LBG MEDIA PLC

ANNUAL REPORT AND ACCOUNTS 2021

LBG MEDIA IS A MULTI-BRAND, MULTI-CHANNEL DIGITAL YOUTH PUBLISHER WITH A GLOBAL AUDIENCE

2021 HIGHLIGHTS

	Revenue (£)	Adjusted EBITDA (£)	Profit before tax (£)	Cash (£)
2021	54.5m	16.8m	8.1m	34.3m
Change	↑ 81%	↑ 206%	↑ 98%	↑ 395%
2021	£54.5m	£16.8m	£8.1m	£34.3m
2020	£30.2m	£5.5m	£4.1m	£6.9m

Financial Highlights

- Significant revenue growth of 81% year on year to £54.5m
- Our revenue growth was diversified across both Direct and Indirect routes to market
- Growth in Adjusted EBITDA margin to 31% (2020: 18%)
- Exceptional IPO costs of £4.9m (excluding £1.0m charged to share premium)
- Strong cash conversion in addition to IPO proceeds of £30m re-enforcing our balance sheet strength
- Bank debt repaid in full

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LBGMEDIA.CO.UK

STRATEGIC REPORT

OUR PURPOSE IS TO GIVE THE YOUTH GENERATION A VOICE BY BUILDING COMMUNITIES THAT LAUGH, THINK AND ACT.

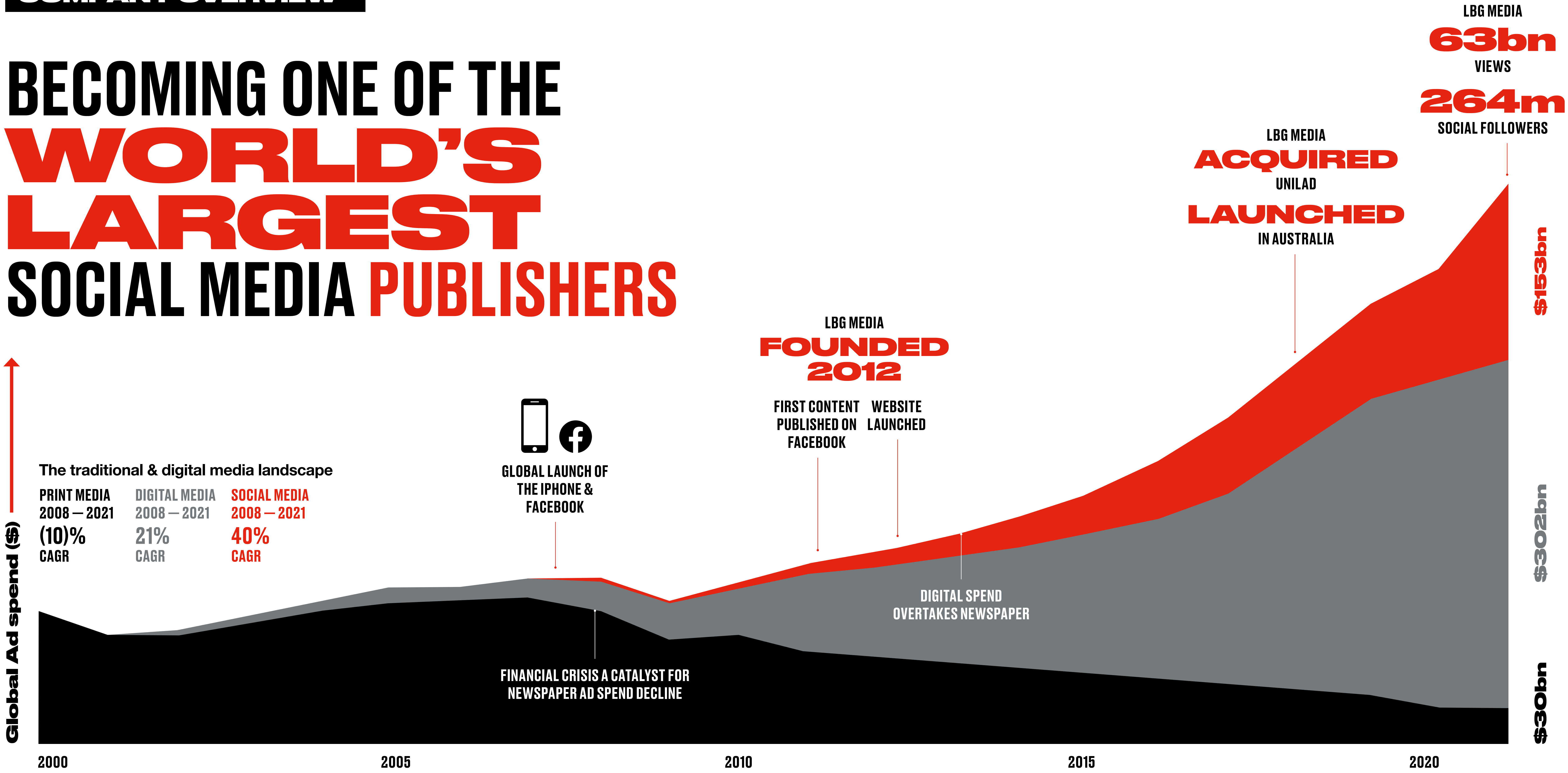
ONE OF THE LARGEST SOCIAL PUBLISHERS IN THE WORLD

+1 billion
GLOBAL REACH

+150m
CONTENT VIEWS A DAY

2/3
REACH 2/3 OF 18-34 YEAR OLDS IN UK

BECOMING ONE OF THE WORLD'S LARGEST SOCIAL MEDIA PUBLISHERS



THE WORLD'S MOST ENGAGED SOCIAL PUBLISHER

OUR CONTENT

PRODUCING & PUBLISHING FAST RELATABLE VIDEO & EDITORIAL CONTENT

FIND OUT MORE ON PAGE 5

OUR BRANDS

A PORTFOLIO OF BRANDS

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OUR AUDIENCE

SOCIAL FIRST AUDIENCE OF MILLENNIALS AND GENERATION Z

FIND OUT MORE ON PAGE 7

WE KNOW HOW TO GET ENGAGING DIGITAL CONTENT TO MARKET

WE CREATE

200
EXPERT CONTENT CREATORS

WE DISTRIBUTE

150+
Pieces of content distributed each day

WE ANALYSE

9m+
DAILY ENGAGEMENTS WITH OUR CONTENT

WE LEARN

REAL-TIME
feedback from our audience

LBG MEDIA

OUR CONTENT AND REACH ATTRACTS HOUSEHOLD NAMES

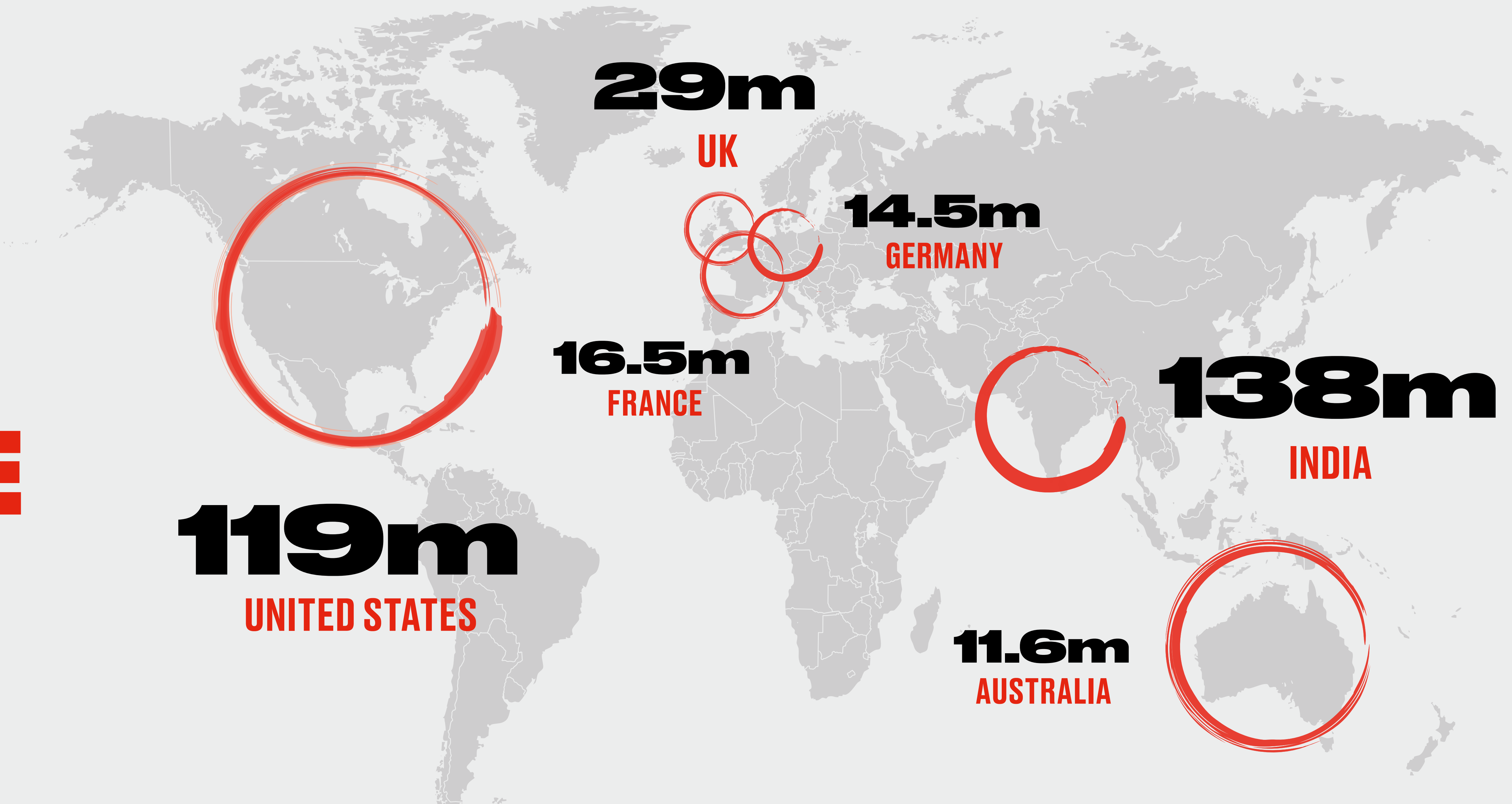
Through a mix of fast turnaround reactive videos and original show formats which have attracted A-list celebrities we provide our audience with engaging relatable content. We understand implicitly how to build a youth audience on social platforms.

Some of the celebrities we have recently worked with include...

COMPANY OVERVIEW

OUR AUDIENCE

WE HAVE A MULTI PLATFORM GLOBAL AUDIENCE OF MILLENNIALS & GEN Z



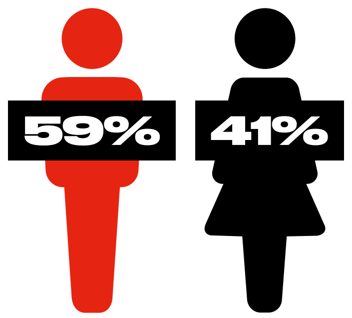
Facebook Analytics - Unique users May 2021

264m GLOBAL AUDIENCE in 2021

3bn ENGAGEMENTS in 2021

100k years OF CONTENT VIEWED in 2021

Audience breakdown by gender and age:



WE ARE THE MOST ENGAGED DIGITAL PUBLISHER ON SOCIAL MEDIA OF ALL-TIME

We are the the world's **ALL-TIME MOST VIEWED** and engaged publisher on Facebook

We are the **BIGGEST UK PUBLISHER** on TikTok

LADbible is in the **TOP 5 MOST VIEWED** publishers of all-time on Instagram

135 MILLION unique views per month on Snapchat

Our websites are visited by **NEARLY 1/3 OF ALL UK ADULTS**

1 MILLION HOURS of watch time per month on Youtube

SERVING BOTH NICHE AND MAINSTREAM AUDIENCES.

From LADbible, the second biggest news site in the UK, to SPORTbible, the UK's number one website for sport, each of our brands offer unique content tailored to a social generation and span multiple verticals including pop culture, gaming and tech.

Our brands include...

FUNNY, POSITIVE, INFORMATIVE and easily ACCESSIBLE to all

Proudly mainstream content you'd share with family and mates. Relatable to everyone, offering a bit of a break from the rest of the world. Celebrating the everyday with a British tone of voice and a global outlook.

FEMALE-LED, focusing on all of LIFE'S PLEASURES

It is smart, informative, warm and funny. Your best friend in the group chat that brings the fun to all occasions and isn't scared to be self-deprecating - she doesn't take herself too seriously! She knows her fashion, high street is her go-to but through effortless style she makes it look high end. She is a beauty junkie and will always give you the best tips and tricks to up your game. The tone is celebratory and relatable.

The VOICE of the FANS

SPORTbible unifies fans of all sports and all sides. It doesn't talk down to its audience, it speaks their language. It's informed (the mate you want on a pub quiz for a sports round), passionate and funny. SPORTbible inspires its audience through amazing stories within sport, pushing meaningful change through respect. It mainly focuses on football and combat sports, but finds ways to speak about other sports.

COMPANY OVERVIEW

OUR BRANDS

UNILAD

A LIFESTYLE BRAND with a global outlook and is often US-led

A thought provoking look at lifestyles and culture, full of intrigue about how the world works. Following the influencers worth being influenced by. Liberal and curious in tone, Unilad is your ticket to cutting edge culture. Unlike LAD, who finds joy in the everyday, Unilad celebrates the truly extraordinary in life.

GAMING BIBLE

All players WELCOME

Gaming from the accessible, relatable, mainstream end of the spectrum. Incredible gameplay and products as well as stories of gamers themselves and a celebration of the culture around gaming. It is seriously knowledgeable as well as accessible, entertaining and fun.

UNILAD TECH

Making TECH ENTERTAINING

Cuts through the complex, making subjects simple and interesting to the masses. Tone is fun and inclusive - for everyone to understand and enjoy. Accessibility is at its core.

UNILAD ADVENTURE

TRAVEL through the eyes of the people doing it

This isn't glossy promo videos or tourist boards. This is first-person experiences that are insightful, emotional, inspirational and authentic. The real side of travelling from those who have dedicated their lives to those experiences and insights.

UNILAD sound.

Amazing people, AMAZING MUSIC

A music page that is about the people doing it. A page born from hip hop culture that now spans all sorts of unique sounds and incredible talents. Something for everyone, regardless of the genre you're into, as long as you're into talented people being great at what they do, and learning something new.

FOOD BIBLE

CELEBRATING FOOD through the eyes of people that make, eat and love it

This isn't a brand that's earnest or takes itself too seriously, it's fun, mainstream and accessible. Our food loves are relatable (fast/street food) and remarkable, not unaffordable and high end.

FAST GROWING DIGITAL MEDIA MARKET

The global digital advertising market was valued at $346bn in 2020 and growing at a CAGR 8.2% to 2024.

We operate in some of the fastest growing segments of this market. Our global addressable market was $42bn in 2019, with the Group's key geographies of the UK, Ireland, USA and Australia making up $21bn.

LARGEST YOUTH PUBLISHER IN THE WORLD

Over recent years, we have delivered significant multi-platform audience growth, establishing ourselves as the largest youth publisher in the world.

Our reach spans 64% of the UK's 18–34 year-olds, a valuable demographic for advertisers which has been historically hard to reach.

Our data insight and position as a trusted voice for our highly engaged audience make us attractive for brands seeking to advertise to our audience.

SIGNIFICANT GROWTH DRIVERS

Organic growth
We will continue to grow organically in the territories where we are already established as we continue to win market share.

Geographic expansion
We have a large and under monetised audience in a number of significant international markets.

Acquisitions
To accelerate our audience growth, broaden demographics and/or establish in a new territory.

Capabilities
We will continue to expand and develop our product offering to meet the needs of brand owners.

BALANCED REVENUE MODEL

Our revenue model is balanced across our Direct (41% in 2021) and Indirect divisions (55% in 2021), with Other revenue streams relating to the licencing of our content to third parties and social agency services (4% in 2021).

Our Direct revenue is currently concentrated in the UK, Australia and Ireland and therefore there is significant opportunity in other international markets (including US) where we already have large audiences.

ATTRACTIVE FINANCIAL MODEL

We have scaled quickly, delivering strong historic revenue growth over recent years. In the four years to 31 December 2021, Revenue has grown at a CAGR of 39%.

We are highly profitable generating an Adjusted EBITDA margin of 31% in 2021.

Our asset light business model is highly scalable and strongly cash generative, with average operating cash flow conversion in excess of 80% over the past four years.

Q&A

LADbible was co-founded in 2012 by Solly Solomou and Arian Kalantari while still studying at University.

Q HOW DID LADBIBLE COME TO BE?

