

## **YOLO Leisure and Technology plc**

("YOLO" or the "Company")

### **Unaudited Interim Results for the period ended 31 March 2016**

#### **Introduction**

I am pleased to report that the Company has had an active six month period ending 31 March 2016.

During the period the Company placed 40,000,000 shares at 1.5p each raising a total of £600,000 before costs. Having monitored the development of the Simplestream business carefully since YOLO's original investment in January 2015, your Board took up its right to advance a further £257,384 to Simplestream by way of a convertible loan note.

The Company continues to actively look for further investment opportunities in pursuit of its investment strategy. Our stated aim is to be a successful and profitable investment company by focussing on technology, travel, leisure and media businesses. We will achieve this by identifying early stage or turnaround opportunities that require investment and / or have potential for a reverse takeover. We will invest into businesses with content and delivery capability that engage customers, monetise the user experience and have potential to scale. Our philosophy is to find attractive businesses and projects that will create value for shareholders and utilise our expertise and network contacts.

#### **Financial review**

The Board has been selective in the transactions made and our growing investment portfolio now consists of businesses with strong technology and content themes. Each of the businesses are pioneers and innovators in their sectors and are disrupting the space that they are in, being consistent with YOLO's investment criteria.

The current portfolio of investments consists of:

#### **Gfinity Plc - total investment at cost of £364,650**

Gfinity is an end to end eSports (also known as competitive gaming or electronic sports) solution, founded in 2012. Gfinity has quickly established itself as one of the world's leading eSports companies, capable of providing an end to end solution and with a strong reputation for quality across publishers, players and eSports fans. It stages elite tournaments for the top players in the world, producing industry leading broadcasts and providing on-line competitions and content to engage the eSports community. Gfinity provides a hub for a rapidly expanding community that plays a range of electronic games such as Call of Duty, League of Legends, FIFA 2016, Halo and Starcraft. This platform enables Gfinity to run a regular roster of on-line competitions, leagues and ladders with the opportunity for gamers to win substantial prize money and/or pit their skills against professional and widely-followed "star" players.

The gaming industry has been growing at an average of 10% year-on-year and is now more valuable than both the music and film industries. This is part of a revolution in the way that millennials consume media.

Gfinity has strong potential for monetising commercial rights attached to broadcasts and events, with access to a wide range of ancillary revenue streams such as sponsorship, advertising, broadcast rights, pay per view, data, third party events and promotions, Pay to Play, Ticketing, Betting, Fantasy and an Xbox App (Build Your Own Tournament).

#### **Simplestream Limited - total investment at cost of £814,884**

YOLO's investment has been into two growing and highly innovative TV platforms, namely Simplestream and TV Player, both of which are experiencing strong growth in a market where user behaviour is transforming the way TV content is distributed, broadcast and consumed. These types of services, which deliver television content over the internet, are called Over The Top or OTT services. Such is the demand for watching television

online, that OTT services are forecast to grow from \$25 billion in 2014 to \$54 billion in 2029 (source: Markets & Markets - OTT Market Report 2014-2019), with over \$1 billion generated each year in the UK. The growth of OTT viewing is fueled by the continued growth of smartphone, tablet and so called "streaming stick" sales.

The Simplestream platform has already been adopted by leading entertainment broadcasters including QVC, Box Plus Network, Scripps, Turner and Discovery Networks to deliver streamlined simulcasting, real-time editing and live-to-VOD publishing of multiple channels, to any platform and device within a single unified workflow. The company has also recently announced a strategic partnership with sports distribution experts MP & Silva.

TVPlayer, a next generation B2C Over-The-Top (OTT) TV platform is now in regular use by over 540,000 monthly active users. TVPlayer is a disruptor using its in-house technology platform to reach the next generation of TV viewer who are intent on watching their media content online, whether at home or on the go. TVPlayer is fully-licensed, having entered into multi-year content licensing agreements with a wide range of both free-to-air and subscription television broadcasters. It streams over 100 of the UK's most popular TV channels to PCs, mobiles, tablets, Apple TV, Amazon Fire TV, Samsung Smart TV and various set-top-boxes.

