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Dianomi PLC
23 September 2024

23 September 2024

Dianomi plc

("Dianomi", the "Company" or the "Group")

Interim Results for the six months ending 30 June 2024

Dianomi, a leading provider of native digital advertising services to premium clients in the Business, Finance and Lifestyle sectors, announces its unaudited interim results for the six months ending 30 June 2024.

Financial Headlines

- Revenue decreased 4% to £14.2 million (H1 2023: £14.8 million) reflecting softer advertiser demand
- Gross margin of 26.2% (H1 2023: 20.9%)
- Adjusted EBITDA* of £0.1 million (H1 2023: loss of £1.0 million) and cash generation of £0.3m (H1 2023: cash used in operations of £3.4 million)
- Adjusted profit per share** of 0.24 pence per share (H1 2023: loss of 4.69 pence per share)
- As at 30 June 2024 the Company had no borrowings and cash of £8.1 million (31 December 2023: cash of £7.7 million, 30 June 2023: £7.1 million)

Operating Headlines

- Traffic across the Group's premium publisher base increased by 9% reaching 24 billion impressions in the six-month period through a combination of adding new publishers and increased readership of existing publishers
- Demand from premium advertiser base softened, limiting the Group's ability to monetise the increase in traffic, though some advertisers who did not spend in H1 have since returned to the platform
- In February, expanded partnership with Dow Jones, serving Dianomi direct demand ads into display format across Dow Jones properties including Wall Street Journal and Barrons
- New advertisers included PwC, the London Business School, Polen Capital and Northern Trust
- Post period end agreement with leading US financial news aggregator to test integration of bespoke format ads onto their site

Rupert Hodson, Chief Executive Officer of Dianomi, said:

"We are pleased to have recorded a small profit in the first half of the year at an Adjusted EBITDA* level but disappointed not to have been able to take more advantage of the increase in traffic across our publisher base. Demand from advertisers was soft and this has continued into the second half, though it is starting to pick up as we move into the fourth quarter and the upcoming US elections provide the opportunity for additional traffic across our base. Our publisher pipeline includes some leading US publishers with a global footprint and new advertisers continue to join our platform, attracted by the premium positioning and performance of our platform as well as its pricing transparency and being ID-free. Our focus now is on converting our pipeline as well as growing existing relationships to drive growth in 2025 and beyond."

** Adjusted EBITDA is calculated as loss or profit after tax before deducting net finance costs, tax, depreciation, exceptional costs and share based payment charges*

*** Adjusted to exclude exceptional costs related to the restructuring in 2023 and share based payments*.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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About Dianomi

Dianomi, established in 2003, is a leading provider of native digital advertising services to premium clients in the Business, Finance and Lifestyle sectors. The Group operates from its offices in London, New York and Sydney. The Group enables premium brands to deliver native advertisements to a targeted audience on the desktop and mobile websites, mobile and tablet applications of premium publishers. It provides over 250 advertisers, including blue chip names such as abrdn, Invesco and Baillie Gifford, with access to an international audience of over 400 million devices per month through its partnerships with over 300 premium publishers, including blue chip names such as Reuters, CNN Business, the Times and WSJ. Adverts served are contextually relevant to the content of the webpages on which they appear and mirror the style of the page, which enhances reader engagement.

Chief Executive's Statement

Introduction

The six months to 30 June 2024 represented a positive trading period for the Group as we recorded a small profit at an Adjusted EBITDA* level due to the actions we took to reduce the cost base of the business last year. The potential to significantly improve from here is clear, principally through the conversion of our pipeline of significant new business opportunities. Alongside this, to augment the premium market positioning of our platform and to facilitate the demands of a wider client base, we continue to evolve from being a native ad platform to a full-format advertising platform through our enhanced offerings which have been or continue to be developed. These include new ad formats such as polls and content hubs, new products such as brand intelligence reports and new ways to access the platform, such as our self-serve and credit card payment capabilities.

