

12 September 2023

Gaming Realms plc

(the "Company" or the "Group")

Interim Results

Content licensing revenue grew 37% to £8.8m after 12 consecutive half years of growth

37% increase in Adjusted EBITDA¹ to £4.8m

Gaming Realms plc (AIM: GMR), the developer and licensor of mobile focused gaming content, is pleased to announce its interim results for the six months to 30 June 2023 (the "Period" or "H1'23").

Financial highlights:

	H1'23	H1'22	Change
	£m	£m	%
Revenue (Content licensing)	8.8	6.4	+37%
Revenue (Brand licensing)	1.0	0.3	+222%
Revenue (Social)	1.8	1.8	-2%
Total revenue	11.5	8.5	+36%
Adjusted EBITDA	4.8	3.5	+37%
Profit before tax	2.4	1.4	+74%

- Total revenue grew 36% to £11.5m in H1'23 (H1'22: £8.5m)
- Group Adjusted EBITDA grew 37% to £4.8m (H1'22: £3.5m), representing a 41% Adjusted EBITDA margin (H1'22: 41%)
- Total licensing revenues grew 46% to £9.8m (H1'22: £6.7m)
 - Content licensing revenue increased 37% to £8.8m (H1'22: £6.4m) with an EBITDA margin of 54% (H1'22: 52%)
 - Brand licensing revenue increased 222% to £1.0m (H1'22: £0.3m)
- Profit before tax increased 74% to £2.4m (H1'22: £1.4m)
- Net cash at period end up 54% to £4.5m (Dec'22: £2.9m) demonstrating the cash generative nature of the Group's business model

Operational highlights:

- Launched with 25 new partners globally, including Bet365 in the UK, Betway, OLG (Provincial Lottery) and LeoVegas in Ontario and Pokerstars in New Jersey
- Submitted iGaming Supplier Licenses in British Columbia and South Africa and the Company was granted its Swedish Gaming Authority License
- Secured brand licensing agreements for Tetris and TAITO's SPACE INVADERS, both expected to launch in the second half of 2023

- Gained ISO 27001 certification, an internationally recognised standard for managing information security
- Released 5 new games into the market, including *Slingo Cleopatra* and *Slingo Money Train*. The Group now has 70 games in its portfolio (Dec'22: 65 games, Jun'22: 61 games)

Post period-end:

- Licensing revenue increased 20% in the two months post period-end compared to the same period in 2022
- Launched Slingo Originals content with Betclix in the Portuguese regulated market
- Released *Slingo Cosmic Clusters*

¹ EBITDA is profit before interest, tax, depreciation and amortisation expenses and is a non-GAAP measure. The Group uses EBITDA to comment on its financial performance. The Group uses EBITDA before share option and related charges (Adjusted EBITDA) to comment on its financial performance above.

Outlook for FY23:

Gaming Realms has continued its growth through the first half of 2023, as the Company continues to execute on its core strategy of developing and licensing games globally to market-leading brands and operators delivering high margin revenues.

This Period has seen a record performance for the Group in terms of revenue and EBITDA, driven by our core content licensing business which has had 12 consecutive half years of growth.

This strong momentum is expected to continue into the second half of the year, given the Group is still entering new markets and releasing new games, having recently launched with Betclix in Portugal and having applied for a licence to supply its games to the South African market and to the Lottery in British Columbia.

The European market continues to be the largest contributor to content licensing revenues, having grown 38% in the Period when compared to the same period in 2022, launching 5 new Slingo games and adding 9 new partners.

Our revenues from North American content licensing have increased 37%, with the region accounting for 45% of content licensing revenue. New Jersey continues to be our leading market, but Pennsylvania and Michigan are growing strongly as we launch more games with new partners. As at 30 June 2023, we were live with 57 games in New Jersey across 20 partners, 18 games across 12 partners in Pennsylvania and 28 games across 12 partners in Michigan.