A What started out as an idea while we were at university has today become one of the largest publishing groups in the world, spanning an audience of billions. We have built an incredibly loyal community and have since branched out into multiple brands and social platforms, which along with our content, has evolved and continues to engage and inspire young people across the globe.

I initially developed the idea for a social media publishing business whilst studying business management at Leeds University and, after recognising the huge potential the business had, brought in my friend Arian Kalantari to join the Company as COO and Co-Founder, to help take the Company to the next level.

When Facebook was at its inception it had a really engaged young audience, so when we were just 21, we saw this opportunity and LBG Media started in 2012.

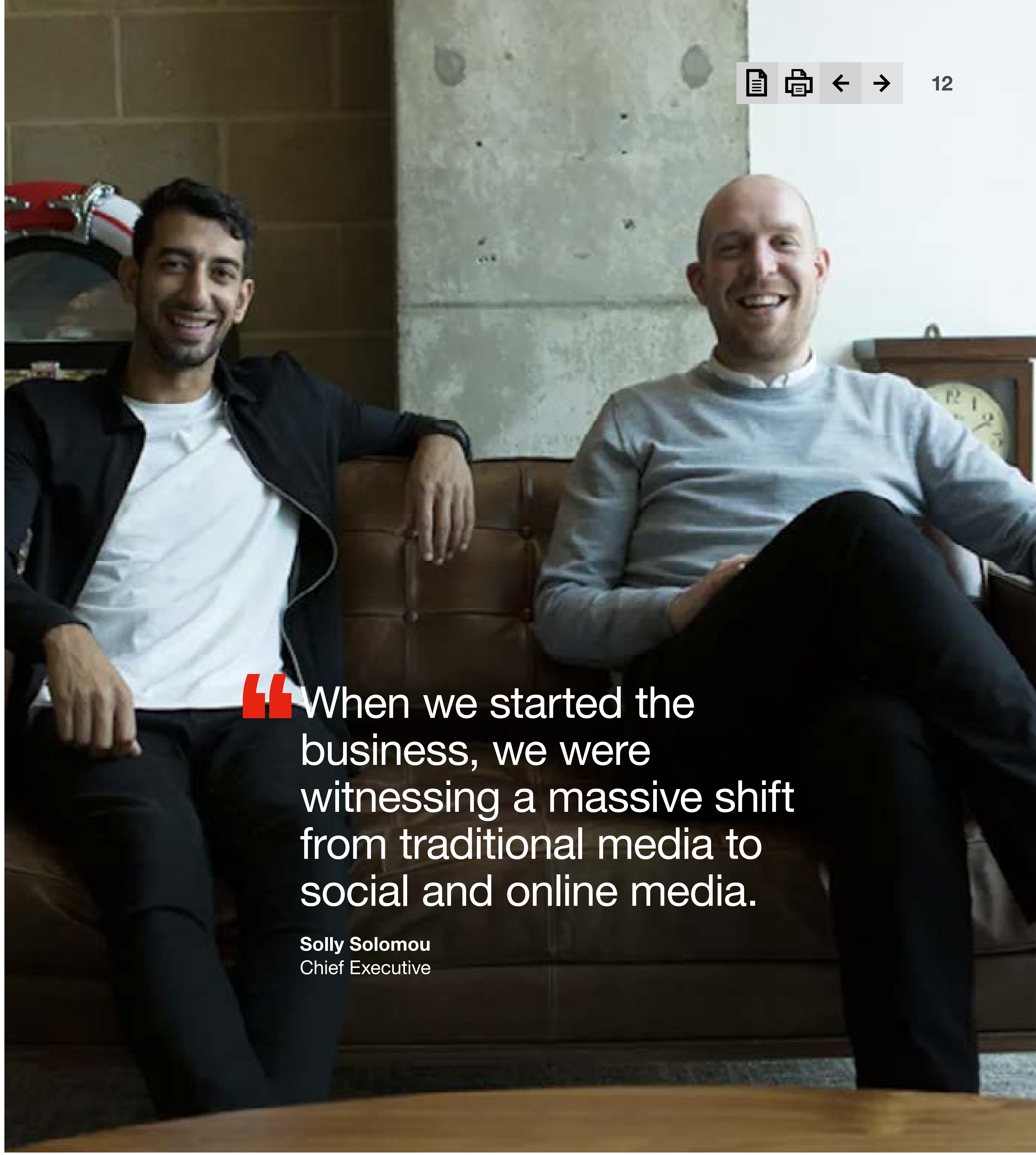
Back when we started LBG Media we couldn't have imagined that it would become the world's all-time most viewed and engaged publisher on Facebook. We have stayed true to our founding values whilst continuing to expand our reach and we are now the biggest publisher on TikTok with 27.2 million followers.

Q HOW DID THE CONCEPT OF LADBIBLE DEVELOP IN THE FOUNDERS' MINDS?

A When we started the business, we were witnessing a massive shift from traditional media to social and online media.

The two of us spotted this opportunity and wanted to provide content, news and entertainment for young people just like us.

Young people stopped relying on traditional media sources, spending more time on their mobile phones and laptops, and were looking for easily accessible entertainment. This led to the creation of LADbible.



> "When we started the business, we were witnessing a massive shift from traditional media to social and online media.

Solly Solomou
Chief Executive

A LAD is an everyday hero who takes a positive and constructive role in their community.

HOW DID THAT DEVELOP INTO A RELEVANT BUSINESS PROPOSITION?

A It was clear from very early on that there was a gap in the market for a digital-first, youth publisher that could provide insightful and engaging content.

Right from the start we saw huge traction and audience growth which meant that we were reaching highly sought-after audiences and this was a valuable proposition to prospective partners.

We were leading the charge with how to navigate the ever-changing landscape of social and digital media – something that more traditional media businesses couldn't do. Companies spotted this and saw us as a trusted partner to help them engage with the youth audience.

We constantly adapted to new trends and social media platforms as we had the data to understand what young people were interested in and could leverage this for our partners. This led to consistent revenue growth as our constant engagement with our community and insight into what excited them became increasingly attractive to a broad range of companies.

We know what our audience wants and how to deliver it to them, this is a hugely valuable proposition for companies looking to target the notoriously difficult to reach youth market.

WHAT IS THE PURPOSE AND MISSION OF THE GROUP?

A We have a clear mission statement that defines everything we do: 'to give the youth generation a voice by building communities that laugh, think and act.'

This purpose underscores everything we do and is a big part of the success we have seen to date.

HOW WOULD YOU DESCRIBE THE CULTURE OF THE GROUP?

A Our people are at the heart of everything we do – both our internal team and our audience. The entire team believes in, and are behind, LBG's mission. They can see the real-life impact of their work instantly, whether that's raising money, raising awareness around important topics or putting a smile on people's faces.

We have a passionate, entrepreneurial, creative and collaborative culture built by people from a diverse set of backgrounds, ages and expertise. There are endless opportunities to enrich our culture via community groups such as LBGTQIA+ allies and internal fundraisers. We are always open to ideas, and we encourage everyone to share their ideas for what LBG's future could look like.

Today we're a global business nearing 500 people and four international offices, but our culture remains wherever we are. We are proud to have key individuals that have helped us grow the business and have been on board from the start, going on to set up and build our international offices.

WHAT IS A 'LAD'?

A A LAD is an everyday hero who takes a positive and constructive role in their community.

We look to champion a variety of people, from both celebrities and our audience, and bring them all onto the same stage.

An everyday hero is an inspiring person, and as a brand, we champion the everyday heroes that make up our LADs. This could be someone that can make a group of people laugh, or someone that has done something inspirational or courageous. Via our content such as our editorial series Daily LADness we were the first social publisher to feature Captain Sir Tom Moore's story, we launched an interview with Inbetweeners star Emily Atack who bravely spoke out about online sexual harassment, and our LAD of the Year was awarded to Folajimi Olubunmi-Adewole, a young man who tragically lost his life aged just 20 this year after jumping into the River Thames to help save a woman. These are the type of people that make up the term LAD.

Over the decades the term LAD has evolved. It's now very much gender neutral. In fact, our audience is split 59/41 between men and women.

WHAT ARE THE BOARD'S PRIORITIES FOR THE GROUP OVER THE SHORT, MEDIUM AND LONG TERM?

A In 2021 we saw a significant increase in followers across our brand portfolio, taking us to 217 million followers worldwide. This presents a big opportunity for continued growth which remains our priority.

We want to build further depth into our brands and explore new passion points that are currently underserved. There is a real opportunity to drive engagement across our brands; we have seen that when we invest further in our brands, such as our recent investment in FOODbible, we see significant growth in audience engagement.

We see a real opportunity to explore new territories to expand the brand, such as monetising our considerable US audience. There is further scope to expand our capabilities and offering to clients and audiences alike, for example virtual and augmented reality through our LADx platform.

This all alongside building on the purpose of our brand and creating important and entertaining content.

WHERE DO YOU WANT THE BUSINESS TO BE IN FIVE YEARS' TIME?

A We want to continue to be the largest youth publisher in the world. As with everything in this space it is all about being nimble and innovative, fortunately this has been at the core of LBG Media from the start.

We want to continue to grow our brands in multiple territories, both organically and via acquisitions and remain at the cutting edge of content, cultural moments and technology.

LBG Media has considerable scope for further growth, and we are incredibly excited by the prospects for the Group. We are sure that LBG Media will be a bigger and better business in five years' time whilst remaining true to our core purpose and mission.

HOW HAVE YOU USED YOUR AUDIENCE REACH FOR GOOD?

A We have launched a variety of social good campaigns including Trash Isles and Blood Without Bias.

Alongside this our content continues to be a force for good such as our Minutes With series to uncover untold stories, and ongoing projects like UOKM8?, our mental health awareness series.

Fundraising is a key part of what we do, and we are working with a number of charities such as British Asian Trust and Oxygen Appeal. Our nimble and digital first approach allows us to react quickly to events, as well as providing powerful content like our recent Lens on Ukraine documentary series.

WHAT DRIVES DISTINCTION BETWEEN LBG MEDIA PLC AND ITS COMPETITORS?

A Firstly, our unrivalled audience engagement and size and this is very much two-way engagement. This is something that is very hard to replicate, especially on more established social platforms where building new audiences is extremely difficult.

We have unique relationships with social platforms, clients, and audiences. We are trusted by them because of our track record and are acknowledged as a leader in our industry.

In addition, our data insights, intelligence and planning capabilities, for example the launch of LADnation, our youth panel, allows us to stay relevant and at the forefront of emerging trends. These insights are incredibly valuable to our partners.

Finally, and perhaps most importantly, the talent we have within the business is what really sets us apart. We have an incredible team that is always innovating, and they remain at the core of our success.

EXCITING TIMES AHEAD

I am delighted to present the Group's first Annual Report and Accounts as a public company, following its successful admission to the London Stock Exchange's Alternative Investment Market in December 2021.

The Initial Public Offering 'IPO' was a major milestone for LBG Media plc and the extremely positive support from new investors is a great testament to the Group's ability to consistently produce relevant content across a diversified brand portfolio, as well as to its attractive and highly relevant business model and the exciting growth opportunities that lie ahead. Our purpose is to give the youth generation a voice by building communities that laugh, think and act. Engaging effectively with our youth audience is at the heart of everything we do and I'd like to take this opportunity to thank them for their continued support.

I am extremely proud to chair and to be part of LBG Media. On behalf of the Board, I would like to thank the whole team for their contribution to the Group's outstanding performance this year.

Performance overview

The Group delivered an outstanding performance in 2021, both financially and operationally. Group revenue was £54.5m, an increase of 81% compared to the prior year (2020: £30.2m). Our impressive revenue performance was driven by both Direct and Indirect revenue streams. Adjusted EBITDA, a non-GAAP measure used by the Board to provide meaningful analysis of trading results, increased to £16.8m, up 206% compared to the prior year (2020: £5.5m). Through leveraging our cost base, Adjusted EBITDA margin increased to 31% compared to 18% in the prior year. A more detailed analysis of our financial results can be found in the CFO review section starting on page 40.

Corporate governance

The Directors support a high standard of corporate governance and have complied with the QCA Code from Admission. The Directors believe that the QCA Code provides the Group with a framework to help ensure that the right standards of governance are established, enabling a strong governance culture to be embedded as part of building a successful and sustainable business for all of the Group's stakeholders.

Board

At IPO, the Board of Directors was strengthened with the appointments of three high-calibre and highly experienced Non-Executive Directors. We have a balanced, diversified and experienced Board to lead the Group through the next stage of its development.

I would like to welcome Carol Kane, Alex Jarvis and Richard Flint to the Board, and look forward to working closely with them as we provide collective oversight and support to our Executive Directors and Group strategy.

Dividend

The Directors intend to reinvest a significant portion of the Group's earnings to facilitate plans for further growth. Accordingly, the Board has decided not to pay a dividend from 2021 retained earnings.

Outlook

The £30 million of new capital raised (before expenses) in December 2021 will support the Group's growth strategy, which includes both an organic element – whereby the Group is focused on expanding capabilities and growing within existing geographies – supplemented by future Merger and Acquisitions 'M&A' opportunities.

We have set ourselves ambitious goals for 2022 and beyond. Our highly experienced management team, differentiated proposition and ongoing engagement with hundreds of millions of social media followers worldwide places us in a strong position to meet these goals and objectives. I am confident that, with our dedication and effort, we will achieve them and more.

Dave Wilson
Chairman
20 April 2022

PLATFORM FOR GROWTH

"The reception we received from investors was very positive and the listing on AIM provides us with the platform to continue to grow well into the future.

Solly Solomou
Chief Executive

I am delighted to announce our first set of results as a quoted company following our admission to trading on the Alternative Investment Market ('AIM') of the London Stock Exchange on 15 December 2021. The reception we received from investors was very positive and the listing on AIM provides us with the platform to continue to grow well into the future.

In the year ended 31 December 2021, LBG Media delivered an outstanding performance with significant levels of organic growth. 2021 revenue increased to £54.5m (2020: £30.2m), representing annual growth of 81%, and 2021 Adjusted EBITDA rose by 206% to £16.8m (FY20: £5.5m). With strong cash generation in the year and the £30m of capital raised at the IPO, net cash at the year end stood at £30.6m (2020: net debt £11.0m).

We are absolutely focused on delivering relevant content to our coveted, hard-to-reach youth audience across our broad portfolio of distinct brands and we have continued to create exciting, engaging and socially responsible content that gives the youth generation a voice and appropriately represents their interests.

We have continued to increase engagement with our global audience, which grew to over 264m as at 31 December 2021, up from 233m in 2020. Our proven model of investing in our teams to produce engaging content for the various platforms grew our base of followers and subsequent monetisation opportunities. We continue to engage our audience with over 62bn content views in 2021, up 97% YoY, and our audience watched c. 53bn minutes of content, up over 140% YoY, and this was well diversified across our brand portfolio.

£54.5m
REVENUE
(2020: £30.2m)

£16.8m
ADJUSTED EBITDA
(2020: £5.5m)

£8.1M
PROFIT BEFORE TAX
(2020: £4.1m)

Own brand portfolio with a highly diverse audience

LBG Media's 9 core brands, each based around specific interest points such as sports, gaming, music, technology, and travel, provide our audiences with relevant, entertaining, and engaging content. By providing different show formats within each of our brands, we are able to engage effectively with our audience across all of the major social media platforms. SPORTbible, for example, has a format called 'Rate my Skills' which is a show that sits on our Snapchat channels. Our diversified brand portfolio also enables us to provide clients – such as brand owners including sports clothing businesses or gaming companies – with specific channels from which to most effectively advertise to their target audience (e.g. through SPORTbible and UNILAD).

LBG Media is structured and designed to deliver fast and relevant video and editorial content, predominantly through social media platforms, to engage with its hard-to-reach younger audience. In the UK alone, the Group reaches almost two thirds of 18 to 34 year-olds. Our audience is split between both female (41%) and male (59%).

This demographic has proven to be more receptive to online advertising and LBG Media provides clients the opportunity to connect with younger generations and enable them to build long-term valuable relationships to deliver repeat or recurring revenues, or other goals such as improved awareness. In terms of monetisation, Facebook is an already monetised platform, Snapchat is advancing its monetisation progress, while TikTok and Instagram are at earlier stages of monetisation. For example, we are currently engaged with Instagram and undergoing alpha testing for future monetisation opportunities.

In 2021, our engagement rate on platforms including Facebook, TikTok, Instagram and Snapchat continued to increase as we focused on providing deeper content within our brands. LADbible, GAMINGbible, UNILADtech and SPORTbible achieved significant growth on TikTok and Instagram. Similarly, we have deepened our engagement on Snapchat where we have increased the number of shows. The success of our focus on Snapchat is demonstrated by the significant increase in the number of views of our shows on the Snapchat platform, which rose from 351m in 2020 to 4.3bn in 2021.

