



29 September 2015

SyQic plc
("SyQic" or the "Group" or the "Company")

Half Yearly Report

SyQic plc, (AIM:SYQ), the fast growing OTT provider of paid video content across mobile and internet enabled consumer devices, announces its unaudited results for the six month period ended 30 June 2015.

FINANCIAL HIGHLIGHTS

- Revenue increased by 30% to £6.0m (H1 2014: £4.6m)
- Operating profit increased by 43% to £1.38m (H1 2014: £0.97m)
- Profit after tax increased by 43% to £1.37m (H1 2014: £0.96m)
- Earnings per share increased by 23% to 5.09p from 4.14p
- Net cash at 30 June 2015 of £0.58m (H1 2014: £0.45m)

OPERATIONAL HIGHLIGHTS

- Agreement with telecoms provider UK GlobeTel Ltd ("Globe UK") to launch a UK based co-branded Filipino version of the Yoomob service
- Korean focussed OTT service, Cool2vu, launched in Malaysia, Indonesia and Singapore
- Cool2vu service expanded into Europe, South America, Central America, India and the Philippines
- Heads of Terms agreement with ASIA eUniversity, to host courses and deliver educational programmes to its global student population
- Since launch, to the end of June, the Cool2vu service attracted 134,000 new users across 182 countries including in high growth markets such as Brazil, India and France

POST PERIOD HIGHLIGHTS

- As of 27th September 2015, the Cool2vu video service had been accessed by more than 427,000 users across 198 countries since launch with an average session time of 26 minutes

Jamal Hassim, Group Chief Executive Officer of SyQic, commented: "Our performance during the first half of 2015 has been very pleasing. While the Yoomob service continued to grow revenue through its transactional revenue model, our new Korean focused OTT service Cool2vu has seen rapid growth in user numbers, particularly in the period since the end of June. SyQic is now well placed to leverage its unique industry position as the global video streaming market expands and we continue to look for new geographical markets and new revenue opportunities to drive the business forwards."

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Notes to Editors:**About SyQic**

SyQic is a fast-growing provider of live TV and on-demand video content across mobile and internet-enabled consumer devices. Incorporated in Jersey with offices in Malaysia and the UK, it has a significant service footprint in Singapore, Indonesia and Malaysia.

The Group launched its new Korean content service called "Cool2vu" in Malaysia, Singapore and Indonesia in January 2015 streaming high demand Korean content initially utilising an advertising revenue model. The service has since been expanded to include Europe, South America, Central America, India and the Philippines.

Chief Executive's Statement

The Board is pleased to report that trading results continued to improve in line with management expectations during the first six months of the year. Revenues increased 30% to £6.0m from £4.6m in the corresponding period of 2014 and profit after tax increased 43% to £1.37m from £0.96m. Operating costs have been kept under control during the period demonstrating the strong level of operational gearing within our business.

The strong profit after tax performance delivered earnings per share ("EPS") of 5.09p, representing growth of 23% against 4.14% EPS growth for the comparative period last year.

At the half year the Company has made a charge against reserves of £0.7m for translation losses into our reporting currency of Sterling. Due to the ongoing pressure on the Malaysian Ringgit, management expect that the Company will show further foreign exchange translation losses in the second half of the year. SyQic's exposure to currency fluctuations in the Southeast Asian region are mitigated by the Company having launched its services elsewhere across the globe in 2015, including Europe, South America and Central America.

The Company ended the period with net cash of £0.58m (H1 2014: £0.45m) and trade receivables of £8.4m (H1 2014: £5.4m). The Company has received some large payments from its customers during the first half of 2015 and management are focused on further improving the level of collections in the second half of the year. As the company is now coming to the later stages of the payment plans struck with its primary customer for recovery of 2012 and 2013 billings, all trade receivables are now classed as current assets. In addition the Company has access to a £3m working capital facility should it ever be required.

There is no doubt consumption of video over the internet is growing strongly and the Board believes it is critical that any player in the video streaming market will require a strong catalogue and a robust and global mobile delivery capability. During the period the Company invested in its content catalogues and undertook a strategic software development programme to allow the Company to increase its addressable market by enabling access by users of Android and iOS internet-enabled mobile, tablet devices and personal computers. SyQic's platforms are now fully compatible with all Android and iOS devices providing access to approximately 80% of the global mobile market.

