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For Immediate Release

22 August 2018

EVR Holdings plc

(‘EVR’, the ‘Group’ or the ‘Company’)

Half-yearly 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 Half-yearly Results for the six months ended 30 June 2018.

Highlights

- Major multi-year agreements with Warner/Chappell Music and Big Machine Label Group
- Further six multi-year agreements with multiple publishers and record labels
- The official launch of the MelodyVR music platform in the US, UK and 8 European territories.
- First sales recorded of VR content, with encouraging initial data points.
- Completion of a successful equity placing to raise £20 million (before costs).
- As at 30 June 2018 the Group had cash and cash equivalents of approximately £26.1 million for future expansion and development.
- Post period end, MelodyVR has entered exclusive multi-year partnerships to deliver virtual access to selected live events signed with major UK venues.

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Chairman's Statement

Overview

I am pleased to be able to present our report on what has been an important phase in the Group's development; one which culminated in the successful launch of the MelodyVR platform in both the US and in Europe, in conjunction with the release of Facebook's Oculus Go VR device.

A further strengthening of our balance sheet following a successful fundraise in May 2018, combined with the addition of experienced individuals to the management team and positive critical recognition of our MelodyVR platform, have helped to lay stable foundations for future success.

Financial Results

With the launch of the MelodyVR platform occurring only a matter of weeks prior to the end of this reporting period, in tandem with the launch with the world's first commercially viable standalone VR device, Facebook's Oculus Go, revenue during the period has been influenced by the initially limited distribution and accessibility of Facebook's VR Headset. Whilst the MelodyVR platform has been available for only a limited period, I am pleased to report that our early metrics regarding user engagement and conversion rates are extremely encouraging and remain on track with management expectations; with over 72% of MelodyVR's install base, now having utilised the platform to consume our content.

Gross profit at a loss of £0.2 million 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.

Adjusted operating loss before non-cash and recurring items was £3.8 million (H1 2017: £1.8 million), and is stated after the costs associated with significant original content creation, expansion of internal resources, development/operation and launch of the MelodyVR platform as well as the associated costs leading up to the successful launch of MelodyVR.

Operations

Our principle focus for the period under review concentrated our operational activities on the release of the Melody VR app, which officially launched in the US and UK on 1 May 2018 and in a further 8 countries throughout Europe on the 26 June 2018. The release followed a period of significant engineering and R&D, which included the development of unique proprietary software, IP, tools and workflows. Each have enabled MelodyVR to maintain a market leading advantage in both content delivery, user experience and platform architecture. In addition, our Company has continued to create engaging exclusive VR music content with the world's most recognisable artists, in partnership with the world's major music companies, which further cemented our commitment to building the next medium for global music consumption. Following the launch of the MelodyVR platform and a limited subset of our content, we have been re-assured by the platform's stability and scalability, as well as by user engagement, usage and adoption from those customers currently able to access the platform via the Oculus storefront, in Europe and the US.

Our innovation within the marketplace has been equally well received by major news outlets and press, including features in GQ, Billboard, VICE, The Daily Telegraph, The Financial Times, Wired,

CrunchBase, Sky News, Fox News and BBC News, amongst others. As we move through the initial stages of commercialisation of our service, we seek to broaden the reach and breadth of our platform as currently, we are largely dependent upon VR hardware manufacturers such as Oculus, and the proliferation and adoption of their VR devices as the principal conduit for access to our service. We will continue to extend the reach of our MelodyVR platform across new territories and via new channels, as well as via a broader range of VR hardware.

Analysing the post launch metrics available to us at the time of writing this report, we are encouraged by the number of consumers who, having purchased a VR headset device, have installed the MelodyVR app, also of those who having downloaded the app, have utilised MelodyVR content. Whilst it is too early to draw any meaningful conclusions from the data reconciled over the two month period following launch, we are encouraged by the engagement and conversion metrics experienced to date when measured against both our own expectations and when benchmarked against other leading music and technology products. In addition, having launched successfully with a limited subset of our exclusive original content, as the VR market develops over the coming months we intend to widen the depth of available content, adding further experiences from our vast library of VR experiences.

As part of a series of new and innovative initiatives, MelodyVR will introduce live-streamed VR content which will enable music fans the opportunity to experience live real-time performances from internationally recognised artists direct from sold-out concerts and venues. We intend to launch this new functionality with a showcase offering, featuring a live performance of a globally recognised artist in partnership with an equally prominent global media channel. Users will be able to experience live VR content via the MelodyVR platform, by purchasing a virtual ticket. Given the partnerships already in place with the key stakeholders in the music industry, fans will subsequently be able to re-live these experiences at a later date, as part of our ever-broadening library of original content.