Our traction in Australia was significant, increasing from 3.9m followers in 2020 to 8.6m in 2021.

The digital media market

The Group operates within the wider global advertising market, which includes traditional print advertising (magazines, billboards etc.), and was valued at c.$578bn in 2020. Within the wider advertising market, the digital media market was valued at $346bn in 2020 and has grown at a CAGR of 20.1% from 2012-2020. Accelerated digital transformation during the pandemic and growing e-commerce activity all contribute towards the trend of increased marketing spend being directed to digital channels.

FIND OUT MORE ON PAGE 18

Multi-channel monetisation

We have built an effective model to monetise the relationship we have with our audience and our two core revenue channels, Direct and Indirect, provide several means to access it. Many of the capabilities we have can be used across both sales channels and we have continued to innovate and add new services for the benefit of our audience and our clients.

In 2021, we launched LADstudios, our new content studio, which can create 360 degree original digital content, tailor-made for each platform experience. LADstudios will also work alongside our in-house content marketing agency, Joyride, to create a slate of social-first branded entertainment opportunities to clients and their agencies, as well as sponsored formats to rival traditional television offerings, for use right across our social channels and beyond.

FIND OUT MORE ON PAGE 22

Giving the youth generation a voice by building communities that laugh, think and act

As a leading social youth publisher, LBG Media has a powerful global platform to push socially responsible agendas, represent its audience, and enable those that do not have equal opportunities to have their voices heard. Leveraging our global reach, we have run several social awareness campaigns to address key social issues, raise awareness within communities and governments, and educate our audience.

Some selected examples for this include: LBG Media partnered with the NHS to create a campaign to encourage more young people to apply for roles in nursing, allied health professionals and healthcare support workers. The campaign aimed to show our audience that a career in the NHS is a place where you can grow diverse skill sets and also remind young people of the rewarding and supportive culture it offers. Our insight shows that our audience love to know their personality types and engage with interactive content that offers a sense of self-discovery, so we created The NHS Personality Test: the ultimate skill assessment with a LBG Media spin to feel relatable and native to social. Alongside the NHS Personality Test we worked with real NHS staff to create 'day in the life' content based on the personality types so that our audience could discover roles that suited them first hand. To generate maximum awareness we included LADx across our websites to target students and job searchers.

> 2021 was our most successful year of awards with over 40 nominations and wins including three Cannes Lions.

In 2021, with Amazon Prime Video, we launched a six-part investigative documentary series from LADbible Australia uncovering racial injustice as told by those who have experienced systemic racism first-hand. Shining a light on pleas for equality, each episode offered the audience personal and expert insight into the race-fuelled atrocities that happen in Australia every day.

In February 2022, we premiered a campaign on Europe's largest digital billboard in Manchester, to coincide with Sexual Abuse & Sexual Violence Awareness Week. Conceived and executed by LBG Media's in-house design team, the 'She is Someone' is accompanied by the wider tagline 'Daughter, Sister, Mother, Wife, Girlfriend, Friend' which has been crossed out.

The activation amplified our previous social posts and supports efforts to raise awareness of sexual violence towards women.

Another example is GAMINGbible, which partnered with Mind to host a series of live streams on Facebook to its audience and raise funds for the mental health charity. A study by Mind showed that one in three young people use gaming to offset mental health pressures caused by the COVID-19 pandemic. Working with Mind, we have used our significant reach to raise awareness of mental health, and find new ways such as this to support the gaming community via entertainment to help make a difference.

Growth strategy

LBG Media has a proven track record of delivering strong organic growth, as well as growth via acquisition. Our strategy for growth can be summarised into the below three core pillars.

1. Geographies
2. Mergers & Acquisitions ('M&A'):
3. Capabilities

FIND OUT MORE ON PAGE 22

Awards

LBG Media produces innovative and positive content, tackling important social topics. We are pleased to have been nominated for, and subsequently won, several awards that recognise our positive impact in this regard.

2021 was our most successful year of awards with over 30 nominations and wins including three Cannes Lions, our first nominations for LADbible Ireland, winning Web Channel of the Year for LADbible TV, Commercial Campaign of the Year for PlayStation and we were also crowned Publisher of the Year at the Drum Media Awards. Additionally, in October 2021, the Group won 'Media Brand of the Year' at the Media Week Awards 2021. More recently, our work was recognised by winning four awards at the 2021 Digiday Marketing and Advertising Awards Europe, including Best Use of Social for Tampax 'Think Outside the Box', Best Use of Native Advertising/ Sponsored Content for PlayStation 'PlayDay', Best Branded Content Series for Brew City 'The Social', and Most Innovative Use of Content for The British Army 'A Soldier is a Soldier'.

War in Ukraine

The appalling and concerning events in Ukraine have affected us all on a personal basis. As a Group we have no significant revenue or costs associated with Russia or Ukraine. We will continue to closely monitor the ongoing situation and its impact on the Group.

Current trading and outlook

We continue to see opportunity for all of our brands and all of our geographies, particularly in the US, which is a top three market in terms of audience but is as yet not monetised.

At this early stage of 2022, year to date performance is in line with market expectations and the Group remains on track to deliver against full year consensus.

Solly Solomou
Chief Executive Officer
20 April 2022

WE ARE WELL-POSITIONED TO BENEFIT FROM AND BE A KEY FORCE IN DRIVING THE GROWTH IN OUR RESPECTIVE MARKETS

c.$578bn

GLOBAL ADVERTISING MARKET

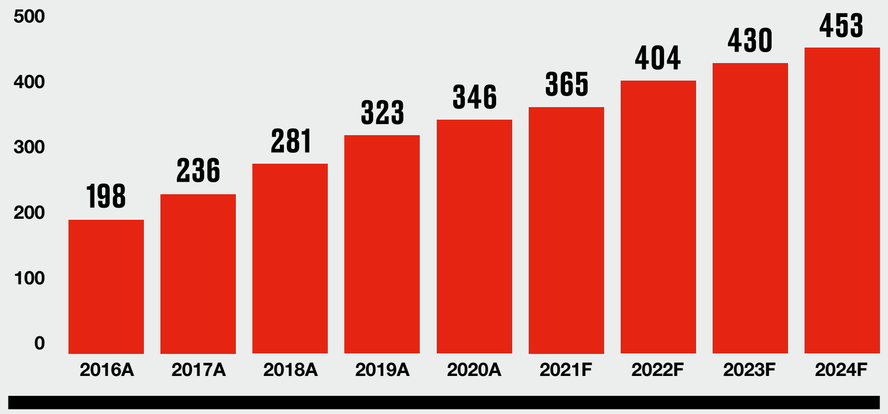
20%

MARKET GROWTH SINCE 2012

DIGITAL MEDIA MARKET

We operate within the global advertising market, valued at c.$578 billion in 2020. Within the wider advertising market, including traditional print advertising (magazines, billboards etc.), the digital media market was valued at $346 billion and has grown at a CAGR of 20% from 2012 to 2020. Although growth softened to 8% in 2020, against a wider 6% decline in the global advertising market due to retracted advertising budgets during the impact of COVID-19, this represented an increase in overall market share for digital media. Accelerated digital transformation during the pandemic and growing e-commerce activity all contribute towards the trend of increased marketing spend being directed to digital channels.

Digital media global advertising market ($bn)



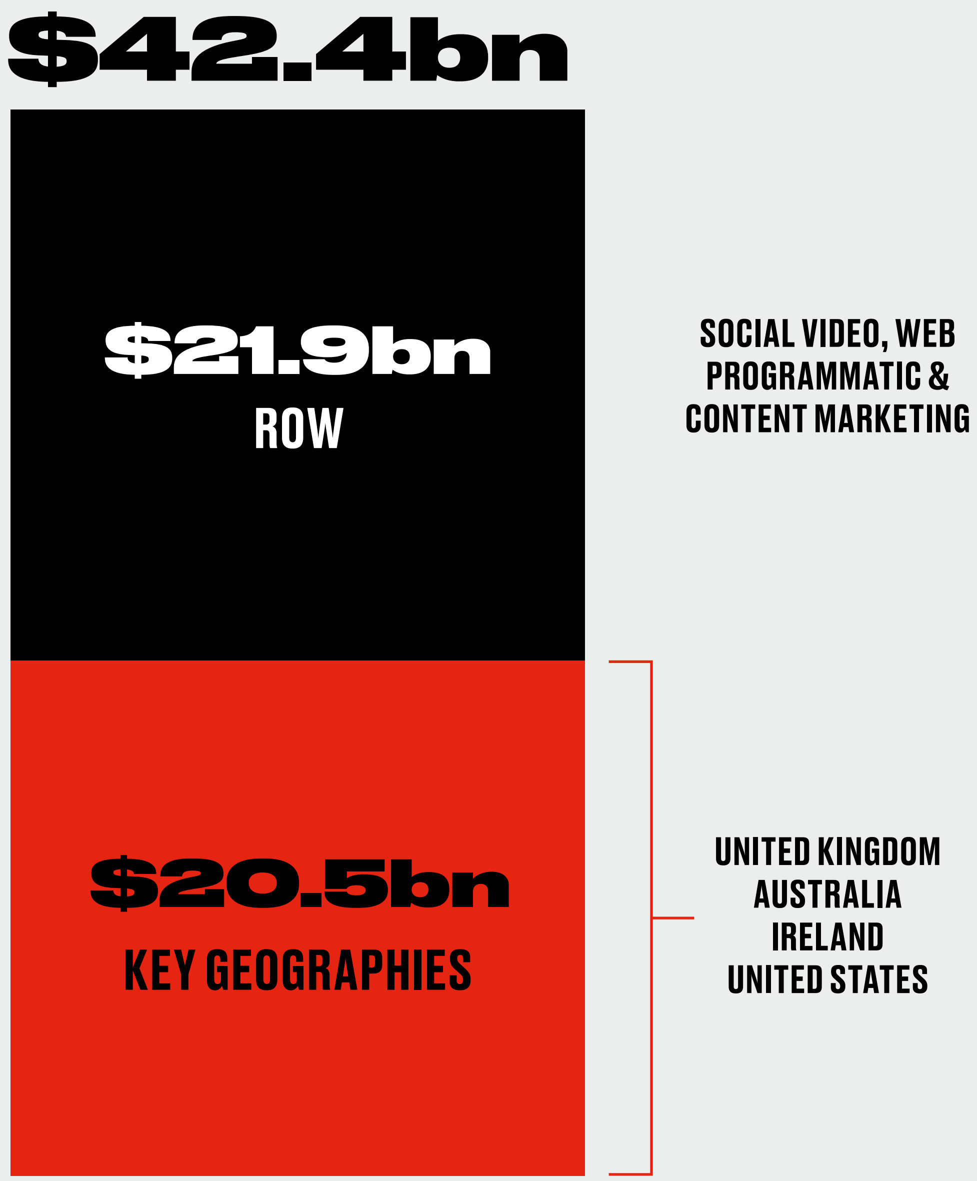
Source: Commissioned third-party reports

The global digital media market is forecast to grow at 8% CAGR from 2020 to 2024. However, within this market we operate within some of the fastest growing segments, including social video (20% CAGR, 2020 to 2023), web programmatic (11% CAGR, 2020 to 2023) and content marketing (15%. CAGR, 2020 to 2024). We are positioned to benefit from and be a key force in driving the growth in our respective markets.

ADDRESSABLE MARKET

We have identified four core geographies of focus, the UK, Australia, Ireland and the US. Our addressable market within these geographies was estimated at $21 billion in 2019. A further $22 billion is available through the Group's multi-channel global distribution.

LBG Media's addressable market



Source: Management information and commissioned third-party reports

MARKET DYNAMICS AND SECTOR TRENDS

Within our core markets, there are a number of favourable dynamics and tailwinds that have impacted the market landscape and will continue to shape the future of the digital media market. These include:

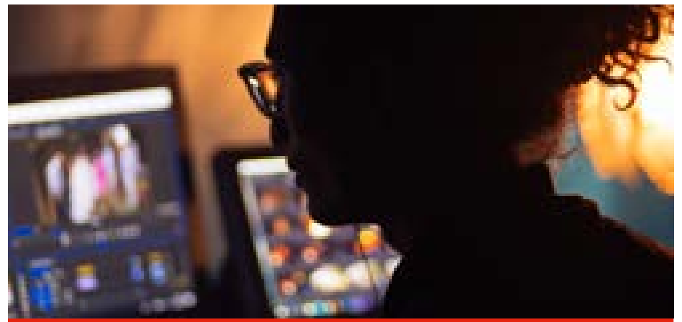
GROWTH IN MOBILE DISPLAY ADVERTISING

The growth in mobile display advertising can be partly attributed to growing smartphone penetration, with both greater ownership of devices and increases in the daily time spent on them. US statistics have shown that the average time spent on a smartphone per day since 2009 has increased at a CAGR of 25%, with studies showing an average of 186 minutes per day in 2020. On the assumption of eight hours sleep, this would represent almost 20% of an individual's day spent on the device, providing a key opportunity to engage with its audience.

56% OF TOTAL DIGITAL ADVERTISING SPEND

Smartphones provide individuals with 'on-the-go' accessibility to social media applications and engaging content at the press of a button. As such, brand owners have increasingly recognised the importance of this advertising stream as reflected by 56% of total digital advertising spend in the UK now being spent on smartphones.

Globally, smartphone penetration is estimated at around 45%, with significant opportunities for growth in emerging markets like India. We have has amassed a significant audience following in India via content produced in the UK.



GROWTH IN VIDEO ADVERTISING FORMATS

Video advertising formats represent the fastest growing and most popular advertising formats within the display advertising space, representing 46% of the £6 billion UK display advertising spend in 2019, an increase of 34% from the prior year. Video formats are considered to provide a more engaging experience for users than standard display (i.e. banners) and sponsored content, with a high proportion of viewers retaining brand messaging when consumed via video.

Statistics have shown that 78% of people watch videos online each week and 55% of those watch every day. This level of reach and engagement has been critical to businesses shaping their advertising budgets, with 81% of businesses using video in their marketing strategies in 2020, an increase of 63% on the prior year.

Our focus on high quality video production and the ability to readily distribute through social media platforms, has enabled us to capture the upside from this continued trend. With consumers demanding more videos and the rollout of fifth generation cellular wireless ('5G'), future demand for video content is only likely to grow.

34% INCREASE

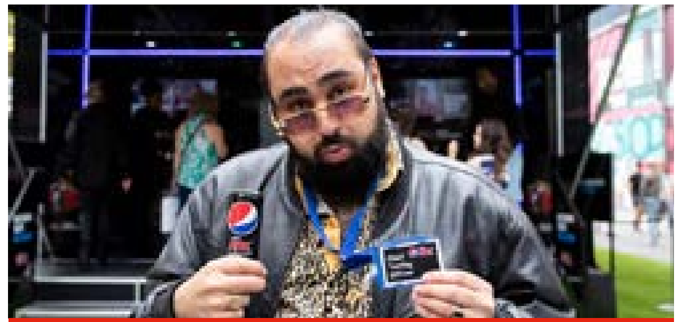
ROLL OUT OF 5G CONNECTIVITY

The adoption of 5G technology is expected to revolutionise the advertising creative space. It will enhance users' experiences by improving load times on streaming content, with very low latency and download speeds 10 times faster than 4G.

10 TIMES FASTER THAN 4G

Better download speeds will enable higher quality content to be distributed, including high resolution videos (e.g. 4K), as well as new innovative and immersive advertising forms such as augmented reality and interactive adverts. We expect this to be a key driver for future engagement and to open up new revenue opportunities, enabling more granular real-time analytics to assist in personalising future advertising campaigns and their messaging. An example is the improved precision on location data, which can enable more effective geo-targeting for brand-owners.

Current 5G adoption levels across Western Europe and North America are less than 5%, but are expected to significantly accelerate, rising to more than 70% by 2026.