Operating Review

Readership traffic across the Dianomi inventory base of premium publishers increased by 9%, reversing unusually low traffic levels in 2023. Unfortunately, so far in 2024, advertiser demand has been relatively soft, with many advertisers holding back from normal spending patterns, limiting the Group's ability to monetise the increase in traffic.

Reflecting this change in advertiser spend, the number of our advertisers who worked with Dianomi decreased from 288 in H1 2023 to 221 in the period under review. However, some advertisers who did not spend in the first half of the year have returned since the period end and new ones continue to join the platform. The average spend per advertiser for the top 100 advertisers in the six months to 30 June 2024 remained steady at £118k vs £119k in H1 2023.

Our publisher base reduced slightly to 289 (2023: 309), however, since the period end, this number has increased to 311. Revenue per click ("RPC") was broadly level at £0.51 (2023: £0.53).

Despite operating in a weak market, the Group welcomed 27 new premium advertisers to the platform including well-known names such as PwC, the London Business School, Polen Capital and Northern Trust.

On the publisher side, in February the Group was pleased to expand its partnership with Dow Jones with the serving of Dianomi direct demand ads into display formats on the Wall Street Journal and other Dow Jones' properties to their audience of over 100 million monthly unique visitors.

Shortly after the period end, Dianomi also signed a new agreement with a leading US financial news aggregator to test integrating bespoke format ads onto their site, which, if successful, could lead to a permanent integration. As at today's date, the test is ongoing. There is a further strong pipeline of publisher prospects which includes a host of premium brands including some US global publishing leaders with the potential to drive the Group's future growth in 2025 and beyond. The US election in November provides the potential for increased traffic and therefore monetisation opportunities in the current year, and we continue to work on increasing the spend of existing advertisers on the platform as well as adding new brands in order to maximise any additional traffic, whether from existing publishers or new partnerships.

The Group's programmatic distribution capability continues to be developed to support increased advertiser demand and enable customers to scale their ad budgets via the Company's trusted and brand safe platform. However, reflecting the reduction in advertiser demand in 2024, programmatic distribution was lower at £0.21m vs £0.36m in the same period last year, as it acts as additional distribution to the Company's direct publisher inventory. Video revenue was also lower at £0.28m in the period vs £0.45m in H1 2023.

In 2023, the Company underwent a successful re-organisation to recalibrate and reset the business. Part of this process was to reduce the cost base by £1.0m on an annualised basis. In tandem, new senior talent was brought in to support the sales and marketing team which now runs as a global unit thereby better reflecting the operational structure of our global client base.

Overall, Dianomi remains well placed. We continue to work with all the top ten largest asset managers and seven of the top ten largest wealth management companies in the US. Similarly, as at 30 June 2024, we were partnered with 289 of the world's leading publishers and this number has increased to 311 since the period end. This premium positioning with our combination of the world's leading financial publishers and financial institutions is a core strength of the business. The advantages to both advertisers and publishers of accessing our platform are clear. For publishers, our clients are all premium, aspirational companies whose ads naturally match the aspirations of our premium publishers. For advertisers, we often outperform competitors on engagement and price, plus we are ID-Free, brand safe and premium quality.

We are also working to further differentiate our performance and quality compared to our peers. A recent client testimonial from a leading US Bank stated that Dianomi was responsible for driving 74% of landing page visits for their advertising campaigns compared to the other platforms 30%, whilst being over 10x more cost efficient than their benchmark and pointed to the quality of Dianomi's audiences and contextual relevance in the wealth management space. Alongside this, we are making accessing the Dianomi platform easier. Whilst we still turn away the majority of

the advertisers who ask to join us due to our desire to maintain the premium nature of our platform, for those that do meet our criteria they have more ways to work with us than ever before; either direct or programmatically, via an account managed service or via our newly launched self-service platform which provides the ability for advertisers to manage adverts independently.

We remain encouraged by the levels of interest in our platform and our focus is on converting this interest into long-term customers of the business.

Financial Review

Group revenue decreased by 4% to £14.2 million (H1 2023: £ 14.8 million) in the six months to 30 June 2024 due to softer advertiser demand leading to a small decrease in revenue per click (£0.51 vs £0.53 in H1 2023).

