>Reserve<br>£ | Retained<br>Losses<br>£ | Reverse<br>Takeover<br>Reserve<br>£ | Non-<br>Controlling<br>Interest<br>£ | Currency<br>Translation<br>Reserve<br>£ | Total<br>£        |
|---|-----------------------|----------------------------------|----------------------------------|---------------------------------|-------------------------|-------------------------------------|--------------------------------------|---|-------------------|
| <b>Balance at 1st July 2018</b>         | <b>13,522,829</b>     | <b>36,152,683</b>                | <b>486,611</b>                   | <b>1,607,525</b>                | <b>(13,389,122)</b>     | <b>(10,002,543)</b>                 | <b>(46,003)</b>                      | <b>(16,781)</b>                         | <b>28,315,199</b> |
| Total comprehensive loss for the period | -                     | -                                | -                                | -                               | (6,884,684)             | -                                   | -                                    | -                                       | (6,884,684)       |
| Grant of share options/warrants         | -                     | -                                | -                                | 366,740                         | -                       | -                                   | -                                    | -                                       | 366,740           |
| Issue of new shares                     | 167,375               | 105,481                          | -                                | -                               | -                       | -                                   | -                                    | -                                       | 272,856           |
| Currency Translation Reserve            | -                     | -                                | -                                | -                               | -                       | -                                   | -                                    | (45,178)                                | (45,178)          |
| Non Controlling Interest                | -                     | -                                | -                                | -                               | -                       | -                                   | <b>1,013</b>                         | -                                       | 1,013             |
|   | <u>          </u>     | <u>          </u>                | <u>          </u>                | <u>          </u>               | <u>          </u>       | <u>          </u>                   | <u>          </u>                    | <u>          </u>                       | <u>          </u> |
| <b>Balance at 31st December 2018</b>    | <b>13,690,204</b>     | <b>36,258,164</b>                | <b>486,611</b>                   | <b>1,974,265</b>                | <b>(20,273,806)</b>     | <b>(10,002,543)</b>                 | <b>(44,990)</b>                      | <b>(61,959)</b>                         | <b>22,025,946</b> |
| Total comprehensive loss for the period | -                     | -                                | -                                | -                               | (7,138,997)             | -                                   | -                                    | -                                       | (7,138,997)       |
| Grant of share options/warrants         | -                     | -                                | -                                | 188,233                         | -                       | -                                   | -                                    | -                                       | 188,233           |
| Issue of new shares                     | 1,114,671             | 3,691,915                        | -                                | -                               | -                       | -                                   | -                                    | -                                       | 4,806,586         |
| Currency Translation Reserve            | -                     | -                                | -                                | -                               | -                       | -                                   | -                                    | (15,774)                                | (15,774)          |
| Non Controlling Interest                | -                     | -                                | -                                | -                               | -                       | -                                   | -                                    | -                                       | -                 |
|   | <u>          </u>     | <u>          </u>                | <u>          </u>                | <u>          </u>               | <u>          </u>       | <u>          </u>                   | <u>          </u>                    | <u>          </u>                       | <u>          </u> |
| <b>Balance at 30th June 2019</b>        | <b>14,804,875</b>     | <b>39,950,079</b>                | <b>486,611</b>                   | <b>2,162,498</b>                | <b>(27,412,803)</b>     | <b>(10,002,543)</b>                 | <b>(44,990)</b>                      | <b>(77,733)</b>                         | <b>19,865,994</b> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITON FOR EVR HOLDINGS PLC

