

For immediate release

11 November 2024

Gfinity PLC
("Gfinity" or the "Company")
New business development and trading update

As previously announced on 26 September 2024, the Board of Gfinity plc (AIM:GFN), which specialises in digital media and monetisation, intended to explore new business opportunities to develop and expand the Company's core focus of digital media content, further leveraging the infrastructure commercially available in the Company and intended to use the proceeds from the recent funding to explore these opportunities.

The Board is pleased to announce that it has signed a non-binding Memorandum of Understanding ("MOU") with OM Technology Solutions Ltd ("OM") to commercialise OM's advanced artificial intelligence technology, Connected IQ ("CIQ"), which is specifically targeted at the connected video market. Gfinity and OM intend to agree and sign a detailed legally binding agreement as soon as possible, and in any event no later than 6 months from the date of the MoU.

The MOU outlines the scope of potential collaboration between Gfinity and OM and which envisages that Gfinity will enter into an exclusive licence agreement with OM ("Licence") for the use of CIQ and will pay a licence royalty fee to OM expected to be equivalent to 30% of net profits generated by Gfinity from the Licence. CIQ has been developed by OM and is now at the stage of being ready to be launched for commercial launch. The Board believes that the Licence will provide an opportunity for Gfinity to combine its current network and relationships within the advertising sector and digital media monetisation, together with the initial relationships CIQ has already established with top-tier agencies, sell-side platforms, to commercialise CIQ.

David Halley, CEO of Gfinity, commented: "This proposed partnership represents an opportunity for Gfinity to combine innovative AI technology with scalable solutions in the fast-growing connected video and advertising industry. With the current rate of growth of video content through platforms such as Connected TV and Youtube, video is becoming the dominant medium for information online, and Gfinity can provide a valuable service to the monetisation of this market. The MOU aligns with our strategic focus on delivering value to our shareholders by capitalising on key industry trends."

The MoU is non-binding and there is no certainty that definitive binding agreements will be entered into in due course or on the terms as set out in the MoU. Shareholders should note that while the Board is excited about CIQ's potential market, CIQ is still at an early stage with no sales track record and there is no certainty as to how sales might develop under the Licence. OM is a newly formed company with no published accounts.

In addition, the MoU envisages that Gfinity will have the option, but not the obligation, to buy OM, CIQ and its associated intellectual property after the first anniversary of the date of execution of the binding Licence agreement ("Effective Date") for a consideration of £2 million. The Option will otherwise lapse on the third anniversary of the Effective Date. Given the lack of trading and commercialisation to date, the current value of OM and assets, which are the subject of the Option, is limited unless and until the commercialisation by Gfinity under the Licence is successful, which is not guaranteed. The Option price and value of the Licence is based on the Board's current assessment of potential outcomes of commercialisation and prospective sales in 2025 and beyond, based on the Board's own internal estimates, the current status of the software and the potential pipeline of customers.

A further announcement will be made in due course when binding agreements are completed.

OM is 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. Accordingly, the execution of any binding agreement with OM will be a related party transaction pursuant to Rule 13 of the AIM Rules for Companies, and will be dealt with accordingly at the time.

Current trading

As previously reported, during the last year Gfinity has completed a 12-month cost-cutting programme, reducing headcount and technology expenses. Following this restructuring, these changes have been reflected in improvement in profitability in the last quarter of 2024 and the Board is pleased to announce that it currently expects to meet its objective to achieve monthly profitability by the end of 2024, whilst leveraging its strengthened commercial resources in the coming year.

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.

Enquiries:

Gfinity Plc	David Halley	+44 (0)7516 948427
Beaumont Cornish Limited	Roland Cornish	+44 (0)207 628 3396
Nominated Adviser and Broker	Michael Cornish	www.beaumontcornish.co.uk

Further Information

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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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