TVPlayer generates revenue through two business models; firstly an ad-supported free-to-air TVPlayer service with 100+ channels and secondly a paid subscription service with TVPlayer Plus, which is the first service of its kind to offer premium channels in the UK without a contract, providing 25 additional premium channels for a monthly fee of between £4.99 and £6.99. Launched in October 2015 with no marketing to date, TVPlayer Plus already has an impressive 5,000 subscribers paying a monthly fee with a further 5,000 trialists.

Both the TV Player and Simplestream businesses are well positioned to capitalise on the growth and user opportunities within the UK and International markets.

#### **Audioboom Group Plc - total investment at cost of £275,654**

**AudioBoom Group Plc** - AudioBoom works with some of the biggest names in sports and media such as the NFL, Premier League and BBC. The AudioBoom platform allows partners and users to bring non-music (radio) content to millions of listeners worldwide via the website, embedded players, apps, Facebook and Twitter.

Audioboom is an audio player software platform that enables the creation, broadcast and syndication of audio content across multiple networks and geographies. The platform enables partners to deliver their content to millions of listeners worldwide via embedded (in websites) players, mobile applications, Facebook & Twitter integration. In the UK and US around 90% of the adult population still listen to radio and advertisers spend billions of dollars to reach them. However, the listening experience is shifting from streams to podcasting or radio on demand and advertisers are willing to pay more for the targeted "listens". The platform enables short-form audio playback over a number of channels; embedded in their own website, via the Audioboom website and app, Twitter or Facebook feeds, and submitted to iTunes as a podcast.

Audioboom is highly scalable and operates in a global market serving an international audience with 4.6m registered users on their own website and App platform. While its content is mostly English language, there is no barrier to content in other languages. Going forward the company expects the highest listenership growth in the US and Asia (driven by momentum in partner content rather than Audioboom B2C marketing). Each "listen" is a revenue opportunity for the Company. Total listens for FY15 exceeded 300 million (12 months to 30 November 2014: 180 million).

The focus has now switched to monetising the strategy. Audioboom forecasts 600 million "listens" for the FY 2016 (11.5m/ week) generating £1m of sales and providing a base for a substantial revenue ramp in FY17.

#### **Other achievements**

On 20 January 2016 the Company completed a placing of 40m ordinary 1p shares for gross proceeds of £600,000 and issued warrants for 10m shares at an exercise price of 1.8p. On 29 January 2016, the Company completed a further investment in Simplestream Ltd by investing £257,384 through a convertible loan note in

Simplestream ("Loan Notes"). The Loan Notes bear interest at a rate of 8% per annum and are repayable on or before 16 July 2018. In the event that the Loan Notes are not repaid by that date, or if Simplestream raises at least £500,000 through an issue of equity, the Loan Notes are convertible at the option of the Company into equity shares in Simplestream.

#### **Post balance sheet events**

The board continues to evaluate and consider investment opportunities in the technology, travel, leisure and media sectors and will only make investments in those projects which the board believes will create value for shareholders.

I would also like to thank our shareholders and advisors for continuing to support the board and our vision.

Simon Robinson  
Chairman

2 June 2016

#### **YOLO Leisure and Technology plc**

Simon Lee Robinson

#### **Cairn Financial Advisers LLP**

Sandy Jamieson, Emma Earl

#### **Peterhouse Corporate Finance Limited** (Sole broker)

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# YOLO LEISURE & TECHNOLOGY PLC

## INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2016

	Notes	Unaudited six months ended 31 March 2016 £	Unaudited six months ended 31 March 2015 £
Other income		7,000	2,333
Unrealised (loss)/gain on remeasurement to fair value	3	(318,506)	151,957
Administrative expenses		(127,917)	(123,311)
(LOSS) / PROFIT FROM OPERATIONS BEFORE FINANCING ACTIVITIES		(439,423)	30,979
Finance income		5	328
(LOSS) / PROFIT BEFORE TAX		(439,418)	31,307
Tax		-	-
(LOSS) / PROFIT FOR THE PERIOD		(439,418)	31,307
TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE PERIOD		(439,418)	31,307

(Loss) / Profit before tax and total comprehensive (expense) / income for the period are all attributable to the equity shareholders of the parent.

