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XLMedia PLC
30 September 2024

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014. Upon the publication of this announcement, this information is now considered to be in the public domain.

30 September 2024

XLMedia PLC
("XLMedia" or the "Group" or the "Company" or the "Business")

Results for the six months ended 30 June 2024

XLMedia (AIM: XLM), a sports digital media company, announces its unaudited interim results for the six months ended 30 June 2024 ("H1 2024").

During H1 2024, the Group underwent a significant change with the successful sale of its Europe and Canada assets to Gambling.com Group Limited ("GAMB") for a total consideration of up to 42.5 million. The Company received an initial consideration payment of 20.0 million on 2 April 2024 and the second payment of 10.0 million is due to be received shortly on 2 October 2024. An initial return of capital to shareholders is anticipated in Q4 2024.

The Company remains focused on driving organic revenues in the North America market and rightsizing the Group's remaining cost base while continuing to explore opportunities to create shareholder value.

Highlights for H1 2024 (unaudited)

- Revenue from Continuing Business[1] in H1 of 10.4 million
- Revenue from Discontinuing Business[2] in Q1 of 5.2 million
- Continuing Business Adjusted EBITDA[3] of 0.9 million
- Completed on the sale of its Europe and Canada assets to GAMB and received initial payment of 20.0 million. Second payment of 10.0 million to be received on 2 October 2024 and up to 12.5 million on 2 April 2025
- Paid the final payment in March 2024 of 3.5 million related to the acquisition of CBWG
- Cash balances (including short-term deposits) of 19.4 million as at 30 June 2024

[1] The Group classifies the remaining business which consists of the North America business and a small residual income from the legacy network business as continuing.

[2] The Group classifies the Europe and Canada assets sold to GAMB on 1 April 2024 as discontinued.

[3] Adjusted EBITDA defined as earnings before Interest, Taxes, Depreciation and Amortisation, and excluding any share-based payments, impairment, final exceptional minimum guarantee costs, Group rightsizing costs and remaining costs associated with the discontinued business prior to their removal.

Financial Summary

For H1 2024 reporting, the Discontinued Business revenue reflects only the first three months of trading in 2024 prior to the sale of its Europe and Canada assets (the "Transaction"), versus H1 2023 which includes revenue for the full six months in the period.

Revenue H1 2024

	H1 2024 Revenue (m)	H1 2023 Revenue (m)
Group Total Revenue	15.6	29.4
Discontinued Business	(5.2)	(12.5)
Continuing Business	**10.4**	**16.9**
North America	9.8	16.2
Other	0.6	0.7
Continuing Business Total	**10.4**	**16.9**

- The Continuing Business contributed unaudited revenue of 10.4 million in H1 2024, in line with management expectations.
- H1 2023 saw the launch of Ohio in January during the NFL season while H1 2024 saw the launch of North Carolina in March after the NFL season ended. This timing difference accounts for the bulk of the period-on-period variance.
- From April through June, trading in H1 2024 tracked ahead of H1 2023.
- The Discontinued Business contributed unaudited revenue of 5.2 million.
- The Group completed the sale on 1 April 2024 of its Europe and Canada assets to GAMB for a fixed consideration of 37.5 million ("Fixed Consideration") and a potential earnout consideration of up to a further 5.0 million based

on revenue performance.

- Following the Transaction, the Continuing Business consists of the North America business and a small residual income ("Other") from Europe, principally from the legacy network business that was not sold to GAMB.
- The Europe and Canada assets which have been disposed of and associated costs will be reported against the Discontinued Business line until the remaining costs are removed in Q4 2024.

Continuing Business Operating Summary

The Group's strategy remains focused on driving organic revenues in the North America market while continuing to prioritise rightsizing the Group's remaining cost base, allowing it to enter 2025 with an infrastructure commensurate with the requirements of the North America business.

With no further state launches confirmed for the remainder of 2024, the Group is focused on maximising revenues from the new NFL season and optimising performance in existing legalised online sports betting and gaming states. The Group currently operates in 21 states with legalised online sports betting and in four states with legalised online casino wagering.

The Group continues to diversify revenue with Daily Fantasy Sports ("DFS"), paid media, advertising and sponsorship, as well as building its Gaming presence for longer term growth. The North America business saw c.48,000 real money players ("RMPs") in H1 2024, an increase of 4% (c.46,000, H1 2023), including benefitting from the successful launch of paid campaigns and the expansion of DFS.