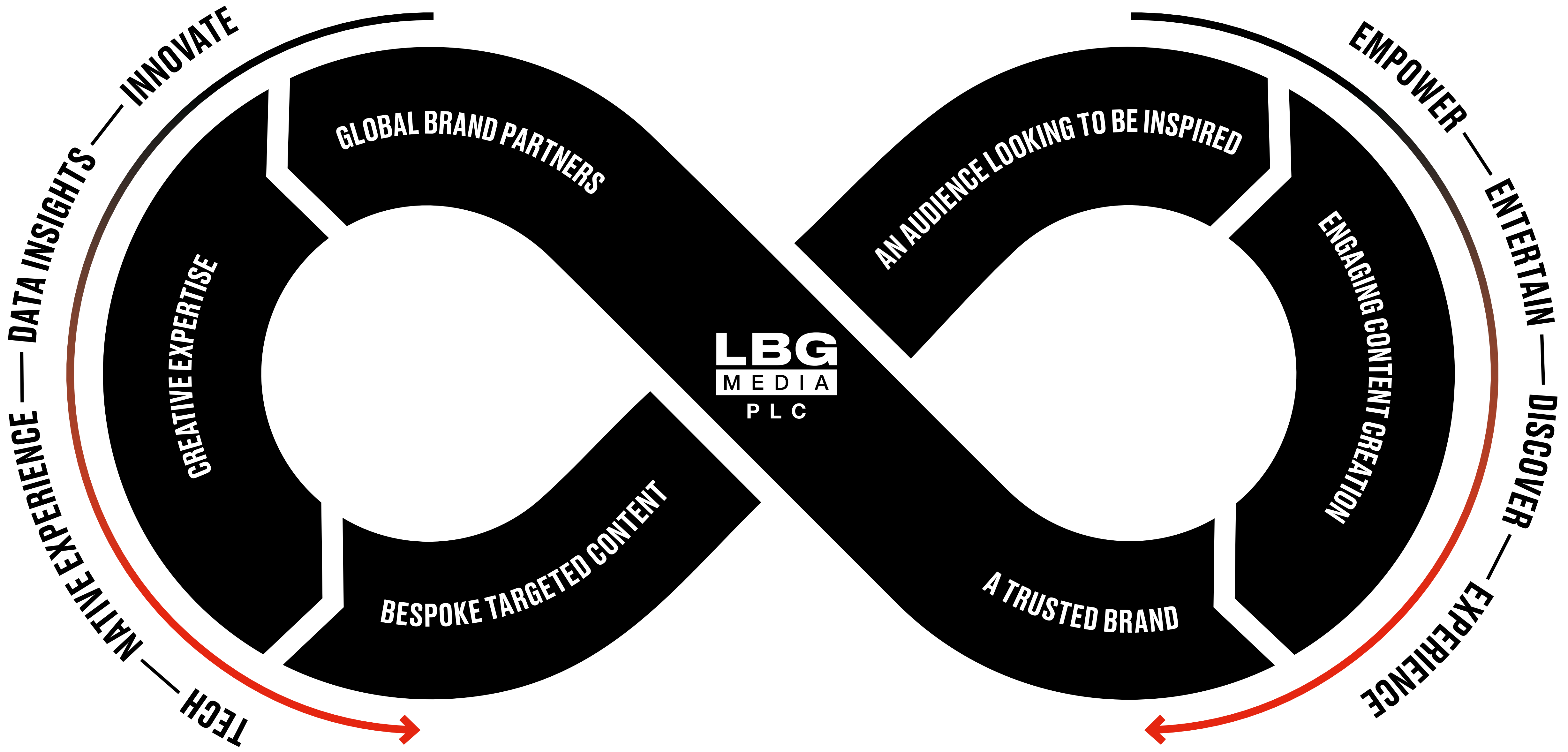
GROWTH OF NATIVE ADVERTISING (BRANDED CONTENT)

Native adverts are designed to blend a promotional advert with the content featured on a platform or website. They are a less intrusive and softer-sell advertising approach compared to a more obvious banner or pop-up advertisement or promotion. Rather than a brand advert being played before or after a video, the product will instead be featured within the video itself, to increase the authenticity and be more immersive to the user.

Native advertising has been growing as a trend due to higher reported engagement amongst viewers and click through rates. We have vast experience of producing native ad content. In Europe, the UK is expected to be the largest native advertising market, with expected growth from $6 billion in 2020 to $27 billion by 2025.

$27BN BY 2025

WE CREATE A POSITIVE CYCLE OF AUDIENCE GROWTH, INSIGHTS AND TARGETED CONTENT



3bn+

ENGAGEMENTS IN 2021

WE GENERATE REVENUE BY PROVIDING BRANDS ACCESS TO OUR GLOBAL AUDIENCE

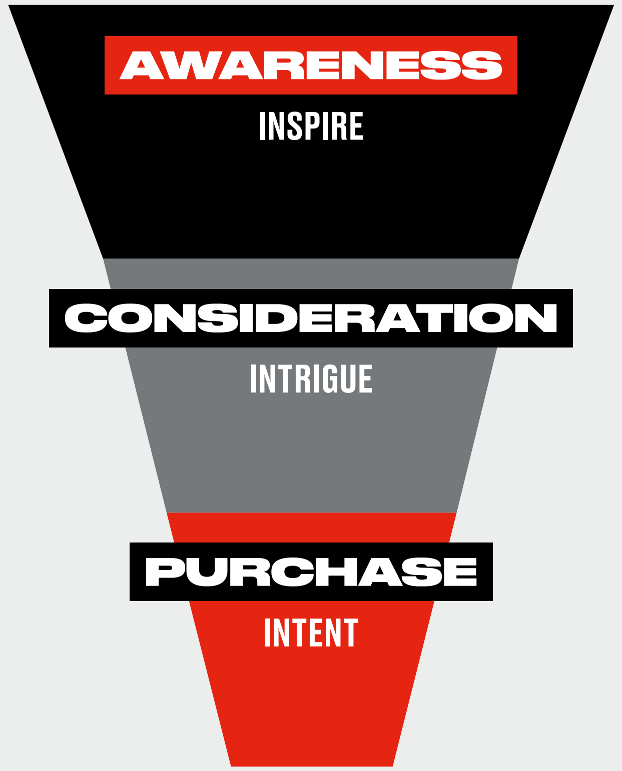
CUSTOMERS

BRAND OWNERS ▶
REPEAT BUSINESS WITH A ROSTER OF BLUE CHIP MULTINATIONAL CLIENTS

MEDIA AGENCIES ▶
WORKING WITH ALL THE MAJOR MEDIA AGENCY GROUPS

ROUTES TO MARKET

DIRECT:
BESPOKE FULL FUNNEL MARKETING



40+
STRONG CREATIVE TEAM

INDIRECT:
PROGRAMMATIC ADVERTISING

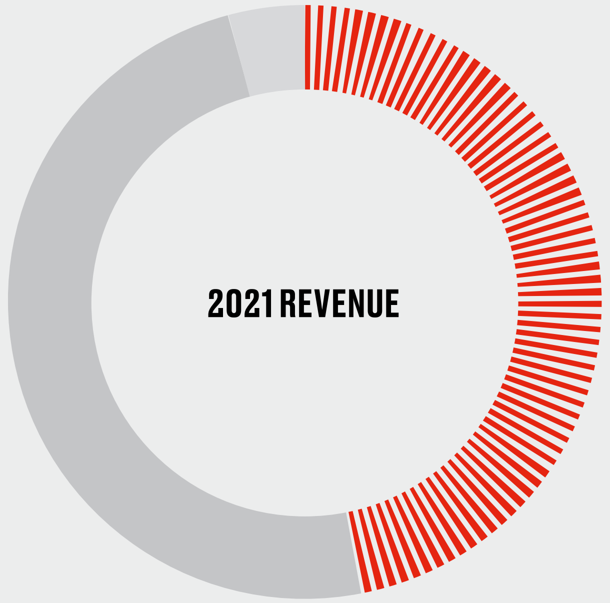
VIA SOCIAL MEDIA PLATFORMS

VIA AD EXCHANGES

iab. Gold Standard Certified 2.0

REVENUE

DIVERSIFIED
REVENUE MODEL

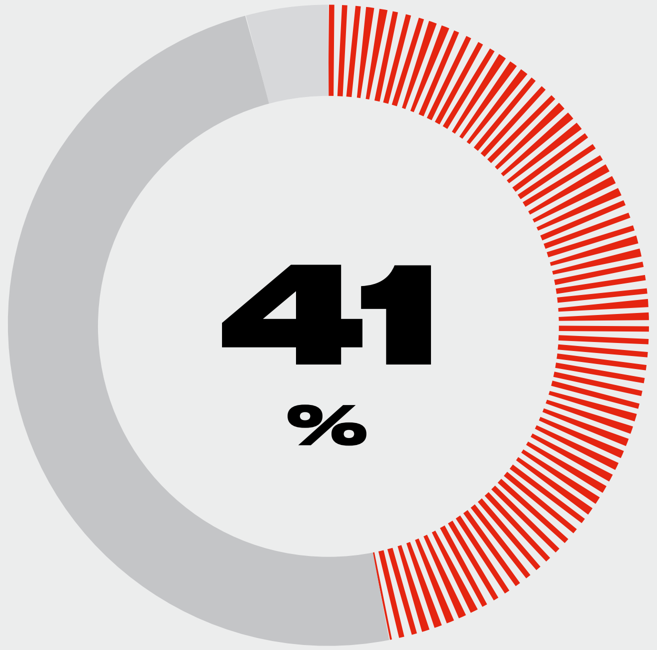


DIRECT £22.4m

INDIRECT £29.7M

OTHER £2.4m

FIND OUT MORE ON PAGE 22



DIRECT

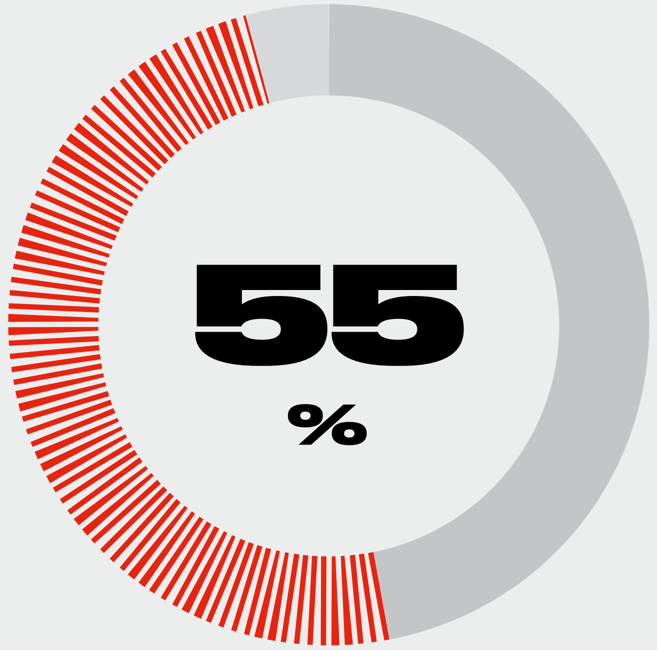
DESCRIPTION

We provide content marketing services to media agencies and brand owners where we have a direct relationship.

INCLUDES

Branded content
Our in-house studio and creative teams design and produce bespoke branded content solutions for our customers that is distributed to our audience via social media platforms.

Direct display
We sell website advertising space directly to our customers on a number of views (ad impressions) basis at an agreed price per 1,000 views.



INDIRECT

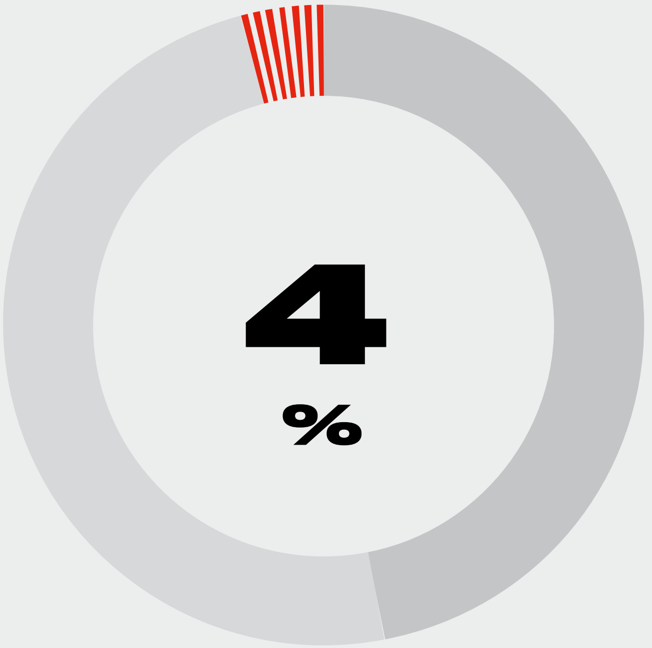
DESCRIPTION

We generate revenue on social platforms and our websites where we are indirectly engaged with the end customer.

INCLUDES

Social video
We have revenue share arrangements with social platforms where advertising appears alongside our content.

Web programmatic
We use automated technology which brings together advertisers and publishers to facilitate the buying and selling of website advertising space on an auction basis.



OTHER

DESCRIPTION

Includes content licensing, social agency and affiliate revenue.

INCLUDES

Licencing
Where content is sold either on a clip by clip or package basis. Typical customers are television channels and other media publishers.

Social Agency
Where we manage on a daily basis the social channels on behalf of brands.

GROWTH STRATEGY

We have a proven track record of delivering strong organic growth, as well as growth through the successful acquisition and integration of UNILAD in 2018. We remain ambitious, striving to grow and enhance our position in the marketplace and leverage our credibility as a listed company. By maximising our existing global, social and digital platforms to grow loyal communities, we hope to further expand our presence in core markets and build scale. Our strategy for growth can be summarised into three core pillars.

01 GEOGRAPHIES

G

02 MERGERS & ACQUISITIONS ('M&A')

MA

03 CAPABILITIES

C

FIND OUT MORE

G

GEOGRAPHIES

We currently have a physical presence across four territories: the UK, Ireland, Australia and New Zealand. Entry to these territories was underpinned by the audiences and engagement with them. By continuing to create and publish relevant digital content, we expect to further grow these communities and build brand awareness.

Operating in the digital media space, international audiences are readily accessible. We have identified the United States, one of the largest digitally social markets in the world, as a key growth market. We have already built a substantial global community of social media followers in the United States, despite being strategically focused on the UK market thus far.

We believe that active audiences in new geographies provide a foundation for future growth across both the direct and indirect revenue streams and help to de-risk geographic expansion.

MA

M&A

We have proven, through our successful acquisition and integration of UNILAD, that M&A is a viable proposition to enhance our future growth. Our acquisition strategy will be focused on bolstering our global audience footprint.

Having successfully expanded into new territories organically, we believe that certain markets may be better accessed through selective acquisitions, particularly where an established digital media brand with a physical presence and understanding of the local market already exists. In these circumstances, M&A could help the Group to scale its reach and build revenue significantly faster than a time-intensive organic approach.

M&A may also prove to be more efficient in acquiring new, supplementary brands when compared to building a new brand with its own distinct popular interest point from a standing start. We believe M&A, in these circumstances, could provide an opportunity for the Group to deliver significant incremental growth in the brand's reach, by promoting it via the Group's existing global brands and communities.

C

CAPABILITIES

We have been at the forefront of social media, being one of the first digital content creators to publish content on Facebook. Our agile model allows the Group to actively replicate content across newly emerging social platforms, ensuring content reaches the widest possible audience.

Products

We intend to continue to expand our capabilities to produce innovative content and drive engagement. Examples of innovations to date include virtual reality, augmented reality and LADx.

Platforms

Increasing audience monetisation is key to driving future growth. Facebook, Snapchat and YouTube are currently the only social media platforms which facilitate the monetisation of its users through adverts. Facebook introduced this functionality in 2018 and, as a result, we saw an increase in social video revenue from £1 million in 2018 to £4 million in 2019 (366% growth), owing in part to the acquisition of UNILAD.

During 2021, we were invited by Instagram, as one of a select few digital content producers across the globe, to partake in alpha testing for the monetisation of Instagram's users through in-video adverts. We believe these capabilities will be introduced across all social media platforms as the platforms mature, providing significant upside opportunities.

Brands

The Group has primarily focused on the LADbible brand, with a lower volume of new content added to our other portfolio brands, such as FOODbible. Increasing our focus on other brands will grow their audiences and increase associated revenue.

C

CASE STUDY

LADSTUDIOS

This year LBG Media announced the public launch of LADstudios: a trailblazing content studio, creating content that is tailor made for each platform experience.

LADstudios is focused on creating content that is tailor-made for each platform experience, with digital experts at its helm and the ability to publish to a global audience reach of over 1bn.

We have been building on the success of our organically developed social-first shows such as The Gap, Agree To Disagree and Minutes With and commissions such as Text Dating on Facebook Watch by ramping up production of platform-first formats.

We had a stand-out year, becoming the biggest media and entertainment content creator on social in the US. More Gen Z watch our content than our main competitors, based on global monthly views, and the Group achieved an incredible 3.4bn engagements across 2021 as a whole.

LADstudios forms part of our growing commercial offering to clients and partners. We create broadcast-ready original series and formats and work with broadcasters looking to create digital and platform first content. LADstudios also works alongside our in-house content marketing specialist Joyride to create a slate of social-first branded entertainment opportunities to clients and their agencies, as well as excellent sponsored formats to rival traditional television offerings, for use right across its social channels and beyond.

> “LADstudios forms part of our growing commercial offering to clients and partners.

C

CASE STUDY

LADx

A new display video advertising product.

Launch of high-performance video advertising format.