### (Loss) / Profit per share

Basic	(0.29)p	0.03p
Diluted	(0.24)p	0.03p

Income and profit from operations for the current period all derive from continuing operations.

# YOLO LEISURE & TECHNOLOGY PLC

## INTERIM STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 31 MARCH 2016

		<b>Unaudited</b>	<b>Audited</b>
		<b>31 March</b>	<b>30 September</b>
		<b>2016</b>	<b>2015</b>
	Notes	£	£
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	3	1,169,724	1,230,846
		<u>1,169,724</u>	<u>1,230,846</u>
<b>Current assets</b>			
Trade and other receivables		14,044	16,549
Cash and cash equivalents	4	231,393	41,901
		<u>245,437</u>	<u>58,450</u>
<b>TOTAL ASSETS</b>		<u>1,415,161</u>	<u>1,289,296</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	2,582,954	2,182,954
Share premium account		7,617,273	7,439,303
Retained earnings		(8,811,243)	(8,371,825)
<b>Total equity attributable to equity holders of the parent</b>		<u>1,388,984</u>	<u>1,250,432</u>
<b>Current liabilities</b>			
Trade and other payables		26,177	38,864
<b>Total liabilities</b>		<u>26,177</u>	<u>38,864</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,415,161</u>	<u>1,289,296</u>

# YOLO LEISURE & TECHNOLOGY PLC

## INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2016

	Share capital	Share Premium Account	Retained Earnings	Total
	£	£	£	£
<b>Audited as at 1 October 2014</b>	1,813,675	7,197,319	(8,126,905)	884,089
Total comprehensive expense for the period			31,307	31,307
Share issue	355,577	266,673		622,250
Cost of new issue		(28,800)		(28,800)
<b>Unaudited as at 31 March 2015</b>	<u>2,169,252</u>	<u>7,435,192</u>	<u>(8,095,598)</u>	<u>1,508,846</u>
<b>Audited as at 1 October 2015</b>	2,182,954	7,439,303	(8,371,825)	1,250,432
Total comprehensive income for the period			(439,418)	(439,418)
Share Issue	400,000	200,000		600,000
Cost of new issue		(22,030)		(22,030)
<b>Unaudited as at 31 March 2016</b>	<u>2,582,954</u>	<u>7,617,273</u>	<u>(8,811,243)</u>	<u>1,388,984</u>

All equity is attributable to equity shareholders of the parent.

### Share premium

Represents amounts subscribed for share capital in excess of its nominal value, net of directly attributable issue costs.

# YOLO LEISURE & TECHNOLOGY PLC

## INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2016

	Unaudited six months ended 31 March 2016 £	Unaudited six months ended 31 March 2015 £
<b>Operating activities</b>		
(Loss) / Profit before tax	(439,418)	31,307
Loss / (Gain) on current fair value adjustment	318,506	(151,957)
<b>Changes in working capital:</b>		
Decrease / (increase) in trade and other receivables	8,806	(20,633)
(Decrease)/increase in trade and other payables	(18,987)	(2,155)
<b>Net cash (used)/generated in operating activities</b>	<u>(131,093)</u>	<u>(143,438)</u>
<b>Investing activities</b>		
Investments	(257,385)	(1,167,639)
<b>Net cash used in investing activities</b>	<u>(257,385)</u>	<u>(1,167,639)</u>
<b>Financing activities</b>		
Net proceeds from issue of shares	577,970	593,451
<b>Net cash used in financing activities</b>	<u>577,970</u>	<u>593,451</u>
<b>Taxation</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	189,492	(717,626)
Cash and cash equivalents at the start of the period	41,901	912,301
Cash and cash equivalents at the end of the period	<u>231,393</u>	<u>194,675</u>

## **NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 MARCH 2016**

### **1 General information**

YOLO Leisure & Technology Plc ('the Company') is an investment company as defined under AIM Rule 15.

