

For immediate release

19 March 2025



Gfinity plc
("Gfinity" or the "Company")

Half Year Results

Gfinity (AIM: GFIN), a leading Digital Media provider, announces its unaudited results for the six-month period ended 31 December 2024.

Operational Highlights:

The period ended December 31 2024, continued the transition of Gfinity. During this period, we made further cost cuts through headcount reduction and adapting to a more freelance-focused business model.

In November 2024, we signed a non-binding contract to commercialise Connected IQ, an AI driven advertising solution for online video, with the binding contract signed in January 2025.

Monthly costs are now at a sustainable amount and more in line with a modern digital company. With a profit in November, we now focus the Company on further progress in 2025, as the Digital Media team achieve consistent monthly performance, due to our extensive cost cutting and realignment of editorial and the web product. Gfinity is now in a period of a more disciplined approach to our budget.

The digital media sector has experienced a very tough period, with Google search now an unreliable partner, and session counts reduced but consistent. Revenue per Mille ("RPM") has stayed steady, with advertisers still willing to pay good rates for placing adverts on sites such as those run by Gfinity digital media.

Outlook

The outlook remains uncertain for the digital media sector, as large language models from X, Open AI and Anthropic offer different solutions for search and interaction with the web, including the retrieval of data for gamers seeking advice on game play. The Company addresses this through the development of new tools, including a deck builder for www.mtgrocks.com, which creates a more product focused and interactive website for our users.

There is still high demand for gaming information and sites, as the gaming industry continues to perform very well, and the Gfinity sites have loyal users and a very strong demographic. The directors believe that these sites continue to maintain significant value for the Company.

Through our agreement with OM Technology Solutions Ltd to commercialise Connected IQ ("CIQ"), we have moved into the thriving AI market sector. The marketing of artificial intelligence solutions in the Connected TV ("CTV") sector is the fastest growing in the advertising industry and we have a product which has been developed to be one of the most compelling commercial use cases in the sector and with industry leading model performance for viewing videos at scale. CIQ has the capacity to continually develop new features, making it an attractive product for major advertising agencies.

Operational Review:

The results for the six-month period to 31 December 2024 reflect the completion of the cost cutting period, with further staff and business cost reductions in the six months resulting in a profitable month in November. Revenue decreased by 52% compared with the previous year as the Company continued to develop the digital media product, whilst IT and

Subscription costs were down 78% and staff costs down 46%.

During the six-month period to December 2024, Gfinity tested new advertising technology systems in addition to the offering from Mediavine with regards to programmatic advertising on the sites. These tests resulted in significantly reduced revenue for the months of July, August and September across all sites, whilst allowing for us to optimise our advertising technology going forward. We have now taken these learnings and transitioned back to full use of the Mediavine platform for programmatic income, our RPM's are now back in line with previous periods and we expect revenue to recover in H1 2025.

Financial Review:

As planned, costs reduced significantly in the period: IT and Subscription costs were down 78%, and staff costs down 46%; with a further double digit reduction in salary costs expected in H1 2025, reflecting the first full half-year of the new base, now the digital media reorganisation process is complete. Revenue of £390,099 represented a reduction of 52% on the six months to December 2023.

On 26 September 2024, the Company raised £30,000 through a Director subscription and additionally raised £120,000 through a convertible loan.

On 9 February 2025, the Company announced that it had raised £260,000 through a Company arranged subscription with third parties, and a Director subscription, of in aggregate 416,000,000 new Ordinary Shares at a price of 0.0625 pence per new Ordinary Share to develop the commercialisation of CIQ, new business opportunities and provide general working capital.

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.