An estimated 21% of digital advertising spend is wasted due to slow loading or poor quality ads affecting the number of eyeballs.

Using adaptive streaming technology, LADx takes high resolution video and converts it into a lightweight format, removing many speed and quality limitations set by traditional download technology and resulting in ads being delivered 25 times faster and in HD quality.

For ads under 10 seconds, clients pay only for completed views (ads are shown in full screen until completion), meaning that ads are at least 40% cheaper than competitive units, and all in an IAB Gold Standard accredited brand-safe environment. Independent research has shown that 74% of ad recall, 65% of brand awareness and 72% of purchase intent happen in the first 10 seconds of a commercial video.

All campaigns are strictly guaranteed-only to ensure full supply chain transparency and focused on performance across our websites, which have almost 68 million combined monthly unique users.

LADx provides the advertiser with complete transparency and total brand confidence.

G C

CASE STUDY

LAD BIBLE AUSTRALIA

New investigative documentary series from LADbible Australia and Amazon Prime Video.

In late 2021, LADbible Australia and Amazon Prime Video announced a groundbreaking new six-episode documentary series, UNHEARD, the first feature produced by LADbible Australia Originals and with production funding from Screen Australia.

The UNHEARD series gave voices to the victims of racial injustice in Australia, providing a global platform for powerful stories and critical issues to be heard. The first episode ‘Indigenous Deaths in Custody’ premiered exclusively on Amazon Prime Video.

The UNHEARD documentary series was an extension of LADbible Australia’s UNHEARD campaign, a direct response to calls for Australian media to better cover and help dismantle racial injustice.

G C

CASE STUDY

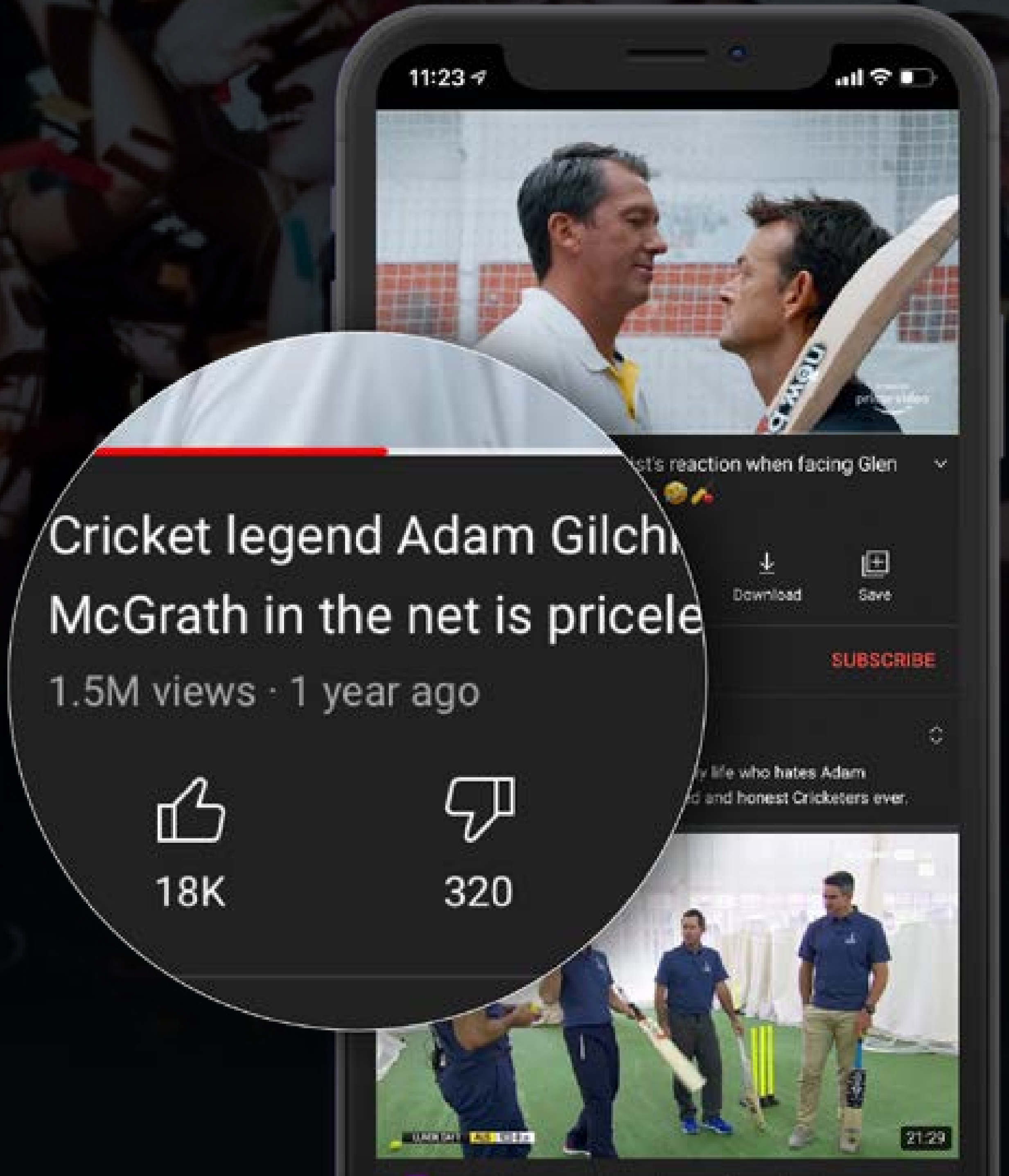
LAD BIBLE AUSTRALIA

In-house social content agency in Australia

LADbible Social offers Australian and New Zealand-based brands 360 degree organic social media management from planning to launch, including daily engagement, key calendar moments and campaign activation.

This service gives brands unique access to social media experts who have grown LBG Media brands across the world and helped engage audiences on a mass scale. Our experts work on content production, sharing data and insights, account and community growth, along with management of channel-specific strategies and talent to ensure brands are able to reach their audiences on a multitude of platforms.

We piloted the LADbible Social offering via two partnerships in 2020, continuing in 2021, which included managing clients' YouTube, Facebook, Instagram and TikTok platforms across Australia and New Zealand. Over the past year the team has doubled V Energy's engagement, placing them as high as second most engaged with the FMCG brand on social media in the region.



LAD BIBLE Social

> "LADbible Social is an opportunity for some of Australia and New Zealand's biggest brands to utilise our hard-earned insights for their own channels and our preliminary social health check will help us to get under the current social operations of brands to better understand their audience reach, engagements and creative output and make a big impact quickly.
>
> **Mel Ho**
> Head of Content, LADbible Australia

THE GROUP RECOGNISES THE IMPORTANCE OF BEING AN ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE BUSINESS.

As a leading social youth publisher, we are aware that we have a powerful global platform to push a socially responsible agenda, represent our audience and enable those that do not have equal opportunities to have their voices heard. This is shown in our mission statement, **‘to give the youth generation a voice by building communities that laugh, think and act’.**

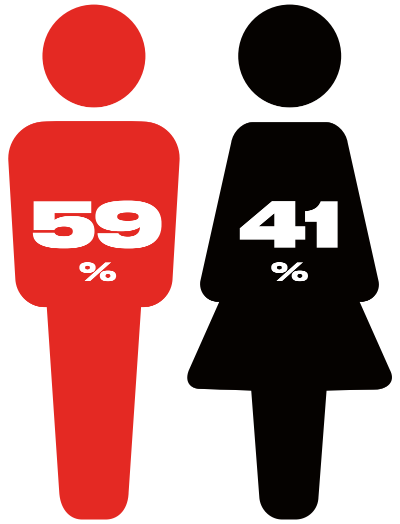
DIVERSITY & INCLUSION

OUR WORKFORCE

We are committed to building a diverse and inclusive workforce, in an environment where everyone feels comfortable to be themselves. We launched our Diversity and Inclusion strategy in 2020, which set out our achievements to date as well as targets across our workforce and content year on year. Our gender split across the business is 59% male and 41% female and we are committed to reaching gender parity. As well as this, 20% of our global workforce is from an ethnic minority group and 11% have said they have a disability.

We have a number of initiatives in place to build our diverse workforce including:

- The Kickstart Scheme, LADpprentices and Future Talent Programme allow us to reach new audiences and give unrepresented talent an opportunity to gain experience in social publishing;
- We put employees first and know that starting and growing families isn't always easy. LADfamily was a groundbreaking suite of family policies launched in May 2021. This included a fertility treatment policy with paid time off, pregnancy loss policy with 10 days paid leave, as well as a Workplace Nursery Benefit;
- 15% of people identify as LGBTQIA+ at LBG Media. We have a support group with approximately 50 people who meet monthly socially as well as share material and plan activities for the business;
- We are a Disability Confident Leader employer, to ensure we are giving the right opportunities to individuals who have a disability;
- We introduced a Learning & Development programme, LADucate, covering all aspects of training and learning at different stages of employees' careers.



20%

OVERALL GLOBAL WORKFORCE IS FROM AN ETHNIC MINORITY GROUP

11%

State they have a disability

15%

Identify as LGBTQIA+

ESG

DIVERSITY & INCLUSION

OUR CONTENT

As a leading social youth publisher, we have a powerful global platform to better represent our audience and enable those that do not have equal opportunities to have their voices heard.

Some examples include:

- We work with creatives from all walks of life, and have worked with platform partners to help share our content wider including working with TikTok to highlight up-and-coming musicians from under-represented backgrounds, and we have worked with Facebook on a Pride panel to share stories from Drag Queens;

- Our audience split is male 59% and female 41%;
- We create thought-provoking original content on LADbible TV, which includes our 'Minutes With' format that has covered important topics including someone who was born intersex, male suicide, abortion, sexual harassment and disabilities;
- In line with Baby Loss Awareness Week 2021, we created an editorial series on our female brand Tyla, to highlight unconventional ways to give birth
- We partnered with Amazon Prime to launch the documentary UNHEARD to shine a light on racial discrimination in Australia;
- For Black History Month 2021, we created a Snapchat series interviewing untold heroic stories such as the first ever black football player;
- In January 2021 we relaunched UOKM8, our mental health franchise across LADbible, UNILAD, SPORTbible, Tyla and GAMINGbible to help support our audience during the UK's longest lockdown;
- On LADbible, we launched the Pride Talks editorial series alongside platform partner Facebook;
- We supported unsigned music artists via UNILAD Sound with a partnership to create TikTok livestreams.

GENDER PAY GAP

We have a 4.2% gender pay gap significantly below the UK national average.

We are proud of the steps that we're taking to better represent our audience, give people a voice and provide a diverse and inclusive working environment in which everyone feels comfortable to be themselves. In recognition of the importance of transparency, we chose last year to disclose our 2021 data a year early, and plan to continue with this approach.

Both our annual Gender Pay Gap and Diversity and Inclusion reports help us to identify areas of focus. The Office for National Statistics ('ONS') reported that the overall gender pay gap among all UK employees in 2020 was 15.5%. Our corresponding figure is 4.2% (down from 4.6% in 2020). While this is much lower than the UK average, and we've made significant progress to continue bridging this gap, we recognise that there's still work to do. We'll continue working towards closing the gender pay gap and creating a diverse and inclusive workforce with greater representation at all levels.

The Gender Pay Gap reporting period runs to April each year therefore the information presented in this report is for the period March 20 to April 21.

EQUAL PAY

We believe there is value in recognising equal pay as a measurement and we are confident that everyone is paid the same for like-for-like work within their roles. A gender pay gap doesn't exist on an individual role basis at LBG Media.

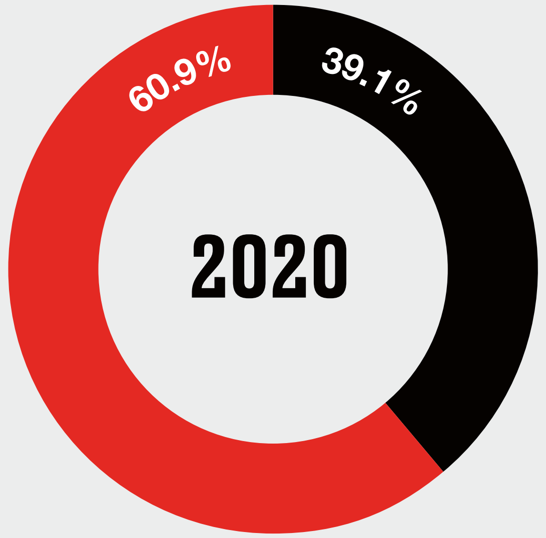
The gender pay gap regulations require us to report gender in a binary way and refer to males and females only. However, we believe that gender identity is broader than just 'men and women' and we recognise and welcome employees of all gender identities. The Gender Pay Gap Report is an important tool for keeping us accountable for ensuring equality in our pay and recruitment practices based on gender. However internally, and within our annual Diversity and Inclusion report, we include data that takes into account non-binary employees, and we look forward to the Government updating their reporting requirements to reflect this.

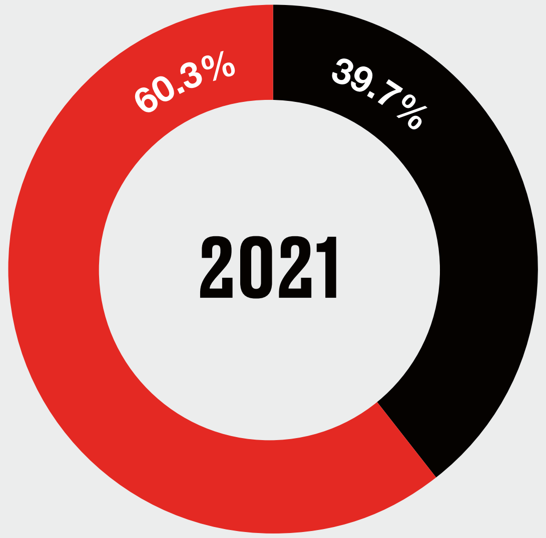
We are pleased that the steps we have taken led to substantial year-on-year progress in closing our mean pay gap. Our median pay gap, in comparison, is currently in favour of our female employees. This is in part due to the fact that many of our lower paid employees are male (as seen in quartile 1). Quartiles 2 and 3 are where we have started to see the most progress in terms of our gender split, and we will continue to focus our attention here, as well as at both our senior and junior levels. Overall, we currently have a higher percentage of male employees and, while this has impacted on some of our data, we have set ourselves clear ambitions around an equal split of genders. We have made positive progress over the last 12 months and will continue to prioritise this as part of our wider Diversity and Inclusion Strategy.

As well as demonstrating progress, we have also outlined ambitious plans in our Diversity and Inclusion report. We will continue to work on ensuring fairer representation in all areas of the business and on narrowing the pay gap, as well as ensuring that we continue to recruit a diverse team across all of LBG Media.