The Company is a publicly listed company on AIM, is incorporated and domiciled in England and its registered office is 18 Buckingham Gate, London, SW1E 6LB.

This interim financial information was approved for issue on 2 June 2016.

### **2 Accounting policies**

#### **2.1 Basis of preparation**

The interim financial information comprises the Statements of Financial Position at 31 March 2016 and 30 September 2015 and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the periods ended 31 March 2016 and 31 March 2015 and the related notes of YOLO Leisure & Technology Plc, (hereinafter referred to as 'the interim financial information').

The interim financial information has been prepared in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. In preparing this information, management have used the accounting policies set out in the Company's annual financial statements as at 30 September 2015.

This interim financial information does not constitute a set of statutory accounts under the requirements of the Companies Act 2006 and is neither audited nor reviewed. The comparative figures for the financial year ended 30 September 2015 are an extract from the Company's 2015 financial statements, which have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified.

This document (the Interim Statement 2016) will be published on the company's website and will be publicly available from the London Stock Exchange regulatory publications. The maintenance and integrity of the YOLO Leisure & Technology Plc website is the responsibility of the directors. Legislation in the UK governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

#### **2.2 Going concern**

The company's activities, together with the factors likely to affect its future development and performance, the financial position of the company, its cashflow and liquidity position have been considered by the directors and the Board is of the opinion that there are sufficient funds available to continue as a going concern for the foreseeable future. The Board is also planning to raise additional funds to continue to carry out its investment strategy as opportunities arise. Accordingly the Board consider it appropriate to adopt the going concern basis in preparing these condensed financial statements.

#### **2.3 Investments**

Financial assets and liabilities are fair valued using a hierarchy that reflects the significance of the inputs used in making the fair value assessment. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.



Level2: inputs other than quoted prices for identical assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### 3 Investments

	-	Listed £	Unlisted £	Total £
<b>Audited fair value at 30 September 2015</b>		673,346	557,500	1,230,846
Cost of acquisitions during the period		-	257,384	257,384
Unrealised loss on remeasurement to fair value		(318,506)	-	(318,506)
<b>Unaudited fair value at 31 March 2016</b>		<u>354,840</u>	<u>814,884</u>	<u>1,169,724</u>

### 4. Cash and cash equivalents

For the purpose of the interim cash flow statement, cash and cash equivalents are comprised of the following:

	Unaudited 31 March 2016 £	Unaudited 31 March 2015 £
Cash at bank and in hand	<u>231,393</u>	<u>194,675</u>

### 5 Share capital

	Unaudited six months ended 31 March 2016 £	Unaudited Six months ended 31 March 2015 £
<b>Issued and fully paid</b>		
As at 31 March 2015		
Ordinary shares (137,552,547 shares of 1p each)	1,375,526	1,375,526
Deferred shares (8,819,181 shares of 9p each)	793,726	793,726
Warrant exercised (1,370,211 shares of 1p each)	13,702	
20 January 2016 share placement (40,000,000 shares of 1p each)	400,000	-
	<u>2,582,954</u>	<u>2,169,252</u>

### Dividends paid and proposed

**6****Equity dividends on ordinary shares:**

No interim dividend was paid or is proposed for the half year ended 31 March 2016.

**7 Profit/(loss) per share**

The calculations of (loss)/profit per share are based on the following results and number of shares:

	<b>Unaudited six months ended 31 March 2016 £</b>	<b>Unaudited six months ended 31 March 2015 £</b>
(Loss)/profit for the financial period	<u>(439,418)</u>	<u>31,307</u>
Weighted average number of shares for diluted loss per share	<u>153,531,137</u>	<u>114,948,469</u>
Weighted average number of shares for basic loss per share	<u>181,075,272</u>	<u>114,948,469</u>

At 31 March 2016, the number of ordinary shares in issue was 178,922,758.

In accordance with the provisions of IAS 33 for the periods ended 31 March 2016, 30 September 2015 and 31 March 2015, shares under option were not regarded as dilutive in calculating earnings per share.

**8 Seasonality of interim operations**

YOLO Leisure & Technology Plc does not operate in a seasonal or cyclical business environment.