Gross margin increased to 26.2% (H1 2023: 20.9%) with the lower margin in the previous year reflecting the additional cost of sale incurred as a result of a contract amendment with one of the Group's largest publishers. This contract amendment resulted in a one-off cost in H1 2023 which is being recouped by way of an enhanced revenue share from 1 July 2023 until the end of 2024, the effect of which will be lower in the second half of this year. Gross profit for the period was therefore higher than H1 2023 at £3.7 million (H1 2023: £3.1 million) which, combined with the lower operating cost base of the Group following the restructuring which took place in 2023, meant that Adjusted EBITDA* was £0.1 million compared to a loss of £1.0 million in H1 2023. The restructuring in the first half of the previous year resulted in exceptional costs of £0.8 million in H1 2023, however, as the restructuring was completed in 2023, there were no such exceptional costs in the period under review.

Loss before tax was £0.1 million against a loss of £2.1 million in H1 2023. There was a net tax credit in the period of £0.01 million due to an R&D tax credit received (H1 2023: tax charge of £0.3 million). Loss after tax was therefore £0.01 million vs a loss after tax of £2.3 million in H1 2023. Basic loss per share was 0.22 pence per share compared to a basic loss per share of 7.80 pence in H1 2023. Adjusted profit per share** of 0.24 pence compared to an adjusted loss per share** of 4.69 pence in H1 2023.

Cash generated from operations was £0.3 million (H1 2023: cash used in operations of £3.4 million) and as at 30 June 2024 the Company had no borrowings and cash of £8.1 million (31 December 2023: £7.7 million, 30 June 2022: £7.1 million).

Net assets as at 30 June 2024 amounted to £8.9 million (31 December 2023: £8.6 million, 30 June 2023: £9.0 million), with the increase compared to the year-end reflecting the increase in cash.

Outlook

Trading levels from the first half of the year have continued into the second half, with the summer months being particularly slow. Demand from advertisers remains soft, however, traffic levels remain above last year and there are signs of improvement in demand alongside a more positive economic environment. There is also the US Presidential Election factor in November which is likely to increase traffic levels. Internally, we are focused on converting our pipeline of new business opportunities and maximising existing ones, with some potential partnerships capable of having a material positive impact on the Group's performance in 2025.

* *Adjusted EBITDA is calculated as profit after tax before deducting net finance costs, tax, depreciation, exceptional items relating to the restructuring and share based payment charges*

** *Adjusted basic earnings per share is calculated using profit after tax before deducting exceptional items relating to the restructuring and share based payment charges*

DIANOMI PLC
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	6 months ended 30 Jun 2024 £000	6 months ended 30 Jun 2023 £000	Year ended 31 Dec 2023 £000
Revenue		14,184	14,841	30,154
Cost of sales		(10,467)	(11,734)	(22,792)
Gross profit		**3,717**	**3,107**	**7,452**
Administrative expenses		(3,916)	(4,379)	(8,329)
Reorganisation costs		-	(822)	(1,054)
Operating loss		**(199)**	**(2,094)**	**(1,931)**
Depreciation		119	107	213
Share based payments	**7**	153	145	312
Exceptional items	**8**	-	822	1,054
Adjusted EBITDA		**73**	**(1,020)**	**(352)**
Finance income		59	44	115
Finance expense		(2)	(2)	(3)
Loss on ordinary activities before taxation		**(142)**	**(2,052)**	**(1,819)**
Taxation		76	(289)	(1,097)

Loss for the period		**(66)**	**(2,341)**	**(2,916)**
Other comprehensive (loss)/income items that may be reclassified subsequently to profit or loss				
Currency translation differences		181	(544)	(600)
Total comprehensive (loss)/income for the period attributable to the owners of the company		**115**	**(2,885)**	**(3,516)**
Adjusted basic earnings/(loss) per ordinary share (p)	**6**	0.24	(4.69)	(3.10)
Adjusted diluted earnings/(loss) per ordinary share (p)	**6**	0.23	(4.69)	(3.10)
Basic loss per ordinary share (p)	**6**	(0.22)	(7.80)	(9.71)
Diluted loss per ordinary share (p)	**6**	(0.22)	(7.80)	(9.71)

All operations are continuing operations.