Sale of Europe and Canada Assets

The Board is committed to providing value to shareholders of XLMedia and therefore has continually sought to evaluate strategic options available to the Company.

The Board was aware that the value of its individual businesses was not being fully reflected in its share price, and therefore it was likely that the strategic sale of certain assets would result in delivering the most value to shareholders. Therefore, on 21 March 2024 the Company agreed the sale of the Europe and Canada assets to GAMB for a total consideration up to 42.5 million.

Cash

The initial consideration payment of 20.0 million was received on 2 April 2024 with the next payment of 10.0 million due in October 2024. The Board is pleased to have been able to realise substantial value from the Transaction and, as previously announced, the Company anticipates an initial return of capital to shareholders from the net sale proceeds in Q4 2024, further details of which will be announced in due course.

Cash at the end of June was19.4 million after payment of 3.5 million in respect of the final tranche of the CBWG acquisition and payment of deal related costs and other transition costs of approximately 2.0 million. The Group made its final deferred acquisition payment of 4.0 million in respect of the acquisition of Saturday Down Southin September 2024. Following this, there are no outstanding deferred acquisition payments due.

The Group continues to incur transition and rightsizing costs including the costs of the Discontinued Business.

Operations

The Group continues to prioritise resource management and cost reductions. As at 30 June 2024, the Group had 78 employees (H1 2023: 167 employees) reflecting the employees transferring with the assets as part of the Transaction and as part of the rightsizing of the cost base.

In the months following the Google actions in May 2024 which reduced visibility of some publishers' sports betting and gaming content, the Group has seen activities stabilise with Media Partners and Owned and Operated ("O&O") sites continuing to gain search engine rankings traction. In the short term, some media partner activities were temporarily halted, and have subsequently been reactivated in advance of the NFL season. The Media Partnership Business ("MPB") continues to be a priority for the business.

In January 2024, Caroline Ackroyd, the Group's Chief Financial Officer, resigned from the Group to pursue other interests. Her final day with the Company was 31 March 2024. Karen Tyrrell has taken the role of Interim Chief Operating Officer, including responsibility for finance.

Outlook

Following the sale of the Europe and Canada assets, continuing revenues from the North American business for the period April to August have performed ahead of the prior year.

The usual acceleration in new customer acquisition at the start of NFL season in September has been slower than anticipated. However, further acquisition budgets are expected to be released by some operators.

Accordingly, the Board remain of the view that Adjusted EBITDA for the Continuing Business, excluding revenue and costs of the Discontinued Business, remains broadly in line with market expectations.

XLMedia's Board will continue to execute the strategy whilst also continuing to evaluate other ways to create shareholder value and, in the meantime, expects to return surplus cash to shareholders.

David King, Chief Executive Officer of XLMedia, commented:

"*We are pleased to report the Business traded ahead of last year during April to August and we are now focused on maximising the opportunity within the current market conditions.*"

Financial Statements and Notes to the Accounts

For access to the Financial Statements and Notes to the Accounts for the six months ended 30 June 2024, please click on the following link:

http://www.rns-pdf.londonstockexchange.com/rns/1598G_1-2024-9-29.pdf

Investor Presentation Webcast

A webcast of the presentation will be made available on the Company's website at: https://www.xlmedia.com/investors/webcasts/

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About XLMedia

XLMedia (AIM: XLM) is a sports digital media company that creates compelling content for highly engaged audiences and connects them to relevant advertisers.

The Group manages a portfolio of premium brands in regulated markets which are designed to reach passionate people with the right content at the right time.

Forward Looking Statements

This announcement contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. They are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

Chief Executive Review

Introduction

We were pleased to be able to realise significant shareholder value from the sale of the Europe and Canada assets to GAMB for 37.5 million with an earnout of up to a further 5.0 million and expect an initial return of capital to shareholders in Q4 2024.

The Group is now focused on the North America market, primarily in online sports betting with a small online casino revenue stream. We continue to believe the future of the Business is best served by owning our own websites while partnering with selected high-quality partners, providing both a local and national footprint.

The Board will, as always, continue to explore ways to generate and maximise shareholder value.

The Market

Very different to the European market, the US market comprised of a relatively small number of gambling operators. Since the repeal of the Professional and Amateur Sports Protection Act by the Supreme Court in 2018, online sports betting has been legalised in 30 states and we work with operators in 21 of those states.