In total we have launched with 25 partners in H1 2023. This growth is supported by the launch of premium games, including *Slingo Cleopatra* and *Slingo Money Train*. With the upcoming launch of *Slingo SPACE INVADERS* and *Tetris Slingo*, we are confident of further growth for the remainder of the year and the Board remains comfortable with market expectations around FY23 financial performance.

Commenting on the first half performance, Mark Segal, Chief Executive Officer, said:

"We have delivered a strong first half performance as we have grown our international licensing business with the launch of our innovative Slingo content to a growing number of partners and players."

"The Group has a strong pipeline of new business and the outlook for the Group remains positive. We are seeing growth in our existing partnerships coupled with new operator, product and market launches, which gives us great confidence in terms of the longer term prospects for the business."

An analyst briefing will be held virtually at 11.00am today. To attend, please contact Yellow Jersey at gamingrealms@yellowjerseypr.com

Enquiries

Gaming Realms plc
Michael Buckley, Executive Chairman
Mark Segal, CEO
Geoff Green, CFO

0845 123 3773

Peel Hunt LLP - NOMAD and Joint Broker
George Sellar
Andrew Clark
Lalit Bose

020 7418 8900

Investec Bank plc - Joint Broker
Bruce Garrow

020 7597 5970

About Gaming Realms

Gaming Realms creates and licenses innovative games for mobile, with operations in the UK, U.S. and Canada. Through its unique IP and brands, Gaming Realms is bringing together media, entertainment and gaming assets in new game formats. The Gaming Realms management team includes accomplished entrepreneurs and experienced executives from a wide range of leading gaming and media companies.

Business review

The Group delivered overall revenue growth of 36% to £11.5m (H1'22: £8.5m), driven by the Group's core content licensing business.

The Group generated EBITDA of £4.5m (H1'22: £3.3m) and £4.8m before share option and related charges (H1'22: £3.5m).

The £1.2m increase in EBITDA generated compared with the prior period has seen the Group record a profit before tax of £2.4m (H1'22: £1.4m), an increase of £1.0m on the prior period.

Licensing

Licensing segment revenues increased 46% to £9.8m (H1'22: £6.7m), which is broken down as:

- Content licensing revenue growth of 37% to £8.8m (H1'22: £6.4m); and
- Brand licensing revenue increased 222% to £1.0m (H1'22: £0.3m).

The segment delivered £5.7m EBITDA in the period, a 57% overall uplift over the £3.6m in H1'22.

Content licensing

The core focus of the Group continues to be growing the content licensing business by way of expanding into new regulated territories, growing our unique Slingo games portfolio and developing deep relationships with new and existing partners to maximise value and engagement.

During the period under review, the Group went live with a further 25 partners in existing markets within Europe and North America. The Company was also granted its Swedish Gaming Authority license, allowing the Company to continue to supply its games to the Swedish market, and submitted license applications in both British Columbia, Canada and South Africa.

An additional 5 new Slingo games were released to the market during the period, bringing the Group's games portfolio to 70 games at the period end (H1'22: 61 games).

Slingo is a unique genre of game in the market, which is driving engagement with partners. It continues to prove highly popular with both partners and players.

This resulted in a 37% increase in content licensing revenues to £8.8m (H1'22: £6.4m). Total segmental expenses (excluding share option and related charges) increased 34% to £4.0m (H1'22: £3.0m), further demonstrating the operational leverage of the content licensing business.

After the period end, the Group began distributing its content in the Portuguese regulated market.

Brand licensing

Revenues from the Group's brand licensing activities, which are non-core, increased to £1.0m (H1'22: £0.3m). This is a result of two brand deals completed in the period, including a deal with Entain to launch *Slingo Bingo* which went live in May 2023.

Social

Revenues in the Group's social publishing business reduced 2% to £1.75m in the period (H1'22: £1.79m).

Marketing expenses of £0.3m (H1'22: £0.0m) have been invested during the period aimed at increasing player numbers, activity and revenues over a 12-month period. Management do not expect this level of marketing investment to be repeated in the second half of the year, as we expect revenues to be maintained. Social remains a business where we can further monetise our Slingo portfolio.