Our exclusive partnership agreements which provide access, capture and live stream arrangements with numerous partners, including recent additions such as the NEC Group and Alexandra Palace, join over 70 individual festival and event brands, which will soon provide users with the opportunity to access a rich calendar of live performances and events, which feature many of the major recording artists from around the world. Artists billed to perform at our partners events and venues over the coming 12 months include the vast majority of the world's current top 50 artists.

These initiatives, in combination with the introduction of platform advertising and sponsorship will further broaden MelodyVR's monetisation model, increase revenue generation capabilities and further stimulate growth of the service.

Ansko Arena Limited

In addition, we are pleased to today announce that MelodyVR has also entered into an agreement with Ansko Arena Limited, operator of the O2 arena London. Our companies will share revenue from live-streamed and recorded VR content, made available via the MelodyVR platform.

Funding

On 1 May 2018, the Company announced that it had successfully raised a further £20m of additional funds (before costs) via the issue of 125 million new ordinary shares at a placing price of 16p per share further strengthening the balance sheet. The net proceeds of the fundraising are being used to further expand the Group, including on a global basis. The placing also presented the opportunity to welcome new institutions to the register of shareholders. As at the balance sheet date of 30 June 2018 cash reserves totalled £26 million which at the current anticipated rate of burn will provide the Group with in excess of 24 months of funding.

Outlook

Our primary focus during the next twelve months is to drive awareness of the MelodyVR platform, in turn developing our user base in order to further monetise our recorded, live and interactive original VR content. With the development and successful launch of a robust and proven technology platform behind us, backed by global licensing agreements with all of the major record labels and exclusive rights of capture at a significant number of the leading music venues and festivals from around the world, our Company has never been better positioned for on-going success.

Operationally, we will continue to expand on a global basis, whilst managing our costs prudently. Over the coming months we look forward to the benefit of receiving additional user data from our platform, which will enable our team to secure greater insight into consumer behaviour and engagement with the MelodyVR platform. As with any mass-market consumer technology, data and analytics not only provide significant opportunity to improve our product itself but also provide significant data points relating to key metrics such as user engagement, retention and conversion. It is our intention to maximise the performance of these metrics over the coming year, enhancing the lifetime value of our customers and increasing revenues from our MelodyVR platform.

The consumer reaction to the launch of the Oculus Go headset has been very positive, yet we are keen to accelerate the growth of MelodyVR's user base beyond the reach of the 324 million VR devices the market forecasts by the end of 2021. In order for the rate of MelodyVR user acquisition to surpass the expectation of VR hardware sales and adoption, we intend to extend the accessibility of our services to Android and iOS device users worldwide, which are currently in excess of 3 billion. With this in mind, we are currently evaluating a number of initiatives which will enable users to access content with their smartphone devices. I look forward to providing further updates on this, as well as our other initiatives, in due course.

The introduction of live stream events, launches of new VR hardware devices and platform sponsorship will accelerate the awareness and accessibility of MelodyVR to millions of more users worldwide over the next year. We intend to further capitalise on this by launching in numerous additional territories, including Canada and the AsiaPac region, where many countries are displaying signs of rapid VR adoption.

These developments provide us with great opportunities in the near term as we move in to the next phase of our Company's development and growth. A strong balance sheet and validation from the music industry and technology sectors, provide us with not only great confidence in being able to successfully execute on this exciting opportunity, but also in realising our goal of building the world's next major global music service.

Anthony Matchett

Chairman & CEO

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR EVR HOLDINGS PLC

for the six months ended 30th June 2018

	Notes	Unaudited Six months to 30th June 2018 £	Unaudited Six months to 30th June 2017 £	Audited Year to 31st December 2017 £
Revenue		6,831	-	-
Cost of Sales		<u>(225,028)</u>	<u>-</u>	<u>-</u>
Gross Profit		(218,197)	-	-
Administrative expenses		(4,183,675)	(2,626,042)	(6,192,145)
OPERATING LOSS		(4,401,872)	(2,626,042)	(6,192,145)
Operating loss before non-recurring and non-cash items		(3,899,947)	(1,866,788)	(5,168,043)
Depreciation and Amortisation		(221,872)	(61,659)	(141,607)
Share based payments		(280,053)	(697,595)	(882,495)
OPERATING LOSS		<u>(4,401,872)</u>	<u>(2,626,042)</u>	<u>(6,192,145)</u>
Finance income			2,182	2,988
Finance costs		(12,121)	-	(6,348)
Foreign exchange gain		27,725		(36,377)
LOSS FOR THE PERIOD BEFORE TAXATION		<u>(4,386,268)</u>	<u>(2,623,860)</u>	<u>(6,231,822)</u>
Taxation		-	-	-
NET LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,386,268)	(2,623,860)	(6,231,882)
Attributable to:				
Owners of the parent company		(4,386,268)	(2,623,860)	(6,231,882)
Non – controlling interest		-	-	-
Loss per share				
Basic and Diluted from Continuing Operations	5	(0.37)p	(0.12)p	(0.61)p