Our income is primarily delivered through cost-per-acquisition ("CPA") fees where we introduce new, verified customers to operators and are paid an initial one-off payment. The US market currently remains a predominantly CPA-led market with limited opportunity to participate in revenue share or hybrid models which, while reducing the initial up front compensation to the Business, provide an ongoing percentage of the net revenue from the acquired customer over the life of that customer. The limitation is attributed to both operator desire to adopt this model in certain states and state specific regulation prohibiting revenue share compensation leaving us unable to fully participate in the betting activity at this time.

The betting market is currently buoyant, yet the stimulus to attract new customers has slowed down in 2024. The launch of online sports betting in North Carolina after the NFL season in March, like the launch of Massachusetts in March 2023, saw much lower levels of initial customer acquisition versus what an in NLF season state launch might attract.

Historically, the start of the new NFL season sees a surge in activity from both operators and customers looking for new accounts and offers. This year new patterns are emerging, and while it is too early to assess, following a summer in which accounts and offers. This year new patterns are emerging, and while it is too early to assess, following a summer in which performance exceeded prior year, the new NFL season is developing more slowly.

Looking beyond the very near term, there are still 20 states yet to launch online sports betting, and 43 states yet to launch online gaming. This should provide an attractive opportunity for the Group, albeit the exact timing is currently not known.

Update on Sale of Europe and Canada Assets

On 21 March 2024, the Company announced the sale of its Europe and Canda Assets for a total consideration of up to 42.5 million. To date, it has received 20.0 million from this transaction with a further 10.0 million due under the terms of the sale agreement on 2 October 2024 and a final payment of 7.5 million together with any earnout consideration (up to a maximum of 5.0 million) due to be paid on 2 April 2025. There can be no certainty that the Earnout Consideration will be realised, either in full or in part, and at this point is not practical to estimate the level of earnout that may be achieved.

The Company agreed to support the migration of the Assets to GAMB over the period of six-monthsfollowing the completion of the Transaction, ending in September 2024. The Company has incurred transition costs of some2.7million of which 2.0 million are classified as "costs to dispose" including the migration of technology, reorganisation and support costs directly related to the Europe business, and transaction costs. The Group retained cash, debtors and liabilities as at the point of completion of the Transaction.

Strategy

We continue to believe the future of the business is best served by owning our own websites while partnering with selected high-quality partners, providing both a local and national footprint.

We will ensure that we are able to participate in new states as they legalise online sports betting and will continue to develop our casino presence ready for the legalisation of online gaming when that happens.

Revenue diversification will continue following our launch into Daily Fantasy Sport and paid media while seeking to expand our sponsorship and advertising opportunities.

And, absent the need to serve the sold Europe Business, we are downsizing our corporate cost base commensurate with the North American business, while focussing technology exclusively on the needs of our O&O assets and our MPB.

North America Business

The Group made a solid start to H1 2024 in North America. North Carolina launched online sports betting on 11 March 2024 after the NFL season, delivering strong initial revenues but lower than previous in-season launches.The Company saw good growth in customer registrations and will seek to drive additional revenues during the new NFL season.North America revenues in H1 2024 were below the same period in 2023, primarily due to the impact of the launch of online sports betting in Ohio in January 2023 during the NFL season.

Following Google actions in May 2024 which reduced visibility of some publishers' sports betting and gaming content, the Group worked closely with all its Media Partners, the majority of which, were not negatively affected by the actions, to prepare for the new season. All partners were live for the launch of the new NFL season.

North America Opportunity

The Group currently operates in 21 states with legalised online sports betting. There are 30 states that are live, legal and 20 states yet to legalise online sports betting, including California and Texas, the two most populous states. The Group does not participate in nine of these states due to limited affiliate opportunity e.g., single operator monopoly (Florida) or in-person registration requirements (Nevada). Of those states that are not yet live, legal for online sports betting, three are in active ballot discussions (Missouri, Mississippi and Oklahoma) as at August 2024. In addition, the Group currently operates in four states with legalised online casino wagering. There are only seven states that are live, legal and 43 yet to legalise online casino. While only a small portion of the North America revenue is attributed to online casino, it presents an opportunity in the long-term which the Group seeks to address over time with its recently created online casino website.

Continuing Business Organisation and Operations Update

The Group is focused on fulfilling the transition services agreement to support GAMB and rightsizing the cost base to support the North American business.