Excluding marketing expenses, segmental expenses increased 12% to £1.2m (H1'22: £1.1m) as a result of further investment in the development and operational team to support the Group's growth plan.

Cashflow and balance sheet

The Group's cash balance at 30 June 2023 was £4.5m, an increase of £1.6m from the £2.9m reported at 31 December 2022.

The current period increase in cash was largely driven by the £3.9m cash inflow from operations, offset by £2.2m development costs capitalised during the period and £0.1m acquisition of tangible and intangible assets.

The Group remains debt free following the repayment of the convertible loan with Gamesys Group in December 2022.

The Board continues to review the optimal use of the cash balance.

The Group's net asset position at the period end was £20.5m (31 December 2022: £17.9m).

Dividend

The Board of Directors are not proposing an interim dividend for the Period as it continues to execute on its strategy and invest in the growth of the business.

Consolidated statement of comprehensive income for the 6 months ended 30 June 2023

		6M 30 June 2023 Unaudited £	6M 30 June 2022 Unaudited * £
	Note		
Revenue	2	11,543,255	8,507,887
Other income		63,147	-
Marketing expenses		(437,398)	(53,274)
Operating expenses		(2,274,375)	(1,780,497)
Administrative expenses		(4,143,790)	(3,194,016)
Share option and related charges	10	(246,056)	(162,819)
EBITDA	2	4,504,783	3,317,281
Amortisation of intangible assets	6	(2,011,497)	(1,737,493)
Depreciation of property, plant and equipment	5	(135,044)	(124,071)
Finance expense	3	(21,845)	(117,769)
Finance income	3	15,873	13,038
Profit before tax		2,352,270	1,350,986
Taxation credit		159,578	42,155
Profit for the period		2,511,848	1,393,141
Other comprehensive income			

Items that will or may be reclassified to profit or loss:

— Foreign currency translation differences

Exchange (loss) / gain arising on translation of foreign operations	(95,724)	193,753
Total other comprehensive income	(95,724)	193,753
Total comprehensive income	2,416,124	1,586,894
Profit attributable to:		
Owners of the parent	2,511,848	1,393,141
Total comprehensive income attributable to:		
Owners of the parent	2,416,124	1,586,894
Earnings per share	Pence	Pence
Basic	4	0.86
Diluted	4	0.84

* Comparative numbers for the period ended 30 June 2022 have been restated. See Note 1 for further details.

Consolidated statement of financial position
as at 30 June 2023

		30 June 2023	31 December 2022
	Note	Unaudited	Audited
		£	£
Non-current assets			
Intangible assets	6	12,625,820	12,422,852
Property, plant and equipment	5	420,498	535,409
Deferred tax asset		871,255	287,407
Other assets		139,531	138,798
		14,057,104	13,384,466
Current assets			
Trade and other receivables	7	5,231,496	5,336,330
Cash and cash equivalents		4,490,232	2,922,775
		9,721,728	8,259,105
Total assets		23,778,832	21,643,571
Current liabilities			
Trade and other payables	8	2,738,282	3,270,319
Lease liabilities		125,848	217,731
		2,864,130	3,488,050
Non-current liabilities			
Deferred tax liability		238,246	75,592
Lease liabilities		126,752	167,680
		364,998	243,272
Total liabilities		3,229,128	3,731,322
Net assets		20,549,704	17,912,249
Equity			
Share capital	9	29,288,826	29,200,676
Share premium		87,670,735	87,653,774
Merger reserve		(67,673,657)	(67,673,657)
Foreign exchange reserve		1,453,977	1,549,701
Retained earnings		(30,190,177)	(32,818,245)
Total equity		20,549,704	17,912,249