DIANOMI PLC
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	As at 30 Jun 2024 £000	As at 30 Jun 2023 £000	As at 31 Dec 2023 £000
Non-current assets			
Right-of-use assets	119	106	-
Total non-current assets	**119**	**106**	**-**
Current assets			
Trade and other receivables	6,341	7,593	8,339
Deferred tax asset	-	675	-
Corporation tax receivable	254	-	145
Cash and cash equivalents	8,086	7,089	7,740
Total current assets	**14,681**	**15,357**	**16,224**
Total assets	**14,800**	**15,463**	**16,224**
Current liabilities			
Trade and other payables	(5,826)	(6,281)	(7,641)
Corporation tax payable	-	(24)	-
Lease liabilities	(123)	(111)	-
Total current liabilities	**(5,949)**	**(6,416)**	**(7,641)**
Total liabilities	**(5,949)**	**(6,416)**	**(7,641)**
Net assets	**8,851**	**9,047**	**8,583**
Equity			
Share capital	60	60	60
Share premium account	5,436	5,436	5,436
Share options reserve	3,845	3,525	3,692
Foreign currency reserve	(280)	(405)	(461)
Capital redemption reserve	-	-	-
Retained earnings	(210)	431	(144)
Total equity attributable to the owners of the company	**8,851**	**9,047**	**8,583**

DIANOMI PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024

	Attributable to the owners of the Company						
	Share capital £000	*Share premium account* £000	*Capital redemption reserve* £000	*Share options reserve* £000	*Foreign currency reserve* £000	*Retained earnings* £000	***Total equity*** **£000**
Balance at 1 January 2024	**60**	**5,436**	**-**	**3,692**	**(461)**	**(144)**	**8,583**
Comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(66)	(66)
Currency translation differences	-	-	-	-	181	-	181
Total comprehensive profit for the period	-	-	-	-	181	(66)	115
Transactions with owners of the Company							
Share based payment credit	-	-	-	153	-	-	153
Total transactions with owners of the Company	-	-	-	153	-	-	153
Balance at 30 June 2024	**60**	**5,436**	**-**	**3,845**	**(280)**	**(210)**	**8,851**
Balance at 1 January 2023	**60**	**5,436**	**-**	**3,380**	**139**	**2,772**	**11,787**
Comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(2,341)	(2,341)
Currency translation differences	-	-	-	-	(544)	-	(544)
Total comprehensive loss for the period	-	-	-	-	(544)	(2,341)	(2,855)
Transactions with owners of the Company							
Share based payment credit	-	-	-	145	-	-	145
Total transactions with owners of the Company	-	-	-	145	-	-	145
Balance at 30 June 2023	**60**	**5,436**	**-**	**3,525**	**(405)**	**431**	**9,047**
Balance at 1 January 2023	**60**	**5,436**	**-**	**3,380**	**139**	**2,772**	**11,787**
Comprehensive income for the period							
Loss for the period	-	-	-	-	-	(2,916)	(2,916)
Currency translation differences	-	-	-	-	(600)	-	(600)
Total comprehensive income for the period	-	-	-	-	(600)	(2,916)	(3,516)
Transactions with owners of the Company							
Share-based payment credit	-	-	-	312	-	-	312
Total transactions with owners of the Company	-	-	-	312	-	-	312
Balance at 31 December 2023	**60**	**5,436**	**-**	**3,692**	**(461)**	**(144)**	**8,583**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 Jun 2024 £000	Six months ended 30 Jun 2023 £000	Year ended 31 Dec 2023 £000
Cash flows from operating activities			
Loss on ordinary activities before taxation	(142)	(2,052)	(1,819)
Adjustments for:			
Depreciation - leased assets	119	107	213
Interest payable	2	2	3
Interest receivable	(59)	(44)	(115)
Decrease/ (increase) in trade and other receivables	1,998	281	(465)
(Decrease)/increase in trade and other payables	(1,815)	(1,874)	(407)
Other costs		-	33
Share based payment charge	153	145	312
Cash generated from/(used in) operations	256	(3,435)	(2,245)
Taxation paid	(32)	(621)	(907)
Net cash (used in)/generated from operating activities	**224**	**(4,056)**	**(3,152)**
Cash flows from investing activities			
Interest received	59	44	115
Net cash generated from investing activities	**59**	**44**	**115**
Cash flows from financing activities			
Interest paid in respect of leases	(2)	(2)	(3)
Capital payments in respect of leases	(115)	(111)	(219)
Net cash used in financing activities	**(117)**	**(113)**	**(222)**
Net increase/(decrease) in cash and cash equivalents	**166**	**(4,125)**	**(3,259)**
Cash and cash equivalents at beginning of period	7,740	11,663	11,663
Exchange movement on cash	180	(449)	(664)
Cash and cash equivalents at end of period	**8,086**	**7,089**	**7,740**