GENDER PAY GAP

GENDER SPLIT

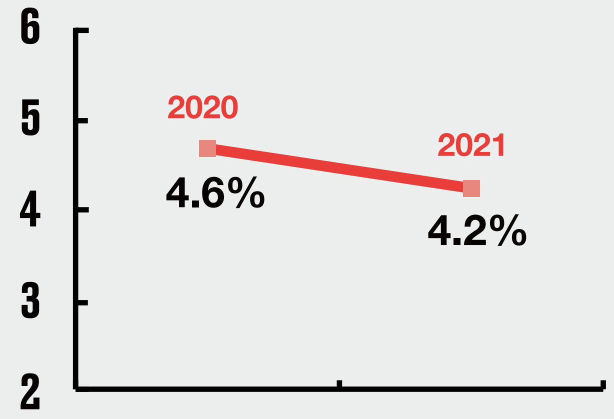




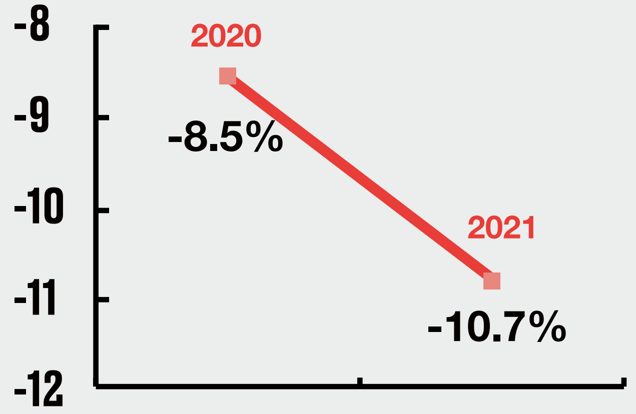
Male Female

PAY GAP

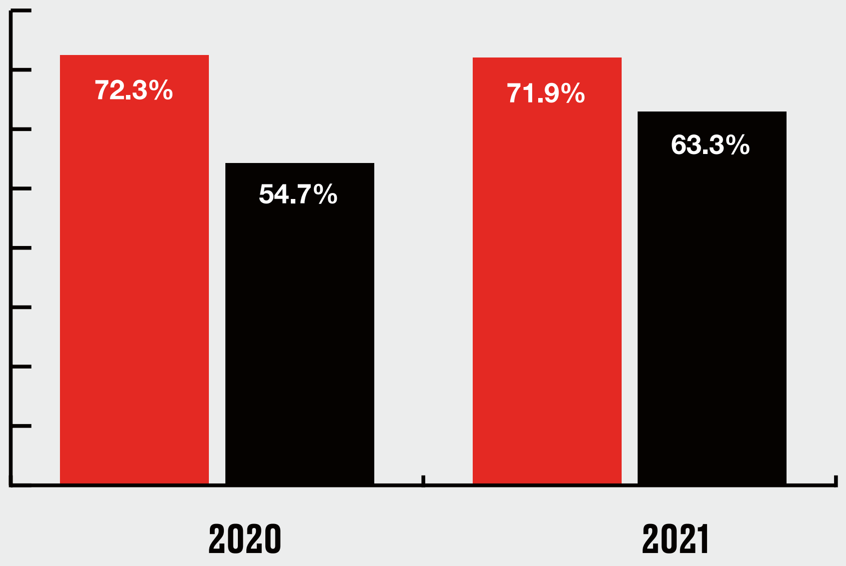
MEAN



MEDIAN



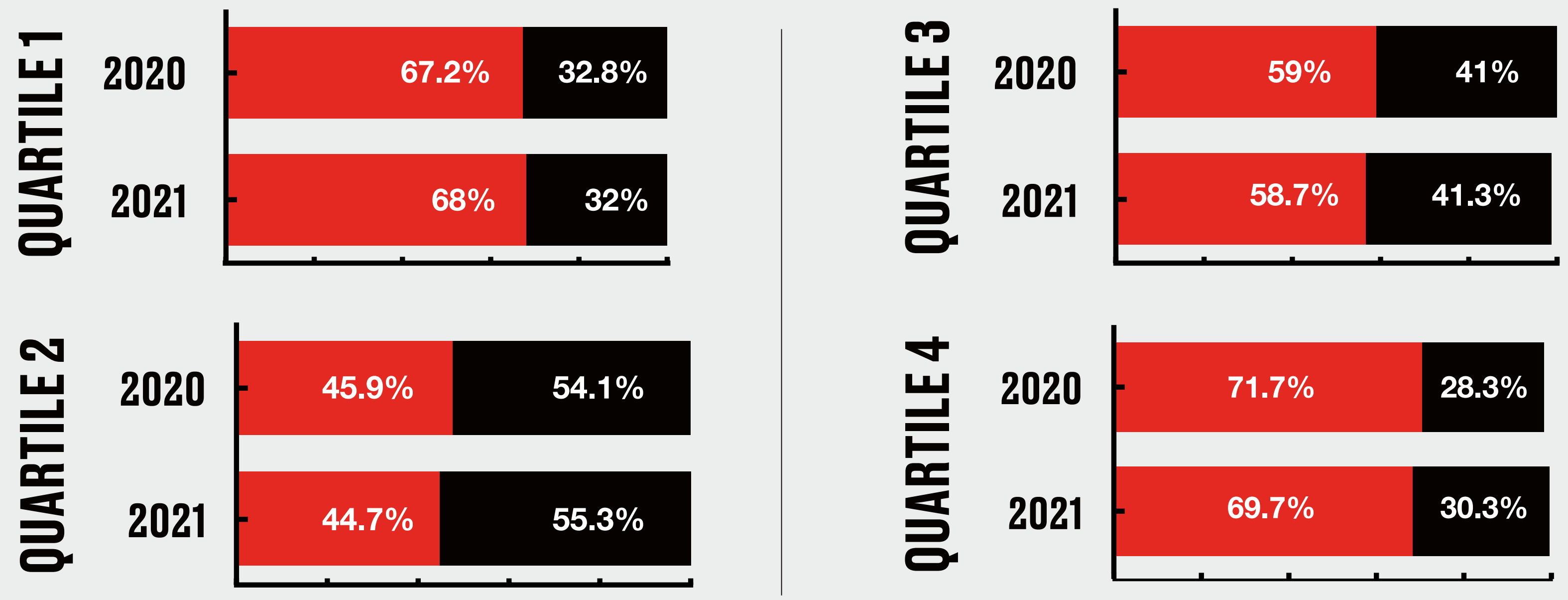
BONUS GAP



MEAN
2020: -4.7%
2010: 33.1%

MEDIAN
2020: -25.6%
2010: 5.8%

QUARTILES



CULTURAL MOMENTS DRIVING IMPACT

Tapping into cultural moments is at the heart of LBG Media. We bring moments that we know our audience care about, have passions for and support initiatives to drive social issues in young people.

Some examples include:

- For Testicular Cancer Month, we launched an editorial initiative to drive awareness in men to check themselves for signs of cancer;
- We sponsored Parklife Festival, the biggest youth festival in the UK after a year of lockdowns to bring the ultimate festival experience on and offline to our audience;
- We worked with Asda for a Tickled Pink campaign on Tyla to encourage women to check their breasts during Breast Cancer Awareness Month
- Via SPORTbible, we secured a position at Soccer Aid to interview sports stars and help to raise funds via editorial content;
- We took over Boxpark for Euro 2020 with a full sponsorship throughout the tournament including launching AR filters, interviews and out of home. We also launched reactive billboards to support the England stars suffering racial abuse via social media following the final;
- We fundraised for the British Asian Trust on LADbible Instagram to provide oxygen and emergency support to those in need in India;
- For International Women's Day this year, we are launching a campaign on Tyla with The Prince's Trust to drive funds to help women secure jobs, career advice and launch businesses;
- We have just launched an OOH campaign with Refuge (a sexual violence charity) to raise awareness of their services;
- We are currently fundraising on UNILAD for UNICEF to help them provide urgent life-saving support to those affected by the tsunami in Tonga.

SUSTAINABILITY

Sustainability is front of mind at LBG Media. We are currently in the process of planning our net zero strategy.

We currently have in place a number of initiatives to reduce our environmental impact, including multiple recycling streams. Our fan cool units are programmed to help reduce CO_2 in all of our offices and we have a preferred supplier list of those who use electric vans or cars. We operate a paperless office with minimal printing. However, where any printing is required we have a recycling system across all of our offices.

We work with local suppliers to provide refreshments to our offices and have timers on display screens to reduce their energy consumption.

Education of our team is also a key focus. Last year we launched a sustainability programme for all employees on Earth Day, outlining key actions that they can take to be more sustainable both at home and in the office.

Sustainability will continue to be a key focus for us and in 2022 and beyond and we are looking to reduce our impact further by looking at local stationery providers, reviewing our waste management streams, reviewing our use of air conditioning and sustainable heating, amongst many other initiatives.

EDUCATION OF OUR TEAM WILL CONTINUE TO BE A KEY FOCUS

SOCIAL AWARENESS CAMPAIGNS

Leveraging our global reach, the Group has run several social awareness campaigns to address key social issues, raise awareness within communities and governments, and educate our audience.

TRASH ISLES

A major social responsibility campaign, in partnership with The Plastic Ocean Foundation, which was designed with the aim of empowering young people in lobbying the United Nations to acknowledge the rising levels of plastic waste in the oceans.

The campaign served to raise wider awareness amongst our audience by uncovering facts about the impact of plastic on the environmental ecosystem. Our novel campaign involved registering a floating mass of plastic waste, approximately the size of France (in the North Pacific Ocean) as an official country, on the premise that the wider UN members would be obliged to clean it up.

The campaign involved registering leadership and figureheads, which included several celebrity partners, including Judi Dench, Al Gore, Dwayne ‘The Rock’ Johnson and Sir David Attenborough.

Within the first 60 days, the campaign reached over 250 million people globally. Following the initial awareness raised, we encouraged the general public to ‘become a citizen’ and, in doing so, make a pledge to reduce their consumption of single-use plastic. Over 100,000 people signed up to become citizens within the first week, making ‘Trash Isles’ larger than 25 UN-recognised countries by population.

The Group was awarded with three highly regarded Grand Prix awards at the 2018 Cannes Lions annual Festival of Creativity.

100,000
Trash Isles sign ups within a week

250m
people reached globally within 60 days

UOKM8?

A campaign to drive conversation and understanding around mental health amongst young people.
The objectives of the campaign were to:

1.

Inform and change attitudes around mental health conditions.

2.

Educate and simplify mental health conditions to help people to understand and empathise.

3.

Shift attitudes and remove misconceptions around specific mental health conditions.

The campaign has been delivered over a number of years, continuing into 2021, culminating in over 44 million people reached. Across each period, we have produced original content, shared real stories around mental health on our dedicated UOKM8? hub on ladbible.com and collaborated with boohooMAN on exclusive UOKM8? apparel, donating all profits to the charity Mind, which is focused on providing support for mental health issues.

44 million

people reached

CASE STUDY

BLOOD WITHOUT BIAS

We wanted to raise awareness of the UK policy that currently restricts gay and bi men from donating blood unless they abstain from sex for three months – even if their blood is safe to use. We worked with FreedomToDonate, a pressure group who had been campaigning to change the law, but had struggled to drive considerable support outside of the LGBTQIA+ community.

Armed with the insight that over the past five years, blood donations from men have fallen by 25%, we wanted to start a movement and drive action by providing a space for people to protest against this. Our campaign prompted a response from the Department of Health. They explained that they will be investigating whether an individualised risk assessment questionnaire could be viable. In June 2021, the UK implemented a new blood donation policy allowing gay and bi men to donate blood without having to abstain from having sex for three months.

Blood Without Bias scooped

3 CANNES LIONS AWARDS

at the Cannes Lions Festival of Creativity 2021 in PR, Media and Brand Experience categories

Statement by the Directors in relation to the performance of their statutory duties in accordance with section 172(1) of the Companies Act 2006

Engagement with all stakeholders is critical to the Group achieving long-term success. As such, the Board regularly considers all stakeholders when making decisions regarding the Group's long-term strategy and operations. The key decisions taken during the year included:

- **Undertake and complete the Group's Admission to AIM**
- **Investment in people**

EMPLOYEES

Our talented and engaged workforce are committed to upholding our values of being 'Bold, Fun, Authentic and Youthful'. This is instilled across the business, enabling us to deliver on our strategy. The Group recognises that involving our people in decision making and in determining the vision for the Group is essential to continuing success.

Employees throughout the organisation are consulted and are given many opportunities to provide feedback during regular meetings and appraisals. Recruitment and retention are also supported by regular communication. Across the Group, a comprehensive Code of Conduct is in place that sets out the ethical expectations of all employees. A key element to the strategy is to continue to attract, develop and retain high quality team members who share our brand values to support the wider growth ambitions.

The decision to invest in people has been central to the Board's focus in 2021, with the overall workforce growing by 39% in the year. Senior managers have been involved in the business planning process throughout the year, with staffing plans being led by the needs of individual departments.

SHAREHOLDERS

An active dialogue is maintained with shareholders by the Finance team and CFO, supported by the Chairman and CEO. We plan to have individual meetings with institutional shareholders immediately after publishing our maiden results as a listed company.

Shareholders will be invited to submit questions ahead of the Group's first Annual General Meeting ('AGM') and for all subsequent AGMs. Shareholders are also updated via financial reports published on the Group's corporate website.

The rationale for floating was primarily to ensure that the Group had sufficient resources and access to capital to take advantage of future growth opportunities. Our shareholders were instrumental in the decision to float on AIM and were involved throughout the whole process by engaging with our advisers, contributing to the admission document and investor presentations.

Shareholders were consulted during the year around the payment of bonuses and the significant investment in staffing levels.

AUDIENCE

Through various platforms, we create a community which acts as the home of entertainment, viral video, trending content and the latest news. The Executive Board receives weekly insight reports which form a basis for strategy development, with the analysis being used to ensure the needs of our audiences are met. The Board considers how we can diversify our audience when discussing organic growth, international expansion and further acquisitions. We also recognise the risks and challenges in audience retention, which is why we remain committed to the integrity and quality of the content we publish.

We appreciate that with our audience reach it is important to promote ethical values and be a voice for the younger generation. We have invested heavily in important campaigns on challenging social issues such as 'Trash Isles' and 'UOKM8?'. This year we also produced the UNHEARD series on Amazon Prime – a six-part investigative documentary series from LADbible Australia uncovering shocking accounts of racial injustice as told by those who have experienced systemic racism first hand.

CUSTOMERS & PLATFORMS

Our commercial partners are the platforms and media agencies we work with including Facebook, Twitter, YouTube, Snapchat, Instagram, TikTok and Google. Ensuring robust relationships exist with these partners helps us deliver the best service to our audiences. We have a team of people dedicated to each media agency as well as each of the platforms, creating constant dialogue and ensuring that we develop and build deep relationships.

The Board has considered how we can improve our existing commercial partnerships in order to help us diversify our monetisation streams and reach a wider audience.

A YEAR OF GROWTH

	2021 £m	2020 £m	2021 v 2020 %
Revenue	**54.5**	**30.2**	**81%**
Net operating expenses	(46.3)	(25.8)	79%
Operating profit	8.2	4.4	88%
Adjusted EBITDA	**16.8**	**5.5**	**206%**
Adjusted EBITDA %	**31%**	**18%**	**13ppts**
Share based payments	(1.5)	(0.1)	1002%
Depreciation	(1.4)	(1.2)	11%
Amortisation	(0.8)	(0.9)	(12%)
Loss on disposal of assets	–	(0.5)	(100%)
Exceptional (costs) / income	(4.9)	1.6	(396%)
Operating profit	8.2	4.4	88%
Net finance costs	(0.2)	(0.3)	(26%)
Share of joint ventures	0.1	–	156%
Profit before taxation	8.1	4.1	98%
Income tax expense	(2.9)	(1.1)	154%
Profit for the year	5.2	3.0	76%
Cash and cash equivalents	34.3	6.9	395%

HIGHLIGHTS

- Significant revenue growth of 81% year on year to £54.5m (2020: £30.2m).
- Growth in Adjusted EBITDA margin to 31% (2020: 18%) through growth in high margin revenue streams and leveraging our cost base.
- Strong cash conversion in addition to IPO proceeds of £30m resulting in year-end cash position of £34.3m (2020: £6.9m).
- Post the IPO Primary raise, the HSBC bank loan amounting to £10.3m was settled in full prior to the year end. The Group is now debt free aside from IFRS16 lease liabilities.

TIM CROSTON

Key performance indicators ("KPIs")

The board monitors progress of the Group by reference to the following KPIs:

	2021 £m	2020 £m	2021 v 2020 £m	2021 v 2020 %
Financial				
Revenue	**54.5**	30.2	24.3	81%
Adjusted EBITDA	**16.8**	5.5	11.3	206%
Adjusted EBITDA as a % of revenue	**31%**	18%		13ppts
Profit Before Tax	**8.1**	4.1	4.0	98%
Non-Financial				
Global audience (m)*	**264**	233	31	13%
Content views (bn)**	**62.9**	31.9	31	97%
Average number of employees (no.)	**388**	280	108	39%

* Global audience includes social followers and unique website users in December.

** Content views is annual views of content across all social platforms and websites. The definition of what constitutes a view can vary across the social platforms.

81%
REVENUE GROWTH

31%
ADJUSTED EBITDA %

Revenue

	2021 £m	2020 £m	2021 v 2020 %
Direct	**22.4**	14.2	58%
Indirect	**29.7**	14.7	103%
Other	**2.4**	1.3	79%
Revenue	**54.5**	30.2	81%

Group revenue increased significantly to £54.5m (2020: £30.2m), an 81% increase in comparison to the prior year. The growth was driven by both routes to market.

Direct revenue grew by 58% to £22.4m (2020: £14.2m) as a result of increased activity with new and existing clients in the UK, Australia and Ireland.

Indirect revenue increased by 103% to £29.7m (2020: £14.7m) primarily driven by a 97% increase in number of views totalling 62.9bn (2020: 31.9 bn). The increase in views was as a result of investment in people in order to create more content for distribution across our platforms and publications.

Net operating expenses

The significant (non-exceptional) operating expenses during the year were:

- Payroll costs of £23.0m (2020: £14.9m), up 54% due to our continued investment in our team to support the growth of the business.
- Media costs of £4.4m (2020: £1.9m), up 135% supporting the growth of our Direct and Indirect revenue.
- Establishment costs (inc Technology costs) of £4.2m (2020: £3.1m), up 35% being investment in our technology infrastructure.
- Production costs of £3.7m (2020: £3.1m), up 20% supporting the growth of our Direct revenue.
- Travel and expenses of £1.3m (2020: £0.4m), up 251% as a result of the prior year being suppressed due to Covid restrictions.

Depreciation

Depreciation of £1.4m was up 11%, mainly driven by new IFRS16 leases in international territories.