Consolidated statement of cash flows
for the 6 months ended 30 June 2023

	30 June 2023	30 June 2022
	Unaudited	Unaudited

	Note	£	£
Cash flows from operating activities			
Profit for the period		2,511,848	1,393,141
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	5	135,044	124,071
Amortisation of intangible fixed assets	6	2,011,497	1,737,493
Finance income	3	(15,873)	(13,038)
Finance expense	3	21,845	117,769
Income tax credit		(159,578)	(42,155)
Exchange differences		(6,653)	5,413
Share based payment expense	10	116,220	253,775
Increase in trade and other receivables		119,974	(1,427,075)
Decrease in trade and other payables		(215,605)	(145,627)
Decrease in other assets		-	11,848
Net cash flows from operating activities before taxation		4,518,719	2,015,615
Net tax paid in the period		(578,675)	-
Net cash flows from operating activities before taxation		3,940,044	2,015,615
Investing activities			
Acquisition of property, plant and equipment	5	(25,336)	(99,376)
Acquisition of intangible assets	6	(83,763)	(83,143)
Capitalised development costs	6	(2,204,419)	(2,088,552)
Net cash used in investing activities		(2,313,518)	(2,271,071)
Financing activities			
IFRS 16 lease payments		(136,662)	(103,282)
Issue of share capital on exercise of options	9	105,111	13,332
Interest paid		(13,866)	(99,393)
Net cash used in financing activities		(45,417)	(189,343)
Net increase / (decrease) in cash and cash equivalents		1,581,109	(444,799)
Cash and cash equivalents at beginning of period		2,922,775	4,412,375
Exchange (loss) / gain on cash and cash equivalents		(13,652)	27,806
Cash and cash equivalents at end of period		4,490,232	3,995,382

**Consolidated statement of changes in equity
for the 6 months ended 30 June 2023**

	Share capital £	Share premium £	Merger reserve £	Foreign Exchange Reserve £	Retaine earning
1 January 2022	28,970,262	87,370,856	(67,673,657)	1,418,269	(36,977,221)
Profit for the period	-	-	-	-	1,393,141
Other comprehensive income	-	-	-	193,753	-
Total comprehensive income for the period	-	-	-	193,753	1,393,141
Contributions by and distributions to owners					
Share-based payment on share options (Note 10)	-	-	-	-	253,775
Exercise of options (Note 9)	13,332	-	-	-	-
Conversion of loan	217,082	282,918	-	-	106,000
30 June 2022 (unaudited)	29,200,676	87,653,774	(67,673,657)	1,612,022	(35,224,311)
1 January 2023	29,200,676	87,653,774	(67,673,657)	1,549,701	(32,818,241)
Profit for the period	-	-	-	-	2,511,841
Other comprehensive income	-	-	-	(95,724)	-
Total comprehensive income for the period	-	-	-	(95,724)	2,511,841
Contributions by and distributions to owners					
Share-based payment on share options (Note 10)	-	-	-	-	116,220
Exercise of options (Note 9)	88,150	16,961	-	-	-
30 June 2023 (unaudited)	29,288,826	87,670,735	(67,673,657)	1,453,977	(30,190,171)

Notes forming part of the consolidated financial statements
For the 6 months ended 30 June 2023

1. Accounting policies

General Information

Gaming Realms plc ("the Company") and its subsidiaries (together "the Group").

The Company is admitted to trading on AIM of the London Stock Exchange. It is incorporated and domiciled in the UK. The address of its registered office is Two Valentine Place, London, SE1 8QH.

The results for the six months ended 30 June 2023 and 30 June 2022 are unaudited.

Basis of preparation

The financial information for the year ended 31 December 2022 included in these financial statements does not constitute the full statutory accounts for that year. The Annual Report and Financial Statements for 2022 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2022 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

This interim report, which has neither been audited nor reviewed by independent auditors, was approved by the board of directors on 11 September 2023. The financial information in this interim report has been prepared in accordance with UK adopted international accounting standards. The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2022 and which will form the basis of the 2023 financial statements.

The consolidated financial statements are presented in Sterling.