as at 30th June 2019

|                                  | Notes | Unaudited<br>as at<br>30th June 2019<br>£ | Unaudited<br>as at<br>30th June 2018<br>£ | Audited<br>as at<br>31st December<br>2018<br>£ |
|----------------------------------|-------|---|---|--|
| <b>ASSETS</b>                    |       |   |   |  |
| <b>NON-CURRENT ASSETS</b>        |       |   |   |  |
| Property, plant and equipment    | 6     | 963,404                                   | 1,045,244                                 | 933,992  |
| Intangible assets                | 7     | 2,327,574                                 | 1,754,077                                 | 2,095,547                                      |
| <b>TOTAL NON-CURRENT ASSETS</b>  |       | <u>3,290,978</u>                          | <u>2,799,321</u>                          | <u>3,029,539</u>                               |
| <b>CURRENT ASSETS</b>            |       |   |   |  |
| Trade and other receivables      |       | 1,235,569                                 | 506,422                                   | 1,601,896                                      |
| Cash and cash equivalents        |       | 17,506,396                                | 26,089,548                                | 19,327,948                                     |
| <b>TOTAL CURRENT ASSETS</b>      |       | <u>18,741,965</u>                         | <u>26,595,970</u>                         | <u>20,929,844</u>                              |
| <b>TOTAL ASSETS</b>              |       | <u>22,032,943</u>                         | <u>29,395,291</u>                         | <u>23,959,383</u>                              |
| <b>LIABILITIES</b>               |       |   |   |  |
| <b>CURRENT LIABILITIES</b>       |       |   |   |  |
| Trade and other payables         |       | (2,166,949)                               | (1,080,092)                               | (1,933,437)                                    |
| <b>TOTAL CURRENT LIABILITIES</b> |       | <u>(2,166,949)</u>                        | <u>(1,080,092)</u>                        | <u>(1,933,437)</u>                             |
| <b>TOTAL LIABILITIES</b>         |       | <u>(2,166,949)</u>                        | <u>(1,080,092)</u>                        | <u>(1,933,437)</u>                             |
| <b>TOTAL NET ASSETS</b>          |       | <u>19,865,994</u>                         | <u>28,315,199</u>                         | <u>22,025,946</u>                              |
| <b>EQUITY</b>                    |       |   |   |  |
| Share capital                    | 8     | 14,804,875                                | 13,522,829                                | 13,690,204                                     |
| Share premium reserve            |       | 39,950,079                                | 36,152,683                                | 36,258,164                                     |
| Retained losses                  |       | (27,412,803)                              | (13,389,122)                              | (20,273,806)                                   |
| Share Option Reserve             |       | 2,162,498                                 | 1,607,525                                 | 1,974,265                                      |
| Merger Relief Reserve            |       | 486,611                                   | 486,611                                   | 486,611  |
| Non-controlling interests        |       | (44,990)                                  | (46,003)                                  | (44,990)                                       |
| Currency Translation Reserve     |       | (77,733)                                  | (16,781)                                  | (61,959)                                       |
| Reverse takeover reserve         |       | (10,002,543)                              | (10,002,543)                              | (10,002,543)                                   |
| <b>TOTAL EQUITY</b>              |       | <u>19,865,994</u>                         | <u>28,315,199</u>                         | <u>22,025,946</u>                              |

CONSOLIDATED CASH FLOW STATEMENT FOR EVR HOLDINGS PLC

for the six months ended 30th June 2019

|  | Unaudited<br>Six months to<br>30th June 2019 | Unaudited<br>Six months to<br>30th June 2018 | Audited<br>Year to<br>31st December<br>2018 |
|--|--|--|---|
|  | £  | £  | £   |
| Loss from continuing operations                    | (7,138,997)                                  | (4,386,268)                                  | (11,390,955)                                |
| Adjustments for:                                   |  |  |   |
| Amortisation of intangible assets                  | 419,316                                      | 56,216                                       | 329,073                                     |
| Depreciation of fixed assets                       | 275,209                                      | 165,656                                      | 388,833                                     |
| Impairment of intangible asset                     | 169,595                                      | -  | -   |
| Share based payment expense                        | 188,233                                      | 280,053                                      | 646,793                                     |
| Increase/(decrease) in trade and other receivables | (286,866)                                    | (278,181)                                    | (1,115,147)                                 |
| Increase in trade and other payables               | 869,081                                      | 428,667                                      | 1,118,317                                   |
|  | _____  | _____  | _____                                       |
| Net cash outflow from operating activities         | (5,504,429)                                  | (3,733,857)                                  | (10,023,086)                                |
| Investing activities                               |  |  |   |
| Purchase of property, plant and equipment          | (304,425)                                    | (1,778,301)                                  | (682,040)                                   |
| Investment in intangible assets                    | (820,938)                                    | -  | (1,821,144)                                 |
|  | _____  | _____  | _____                                       |
| Net cash generated used in investing activities    | (1,125,363)                                  | (1,778,301)                                  | (2,503,184)                                 |
| Financing activities                               |  |  |   |
| Proceeds from issue of ordinary share capital      | 4,800,000                                    | 19,053,561                                   | 19,048,293                                  |
| Proceeds from the exercise of warrants             | 6,585  | 128,706                                      | 406,831                                     |
|  | _____  | _____  | _____                                       |
| Net cash generated from financing activities       | 4,806,585                                    | 19,182,267                                   | 19,455,124                                  |
| (Decrease)/Increase in cash and cash equivalents   | (1,823,207)                                  | 13,670,109                                   | 6,928,854                                   |
| Effect of changes in foreign exchange              | 1,655  | 9,619  | (10,726)                                    |
| Cash and cash equivalents brought forward          | 19,327,948                                   | 12,409,820                                   | 12,409,820                                  |
|  | _____  | _____  | _____                                       |
| Cash and cash equivalents carried forward          | 17,506,396                                   | 26,089,548                                   | 19,327,948                                  |