The total cost base [excluding Media Partner revenue share] has been reduced by 9% period-on-period driven by:

- Headcount reduced to 78 (FY 2023: 146) driven by Europe asset sale and rightsizing of business.
- Reductions in technology, content and other costs.

As part of the rightsizing, all US sites will move to a single CMS environment while certain Group-wide systems are being replaced with a fit-for-purpose single solution. The overall impact has allowed for back-office tech to be streamlined reducing the manual labour needed to track revenue and increased operational security. Capital expenditure was reduced to 0.9 million in the period down from 2.7 million in H1 2023 reflecting the opportunity to simplify the technology infrastructure.

In 2024, the Group cleared the final7.5 million historical acquisition liabilities with 3.5 million paid in March 2024 for the final earn out for CBWG and4.0 million paid in September 2024 for the final deferred acquisition payment for Saturday Football Inc. The Group has no further acquisition liabilities.

Summary

The Group is focused on ensuring it enters 2025 with both staffing levels and infrastructure commensurate with the existing North American business while ensuring continued high-quality delivery to customers and media partners, with a view to maximising business performance in the prevailing market conditions.

We look forward to preparing for further state launches when they are announced.

David King
Chief Executive Officer
30 September 2024

Financial Review

Financial Summary

Following the sale of the Europe and Canada assets, the remaining business ("Continuing Business") consists of the North America business and a small residual income ("Other") from Europe, principally from the legacy network business that was not sold to GAMB.The Europe and Canada assets which have been disposed of ("Discontinued Business") and associated costs will be reported against the Discontinued Business line until the remaining costs are removed in Q4 2024.

For H1 2024 reporting, the Discontinued Business revenue reflects only the first three months of trading in 2024 prior to the Transaction, versus H1 2023 which includes revenue for the full six months in the period.

Total Revenue H1 2024

	H1 2024 Revenue (m)	H1 2023 Revenue (m)
Group Total Revenue	15.6	29.4
Discontinued Business[1]	(5.2)	(12.5)
Continuing Business[2]	**10.4**	**16.9**
North America	9.8	16.2
Other	0.6	0.7
Continuing Business Total	**10.4**	**16.9**

[1] The Group classifies the remaining business which consists of the North America business and a small residual income from the legacy network business as continuing.

[2] The Group classifies the Europe and Canada assets sold to Gambling.com Group Limited on 1 April 2024 as discontinued.

The Continuing Business has delivered revenue of10.4 million, with adjusted EBITDA of0.9 million. Operating losses increased to 6.1 million and the loss for the period increased from 1.0 million to 7.7 million.

Cash balances, including short-term deposits, increased from 4.8 million to 19.4 million after the receipt of the initial 20.0 million from the sale of its Europe and Canada assets to GAMB.

Continuing Business

	H1 2024	H1 2023	Change 2024 vs 2023
Revenue ('m)	10.4	16.9	(38)%
Gross profit ('m)	1.2	5.4	(78)%
Operating loss ('m)	(6.1)	(1.7)	(259)%
Adjusted EBITDA ('m)	0.9	3.2	(72)%
Adjusted EBITDA margin (%)	*9%*	*19%*	*(10)% pts*
Statutory loss for the period ('m)	(7.7)	(1.0)	(670)%
Basic loss per share ( )	(0.032)	(0.004)	(700)%

Continuing Business Revenue

	H1 2024 (m)	H1 2023 (m)	Change 2024 vs 2023
North America	9.8	16.2	(39)%
Other	0.6	0.7	(14)%
Total	**10.4**	**16.9**	**(38)%**

Revenue from Continuing Business for H1 2024 was10.4 million (H1 2023: 16.9 million), a 38% decline compared to the previous financial period. This is largely attributable to the state launch of online sport betting in Ohio in January 2023 during the NFL season, and Massachusetts in March 2023 after the NFL season, while in 2024, North Carolina launched in March 2024, after the NFL season.

The Group continues to diversify revenuewith Daily Fantasy Sports ("DFS"), paid media, advertising and sponsorship, as well as building its Gaming presence for longer term growth. The North America business saw c.48,000 real money players ("RMPs") in H1 2024, an increase of 4% (c.46,000, H1 2023) including benefiting from the successful launch of paid campaigns and the expansion of DFS.