Restatement of comparatives

The comparative results for the period ended 30 June 2022 have been restated for the following items:

- Management believes the presentation of hosting costs as an operating expense rather than an administrative expense more accurately reflects the function of the expense. Therefore £601,196 of hosting costs incurred in the comparative period have been reclassified from administrative expenses to operating expenses. This reclassification has no impact on reported EBITDA or profit after tax for the comparative period.
- In the financial statements for the year ended 31 December 2022, the functional currency of a group company was changed, effective 1 January 2022. This change was omitted from the 2022 interim financial statements, which have been restated to reflect this change from 1 January 2022. The restatement has reduced the total amortisation charge by £15,079 to £1,737,493, and reduced the tax credit by £2,564 to £42,155. The overall impact is no change to the previously reported EBITDA and an increase in the reported profit after tax by £15,515 for the comparative period.

Going concern

The Group meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources.

The Group prepares cash flow forecasts and re-forecasts at least bi-annually as part of the business planning process.

The Directors have reviewed forecast cash flows for the period to December 2025, and consider that the Group will have sufficient cash resources available to meet its liabilities as they fall due.

Accordingly, these financial statements have been prepared on the basis of accounting principles applicable to

Accordingly, these financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group will realise its assets and discharge its liabilities in the normal course of business.

EBITDA

EBITDA is a non-GAAP company specific measure defined as profit or loss before tax adjusted for finance income and expense, depreciation and amortisation. EBITDA before share option and related charges (Adjusted EBITDA) is considered to be a key performance measure by the Directors as it serves as an indicator of financial performance.

2. Segment information

The Board is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance.

The Group has two reportable segments.

- Licensing - B2B brand and content licensing to partners in the US and Europe; and
- Social publishing - provides B2C freemium games to the US.

Revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- Depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- Enable users to understand the relationship with revenue segment information provided below.

	Licensing £	Social publishing £	Other £	Total £
H1 2023 revenue				
<i>Primary geographical markets</i>				
UK, including Channel Islands	531,124	-	-	531,124
USA	3,978,599	1,754,604	-	5,733,203
Isle of Man	392,765	-	-	392,765
Malta	1,736,619	-	-	1,736,619
Gibraltar	2,483,391	-	-	2,483,391
Rest of the World	666,153	-	-	666,153
	9,788,651	1,754,604	-	11,543,255
<i>Contract counterparties</i>				
Direct to consumers (B2C)	-	1,754,604	-	1,754,604
B2B	9,788,651	-	-	9,788,651
	9,788,651	1,754,604	-	11,543,255
<i>Timing of transfer of goods and services</i>				
Point in time	9,788,651	1,754,604	-	11,543,255
Over time	-	-	-	-
	9,788,651	1,754,604	-	11,543,255

2. Segment information (continued)

	Licensing £	Social publishing £	Other £	Total £
H1 2022 revenue				
<i>Primary geographical markets</i>				
	444,500		44,000	488,500

UK, including Channel Islands	411,529	-	11,000	422,529
USA	2,857,929	1,788,722	-	4,646,651
Isle of Man	359,662	-	-	359,662
Malta	1,224,280	-	-	1,224,280
Gibraltar	1,208,956	-	-	1,208,956
Rest of the World	645,809	-	-	645,809
	6,708,165	1,788,722	11,000	8,507,887

Contract counterparties				
Direct to consumers (B2C)	-	1,788,722	-	1,788,722
B2B	6,708,165	-	11,000	6,719,165
	6,708,165	1,788,722	11,000	8,507,887

Timing of transfer of goods and services				
Point in time	6,708,165	1,788,722	11,000	8,507,887
Over time	-	-	-	-
	6,708,165	1,788,722	11,000	8,507,887

