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For immediate release

26 September 2024

**Gfinity PLC
("Gfinity" or the "Company")
Trading Update and funding**

The Board of Gfinity plc (AIM:GFIN) is pleased to provide an update on trading and announce that the Company has today raised funding of £120,000 through an issue of a convertible unsecured loan note. In addition, David Halley has informed the Board that he intends to subscribe £30,000 for 200,000,000 new Ordinary Shares at a subscription price of 0.015p per new Ordinary Share.

Current trading

On 19 March 2024 the Company announced its unaudited results for the six-month period ended 31 December 2023 ("Half Year Results"). The Company reported in the Half Year Results that the whole digital media sector had experienced significant pressure in H2 2023, with several Google algorithm changes, and the growth of AI generated content brings additional uncertainty.

The following 6 months have continued to be uncertain for the digital media sector. During this period, Gfinity has focussed on further significant cost cuts, reducing employee overheads of the Digital Media group by over 40%. Whilst the period has seen a decline in page impressions and CPM rates, the Board has reduced costs to a monthly run rate of approximately £70k and has also re-engineered its ad tech platform to increase revenue opportunities and advertising rates. The Board is cautiously predicting that these changes will help see some profitable months in the last quarter of 2024.

The unaudited management accounts for the year ended 30 June 2024 show revenue for the year of approximately £1.4m, a gross margin of approximately £550k and breakeven at an operating level (including the profit on disposal of Athlos Gaming Technologies, as reported in the Half Year Results, and a one-off tax credit).

The Board intends to explore new business opportunities to develop and expand the Company's core focus beyond the provision of digital media content, further leveraging the infrastructure commercially available in the Company. The proceeds from the funding will provide the Company with additional funds to explore these opportunities as well as to provide general working capital.

Convertible Loan Note

The Company has today raised £120,000 by the issue of a convertible unsecured loan note ("Note") to Charles Street International Limited ("Charles Street" or "Noteholder"). As described above, the proceeds from the Note will provide the Company with additional funds to explore new business opportunities as well as to provide general working capital. The Note bears no coupon and has a maturity date of 25 September 2027 ("Maturity Date").

The Noteholder has the right to serve a conversion notice on the Company at any time prior to the Maturity Date to convert some or all of the Notes outstanding into new fully paid Ordinary Shares at a conversion price of 0.015p per Ordinary Share ("Conversion Price"), a discount of approximately 21 per cent. to the last closing mid-market price of 0.019p per Gfinity Ordinary Share on 25 September 2024 ("Last Closing Price") provided that the minimum amount of Notes in such Conversion Notice shall be £20,000. Unless otherwise converted, the Note will automatically convert into new Ordinary Shares at the Maturity Date at the Conversion Price. A maximum of 800,000,000 new Ordinary Shares will be issued on full conversion of the Note.

The Note instrument also includes a condition that the Noteholder's interest (together with any parties acting in concert) on conversion pursuant either to a conversion notice or at the Maturity Date shall not exceed 29.9 per cent. of the Company's issued share capital ("Maximum Interest") at any time ("Conversion Condition"). The Directors, at their sole discretion, will only convert such number of Notes on receipt of a conversion notice or at the Maturity Date as will not result in the Noteholder's interest exceeding the Maximum Interest and any Notes which are not converted into Ordinary Shares will be repaid in cash to the Noteholder on the Maturity Date.

Related Party

Charles Street is indirectly beneficially owned by Robert Keith, who is currently interested in 704,419,692 Ordinary Shares held by him directly and indirectly and which represent approximately 20.7% of the Company's existing Ordinary Share Capital.

The subscription by Charles Street for the Notes is therefore a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the Directors consider, having consulted with the Company's nominated adviser, Beaumont Cornish, that the subscription for the Notes by Charles Street is fair and reasonable insofar as Gfinity's Shareholders are concerned. In particular the Directors have taken into account the Conversion Condition, the Note is unsecured and bears no coupon.

Director Subscription

David Halley has informed the Board that he intends to subscribe £30,000 for 200,000,000 new Ordinary Shares ("Subscription") at a subscription price of 0.015p per new Ordinary Share, being the same as the Conversion Price. A further announcement will be made.

Other Information

A copy of this announcement is available at the Company's website: www.gfinityplc.com

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). The person who arranged for the release of this announcement on behalf of the Company was David Halley, Chief Executive.

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Further Information

Beaumont Cornish Limited ("**Beaumont Cornish**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in connection with this announcement and will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to the clients of Beaumont Cornish or for providing advice in relation to such proposals. Beaumont Cornish has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Beaumont Cornish for the accuracy of any information, or opinions contained in this document or for the omission of any information. Beaumont Cornish as nominated adviser to the Company owes certain responsibilities to the London Stock Exchange which are not owed to the Company, the Directors, Shareholders, or any other person.

Forward Looking Statements

Certain statements in this announcement are or may be deemed to be forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe" "could" "should" "envisage" "estimate" "intend" "may" "plan" "will" or the negative of those variations or comparable expressions including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions competition environmental and other regulatory changes actions by governmental authorities the availability of capital markets reliance on key personnel uninsured and underinsured losses and other factors many of which are beyond the control of the Company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions. The Company cannot assure investors that actual results will be consistent with such forward looking statements.

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