Group Statement of Profit or Loss

		6 months to 31 December 2024 Unaudited	6 months to 31 December 2023 Unaudited	Year to 30 June 2024 Audited
		£	£	£
CONTINUING OPERATIONS	Note			
Revenue	4	390,099	805,741	1,895,029

Cost of sales		(260,164)	(238,207)	(844,951)
Gross profit		129,935	567,534	1,050,078
Administrative expenses		(401,220)	(586,739)	(2,054,057)
Operating loss		(271,285)	(19,205)	(1,003,979)
Impairment charge		-	-	(284,408)
Re-assessment of Deferred Consideration		-	-	24,541
Finance income		1	152	275,011
Finance costs		-	(590)	(438)
Loss on ordinary activities before tax		(271,284)	(19,643)	(989,273)
Taxation		(1,273)	194,916	394,831
(Loss)/Profit for the period		(272,557)	175,273	(594,442)
(Loss)/Profit for the period		(272,557)	175,273	(594,442)
Earnings per Share (Basic)	3	(0.077)	0.006	(0.02)

Group statement of comprehensive income

	6 months to 31 December 2024 Unaudited	6 months to 31 December 2023 Unaudited	Year to 30 June 2024 Audited
	£	£	£
(Loss)/Profit for the period	(272,557)	175,273	(594,442)
Items which may subsequently be reclassified to profit or loss			
Foreign exchange (loss)/gain on retranslation of foreign operations	(494)	2,326	8,916
Other Comprehensive (loss)/Income for the period	(494)	2,326	8,916
(Loss)/profit and total comprehensive (loss)/profit for the period	(273,051)	177,599	(585,526)

Group Statement of Financial Position

	As at 31 December 2024 Unaudited	As at 30 June 2024 Audited
	£	£
NON CURRENT ASSETS		
Property, plant and equipment	-	400

Goodwill	310,943	310,943
	<u>310,943</u>	<u>311,343</u>
CURRENT ASSETS		
Trade and other receivables	164,733	363,484
Cash and cash equivalents	60,602	23,155
	<u>225,335</u>	<u>386,640</u>
TOTAL ASSETS	536,278	697,983
	<u><u>536,278</u></u>	<u><u>697,983</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	2,754,030	2,724,030
Share premium	55,661,077	55,661,077
Other reserves	396,682	398,985
Retained earnings	(58,626,549)	(58,419,049)
	<u>185,240</u>	<u>364,953</u>
Total equity	185,240	364,953
Current liabilities		
Short term debt	50,000	-
Trade and other payables	301,038	240,390
Provisions	-	92,640
	<u>443,678</u>	<u>333,030</u>
Total liabilities	443,678	333,030
TOTAL EQUITY AND LIABILITIES	536,278	697,983
	<u><u>536,278</u></u>	<u><u>697,983</u></u>

Group Cash Flow Statement

	6 months to 31 December 2024 Unaudited £	6 months to 31 December 2023 Unaudited £	Year to 30 June 2024 Audited £
Cash flow used in operating activities			
(Loss)/profit for the period	(272,557)	175,273	(585,525)
<i>Adjustments for</i>			
Depreciation	400	14,757	14,357
Amortisation	-	-	315,091
Impairment of assets	-	-	284,408
Interest paid	-	591	591
Interest received	(1)	(152)	(153)
Share based payments	63,339	-	70,800
Increase in credit loss provision	-	-	(48,000)
Re-evaluation of contingent consideration	-	-	(24,451)
Profit on disposal of associate	-	(260,000)	(275,000)
(Decrease)/Increase in provisions	(92,640)	(145,647)	(145,647)
Current and deferred tax credit	-	-	(211,390)
Total	<u>(301,459)</u>	<u>(215,178)</u>	<u>(605,008)</u>
(increase)/decrease in receivables	198,766	251,293	233,055
(decrease)/Increase in payables excluding contingent consideration	(59,367)	(852,498)	(813,518)
Tax credit recovered	-	202,276	139,000
	<u>(162,060)</u>	<u>(614,107)</u>	<u>(950,471)</u>
Net operating cash (outflow)	(162,060)	(614,107)	(950,471)
Cash flow from/(used in) investing activities			
Interest received	1	152	152
Additions to intangible assets	-	-	(15)
Payment of deferred/contingent consideration	-	(118,642)	-
Net proceeds on disposal of fixed assets	-	-	275,000
Proceeds on disposal of associate	-	260,000	-

proceeds on disposal of associate	-	200,000	-
Investment in associate	-	(15)	-
Cash generated from investing activities	1	141,495	275,137

Group Cash Flow Statement (continued)