DIANOMI PLC

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

Dianomi plc (the "Company") and its subsidiaries' (together the "Group") principal activity is the delivery of premium native advertising for the financial services, technology, corporate sand lifestyle sectors. The Company was incorporated on 16 August 2002 in England and Wales as a private company limited by shares under the name Data-ID Limited. On 17 December 2002, the Company changed its name to Dianomi Limited. On 17 May 2021, the Company re-registered as a public limited company and changed its name to Dianomi plc.

The address of the registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR and the limited company number is 04513809.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

2.1. Basis of preparation

The financial information relating to the half year ended 30 June 2024 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006.

The financial information set out in this Interim Report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2022, prepared under IFRS, have been filed with the Registrar of Companies. The auditor's report on those financial statements was ungualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2023, subject to the introduction of any new accounting standards applicable in the period.

Whilst the financial information included in these interim accounts has been prepared in accordance with IFRS, they do not contain sufficient information to comply with IFRS. In addition, this report is not prepared in accordance with IAS 34.

This interim report was approved by the board of directors on 20 September 2024 and is available on the Company's website, dianomi.com

The presentational currency of these financial statements and the functional currency of the Group is pounds sterling.

2.2. Measurement convention

The consolidated financial information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the consolidated financial information in compliance with IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

2.3. Basis of consolidation

The consolidated financial information incorporates the financial information of Dianomi Plc and all its subsidiary undertakings. Subsidiary undertakings include entities over which the Group has effective control. The Group controls a group when it is exposed to, or has right to, variable returns from its involvement with the Group and has the ability to affect those returns through its power over the Group. In assessing control, the Group takes into consideration potential voting rights.

2.4. Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. As at 30 June 2024 the Group had net assets of £8.9 million (30 June 2023: £9.0 million) and cash and cash equivalents of £8.1 million (30 June 2023: £7.1 million). The Group has no debt outstanding or facilities in place (30 June 2023: £nil).

The Group's forecasts and projections, taking into account reasonable possible changes in trading performance, show that the Group has sufficient working capital and available funds to honour all of its obligations to creditors as and when they fall due. Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

2.5. Principal Accounting Policies

2.5.1.1. Revenue

The Group's customers are direct advertisers, affiliate advertisers and advertising agencies with whom the Group will enter into a contract or insertion order.

The Group generates revenue by charging advertisers for advertising campaigns delivered through its platform. The customer's total spend on advertising is determined by multiplying an agreed performance metric option, such as cost per mil (CPM), cost per impression (CPI), click (CPC) or action (CPA) with the volumes of units delivered.

Revenue is recognised on completion of the performance criteria which, in most cases, is when an internet user clicks through to an advertisement that has been displayed on a web page.

Where advanced payments are made in advance of satisfying the performance obligation, these amounts are transferred to deferred revenue (contract liabilities) and recognised when the performance obligation has been met.