The Group's operations are reported on the basis of two core operating verticals, Sports and Gaming (Casino and Bingo), and two geographies, North America and Other.

Revenue Split by Operations

	H1 2024 (m)	H1 2023 (m)	Change 2024 vs 2023
North America (Sport)	9.6	15.8	(39)%
North America (Gaming)	0.2	0.4	(50)%
North America	**9.8**	**16.2**	**(39)%**

North America	9.8	16.2	(39)%
Other (Gaming)	0.6	0.7	(14)%
Other	**0.6**	**0.7**	**(14)%**
Total	**10.4**	**16.9**	**(38)%**

Revenue from the North America region decreased 39% to9.8 million (H1 2023: 16.2 million) due primarily to the relative scale of new state launches and accounted for 94% of Continuing Business revenues (H1 2023: 96%). Other revenue decreased by 14% to 0.6 million (H1 2023: 0.7 million).

Revenue Split by Type

	H1 2024 (m)	H1 2023 (m)	Change 2024 vs 2023
CPA	9.5	15.9	(40)%
Revenue share / hybrid and other [3]	0.9	1.0	(10)%
Total	**10.4**	**16.9**	**(38)%**

[3] Other defined as Fixed Deals, Sponsorship Deals, Display Advertising

The US market has continued largely as a CPA led market. As a result, CPA revenues accounted for 91% of Continuing Business revenues reducing from 94% in the prior period. Revenue share and other has increased to 9%.

Revenue Split by Category

	H1 2024 (m)	H1 2023 (m)	Change 2024 vs 2023
North America Sport	**9.6**	**15.8**	**(39)%**
North America Gaming	0.2	0.4	(50)%
Other Gaming	0.6	0.7	(14)%
Gaming	**0.8**	**1.1**	**(27)%**
Total	**10.4**	**16.9**	**(38)%**

In H1 2024, in line with the Group's sport led focus, 92% of revenues were North American Sport based.

Sport revenues decreased by 39% period-on-period to 9.6 million (H1 2023: 15.8 million) driven primarily by the relative scale of state launches in North America.

Gaming revenues declined by 27% to0.8 million (H1 2023: 1.1 million). Other revenue is largely residual Gaming revenues from Europe, with revenues of 0.6 million (H1 2023: 0.7 million).

Our US Gaming revenues are mainly driven by gaming pages provided on our sports websites which declined period-on-period to 0.2 million (H1 2023: 0.4 million). In order to grow gaming revenues in the longer term, we have launched a small Gaming focussed site.

Revenue split by Media Partnership Business ("MPB") and Owned and Operated ("O&O")

	H1 2024 (m)	H1 2023 (m)	Change 2024 vs 2023
North America MPB	6.6	12.2	(46)%
Other partners	0.6	0.7	(14)%
Total MPB	**7.2**	**12.9**	**(44)%**
North America O&O[4]	3.2	4.0	(20)%
Total O&O	**3.2**	**4.0**	**(20)%**
Total revenue	**10.4**	**16.9**	**(38)%**

[4] O&O includes paid media initiative.

Revenue from MPB decreased by 44% to7.2 million (H1 2023: 12.9 million) again reflecting the relative scale in state launches. Partnership revenues represented 69% of Continuing Business revenues (H1 2023: 76%).

Revenue from O&O decreased by 20% to3.2 million (H1 2023: 4.0 million), also reflecting the relative scale of state launches.

Earnings

The Group recognised an operating loss from Continuing Business of6.1 million (H1 2023: 1.7 million loss) and Adjusted EBITDA from Continuing Business of0.9 million (H1 2023: 3.2 million). The relative size of state launches, period-on-period revenues, and the resulting loss of gross margin has dropped through to Adjusted EBITDA in the period, partially offset by cost savings.

EBITDA from Continuing Business included items which affect comparability and so, the Group excludes these items from its Adjusted EBITDA metrics. These are detailed below:

Reconciliation of Operating Profit for Continuing Business to Adjusted EBITDA

	H1 2024 (m)	H1 2023 (m)	Chan 2024 2023
Operating loss from Continuing Business	(6.1)	(1.7)	(259)'

*Depreciation and Amortisation**	*3.0*	*3.5*	
EBITDA from Continuing Business	**(3.1)**	**1.8**	**(272)'**
Share-based payments	*0.2*	*0.4*	
Reorganisation costs	*1.3*	*1.0*	
Exceptional minimum guarantee costs	*2.5*	*-*	
Adjusted EBITDA from Continuing Business	**0.9**	**3.2**	**(72)%**
Adjusted EBITDA margin from Continuing Business	*9%*	*19%*	*(10) % pts*

* Includes 1.2 million accelerated write-off

Adjustments to Earnings

The Group incurred 0.2 million of share-based payment charges (H1 2023: 0.4 million), with the reduction period-on-period due to senior management leavers from the schemes in late 2023 and early 2024.