Strategic launch of Cool2vu

Korean popular culture is becoming increasingly established as a global brand and demand for Korean music and drama programming has recently surged in many parts of the world, especially across new and emerging markets. This can be observed by the actions of some Korean broadcasters who are actively entering these new markets with pay TV channels.

In August 2014, the Company acquired the operating assets of a leading Malaysian-based Korean drama streaming service, which it successfully rebranded and launched across Malaysia, Indonesia and Singapore as Cool2vu in January 2015. In March 2015, the service was expanded into Europe, India, Philippines and South and Central America.

A significant proportion of Cool2vu customers are from Southeast Asia but we are now seeing encouraging growth patterns particularly in South America and also in Europe. The Cool2vu service has started to generate advertising revenue and this is a revenue stream we expect to increase substantially as the user base continues to grow and the service attracts new users in other markets. In addition to the advertising revenue generated by Cool2vu, our strategy is to also explore revenue generation opportunities in the areas of subscription and e-commerce as well as to cross sell the platform's content to our core telco customers.

The Cool2vu mobile compatible service is fully translated into seven key languages and the content can be

viewed in over 20 languages giving the service a fully addressable audience of 3.13 billion people across four geographic regions. Since launch, to the end of June 2015, the Cool2vu service was accessed by more than 132,000 new users. By the end of September, the service will have been accessed by more than 430,000 new users across 198 countries, demonstrating a strong upward growth trajectory for the remainder of 2015.

The Board firmly believes it has achieved a timely market entry as demand for the video content it supplies has never been more highly sought. All indications are that smartphone ownership and usage is set to grow substantially and is leading to a growing demand by consumers for access to video content over the internet. SyQic is at the forefront of advances in mobile video technology and is well positioned to scale globally and maximise revenue streams.

Yoomob

Our major mass-market Telco offering, Yoomob, has been enhanced with the delivery of an upgraded web/WAP based service for major Telcos in Southeast Asia. SyQic has built on its existing Web streaming expertise to further enhance the Yoomob video service offering, while retaining its capability to reach a wide range of handset devices and deliver high quality video experiences at very low bit-rates. Yoomob has now been enhanced to make use of higher streaming speeds where available, hence offering higher quality video playback to a wider range of smartphones - thereby expanding our addressable user base. We continue to leverage the strong relationships that the Company has developed with key telcos throughout Southeast Asia to ensure an affordable subscription model that maximises existing mobile data services.

In addition, back-end improvements have been made to the Yoomob billing engine to facilitate enhanced WAP based billing to those carriers who have upgraded from the traditional SMS based billing. This expands further our billing capability, which now offers expanded payment capabilities such as scratch cards, premium SMS, WAP, debit and credit cards.

Several new deployments are planned for Yoomob in Southeast Asia in the second half of 2015 while further landings in Asia and Southern Africa are at an advanced discussion stage.

Outlook

We are pleased with our performance during the first half of 2015, during which time we achieved strong growth in revenue and earnings per share.

While our core telco business remains strong with Yoomob generating revenues of £6.0m during the first half of 2015, the re-branding and launch of Cool2vu during the period has enabled us to realign our content portfolio towards high-demand Korean drama and music. This has enabled us to expand our customer base, create advertising revenue streams and provide a number of new revenue opportunities and cost synergies going forward.

These positive strategic developments, combined with the continuing profitable growth of our core business post period end, enables the Company to look forward to the future with confidence.

Jamal Hassim

Chief Executive

29 September 2015

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	Note	Six months ended 30 June 2015 Unaudited £'000	Six months ended 30 June 2014 Unaudited £'000	Year ended 31 December 2014 Audited £'000
Continuing operations				
Revenue	4	5,955	4,591	10,672
Cost of sales		(3,520)	(2,420)	(6,022)
Gross profit		2,435	2,171	4,650
Other income		108	8	420
Other operating expenses		(304)	(106)	(985)
Administrative expenses		(855)	(1,107)	(1,978)
Operating profit		1,384	966	2,107
Net finance costs		(6)	(6)	(13)
Profit before taxation		1,378	960	2,094
Corporation tax expense	5	(8)	-	(103)
Profit after taxation		1,370	960	1,991
Other comprehensive income:				
Items that may or will be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		(739)	(40)	(32)
Total comprehensive income		631	920	1,959
Profit attributable to:				
Equity holders of SyQic plc		1,370	960	1,991
Total comprehensive income attributable to:				
Equity holders of SyQic plc		631	920	1,959
Earnings per share (pence) - Basic	3	5.09	4.14	8.14
Earnings per share (pence) - Diluted	3	5.09	4.05	8.14