EBITDA

H1 2023	Licensing £	Social publishing £	Head Office £	Total £
Revenue	9,788,651	1,754,604	-	11,543,255
Other income	-	63,147	-	63,147
Marketing expense	(55,826)	(334,197)	(47,375)	(437,398)
Operating expense	(1,622,353)	(652,022)	-	(2,274,375)
Administrative expense	(2,342,829)	(582,910)	(1,218,051)	(4,143,790)
Share option and related charges	(50,100)	(5,499)	(190,457)	(246,056)
EBITDA	5,717,543	243,123	(1,455,883)	4,504,783

2. Segment information (continued)

H1 2022	Licensing £	Social publishing £	Head Office £	Total £
Revenue	6,708,165	1,788,722	11,000	8,507,887
Marketing expense	(13,081)	(2,063)	(38,130)	(53,274)
Operating expense	(1,161,910)	(618,587)	-	(1,780,497)
Administrative expense	(1,815,916)	(485,343)	(892,757)	(3,194,016)
Share option and related charges	(77,067)	(855)	(84,897)	(162,819)
EBITDA	3,640,191	681,874	(1,004,784)	3,317,281

As per Note 1, the restatement of comparative results relating to hosting fees has also been reflected in the segmental information. In the licensing segment £440,153 has been reclassified from administrative expenses to operating expenses, in the social publishing segment the reclassification is £161,043.

3. Finance income and expense

	6M 30 June 2023 £	6M 30 June 2022 £
Finance income		
Interest received	733	-
Interest income on unwind of deferred income	15,140	13,038
Total finance income	15,873	13,038

Total finance income	13,973	13,030
Finance expense		
Bank interest paid	13,866	9,519
Effective interest on other creditor	-	94,497
Interest expense on lease liability	7,979	13,753
Total finance expense	21,845	117,769

4. Earnings per share

Basic earnings per share is calculated by dividing the result attributable to ordinary shareholders by the weighted average number of shares in issue during the period. The calculation of diluted EPS is based on the result attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The Group's potentially dilutive securities consist of share options.

	6M 30 June 2023 £	6M 30 June 2022 £
Profit after tax attributable to the owners of the parent Company	2,511,848	1,393,141
	Number	Number
<i>Denominator - basic</i>		
Weighted average number of ordinary shares	292,174,223	291,309,072
<i>Denominator - diluted</i>		
Weighted average number of ordinary shares	292,174,223	291,309,072
Weighted average number of option shares	8,092,887	7,442,107
Weighted average number of shares	300,267,111	298,751,179
	Pence	Pence
Basic earnings per share	0.86	0.48
Diluted earnings per share	0.84	0.47

5. Property, plant and equipment

	ROU lease assets £	Leasehold improvements £	Computers and related equipment £	Office furniture and equipment £	Total £
Cost					
At 1 January 2023	835,973	63,113	436,667	68,231	1,403,984
Additions	-	-	24,261	1,075	25,336
Disposals	(121,996)	-	-	-	(121,996)
Exchange differences	(4,279)	(160)	(3,320)	(1,046)	(8,805)
At 30 June 2023	709,698	62,953	457,608	68,260	1,298,519
Accumulated depreciation and impairment					
At 1 January 2023	493,168	46,326	266,456	62,625	868,575
Depreciation charge	78,193	6,163	49,137	1,551	135,044
Disposals	(121,996)	-	-	-	(121,996)
Exchange differences	(210)	(160)	(2,251)	(981)	(3,602)
At 30 June 2023	449,155	52,329	313,342	63,195	878,021
Net book value					
At 1 January 2023	342,805	16,787	170,211	5,606	535,409
At 30 June 2023	260,543	10,624	144,266	5,065	420,498