Amortisation

Amortisation of £0.8m, down 12%, the reduction being down to certain software costs being fully amortised in the prior year.

Loss on disposal of assets

The loss on disposal of assets of £0.5m in 2020 was the result of an impairment write down of ceasing to use certain capitalised intangible assets in relation to Software and Licences.

Share based payments

Share based payment costs were £1.5m (2020: £0.1m), the increase is mainly driven by a share option granted to a senior manager on IPO where the Board waived performance conditions.

Exceptional costs/income

Total adviser fees and costs associated with the IPO amounted to £4.9m. This excludes those costs in relation to the issue of shares amounting to £1.0m which have been charged to Share Premium.

Exceptional income in the prior year was £1.6m relating to the final creditor distribution from the Administrators of Bentley Harrington t/a UNILAD in relation to the purchase of a £5.0m debt from one of the founders of that business prior to the acquisition of the trade and assets.

Adjusted EBITDA

Adjusted EBITDA was £16.8m (2020: £5.5m).

Adjusted EBITDA margin increased to 31% (2020: 18%) as a result of our increase in revenue and leveraging our net operating expenses.

Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group.

Net finance costs

Net finance costs of £0.2m (2020: £0.3m) were incurred during the year. The charge predominately relates to interest on our HSBC borrowing facility which was repaid before the year end out of the IPO proceeds.

Share of JV

Share in joint ventures was £0.1m (2020: £0.05m) representing our share in the results of Pubity Group Ltd.

Profit before tax

Profit before tax increased to £8.1m (2020: £4.1m) representing a 98% increase in comparison to the prior year.

Taxation

The tax charge for the year was £2.9m (2020: £1.1m). This included a current tax charge of £2.9m (2020: £1.2m) and a deferred tax charge of £nil (2020: £0.1m credit). There was a £2.3m (2020: £nil) tax credit to equity in relation to share options exercised prior to the IPO.

Balance sheet

Net assets grew to £52.3m (2020: £14.2m) as a result of Company trading performance and IPO proceeds. Current trade and other receivables amounted to £15.2m (2020: £13.7m). We tightened our collections process with media agencies in 2021 which results in a less than commensurate movement.

Trade and other payables increased £3.8m against the prior year as a result of increased activity levels.

Included in non-current assets is Intangible assets of £14.6m (2020: £15.1m), the majority of which relates to acquired goodwill and other separately identifiable assets from our acquisition of the UNILAD business in October 2018. The acquisition and integration was successful which is reflected in our annual impairment review which shows significant headroom of £158m.

Cashflow and cash position

Net cash at the year-end amounted to £30.6m (2020: £11.0m net debt). The largest inflow of cash in the year related to the Company's IPO, which raised gross proceeds of £30m of growth capital for the business. Prior to the year-end our outstanding HSBC borrowing facility was paid in full amounting to £10.3m. Bank loan repayments amounting to £2.9m were made during the year. The year end cash position was £34.3m (2020: £6.9m). The Group is now debt free aside from IFRS 16 lease liabilities.

The Group received a £1.2m loan repayment in the year from Bentley Harrington Limited. More details can be found in Note 6.

During the year the Group made Directors loans amounting to £2.7m which were repaid upon IPO.

Tim Croston
Chief Financial Officer
20 April 2022

98%
PBT GROWTH

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for risk management, which is reviewed regularly to ensure mitigating actions are in place. The principal risks and uncertainties which may impact the Group's performance are set out opposite.

DEPENDENCY ON DIGITAL ADVERTISING REVENUE

Risk and impact

Digital advertising is a critical source of revenue for the Group. The Group's success depends, in part, on its ability to maintain and expand its relationships with existing brand advertisers, including the advertising agencies that represent them.

In addition, the Group's digital advertising products face competition for advertising revenues from a variety of sources, such as other international content providers, newspapers, television, radio and other forms of media and social media. The launch of new competing digital services that attract consumers, advertisers or user generated content, or a significant increase in the market share of any of the Group's existing competitors, could lead to a reduction in the Group's digital advertising revenues.

A number of other factors outside of the Group's control could also lead to reductions in the Group's digital advertising revenues. Such factors include: a decline in the popularity of, or demand for, the Group's editorial content or perceptions of the Group's brands and/or publications; a decrease in the price of online advertising generally or the pricing of the Group's offering or competing offerings; and other factors such as the prevailing economic climate, consumer sentiment, advertising regulations and consumer perception of economic conditions in any of the territories in which the Group operates.

Mitigation

The Group is well positioned competitively due to its large youth audience (typically aged 18 to 34) and works with a diverse range of clients in different industries and sectors, and has successfully retained a significant proportion of key clients each year.

DEPENDENCY ON SOCIAL MEDIA PLATFORMS

Risk and impact

The Group's success as a social media publisher is reliant on the continued popularity of social media as a means of creating, sharing and consuming content. There is a risk to the Group if any of the social media platforms with which it engages cease to be a market leader, cease to operate at all, or cease to regard the Group as a preferred partner (for example, the Group has limited contractual assurance as to the duration or terms of its relationships with such social media platforms). Given the Group's significant younger audience, the Group would be adversely affected by a negative change in the perception of social media platforms by young people. Social media platforms may also be subject to adverse publicity and/or legal, regulatory or governmental action that may materially impede the provision of services and infrastructure.

Mitigation

The Group works with a diverse range of social media platforms and has strong relationships with each of them, reducing reliance on any single platform. The Group continues to monitor publicity and legal/regulatory trends to ensure that it keeps ahead of any changes that may impact the Group.

CYBERSECURITY AND SYSTEM INTERRUPTIONS

Risk and impact

Interruptions in the Group's IT systems may result in operational failures and may make the Group's websites temporarily unavailable, which in turn, may adversely affect the Group's business. In addition, the Group's IT systems rely, in part, on the services of third-party providers, including social media platforms. Any interruptions in the services provided by such third parties, which are outside the control of the Group, would impact the operation of the Group's business and the Group's ability to publish content, reach audiences and generate advertising revenue.

Inadequate performance of the Group's IT systems could also affect the security of the Group's websites. The Group and its service providers might not have the resources or technical sophistication to anticipate or prevent all types of cyber-attacks. IT security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by employees or by persons with whom the Group has commercial relationships. Advances in computer capabilities and technology may also increase the frequency, sophistication or likelihood of security breaches. As a result, the Group may, in the future, need to devote significant resources to protect against security breaches or to address problems caused by any such breaches.

Mitigation

The Group will review and seek continuous improvement to ensure that robust procedures and controls to mitigate system interruptions in relation to the Group's IT systems.

PRINCIPAL RISKS AND UNCERTAINTIES

RELIANCE ON KEY EMPLOYEES

Risk and impact

The Group's future success depends, in part, on its senior management team and long-standing senior employees, who possess a wealth of knowledge of the Group's business, as well as experience within the Group's industry. The loss of any members of senior management or long-standing employees, particularly those with specific knowledge of the business, could harm the Group's business. The overall competence of the Group's employees, freelancers, journalists and consultants, is important for the operation of the business and the Group's successful development and growth. The Group faces competition from competitors for qualified personnel and the Group's success is therefore also dependent on its ability to attract, train, motivate and retain highly qualified individuals.

Mitigation

The Group has recently recruited several key senior roles to provide additional expertise and strength to the senior management team.

In order to attract and retain the best talent, the Group has a people strategy in place consisting of a variety of measures, including: competitive reward, remuneration and benefit packages; training and development; career progression; mentorship; wellbeing initiatives; and the opportunity to work on innovative and original projects. The Group invests significant time in developing its talent and future leaders, whilst also keeping an eye out for talent outside the Group for when the time comes to bring in new skills and expertise.

THE ONGOING COVID-19 PANDEMIC

Risk and impact

The outbreak of COVID-19 has resulted in governments throughout the world implementing numerous measures to try to contain the virus, and has led to materially increased volatility and declines in financial markets. Whilst the Group has been resilient during the height of the COVID-19 pandemic, and is presently well placed, the full economic impact of COVID-19 is outside of the Group's control and will depend on the spread of the virus and its variants and the response of the global community generally, which remains highly uncertain and cannot be predicted.

Mitigation

The Group reacted quickly in modifying its operational practices (including implementing a work-from-home policy during lockdown but also ensuring offices were safe to return to when possible to do so), has been resilient during the height of the COVID-19 pandemic and is presently well placed.

DATA PROTECTION

Risk and impact

The Group is required to observe data protection laws in each of the countries in which it currently operates, including the regime that applies in the United Kingdom, namely the retained EU law version of the EU General Data Protection Regulation (Regulation (EU) 2016/679), and the Data Protection Act 2018. Any data breach by the Group, or any failure to comply with relevant data protection laws, including any historic non-compliance, may, amongst other things, result in significant fines from the Information Commissioner's Office in the UK and/or claims brought against it by affected third parties. The Group may also face fines and/or claims as a result of a breach of personal data by either the Group or any of its service providers, including as a result of any historic breaches. In the event that the Group fails to comply with local requirements on data protection or privacy laws or has failed to comply historically, it may also be exposed to significant liability under contracts in relation to its clients, which could potentially have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Mitigation

The Group has recently appointed a Data Protection Officer and processes and procedures have been established to ensure compliance with data protection laws and best practice.

This Strategic report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved and signed on behalf of the Board.

Solly Solomou
Chief Executive Officer
20 April 2022


LAD BIBLE
LAD BIBLE
LAD BIBLE
Woman Who Was
Paralysed By
Rare Condition
Becomes Physiotherapist
D80
D80B

GOVERNANCE

BOARD OF DIRECTORS

DAVE WILSON
NON-EXECUTIVE CHAIRMAN

Dave has over 35 years of international, operational and board level experience. He spent over 12 years at GB Group Plc, joining as the Group Finance & Operations Director in 2009. During his tenure, Dave successfully completed 14 acquisitions and two divestments and oversaw growth in the market capitalisation from £14 million to £1.8 billion. Dave currently holds the role of Non-Executive Director and Audit Committee Chair at musicMagpie Plc. Previous board positions have included roles as Chief Financial Officer and Chief Operating Officer of EazyFone Group, Chief Financial Officer at Codemasters and EXI Group, and Chief Operating Officer for a division within Fujitsu.

ALEX 'SOLLY' SOLOMOU
CHIEF EXECUTIVE OFFICER

Solly co-founded LBG Media in 2012. In the following nine years, Solly has led the Group and its strategic direction, growing it to a £50 million+ turnover business while building a wealth of experience in digital advertising and content creation. Solly was awarded the Ernst and Young Entrepreneur of the Year North award in 2016 and holds a Business Management Degree from the University of Leeds.

ARIAN KALANTARI
CHIEF OPERATING OFFICER

Arian co-founded LBG Media in 2012. Arian has almost ten years of experience within the digital advertising and content creation sector. Since founding LBG Media, Arian has been instrumental to the growth in the Group's operations from what was a two-person operation to the current 436 person, multi-national business. Arian holds an International Business Degree from the University of Liverpool.

TIM CROSTON
CHIEF FINANCIAL OFFICER

Tim has over 30 years' finance experience which was gained by working across both the UK and US, which included ten years as Chief Financial Officer of AIM listed Nichols Plc (Vimto soft drinks) from 2010 to 2020. During that period, the market cap of the company grew from c.£110 million to over £509 million. Tim was also responsible for investor relations and oversaw five successful acquisitions. Previous roles include Non-Executive Director and Audit Committee Chair at The Riverside Group Limited from 2017 to 2020.
Tim is a qualified accountant (ACCA 1992, FCCA 1998).

CAROL KANE
NON-EXECUTIVE DIRECTOR

Carol co-founded Boohoo Group Plc, one of the leading fashion groups, in 2006 following the identification of the opportunity for online retail. During her time at Boohoo Group Plc, Carol has helped take the company through an AIM market listing and has grown the company to a now £1.7 billion revenue business. Through her roles at Boohoo Group Plc, Carol has extensive experience working across marketing, product and brand strategy both domestically and abroad.

ALEX JARVIS
NON-EXECUTIVE DIRECTOR

Alex is currently the Chief Strategy Officer and co-founder at Toppan Digital Language, an innovative digital translation technology service provider. Alex's roles at Toppan include building value through corporate development, strategic initiatives, mergers and acquisitions, finance, and governance. Alex previously worked for SDL plc, an LSE Main Market company, as the Senior Vice President and Executive Board member for Strategy, M&A, IR and Corporate Marketing. Prior to joining SDL plc, Alex was a Partner at Peel Hunt LLP, a UK-based investment bank, where she was the senior equity analyst for the technology sector.

RICHARD FLINT
NON-EXECUTIVE DIRECTOR

Richard has over 20 years' experience in online businesses, formerly serving as Executive Chair of Sky Betting & Gaming and prior to this appointment in October 2018, Richard served as Chief Executive Officer of Sky Betting & Gaming for 10 years. During his tenure at Sky Betting & Gaming he was awarded a number of high profile awards, including the Compliance Lifetime Achievement Award at the global regulatory awards in 2020 and Glassdoor's No. 1 CEO in 2018. Richard currently holds the role of Non-Executive Director at FTSE 100 company – Flutter Entertainment Plc, is the Chairperson of Butternut Box and was a former Non-Executive Director of Welcome to Yorkshire.

VALUING HIGH STANDARDS

On behalf of the Board, I am pleased to introduce the Group's Corporate Governance Report for the financial year ended 31 December 2021.

The Board recognises the value and importance of high standards of corporate governance. We aim to apply these in a manner which is most suited to the Group's ambitions and culture, and best addresses the Board's accountability to shareholders and other stakeholders.

The Group voluntarily observes the requirements of the QCA Corporate Governance Code (the 'Code') as the Board feels that this Code is most appropriate for the Group's size and stage of development.

In this section of our report we have set out how our governance framework underpins our day-to-day activities and decisions, and provided further insight into how the Board and its Committees operate.

This information is also available on the Group's website (https://lbgmedia.co.uk/).

I am looking forward to leading the Board through the coming year. Going forward, we will continue to develop and evolve the Group's corporate governance arrangements to ensure that they are robust, appropriate and support the Group's purpose, strategy and culture.

Dave Wilson
Chairman
20 April 2022

The Directors support a high standard of Corporate Governance and have decided to comply with the QCA Code. The Directors believe that the QCA Code provides the Group with the framework to help ensure that a strong level of governance is maintained, enabling the Group to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders.

PRINCIPLE 1

Establish a business strategy and business model which promote long-term value for shareholders

The Directors believe that the Group's business model and growth strategy helps to promote long-term value for Shareholders. The business strategy includes:

- Expansion into additional overseas jurisdictions (including the United States);
- Strategic acquisitions;
- Further enhance the monetisation of our existing portfolio of publication and platforms;
- Signing of larger deals on long-term campaigns;
- Growing headcount to enable the delivery of more content and scale our indirect revenue stream.

More details on our Growth Strategy can be found on pages 23 to 24.

The principal risks facing the Group are set out on pages 43 to 44. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission.

PRINCIPLE 2

Seek to understand and meet shareholder needs and expectations

Prior to Admission, the Group's Executive Management undertook a roadshow which has informed the Group as to its shareholders' expectations following Admission.

There will be an active dialogue maintained with Shareholders. Shareholders will be kept up to date via announcements made via a Regulatory Information Service on matters of a material substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected material deviations to market expectations will be announced via a Regulatory Information Service. The Company's AGM will be an opportunity for Shareholders to meet with the Non-Executive Chairman and other members of the Board. The meeting is open to all Shareholders, giving them the option to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced via a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored and the Company intends to engage with Shareholders where votes are not in favour of resolutions at AGMs to understand their motivation.

There is also a designated email address for investor relations, investors@ladbiblegroup.com, and all relevant contact details are included on the Group's website.

CORPORATE GOVERNANCE REPORT
CONTINUED

PRINCIPLE 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group takes corporate social responsibilities, including its wider ESG responsibilities, very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including shareholders, employees, customers, suppliers and the communities in which the Group operates, in order to achieve long-term success.

The Group has established a number of initiatives to support the development and welfare of its employees. The Directors believe that key to the success of the business is promoting strong social values, including the importance of promoting inclusion, diversity and equality to its community of followers. The Group will regularly seek feedback from its audience and wider stakeholders to maintain an inclusive culture and implement best working practices.

The Directors will maintain an open and ongoing dialogue with its stakeholders to help promote the long-term success of the Group.

PRINCIPLE 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks facing the Group are set out on pages 43 to 44. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission.

The risks involved and the specific uncertainties for the Group will be regularly monitored through a strategic risk register and the full Board will formally review such risks at each Board meeting and adapt them as the Group's operations grow and evolve. All proposals reviewed by the Board will include a consideration of the issues and risks of the proposal. Where necessary, the Board draws on the expertise of appropriate external consultants or advisers to assist in dealing with or mitigating risk. In the future, the Board intends to establish departmental risk registers to embed risk management throughout the operational agenda of the Group.