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR EVR HOLDINGS PLC

for the six months ended 30th June 2019

### 1. Basis of preparation of interim financial information

The consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as endorsed by the European Union (“IFRS”) and expected to be effective at the year-end of 31 December 2018.

New accounting policies adopted during the year are detailed in Notes 3 and 4 while all other accounting policies remain unchanged from the financial statements for the year ended 31 December 2018.

The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2018, prepared in accordance with IFRS, have been filed with the Registrar of Companies. The Auditors’ Report on these accounts was unqualified, did not include any matters to which the Auditors drew attention by way of emphasis without qualifying their report and did not contain any statements under section 498 of the Companies Act 2006.

The consolidated interim financial statements are for the 6 months to 30 June 2019.

The interim consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group’s annual financial statements for the year ended 31 December 2018, which were prepared in accordance with IFRS’s as adopted by the European Union.

#### Going Concern

The directors have prepared detailed cash flow forecasts and are of the opinion that it is appropriate to prepare these financial statements on a going concern basis. In making this assessment management has considered:

- a) The current working capital position and operational requirements
- b) The sensitivities associated with projected expenditure
- c) The timing and magnitude of planned capital expenditure
- d) The strategic exploitation of the company’s significant resources
- e) The timing of launch within new territories and on new Virtual Reality (VR) platforms

The conclusion of this assessment and having regard to the existing working capital position the Directors are of the opinion that the Group will have adequate resources to enable it to undertake its planned activities for the next twelve months.

### 2. Statement of compliance

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Group were applied for the first time

- IFRS 16 Leases

IFRS 16 is effective from 1 January 2019 and eliminates the classification of leases as either operating or finance leases, introducing a single accounting model. Lessees are required to recognise a right-of-use asset and related leases liability for their operating leases and show depreciation of leased assets and interest on leases liabilities separately in the income statement. IFRS 16 requires the Group to recognise substantially all of its operating leases on the balance sheet.

The Group adopted IFRS 16 on a modified retrospective basis and applied the standard accordingly. As such, prior year financial information has not been restated and will continue to be reported under IAS 17: Leases. The right of use asset and leases liabilities have been initially measured at the present value of remaining leases payments.

There is deemed to be no material impact on reserves brought forward or on results for the six months to 30 June 2019.

### 3. Revenue

Revenue represents amounts receivable for goods and services provided in the normal course of business, and excludes intra-group sales, Value Added Tax and trade discounts.

Revenue comprises of the sale of content with the value of goods and services supplied being recognised on delivery of content.

Management considers the detailed criteria for the recognition of revenue from the sale of goods and services set out in IAS 18 Revenue, in particular whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods.

### 4. 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 internal development is typically between 2 and 5 years and;

Amortisation rates applicable to VR content is as follows:

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

### 5. Loss per share

| <b>Loss attributable to equity holders of the Company:</b>                               | <b>Unaudited<br/>30th June 2019</b> | <b>Unaudited<br/>30th June 2018</b> | <b>Audited<br/>Year to<br/>31st December 2018</b> |
|--|-------------------------------------|-------------------------------------|---|
|  | <b>£</b>                            | <b>£</b>                            | <b>£</b>  |
| Continuing and total operations  | (7,138,997)                         | (4,386,268)                         | (11,270,952)                                      |
|  | <b>No. of shares</b>                | <b>No. of shares</b>                | <b>No. of shares</b>                              |
| Weighted average number of ordinary shares in issue for basic and fully diluted earnings | 1,314,643,091                       | 1,199,050,729                       | 1,252,156,578                                     |

## 5. Loss per share (continued)

|                           | Pence per Share | Pence per share | Pence per share |
|---------------------------|-----------------|-----------------|-----------------|
| Loss per share            | (0.54)p         | (0.37)p         | (0.9)p          |
| <b>Basic and diluted:</b> | <b>(0.54)p</b>  | <b>(0.37)p</b>  | <b>(0.9)p</b>   |