The Group's standard payment terms require settlement of invoices within 60-90 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not expect

The Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

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2.5.1.2. Cost of sales

Cost of sales represents the direct expenses that are attributable to the services sold. They consist primarily of payments to publishers under the terms of the revenue share agreements that the Group has with them. Depending on the terms of the revenue share agreements, cost of sales can include commissions where applicable.

2.5.1.3. ***Foreign currency translation***

a) Function and presentational currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial information is presented in 'sterling', which is the Group's functional currency and the Group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.5.1.4. Exceptional Costs

Items which are material because of their size or nature and which are non-recurring are highlighted separately on the face of the consolidated statement of comprehensive income. The separate reporting of exceptional items helps provide a better picture of the Group's underlying performance. Items which have been included within the exceptional category are the costs relating to the restructuring undertaken by the Company during 2023.

Exceptional items are excluded from the headline profit measures used by the Group and are highlighted separately in the consolidated statement of comprehensive income as management believes that they need to be considered separately to gain an understanding the underlying profitability of the trading businesses.

2.5.1.5. Employee Benefits

Post-retirement benefits

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in administrative expenses in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged

with fair value of goods and services received.

2.6. Alternative performance measures

In order to provide better clarity to the underlying performance of the Group, adjusted EBITDA and adjusted earnings per share are used as alternative performance measures. These measures are not defined under IFRS. These non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but have been included as the Directors consider adjusted EBITDA and adjusted earnings per share to be key measures used within the business for assessing the underlying performance of the Group's ongoing business across periods. Adjusted EBITDA excludes from operating profit non-cash depreciation and share based payment charges and non-recurring exceptional costs. Adjusted EPS excludes from profit after tax, share based payment charges and non-recurring exceptional items and their related tax impacts.

3. Judgements and key sources of estimation uncertainty

The preparation of the consolidated financial information requires the Directors to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the consolidated financial information. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the consolidated financial information are:

Estimations:

- *Share-based payments:* the Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted and requires assumptions to be made in particular the value of the shares at the date of options granted. Management have had to apply judgement when selecting assumptions.

- *Receivables provision*: the Group reviews the amount of credit loss associated with its trade receivables, intercompany receivables and other receivables based on historical default rates as well as forward looking estimates that consider current and forecast credit conditions.

Judgements:

- *Deferred tax:* the extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties.

- *Going concern:* The financial statements have been prepared on the going concern basis based on a judgement by the Directors that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future, being a period of at least 18 months from the date of signing these financial statements. In this context, the Directors have prepared detailed cash flow forecasts for the next 18 months that indicate the existing activities of the Group do not require additional funding during that period. The forecasts were challenged by various downside scenarios to stress test the estimated future cash position. The Directors note that the stress tests did not have a significant impact on the cash flow or cash position of the Group. In addition, current trading is in line with the forecast.

4. Revenue

Revenue arises from:

	6 months to	6 months to	Year to

	30 Jun 2024 £000	30 Jun 2023 £000	31 Dec 2023 £000
EMEA	2,664	2,328	4,811
APAC	323	466	915
U.S.A.	11,197	12,047	24,428
	14,184	14,841	30,154

5. Operating segments

The Group is operated as one global business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. The Directors consider that the geographies where the Group operates have similar economic and operating characteristics and the products and services provided in each region are all related to premium native advertising. Management therefore consider that the Group has one operating segment. The Group report is presented and measured to the Board as a single segment and is consistent with the financial statements. As such, no additional disclosure has been recorded under IFRS.

6. Earnings per share

The Group presents non-adjusted and adjusted basic and diluted earnings/(loss) per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit/(loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS takes into consideration the Company's dilutive contingently issuable shares. The weighted average number of ordinary shares used in the diluted EPS calculation is inclusive of the number of share options that are expected to vest subject to performance criteria as appropriate, being met.