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR EVR HOLDINGS PLC

for the six months ended 30th June 2018

(unaudited)

	Share Capital £	Share Premium Reserve £	Merger Relief Reserve £	Share Option Reserve £	Retained Losses £	Reverse Takeover Reserve £	Non- Controlling Interest £	Currency Translation Reserve £	Total £
Balance at 30th June 2017	10,824,508	10,035,478	486,611	1,142,572	(5,394,832)	(10,002,543)	(46,003)	-	7,045,791
Total comprehensive loss for the period	-	-	-	-	(3,608,022)	-	-	-	(3,608,022)
Grant of share options				184,900					184,900
Issue of new shares	1,359,883	8,273,376	-	-	-	-	-	-	9,633,259
Currency Translation Reserve								10,194	10,194
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31st December 2017	12,184,391	18,308,854	486,611	1,327,472	(9,002,854)	(10,002,543)	(46,003)	10,194	13,266,122
Shares issued in year	1,338,438	17,843,829	-	-	-	-	-	-	19,182,267
Grant of share options				280,053					280,053
Net loss for the period	-	-	-	-	(4,386,268)	-	-	-	(4,386,268)
Currency translation reserve	-	-	-	-	-	-	-	(26,975)	(26,975)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30th June 2018	13,522,829	36,152,683	486,611	1,607,525	(13,389,122)	(10,002,543)	(46,003)	(16,781)	28,315,199

CONSOLIDATED STATEMENT OF FINANCIAL POSISITON FOR EVR HOLDINGS PLC

as at 30th June 2018

	Notes	Unaudited as at 30th June 2018 £	Unaudited as at 30th June 2017 £	Audited as at 31st December 2017 £
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		1,045,244	322,938	638,429
Intangible assets	6	1,754,077	603,476	603,476
TOTAL NON-CURRENT ASSETS		<u>2,799,321</u>	<u>926,414</u>	<u>1,241,905</u>
CURRENT ASSETS				
Trade and other receivables		506,422	181,780	227,748
Cash and cash equivalents		26,089,548	6,554,556	12,409,820
TOTAL CURRENT ASSETS		<u>26,595,970</u>	<u>6,736,336</u>	<u>12,637,568</u>
TOTAL ASSETS		<u>29,395,291</u>	<u>7,662,750</u>	<u>13,879,473</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		(1,080,092)	(616,959)	(613,351)
TOTAL CURRENT LIABILITIES		<u>(1,080,092)</u>	<u>(616,959)</u>	<u>(613,351)</u>
TOTAL LIABILITIES		<u>(1,080,092)</u>	<u>(616,959)</u>	<u>(613,351)</u>
TOTAL NET ASSETS		<u>28,315,199</u>	<u>7,045,791</u>	<u>13,266,122</u>
EQUITY				
Share capital	8	13,522,829	10,824,508	12,184,391
Share premium reserve		36,152,683	10,035,478	18,308,854
Retained losses		(13,389,122)	(5,394,832)	(9,002,854)
Share Option Reserve		1,607,525	1,142,572	1,327,472
Merger Relief Reserve		486,611	486,611	486,611
Non-controlling interests		(46,003)	(46,003)	(46,003)
Currency Translation Reserve		(16,781)	-	10,194
Reverse takeover reserve		(10,002,543)	(10,002,543)	(10,002,543)
TOTAL EQUITY		<u>28,315,199</u>	<u>7,045,791</u>	<u>13,266,122</u>