In addition, the Group incurred 1.3 million of reorganisation costs in H1 2024 (H1 2023: 1.0 million) relating to the continuation of the Group's rightsizing plan and integration, and deal-related costs.

In H2 2023, the Group classified costs from the minimum guarantees in the contract with one media partner as an adjusting item to EBITDA due to the size and short-term nature of this agreement. The agreement ended in August 2024. The impact of these costs on H1 2024 was 2.5 million.

Adjusting for these one-off items, adjusted EBITDA from Continuing Business was 0.9 million (H1 2023: 3.2 million), with a margin of 9% (H1 2023: 19%).

Sales and Marketing Costs

Direct cost of revenue decreased to 7.5 million from 9.2 million. This includes the revenue share payments to our Media Partners in the US amounting to 4.4 million (H1 2023: 8.1 million), and a further 2.5 million for exceptional minimum guarantee costs (H1 2023: Nil). Excluding revenue share payments to Media Partners, sales and marketing costs were 0.6 million (H1 2023: 1.1 million), a decrease of 45%. These costs relate largely to content and SEO expenses.

Operating Costs

Operating costs of 6.0 million include 1.3 million of reorganisation costs and 0.2 million of share-based payment charges (H1 2023: 5.9 million including 1.0 million of reorganisation costs and 0.4 million of share-based payment charges), This includes staff costs, technology expenditure and other operating costs. Excluding these one-off items, the Group incurred operating costs of 4.5 million (H1 2023: 4.5 million). These are analysed below:

Staff Costs

Staff costs from Continuing Business was 3.5 million (H1 2023: 3.2 million). The period-on-period increase related to increased incentives in the US and a change to the bonus provisions for all staff.

Other Operating Costs

Other operating costs were 1.0 million (H1 2023: 1.3 million). These include technology expenditure, administrative expenses and professional service costs, with the period-on-period reduction being driven by lower external advisor fees.

Earnings per share (EPS)

	H1 2024	**H1 2023**	**Change 2024 vs 2023**
Basic and diluted EPS from Continuing Business ( )	(0.032)	(0.004)	(700)%
Adjusted basic and diluted EPS ( )	(0.033)	0.018	(283)%

Basic and diluted EPS remained the same (H1 2023: same) due to the significant number of weighted average number of shares. In H1 2024, the Group recognised a basic and diluted loss per share from Continuing Business of 0.032 (H1 2023: loss per share of 0.004).

Including the discontinued operations, the Group recognised a loss per share of 0.033 (H1 2023: earnings per share of 0.018).

Finance Costs

Net financial income amounted to 0.7 million (H1 2023: 0.2 million). This includes a 0.9 million gain from the unwind on the discount of the fair value of the assets sold in the Europe and Canada Assets sale in April 2024. In addition. It also includes a 0.3 million foreign exchange loss due to re-translation of monetary balances to USD, the presentational currency of the Group (H1 2023: 0.3 million gain).

Excluding this fair value gain and the forex impact, net financial income was 0.1 million (H1 2023: 0.1 million costs) relating to interest earned on the short-term deposits.

The Group does not hold any external debt financing as at 30 June 2024 (H1 2023: Nil).

Tax

The Group understands the importance of the tax contribution we make, and we have a tax strategy which supports this commitment.

The Group has a tax-presence in the regions where the Group is incorporated, which are Jersey (where the parent company is incorporated), UK, US, Cyprus, Canada and Israel. The Group structure consists of a UK branch with a shared service centre in Cyprus, both of which support the intellectual property based in Israel and Cyprus and the growing operations in the US.

The Group recognised a tax charge of0.1 million in H1 2024 for its Continuing Business (H1 2023:0.2 million). The Group recognised an income tax provision of 5.6 million (H1 2023: 5.7 million). In H1 2024, the Group paid0.2 million to tax authorities in the jurisdictions it operates (H1 2023: 2.8 million).