The profit/(loss) and weighted average number of shares used in the calculations are set out below:

	Six months ended 30 Jun 24 £000	**Six months ended 30 Jun 23** £000	**Year ended 31 Dec 2023** £000
Loss attributable to the ordinary equity holders of the Group used in calculating basic and diluted EPS	(66)	(2,341)	(2,916)
Basic loss per ordinary share (p)	(0.22)	(7.80)	(9.71)
Diluted loss per ordinary share (p)	(0.22)	(7.80)	(9.71)

Adjusted basic and diluted EPS	**Six months ended 30 Jun 24** £000	**Six months ended 30 Jun 23** £000	**Year ended 31 Dec 23** £000
Reconciliation of earnings used in calculating adjusted EPS:			
Loss attributable to the ordinary equity holders of the Group used in calculating basic and diluted EPS	(66)	(2,341)	(2,916)
Adjusting items:			
Share based payments	153	145	312
Reorganisation costs	-	822	(1,054)
Derecognition of deferred tax asset	-	-	675

Tax impact of adjusting items	(15)	(34)	(55)
Profit/(loss) attributable to the ordinary equity holders of the Group used in calculating adjusted basic and diluted EPS	72	(1,408)	(930)
Adjusted basic earnings/(loss) per ordinary share (p)	0.24	(4.69)	(3.10)
Adjusted diluted earnings/(loss) per ordinary share (p)	0.23	(4.69)	(3.10)

	Six months ended 30 Jun 24	**Six months ended 30 Jun 23**	**Year ended 31 Dec 23**
Weighted average number of ordinary shares used as the denominator in calculating non-adjusted and adjusted basic EPS	30,027,971	30,027,971	30,027,971
Weighted share option dilution impact	1,420,017	1,732,936	1,642,490
Weighted average number of ordinary shares used as the denominator in calculating non-adjusted and adjusted diluted EPS	31,447,988	31,760,907	31,670,461

7. Share based payments

At the time of the Company's IPO in May 2021, the Company introduced share option schemes (the "IPO Option Schemes") in order to retain, incentivise and align employees with shareholders. Under the IPO Option Schemes employees were granted share options with an exercise price equal to the IPO price (or for those granted post IPO equal to the then current share price), a vesting period of 3 years and a non-market performance condition.

In 2023, it became clear that the performance condition for those options granted at IPO was not going to be met and for those options granted in 2022 under the same scheme it was unlikely to be met.

Therefore, it was decided that employees who were granted options in 2021 and 2022 would be given the option to have their original options cancelled (the "Cancellation"), and replacement option schemes (the "Replacement Option Schemes") would be introduced under which employees would be issued with new options with a revised performance condition, exercise price and extended vesting period but at a lower number than those originally issued.

315,950 options lapsed before the Cancellation due to employees leaving the Group as part of the reorganisation.

242,424 options were granted in April 2023 under the IPO Option Schemes with an exercise price of 82.5 pence were not cancelled.

1,405,601 options which were granted under the IPO Option Schemes were cancelled in November 2023. Simultaneously, 1,177,593 new options were issued under the Replacement Option Schemes.

The Black-Scholes option pricing model was used to value the equity-settles share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of the options granted.

The inputs into the model for the period were as follows:

	Options granted under IPO Option Schemes
Weighted average share price at grant date (£)	2.78
Weighted average exercise price (£)	2.78
Volatility (%)	44.00%
Weighted average vesting period (years)	3
Risk free rate (%)	3.482%
Expected dividend yield (%)	-

	Options granted under Replacement

	Options granted under Replacement Option Schemes
Weighted average share price at grant date (£)	48
Weighted average exercise price (£)	50
Volatility (%)	52.91%
Weighted average vesting period (years)	3
Risk free rate (%)	3.595%
Expected dividend yield (%)	-

The share-based remuneration expense comprises:

	As at 30 Jun 2024 £000	As at 30 Jun 2023 £000	As at 31 Dec 2023 £000
Equity-settled schemes	153	145	312

8. Exceptional items

Items which have been included within the exceptional category are the costs relating to the restructuring undertaken by the Company during 2023 and include settlement payments and legal costs.

	As at 30 Jun 2024 £000	As at 30 Jun 2023 £000	As at 31 Dec 2023 £000
Restructuring costs	-	822	1,054

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