## 6. Tangible fixed assets

|                                 | Audiovisual productions | Office Equipment | Computer Equipment | Leasehold Improvements | Total     |
|---------------------------------|-------------------------|------------------|--------------------|------------------------|-----------|
|                                 | £                       | £                | £                  | £                      | £         |
| <b>Cost</b>                     |                         |                  |                    |                        |           |
| As at 31 December 2018          | 482,460                 | 84,162           | 884,544            | 74,285                 | 1,525,451 |
| Additions                       | 177,727                 | 5,679            | 121,215            | -                      | 304,621   |
| Disposal                        | -                       | -                | -                  | -                      | -         |
| As at 30 June 2019              | 660,187                 | 89,841           | 1,005,759          | 74,285                 | 1,830,072 |
| <b>Accumulated depreciation</b> |                         |                  |                    |                        |           |
| As at 31 December 2018          | 180,650                 | 19,120           | 363,958            | 27,731                 | 591,459   |
| Charge for the period           | 98,371                  | 10,900           | 153,659            | 12,279                 | 275,209   |
| As at 30 June 2019              | 279,021                 | 30,020           | 517,617            | 40,010                 | 866,668   |
| <b>Net Book Value</b>           |                         |                  |                    |                        |           |
| As at 31 December 2018          | 301,810                 | 65,042           | 520,586            | 46,554                 | 933,992   |
| As at 30 June 2019              | 381,166                 | 59,821           | 488,142            | 34,275                 | 963,404   |

## 7. Intangible assets

|                                 | Goodwill | Development | Content -<br>released | Content -<br>in<br>production | Total     |
|---------------------------------|----------|-------------|-----------------------|-------------------------------|-----------|
|                                 | £        | £           | £                     | £                             | £         |
| <b>Cost</b>                     |          |             |                       |                               |           |
| As at 31 December 2018          | 603,476  | 667,819     | 506,982               | 646,343                       | 2,424,620 |
| Additions                       | -        | 564,645     | 94,853                | 161,440                       | 820,938   |
| Reclassification                | -        | -           | 306,701               | (306,701)                     | -         |
| Impairment                      | -        | (69,870)    | -                     | (126,766)                     | (196,636) |
| As at 30 June 2019              | 603,476  | 1,162,594   | 908,536               | 374,316                       | 3,048,922 |
| <b>Accumulated amortisation</b> |          |             |                       |                               |           |
| As at 31 December 2018          | -        | 149,279     | 179,794               | -                             | 329,073   |
| Charge for the period           | -        | 127,032     | 292,284               | -                             | 419,316   |
| Impairment                      | -        | (27,041)    | -                     | -                             | (27,041)  |
| As at 30 June 2019              | -        | 249,270     | 472,078               | -                             | 721,348   |
| <b>Net Book Value</b>           |          |             |                       |                               |           |
| As at 31 December 2018          | 603,476  | 518,540     | 327,188               | 646,343                       | 2,095,547 |
| As at 30 June 2019              | 603,476  | 913,324     | 436,458               | 374,316                       | 2,327,574 |

Goodwill has been calculated as the fair value of the EVR Holdings plc ordinary shares pre reverse takeover less the net asset value of the Company at the time of take over.

## 8. Share Capital

|                                    | 30 June 2019<br>(unaudited)<br>Number | 30 June 2018<br>(unaudited)<br>Number |
|------------------------------------|---------------------------------------|---------------------------------------|
| Ordinary shares of 1.1 pence each  | 495,095,455                           | 495,095,455                           |
| Ordinary shares of 1.16 pence each | 231,750,344                           | 231,750,344                           |
| Ordinary shares of 1.4 pence each  | 41,024,988                            | 26,264,198                            |
| Ordinary shares of 1.7 pence each  | 205,232,810                           | 205,232,810                           |
| Ordinary shares of 1.85 pence each | 22,947,958                            | 11,771,458                            |
| Ordinary shares of 4.5 pence each  | 111,111,111                           | -                                     |
| Ordinary shares of 8 pence each    | 187,500,000                           | 187,500,000                           |
| Ordinary shares of 16 pence each   | 125,000,000                           | 125,000,000                           |
| Deferred shares of 0.24p each      | 150,520,616                           | 150,520,616                           |
| Deferred shares of 0.95p each      | 26,000,000                            | 26,000,000                            |
| <b>Total</b>                       | <b>1,596,183,282</b>                  | <b>1,459,134,881</b>                  |

Further copies of this document are available both at the registered office of the Company. The statement will also be available to download on the Company's website: <http://evrholdings.com>