Summary Balance Sheet and Cash Flow Metrics

	H1 2024 (m)	**H1 2023 (m)**	**Change 2024 vs 2023**
Free cash flow [5]	(1.3)	(2.2)	41%
Cash from operations [6]	(0.4)	0.4	(200)%
Normalised Capital expenditure [7]	0.9	2.7	(67)%
Acquisition-related payments	3.5	3.4	3%

[5] Defined as cash from operations excluding one-off tax payments or refunds, less capital expenditure.

[6] Includes working capital and trading from discontinued operations.

[7] Defined as reported capex less acquisition-related capital expenditure.

Cash and Working Capital

On the balance sheet as at H1 2024, the Group held3.1 million of cash at banks. This balance included 0.6 million of cash owed to GAMB as part of the transition services agreement from the sale of the Group's Europe and Canada sports betting and gaming assets GAMB Limited on 1 April 2024.

At H1 2024, the Group also held 16.9 million on deposit with the Group's banks (H1 2023: Nil), earning interest with a short maturity date.

Including the short-term deposits, but excluding the amounts owed to GAMB, cash balances for the Group at H1 2024 was 19.4 million (H1 2023: 7.4 million).

The Group recognised free cash outflows of1.3 million in H1 2024 after adjusting for one-off cash items, a reduction of 41% compared to H1 2023. Included in the movement in working capital in H1 2024 is1.7 million owed to GAMB being cash collected on their behalf following the sale. Cash flow used from operating activities was 0.4 million (H1 2023: 0.4 million generated).

Whilst the Group did not acquire any businesses in H1 2024, it continued to invest in its assets, mainly in its domains and websites, spending 0.9 million on capital expenditure (H1 2023: 2.7 million). The reduction reflects the completion of a number of technology projects, and the reducing demands on technology following the sale of the European assets.

The Group's acquisition program between Q4 2020 and 2021 resulted in it committing to future acquisition and earn out payments as part of the acquisition consideration, to be substantially funded from the Group's free cashflow.

During H1 2024, the Group paid out 3.5 million of deferred acquisition and earnout payments (H1 2023: 3.4 million).

Post period, the Group paid 4.0 million in September 2024 for the final deferred acquisition payment for Saturday Football Inc. There are no further acquisition liabilities in the business.

Historical Acquisition Payments

	2023 (m)	**H1 2024 (m)**	**H2 2024 (m)**
North American assets	4.0	-	4.0
Europe assets	4.0	-	-
Deferred consideration	**4.4**	**0.0**	**4.0**
North American assets[8]	3.0	3.5	-
Earn-outs	**3.0**	**3.5**	**0.0**
Total acquisition related payments	**7.4**	**3.5**	**4.0**
Further outstanding payments	**7.5**	**4.0**	**0.0**

[8] Earn-out not recognised in balance sheet until target met.

The cash flows above included the cash flow from operations and working capital balances for the discontinued businesses.

Glossary of Financial Terms

Although the Group is not subject to the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority, we have provided additional information on the metrics used by the Group. The Directors use the metrics listed below as they are critical to understanding the financial performance and financial health of the Group. As they are not defined by IFRS, they may not be directly comparable with other companies who use similar measures.

Profit measures

Metric	Closest equivalent IFRS measure	Definition
Continuing Business revenue	Revenue	For H1 2024 reporting, the Group classifies the remaining business which consists of the North America business and a small residual income from the legacy network business as continuing.
Adjusted EBITDA	Operating Profit [1]	Earnings before Interest, Taxes, Depreciation and Amortisation, and excluding any share-based payments, impairment, final exceptional minimum guarantee costs, group rightsizing costs and remaining costs associated with the discontinued business prior to their removal.
Adjusted EBITDA from Continuing Business	Operating Profit [1]	As above but excluding discontinued operations
Adjusted Basic and diluted earnings per share from Continuing Business	Basic and diluted earnings per share	Based on profit for the period from Continuing Business.

[1] Operating profit is not defined under IFRS. However, it is a generally accepted profit measure.

Cash flow measures

Metric	Closest equivalent IFRS measure	Definition
Free cash flow	No direct equivalent	Cash from operations excluding one-off tax payments or refunds, excluding acquisition costs, less capital expenditure.
Normalised capital expenditure	No direct equivalent	Reported capital expenditure excluding acquisition-related capital expenditure.

END

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