CONSOLIDATED CASH FLOW STATEMENT FOR EVR HOLDINGS PLC

for the six months ended 30th June 2018

	Unaudited Six months to 30th June 2018	Unaudited Six months to 30th June 2017	Audited Year to 31st December 2017
	£	£	£
Loss from continuing operations	(4,386,268)	(2,623,860)	(6,231,882)
Adjustments for:			
Amortisation of intangible assets	56,216		141,607
Depreciation of fixed assets	165,656	61,659	882,495
Share based payment expense	280,053	697,595	(241,392)
Increase/(decrease) in trade and other receivables	(278,181)	(79,922)	508,120
Increase in trade and other payables	428,667	395,419	—
	—	—	—
Net cash outflow from operating activities	(3,733,857)	(1,549,109)	(4,941,052)
Investing activities			
Purchase of property, plant and equipment	(1,778,301)	(154,863)	(550,278)
Acquisition of subsidiary	-	-	-
Net cash generated from/(used in) investing activities	(1,778,301)	(154,863)	(550,278)
Financing activities			
Proceeds from issue of ordinary share capital	19,053,561	4,888,835	14,174,918
Proceeds from the exercise of warrants	128,706	-	347,176
Net cash generated from financing activities	19,182,267	4,888,835	14,522,094
	—	—	—
Increase in cash and cash equivalents	13,670,109	3,184,863	9,030,764
Effect of changes in foreign exchange	9,619	-	9,363
Cash and cash equivalents brought forward	12,409,820	3,369,693	3,369,693
	—	—	—
Cash and cash equivalents carried forward	26,089,548	6,554,556	12,409,820
	—	—	—

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR EVR HOLDINGS PLC

for the six months ended 30th June 2018

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 2017.

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 2017.

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 2017, 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 2018.

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 2017, 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. Accounting Policies

Standards and amendments and interpretations to published standards not yet effective.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group’s accounting period beginning on or after 1 July 2017 or later periods and which the group has decided not to adopt early are:

- Amendments to IFRS 2 Share Based Payment (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 15 Clarification of Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 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

Loss attributable to equity holders of the Company:	Unaudited 30th June 2018	Unaudited 30th June 2017	Audited Year to 31st December 2017
	£	£	£
Continuing and total operations	(4,386,268)	(1,161,954)	(6,231,882)
	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	1,199,050,729	966,583,028	1,022,052,742

	Pence per Share	Pence per share	Pence per share
Loss per share	(0.37)p	(0.12)p	(0.61)p
Basic and diluted:	(0.37)p	(0.12)p	(0.61)p

6. Intangible assets

Cost	Development costs	Goodwill	Content Assets – in production	Content Assets – released
As at 30 June 2017	-	603,476	-	-
Additions	-	-	-	-
As at 31 December 2017	-	603,476	-	-
Additions	667,819	-	317,511	221,487
As at 30 June 2018	667,819	603,476	317,511	221,487
Amortisation				
As at 30 June 2017	-	-	-	-
As at 31 December 2017	-	-	-	-
As at 30 June 2018	36,612	-	-	19,604
Net Book Value				
As at 30 June 2017	-	603,476	-	-
As at 31 December 2017	-	603,476	-	-
As at 30 June 2018	631,207	603,476	317,511	201,883

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.

7. Share options and Directors 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.

On 12th March 2018 the Company granted options under the Company's Option Scheme to purchase ordinary shares of 1p each of EVR ("Ordinary Shares") over 8,311,724 Ordinary Shares to employees. The exercise prices of the options granted range between £0.0625 and £0.09. These options have an expiry date of the 10th anniversary of the date of grant (subject to vesting conditions).

The pertinent information with respect of these options is as follows:

Issue date	Grant date share price £	Exercise price	Number of options	Risk free rate	Expected volatility	Expected option life	Calculated fair value per share	Total expense recognised in period £
12 March 2018	9p	8.13p	6,661,724	0.50%	40%	10 years	4.6p	70,916
12 March 2018	6.75p	8.13p	500,000	0.50%	40%	10 years	3.0p	4,337
12 March 2018	6.5p	8.13p	500,000	0.50%	40%	10 years	2.8p	2,987

8. Share Capital

	30 June 2018 (unaudited) Number	30 June 2017 (unaudited) Number
Ordinary shares of 1.1 pence each	495,095,455	486,611,833
Ordinary shares of 1.16 pence each	231,750,344	231,750,344
Ordinary shares of 1.4 pence each	26,264,198	25,639,198
Ordinary shares of 1.7 pence each	205,232,810	205,232,810
Ordinary shares of 1.85 pence each	11,771,458	9,891,661
Ordinary shares of 8 pence each	187,500,000	62,500,000
Ordinary shares of 16 pence each	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
Total	1,459,134,881	1,198,146,462

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 at <http://evrholdings.com>