Cash flow from financing activities			
Issue of equity share capital (net of costs)	30,000	415,927	428,604
Proceeds from issue of loan note	120,000	-	-
Loan received	50,000	-	-
Interest paid	-	(591)	(591)
Cash generated by financing activities	200,000	415,336	428,013
Increase/(decrease) in cash and cash equivalents	37,941	(57,276)	(247,321)
Effect of currency translation on cash	(494)	2,325	-
Net increase/(decrease) in cash	37,447	(54,951)	(247,321)
Opening cash and cash equivalents	23,155	270,476	270,476
Closing cash and cash equivalents	60,602	215,525	23,155
Net increase/(decrease) in cash	37,447	(54,951)	(247,321)

Statement of Changes in Equity

	Share Capital	Share premium	Share option reserve	Retained earnings	NCI	Foreign currency translation reserve	Total equity
	£	£	£	£	£	£	£
At 30 June 2023	2,649,030	55,367,959	423,613	(57,967,571)	3	(21,958)	451,076
Profit for the period	-	-	-	175,273	-	-	175,273
Other comprehensive income	-	-	-	-	-	2,327	2,327
Total comprehensive income	-	-	-	175,273	-	2,327	177,600
Shares issued	75,000	375,000	-	-	-	-	450,000
Share Issue Costs	-	(81,882)	60,488	-	-	-	(21,394)
Share options issued	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	75,000	293,118	-	-	-	-	428,606
At 31 December 2023	2,724,030	55,661,077	484,031	(57,792,298)	3	(19,631)	1,057,282
Loss for the period	-	-	-	(769,645)	-	-	(769,645)
Other							

comprehensive income	-	-	-	-	-	6,588	6,588
Total comprehensive income	-	-	-	(769,645)	-	6,588	(763,057)
Shares issued	-	-	-	-	-	-	-
Share Issue Costs	-	-	-	-	-	-	-
Share options issued	-	-	70,800	-	-	-	70,800
Release to retained earnings	-	-	(142,894)	142,894	-	-	-
Total transactions with owners, recognised directly in equity	-	-	(72,094)	(626,751)	-	-	(698,845)
At 30 June 2024	2,724,030	55,661,077	411,937	(58,419,049)	-	(13,042)	364,953

Statement of Changes in Equity (continued)

	Share Capital	Share premium	Share option reserve	Retained earnings	Foreign currency translation reserve	Total equity
	£	£	£	£	£	£
At 30 June 2024	2,724,030	55,661,077	411,937	(58,419,049)	(13,042)	364,953
Loss for the period	-	-	-	(272,558)	-	(272,558)
Other comprehensive loss	-	-	-	-	(494)	(494)
Total comprehensive income	-	-	-	(272,558)	(494)	(273,052)
Shares issued	30,000	-	-	-	-	30,000
Share Issue Costs	-	-	-	-	-	-
Share options issued	-	-	63,339	-	-	63,339
Release to retained earnings	-	-	(65,058)	65,058	-	-
Total transactions with owners, recognised directly in equity	30,000	-	(1,719)	65,058	-	93,339
At 31 December 2024	2,754,030	55,661,077	410,218	(58,626,549)	(13,536)	185,240

Notes to the interim financial statements

1. General Information

Gfinity plc is a public limited company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. Its registered office is 128 City Road, London, England, EC1V 2NX. Its shares are quoted on the AIM market of the London Stock Exchange.

The functional and presentational currency is £ sterling because that is the currency of the primary economic environment in which the group operates.

These condensed interim financial statements were approved for issue on 19 March 2024.

2. Accounting Policies and Basis of Preparation

Basis of Preparation

The interim financial statements for the six months ended 31 December 2024 have been prepared using accounting policies that are consistent with those of the audited financial statements for the year ended 30 June 2024. The interim financial information should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 June 2024, which has been prepared in accordance with IFRS as adopted by the United Kingdom.

The interim financial information contained in this report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Annual Report and Accounts for the year ended 30 June 2024 has been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, however, they did note a material uncertainty with regards to going concern, relating to the fact that the going concern basis of preparation was dependent on certain growth targets being met within 12 months from the date of signature of the Annual Report.