6. Intangible assets

Goodwill £	Customer database £	Software £	Development costs £	Licenses £	Domain names £	Intellectual Property £	Total £
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Cost								
At 1 January 2023	6,799,250	1,490,536	1,316,645	21,493,414	319,471	8,874	5,844,747	37,272,937
Additions	-	-	16,627	2,204,419	67,136	-	-	2,288,182
Exchange differences	(54,383)	-	-	(29,931)	(392)	-	-	(84,706)
At 30 June 2023	6,744,867	1,490,536	1,333,272	23,667,902	386,215	8,874	5,844,747	39,476,413
Accumulated amortisation and impairment								
At 1 January 2023	1,650,000	1,490,536	1,291,285	14,879,872	129,430	8,874	5,400,088	24,850,085
Amortisation charge	-	-	20,483	1,559,222	66,249	-	365,543	2,011,497
Exchange differences	-	-	-	(10,989)	-	-	-	(10,989)
At 30 June 2023	1,650,000	1,490,536	1,311,768	16,428,105	195,679	8,874	5,765,631	26,850,593
Net book value								
At 1 January 2023	5,149,250	-	25,360	6,613,542	190,041	-	444,659	12,422,852
At 30 June 2023	5,094,867	-	21,504	7,239,797	190,536	-	79,116	12,625,820

7. Trade and other receivables

	30 June 2023	31 December 2022
	£	£
Trade receivables	2,755,937	3,497,710
Other receivables	262,098	145,506
Tax and social security	550,878	280,912
Prepayments and accrued income	1,662,583	1,412,202
	5,231,496	5,336,330

All amounts shown fall due for payment within one year.

8. Trade and other payables

	30 June 2023	31 December 2022
	£	£
Trade payables	830,430	669,024
Other payables	146,835	118,777
Tax and social security	158,931	464,557
Accruals	1,602,086	2,017,961
	2,738,282	3,270,319

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value. All amounts shown fall due for payment within one year.

9. Share capital

	30 June 2023	30 June 2023	31 December 2022	31 December 2022
Ordinary shares	Number	£	Number	£
Ordinary shares of 10 pence each	292,888,281	29,288,826	292,006,775	29,200,676

The issue of 881,506 ordinary shares relates to the exercise of share options during the period. The increase in share capital of £88,150 and share premium of £16,961, totalling £105,111 is disclosed in the consolidated statement of changes in equity and consolidated statement of cash flows.

10. Share based payments

The share option and related charges income statement expense comprises:

	6M 30 June 2023	6M 30 June 2022
	£	£
IFRS 2 share-based payment charge	116,220	253,775
Direct taxes related to share options	129,836	(90,956)
	246,056	162,819

IFRS 2 (Share-based payments) requires that the fair value of equity settled transactions are calculated and systematically charged to the statement of comprehensive income over the vesting period. The total fair value that was charged to the income statement in the period in relation to equity-settled share-based payments was £116,220 (H1'22: £253,775).

Where individual EM thresholds are exceeded or when unapproved share options are exercised by overseas employees, the Group is subject to employer taxes payable on the taxable gain on exercise. Since these taxes are directly related to outstanding share options, the income statement charge has been included within share option and related charges. The Group uses its closing share price at the reporting date to calculate such taxes to accrue. The tax related income statement charge for the period was £129,836 (H1'22: £90,956 credit).

11. Related party transactions

Jim Ryan is a Non-Executive Director of the Company and the CEO of Pala Interactive, which has a real-money online casino and bingo site in New Jersey, Pennsylvania and Ontario. During the period, total license fees earned by the Group were \$30,259 (H1'22: \$10,401) with \$23,180 due at 30 June 2023 (30 June 2022: \$940). During the period the Group distributed its content to certain North American partners via Pala's B2B platform distribution network, with platform fees of \$7,933 being incurred (H1'22: \$108) of which \$3,243 was owed at 30 June 2023 (30 June 2022: \$108).

During the period £90,000 (H1'22: £75,000) of consulting fees were paid to Dawnglen Finance Limited, a company controlled by Michael Buckley. No amounts were owed at 30 June 2023 (30 June 2022: £Nil).

12. Post balance sheet events

On 2 August 2023 3,455,000 share options were granted to certain Directors and employees of the Group. All of the options vest on 30 June 2026. All of the options have an exercise price of nil pence.



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