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	As at 30 June 2015 Unaudited £'000	As at 30 June 2014 Unaudited £'000	As at 31 December 2014 Audited £'000
ASSETS			
Non-current assets			
Property, plant and equipment	84	112	100
Intangible assets	819	564	1,037
Deferred tax assets	-	50	-
Non-current trade receivables	-	1,559	768
	903	2,285	1,905
Current assets			
Trade receivables	8,360	3,858	6,252
Other receivables, deposits and prepayments	204	76	585
Cash and bank balances	581	448	218
	9,145	4,382	7,055
TOTAL ASSETS	10,048	6,667	8,960
LIABILITIES			
Current liabilities			
Trade payables	16	376	66
Other payables and accruals	700	430	315
Taxation	36	-	30
Due to directors (non-trade)	227	205	112
Due to shareholders (non-trade)	67	70	71
Finance lease obligations	17	22	19
	1,063	1,103	613

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015 (continued)

	As at 30 June 2015 Unaudited £'000	As at 30 June 2014 Unaudited £'000	As at 31 December 2014 Audited £'000
Non-current liabilities			
Finance lease obligations	66	88	79
	66	88	79
TOTAL LIABILITIES	1,129	1,191	692
NET ASSETS	8,919	5,476	8,268
EQUITY			
Capital and reserves attributable to equity holders of SyQic Plc			
Stated capital account	15,859	14,165	15,859
Merger reserve	(8,654)	(8,654)	(8,654)
Share option reserve	96	46	105
Translation reserve	(1,082)	(351)	(343)
Retained profits	2,700	270	1,301
TOTAL EQUITY	8,919	5,476	8,268

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital accou nt £'000	Merger reserve £'000	Translatio n reserve / deficit £'000	Retained profits / (accumulated losses) £'000	Share option reserve £'000	Total £'000
For the six months ended 30 June 2014:						
Balance as at 1 January 2015	15,859	(8,654)	(343)	1,301	105	8,268
Profit for the period	-	-	-	1,370	-	1,370
Other comprehensive income	-	-	(739)	-	-	(739)
Total comprehensive income	-	-	(739)	1,370	-	631
Transactions with owners:						
Share based payment charge	-	-	-	-	20	20
Release on surrender of share options	-	-	-	29	(29)	-
Balance as at 30 June 2015	15,859	(8,654)	(1,082)	2,700	96	8,919
For the year ended 31 December 2014:						
Balance as at 1 January 2014	14,165	(8,654)	(311)	(690)	6	4,516
Profit for the year	-	-	-	1,991	-	1,991
Other comprehensive income	-	-	(32)	-	-	(32)
Total comprehensive income	-	-	(32)	1,991	-	1,959
Issue of shares, net of share issue costs	1,694	-	-	-	-	1,694
Share based payment charge	-	-	-	-	99	99
Transactions with owners	1,694	-	-	-	99	1,793
Balance as at 31 December 2014	15,859	(8,654)	(343)	1,301	105	8,268
For the six months ended 30 June 2014:						
Balance as at 1 January 2014		(8,654)	(311)	(690)	6	4,516

	14,165				
Profit for the period	-	-	-	960	960
Other comprehensive income	-	-	(40)	-	(40)
Total comprehensive income	-	-	(40)	960	920
Transactions with owners:					
Share based payment charge	-	-	-	-	40
Balance as at 30 June 2014	14,165	(8,654)	(351)	270	5,476

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Six months ended 30 June 2015 Unaudited £'000	Six months ended 30 June 2014 Unaudited £'000	Year ended 31 December 2014 Audited £'000
Cash flows from operating activities			
Profit before income tax	1,378	960	2,094
Adjustments:			
Depreciation of property, plant and equipment	14	24	40
Amortisation of intangible assets	165	70	189
Fair value loss on trade receivables	-	-	330
Unwinding of fair value loss on trade receivables	-	-	(188)
Share option charge	20	40	99
Interest expense	6	6	13
Operating cash flow before working capital changes	1,583	1,100	2,577
Increase in trade and other receivables	(957)	(1,681)	(3,935)
Increase / (decrease) in trade and other payables	335	29	(398)
Increase / (decrease) in amounts due to directors	115	4	(88)
Increase in amounts due to shareholders	(4)		1
Cash generated from / (used in) operations	1,072	(548)	(1,843)
Interest paid	(6)	(6)	(13)
Income taxes paid /(received)	1	-	(22)
Net cash generated from /(used in) operating activities	1,067	(554)	(1,878)
Cash flows from investing activities			
Purchase of plant and equipment	(4)	(9)	(10)
Acquisition of intangible assets	-	-	(570)
Net cash used in investing activities	(4)	(9)	(580)
Cash flows from financing activities			
Proceeds from issue of share capital, net of share issue	-	-	1,694
Proceeds from / (repayment of) lease obligations	(15)	(10)	(22)
Net cash (used in) / generated from financing activities	(15)	(10)	1,672
Net (decrease) / increase in cash and bank balances	1,048	(573)	(786)
Cash and bank balances at beginning of period	218	1,049	1,049
Foreign exchange losses on consolidation	(685)	(28)	(45)
Cash and bank balances at end of period	581	448	218