Significant Accounting Policies

The critical accounting policies and presentation followed in the preparation of this interim report have been consistently applied to all periods in these financial statements and are the same as those applied in the Company's Annual Report and Accounts for the year ended 30 June 2024.

A copy of the Annual Report and Accounts to 30 June 2024 can be obtained from the Company's website: www.gfinityplc.com.

Critical Accounting Judgements

The preparation of financial statements in conforming with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates. Revisions to these estimates are made in the period in which they are recognised.

The critical accounting judgements made in preparing this interim report are the same as those in preparing the Annual Report and Accounts of the Company for the year ended 30 June 2024 which can be obtained from the Company's website: www.gfinityplc.com.

Going Concern

At 31 December 2024 the group had cash of £60,602.

The Company focuses on investing in and developing websites and advertising technology. Capital will be deployed in the following year to further develop our technologies.

As also fully set out in the 2024 Annual Report:

The Directors have prepared a base case cashflow forecast, which assumes certain growth targets are met; and
The Directors consider that the growth targets are reasonable and attainable, and in view of this, believe that the going concern basis of preparation continues to be appropriate.

3. Earnings per share

Basic earnings per share is calculated by dividing the profit (previous periods - loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

For the 6 months to 31 December 2024, diluted EPS is shown below. For previous periods, for a loss-making company with outstanding share options, net loss per share would be decreased by the exercise of options and therefore the effect of options has been disregarded in the calculation of diluted EPS for those previous periods.

	6 months to 31 December 2024	6 months to 31 December 2023	Year to 30 June 2024
All operations	£	£	£
Earnings	(272,557)	175,273	(594,442)
	Number 000's	Number 000's	Number 000's
Weighted average number of ordinary shares	3,504,030	3,139,024	3,280,945
Earnings per share	<u>(0.077)</u>	<u>0.006</u>	<u>(0.02)</u>
Continuing operations			
Earnings	(272,557)	175,273	(594,442)
Weighted average number of ordinary shares	3,504,030	3,139,024	3,280,945
Earnings per share	<u>(0.077)</u>	<u>0.006</u>	<u>(0.02)</u>
Diluted earnings per share			
Earnings	(272,557)	175,273	(594,442)
Weighted average number of ordinary shares	3,833,056	3,556,412	3,280,945
Loss per ordinary share for continuing operations	<u>(0.071)</u>	<u>0.005</u>	<u>(0.02)</u>

4. Revenue

The Group's policy on revenue recognition is as outlined in note 2 of the financial statements for the year ending June 2024. The period ending December 2024 included £Nil in the contract liability balance and at the beginning of the period (December 2024: £Nil and year ending June 2024: £Nil).

The Group's revenue disaggregated by primary geographical markets is as follows:

	6 months to 31 December 2024	6 months to 31 December 2023	Year to 30 June 2024
	£	£	£
United Kingdom	8,073	26,009	410,561
North America	314,102	679,559	1,284,392
ROW	67,923	100,713	200,076
Total	<u>390,098</u>	<u>805,741</u>	<u>1,895,029</u>

The Group's revenue disaggregated by pattern of revenue of revenue recognition is as follows:

	6 months to 31 December 2024	6 months to 31 December 2023	Year to 30 June 2024
	£		
Services transferred at a point in time	252,572	805,741	1,817,731
Services transferred over time	136,776	-	77,298
Total	<u>390,098</u>	<u>805,741</u>	<u>1,895,029</u>

5. Goodwill and Intangible Fixed Assets

The Group holds goodwill in respect of the acquisitions of the trade and assets of EpicStream and RealSport in earlier periods.

A comprehensive impairment review was performed for the purposes of assessing the carrying value of goodwill as at 30 June 2024, using a fair value method, on the basis of a multiple of revenue achieved for the respective brands in the year

ended 30 June 2024.

As a result of the close proximity of the assessment of the carrying values undertaken as at 30 June 2024, and now, the Directors do not consider any further impairment provisions are required.

A full review of the carrying values for goodwill and intangible fixed assets will be undertaken at the time of reporting on the full year results to 30 June 2025.

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