**Notes to the unaudited interim report
For the six months ended 30 June 2015**

1. General information

The company is a public company limited by shares and incorporated in Jersey. The company is domiciled in Jersey and the registered office is 13-14 Esplanade, St Helier, Jersey, Channel Islands, JE1 1BD.

The principal activity of the company is a provider of live TV and on-demand paid video content across various types of internet-enabled consumer electronics devices.

2. Basis of preparation

The interim financial information has been prepared on the basis of the accounting policies set out in the annual report and accounts for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards as adopted for use by the European Union.

The interim financial information is unaudited and does not constitute statutory accounts as defined in the Companies (Jersey) Law 1991.

The interim financial information has been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ending 31 December 2015. Any new standards that will be adopted in full for the first time in the year-end financial statements do not have a material impact on this interim financial information.

The statutory financial statements for the year ended 31 December 2014 were prepared under IFRS and IFRIC interpretations as adopted by the European Union and in accordance with the requirements of the Companies (Jersey) Law 1991. The auditors reported on those financial statements; their Audit Report was unqualified, but contained an emphasis of matter in respect of the credit exposure to the Group's largest customer.

Certain comparatives have been restated to give a more consistent presentation against current year amounts.

The interim financial information set out in this announcement was approved and authorised for issue by the board of directors on 25 September 2015.

Copies of this financial information will be available on the Company's website.

3. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares.

	Six months ended 30 June 2015 Unaudited £'000	Six month: ended 30 June 2014 Unaudited £'000	Year ended 31 2014 Audited £'000
Profit after tax attributable to owners of the Group	1,370	960	1,991
Weighted average number of shares:			
Basic	26,898,845	23,198,845	24,450,900
Diluted	26,898,845	23,698,845	24,466,211
Earnings per share (pence)			
Basic	5.09	4.14	8.14
Diluted	5.09	4.05	8.14

4. SEGMENTAL ANALYSIS

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (which takes the form of the board of directors of the Company) as defined in IFRS 8, in order to allocate resources to the segment and to assess its performance.

Based on management information there is only one operating segment. Revenues are reviewed based on the products and services provided.

The Directors of the Company consider the principal activity of the Group to be that of a provider of OTT live TV and on-demand paid video content across mobile, internet-enabled consumer electronics devices such as mobile phones and tablets, and to consummate one reportable segment, that of the provision of OTT live TV and on-demand paid video content services.

Revenues derived from major customers, who individually represent 10% or more of total revenue are as follows

	Six months ended 30 June 2015 Unaudited £'000	Six months ended 30 June 2014 Unaudited £'000	Year ended 31 December 2014 Audited £'000
Customer A	2,796	2,680	5,565
Customer B	3,035	1,666	4,644
Customer C	113	161	301
Other customers	11	84	162
	<hr/> 5,955	<hr/> 4,591	<hr/> 10,672

All revenues were generated by operations in Asia in the year ended 31 December 2014 and the six months ended 30 June 2015.

5. INCOME TAX EXPENSE

The income tax expense of £8,000 comprises a provision for current taxation arising from the Group's operations in Malaysia.

There is no taxation arising from other comprehensive income.

6. RELATED PARTY INFORMATION

Three personal guarantees and indemnities which were entered into between December 2011 and July 2013, and which are more fully described in the Company's annual report for the year ended 31 December 2014, remained in place throughout the six month period ended 30 June 2015.

7. SEASONALITY OF THE GROUPS BUSINESS

There are no seasonal factors which materially affect the operations of any company in the Group.

- Ends -