PRINCIPLE 5

Maintain the Board as a well-functioning, balanced team led by the Chair

On Admission the Board will comprise the following persons:

- The Non-Executive Chairman;
- Three Non-Executive Directors; and
- Three Executive Directors.

The biographies of the Directors are set out on page 46. The Non-Executive Chairman is Dave Wilson, and the Non-Executive Directors are Carol Kane, Alex Jarvis and Richard Flint.

Alex and Richard are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board.

The Board is also supported by the Audit Committee, the Remuneration Committee and the Nomination Committee. The Nomination Committee will keep the composition of the Board under regular review, taking into account the relevant skills, experience, independence, knowledge and gender balance of the Board. The Directors will be subject to retirement by rotation at every third AGM of the Company.

The Board will meet regularly and hold at least six Board meetings per annum. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and will consider the requirement for additional Executive and Non-Executive Directors as the Company fulfils its growth objectives.

Given the timing of the IPO on 15 December 2021 there were no meetings of the board in the year with the first meeting to commence in January 2022.

PRINCIPLE 6

Ensure that between them the Directors have the necessary up to date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out on page 46.

The Directors believe that the Board has the appropriate balance of diverse skills and experience to deliver on its core objectives. Experiences are varied and contribute to maintain a balanced Board that has the appropriate level and range of skill to assist the Group's strategy and growth objectives. The Chairman and the Non-Executive Directors provide additional experience in operating in public market companies, have recent governance experience and each offer wider business skills which help to strengthen the Board and widen its capabilities.

The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, inter alia, the AIM Rules for Companies.

The Board and Committees receive training as appropriate, including technical updates on the latest accounting, auditing, tax, and reporting developments. The balance of skills of the Board is reviewed at least on an annual basis. The Board has access to professional advisers at the Company's expense if necessary.

CORPORATE GOVERNANCE REPORT

CONTINUED

PRINCIPLE 7

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider seriously the effectiveness of the Board, Audit Committee, Nomination Committee, Remuneration Committee, and individual performance of each Director.

The Company intends to establish a formal process for the regular assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective. Until then, the Non-Executive Chairman is responsible for ensuring an effective Board.

PRINCIPLE 8

Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its employees and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all their internal and external dealings. Evidence of this can be found in our ESG report on pages 29 to 38.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group. The Group will incorporate the promotion and reward of demonstrating strong ethical values and behaviours as part of its people processes.

The culture is set by the Board and is regularly considered and discussed at Board meetings.

PRINCIPLE 9

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Non-Executive Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit Committee, Nomination Committee and Remuneration Committee. There are certain material matters which are reserved for consideration by the full Board.

The Board intends to review the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward. This will be coordinated by the Audit Committee.

PRINCIPLE 10

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Responses to the principles of the QCA Code and the information that will be contained in the Company's annual report and accounts provide details to all stakeholders on how the Company is governed. The Board views the annual report and accounts as well as its half year report as key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to the Shareholders following Admission.

Additionally, the Board will use the Company's AGMs as a primary mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress.

The Company's website will be updated on a regular basis with information regarding the Group's activities and performance, including financial information.

There is also a designated email address for investor relations, investors@ladbiblegroup.com, and all contact details are included on the Group's website.

NOMINATION COMMITTEE REPORT

Carol Kane
Non-Executive Director

04
Committee members

I am delighted to have been appointed as the Chair of the Nomination Committee, and I am pleased to present the Company's first Nomination Committee Report as a listed company. The constitution of our Nomination Committee demonstrates the Company is committed to adhere to best practice Corporate Governance.

Membership of the Nomination Committee

The Committee, which was constituted by the Board on 15 December 2021, comprises four Non-Executive Directors: I act as Committee Chair, with my colleagues Dave Wilson, Alex Jarvis and Richard Flint as the other members. Alex and Richard are considered independent Directors. Dave Wilson and I are not considered to be independent Directors due to our participation in the company's share based remuneration scheme.

Role of the Nomination Committee

The Committee's primary responsibilities will be to:

- Keep under review the Board's structure, size and composition, including diversity and the balance of independent and non-independent Non-Executive Directors, and make recommendations to the Board with regard to any changes required.
- Ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession.
- Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Be responsible for identifying and nominating for the approval of the Board, candidates to Board vacancies as and when they arise.
- Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board.
- Review annually the time required from Non-Executive Directors.
- Make recommendations to the Board on the re-election by shareholders of Directors under the annual re-election provisions of the QCA Code or the retirement by rotation provisions in the Company's Articles of Association.

Carol Kane
Chair of the Nomination Committee
20 April 2022

Alex Jarvis
Chair of the Audit Committee

04
Committee members

I am delighted to have been appointed Chair of the Audit Committee and present our first Audit Committee Report as a listed business.

Membership of the Audit Committee
The Committee comprises four Non-Executive Directors. I act as Chair and I am joined by my colleagues Dave Wilson, Carol Kane and Richard Flint. Richard and I are considered independent Directors. The Board is satisfied that the Committee has relevant recent financial experience.

The Group's Audit Committee was appointed on the IPO date of 15 December 2021. The Audit Committee's first meeting was in January 2022.

Aims and focus of the Audit Committee
The Audit Committee's Terms of Reference are available on the Group website.

The general aims of the Audit Committee are to:

- Increase shareholder confidence in, and the credibility and objectivity of, published financial information.
- Ensure that the financial performance, position and prospects of the Group are properly monitored and reported on.
- Assist the Board in meeting its financial reporting responsibilities and ensure that the Group's published financial statements comply with all applicable statutory requirements and accounting standards.
- Strengthen the independent position of the Auditor by providing channels of communication between them and the Non-Executive Directors.
- Review the performance of the Auditor.

The Audit Committee's specific duties can be summarised as:

- The monitoring of the integrity of the financial statements of the Group, reviewing and challenging where necessary, and reporting its view to the Board.
- The monitoring of internal controls and risk management systems, including reviewing the Group's risk profile and risk appetite and the scope, adequacy and effectiveness of the Group's internal financial controls and risk management systems.

Significant Issues
The Committee, external auditors and management considered the following issues are significant in relation to the financial statements:

Matters considered	Conclusion
Revenue recognition	The Committee has been briefed on the Group's Revenue Recognition policy under IFRS15 and after discussion concluded that the policies were appropriate and properly applied.
Going concern	The Committee has discussed Going Concern with management and concluded that it was appropriate to produce the accounts on a Going Concern basis.
Critical judgements and accounting estimates	The Committee consider the judgements and estimates as described in note 3 of the financial statements to be appropriate.

External audit
The Audit Committee monitors the relationship with the external auditor, BDO, to ensure that the independence and objectivity of the auditor are maintained. The external auditor is not engaged to perform any non-audit services (with the exception of acting as our Reporting Accountant during the IPO), in line with the Group's policy. BDO has been the Group's auditor since our 2020 year end and the Committee is satisfied with its independence and effectiveness. The Committee has adopted a policy of tendering external audit services at least every ten years.

Internal audit
The Committee will consider annually whether there is a need for an internal audit and risk function and make a recommendation to the Board accordingly.

Internal control
As the Audit Chair I have reviewed the Financial Position and Prospects Procedures (FPPP) documentation produced by management to support the recent IPO. The Committee has also considered feedback from our external auditor in relation to observations on processes and controls.

Whistleblowing
The Group has in place a whistleblowing policy, which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Committee is comfortable that the policy is operating effectively.

Anti-bribery
The Group has in place an anti-bribery and corruption policy, which provides information, guidance and formal rules for those working in the Group on how to avoid, recognise and deal with bribery and corruption issues. The Committee is comfortable that the policy is operating effectively.

Alex Jarvis
Chair of the Audit Committee
20 April 2022

REMUNERATION COMMITTEE REPORT

Richard Flint
Chair of the Remuneration Committee

04
Committee members

I am delighted to have been appointed as the Chair of the Remuneration Committee and I am pleased to present the Company's first remuneration report as a listed company which sets out our remuneration policy, the remuneration paid to the Directors for the year (including details of the first awards granted under the LTIP) and how remuneration will operate in 2022.

The Remuneration Committee understands the emphasis placed on, and the scrutiny of, executive pay, and as a newly listed company we have been focused on transitioning from a founder-led business into the listed environment. This has included the development of new incentive plans and evolving the details on remuneration set out in our Admission Document into a full policy which supports the Company's ambitious growth plans following admission to AIM, enables us to recruit, motivate and retain executives in a competitive sector and continues to encourage an entrepreneurial and high performance culture.

The four main elements of the remuneration package are base salary, benefits, a cash-based annual bonus and a long-term share incentive. Details on each of these elements are set out in this report.

I hope that you find the information in this report helpful and informative, and I look forward to receiving feedback from our investors on the information presented. The Remuneration Committee takes the views of its shareholders seriously and intends to maintain an open dialogue to seek their views.

I am always happy to hear from the Company's shareholders and you can contact me via the Company Secretary if you have any questions on this Report or more generally in relation to the Company's remuneration.

Richard Flint
Chair of the Remuneration Committee
20 April 2022

REMUNERATION POLICY

Composition of the Committee

The Committee members since IPO have been Richard Flint (Chair), Dave Wilson, Carol Kane and Alex Jarvis. The Committee will normally meet three times a year to review the remuneration of the Executive Directors.

Remuneration policy

The Committee's overall approach is focused on ensuring the Company's remuneration policy is aligned with shareholders' interests whilst also enabling the Company to attract, retain and motivate high quality executive management. The key objectives of the Company's remuneration policy are to:

- align Executive and shareholder interests;
- underpin an effective pay-for-performance culture; and
- support retention, motivation and recruitment of talented people.

The table opposite summarises the key elements of the remuneration policy for Executive Directors, which builds on the details set out in the Admission Document.

Non-Executive Directors

The Non-Executive Directors have entered into letters of appointment with the Company, which may be terminated by either party giving one month's written notice. The Non-Executive Directors' fees are determined by the Board.

Element and link to strategy	Operation	Maximum potential value	Performance conditions
Base salary and benefits Supports the recruitment and retention of Executive Directors, reflecting their roles, skills and experience.	Salaries are reviewed annually and any changes are normally effective from 1 January in each financial year. The Executive Directors receive benefits which include, but are not limited to, family private health cover, death in service life assurance and travel expenses for business-related travel.	Base salaries will be set at an appropriate level with a comparator group of comparable sized listed companies and will normally increase with increases made to the wider employee workforce. The value of benefits are not capped.	N/A
Pension Supports recruitment and retention of Executive Directors.	The Committee retains discretion to provide pension funding in the form of a salary supplement or a direct contribution to a pension scheme. Any salary supplement would not form part of the salary for the purposes of determining the extent of participation in the Company's incentive arrangements.	Pension funding for the Executive Directors is aligned with the wider workforce, currently equal to 3% of base salary.	N/A
Annual bonus Rewards the Executive Directors for delivering on key strategic and financial goals, encouraging sustainable performance of the business.	Annual bonuses are paid in cash, with no deferral into shares.	Maximum opportunity of 93.75% of base salary.	The annual bonus is based on a blend of financial and non-financial metrics which are aligned to the business strategy.
LBG Media plc Long Term Incentive Plan ('LTIP') To incentivise and reward long-term performance and value creation. To align the interests of Executives and shareholders in the long term.	LTIP awards are granted annually. LTIP awards will vest at the end of a three-year period subject to the Executive Directors' continued employment and satisfaction of the performance conditions.	Maximum opportunity of 675% of base salary.	The base amount (up to 112.5% of base salary) is subject to financial targets measured over three financial years. The stretch amount (up to 562.5% of base salary) is subject to total shareholder return targets measured over three financial years.
LBG Media plc Share Incentive Plan ('SIP') To encourage equity ownership across all employees and create a culture of ownership.	The Company offers an HMRC approved SIP scheme for all employees. The operation of this plan will be at the discretion of the Committee, and Executive Directors will be eligible to participate on the same basis as other employees.	Maximum permitted based on HMRC limits from time to time.	N/A

ANNUAL REPORT ON REMUNERATION

The following table summarises the total gross remuneration of the Directors who served during the year to 31 December 2021.

	Salary/fee £'000	Benefits £'000	Pension £'000	Bonus £'000	Total £'000
Executive Directors					
Solly Solomou	43	–	–	–	43
Arian Kalantari	13	–	–	–	13
Tim Croston	20	–	1	200	221
Non-Executive Directors					
Dave Wilson	8	–	–	–	8
Richard Flint	4	–	–	–	4
Carol Kane	4	–	–	–	4
Alex Jarvis	4	–	–	–	4
Total	96	–	1	200	297

The figures set out in the table above relate to amounts paid to the Director's from their date of appointment at LBG Media plc. Refer to page 56 for dates of appointment.

Annual bonus

A bonus of £200,000 was paid to Tim Croston during the financial year for his significant contribution towards the IPO.

Long-term incentive awards

As detailed in the Admission Document, long-term incentive awards were granted to the Executive Directors on 22 December 2021. The awards were granted by way of a nil cost option and an acquisition of shares in LBG Holdco Limited, and are subject to performance conditions to be measured over the period to 31 December 2024. Details of these awards are set out in the table on the following page.

ANNUAL REPORT ON REMUNERATION

Outstanding share awards

The table below sets out details of all outstanding share awards in respect of current Directors:

Award	Grant date	Vesting date	Recipient	Exercise price	Number of shares outstanding	Number of shares lapsed
Pre-IPO award	15 December 2021	15 December 2023	Dave Wilson	£0.001	1,030,527	–
			Carol Kane	£0.001	1,428,571	–
FY22 LTIP award	22 December 2021	31 December 2024	Solly Solomou	£0.00	964,286*	–
			Arian Kalantari	£0.00	867,857*	–
			Tim Croston	£0.00	867,857*	–

* refer to note 20 'Post-IPO share based remuneration schemes' for further details.

Implementation of remuneration policy in 2022

We summarise below the Executive Director salaries, pension levels and incentive opportunities for 2022:

Base salary
Solly Solomou: £250,000
Arian Kalantari: £225,000
Tim Croston: £225,000

Pension funding
3% of base salary.

Annual bonus
The maximum bonus opportunity for the Executive Directors will be 93.75% of salary.

Bonus awards will be determined based on performance against stretching financial and strategic targets. The actual performance targets are not disclosed as they are considered to be commercially sensitive.

Bonus awards will be paid in cash and subject to PAYE and NICs.

LTIP
The first grant under the LTIP, in respect of FY22, was made shortly after our admission to AIM in December 2021. The Committee does not intend to make another grant of LTIP awards to any of the Executive Directors during FY22.

Non-Executive Director fees for 2022

Chair fee: £150,000 | Non-Executive Director fee: £70,000

Attendance at Remuneration Committee meetings

Due to the close proximity of the IPO to the end of the financial year, there were no Remuneration Committee meetings held during this period.

Richard Flint
Chair of the Remuneration Committee
20 April 2022

The Directors present their report together with the audited financial statements of the Parent Company (the 'Company') and the Group for the year ended 31 December 2021.

Principal activities
The principal activity of the Group continued to be that of an online media publisher.

Business review and future developments
A review of the performance of the Group during the year, including principal risks and uncertainties and comments on future developments, is given in the Strategic Report.

Key performance indicators ('KPIs')
Details of our key performance indicators can be found in the CFO Report on pages 40 to 42.

Results and dividends
The Group recorded revenue in the year of £54.5m (2020: £30.2m) and profit after tax of £5.2m (2020: £3.0m).

No dividends (2020: £nil) were declared, proposed or paid in the year.

Directors and their interests
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Director	Date appointed
A Solomou	21 October 2021
A Kalantari	7 December 2021
T Croston	25 November 2021
D Wilson	7 December 2021
A Jarvis	7 December 2021
R Flint	7 December 2021
C Kane	7 December 2021

All the Directors are subject to election by the shareholders at the forthcoming Annual General Meeting following their appointment during the year.

As explained in the basis of preparation Note 2, a Group reorganisation took place prior to the IPO on 15 December 2021. Prior to the reorganisation, LADbible Group Limited was the ultimate holding company.

A. Solomou, A. Kalantari and T. Croston were the Directors of LADbible Group Limited.

The Directors who held office during the year and at 31 December 2021 had the following interests in the Ordinary shares of the Company.

Name of Director	Number
A Solomou	85,727,999
A Kalantari	5,544,286
T Croston	943,454
D Wilson	398,044
A Jarvis	11,428
R Flint	57,142

In addition to the interests in Ordinary shares shown above, the Group operates a number of option incentive plans. Certain employees and Directors of the Company were granted share options under these plans, further details of which can be found in the remuneration report on page 53.

The market price of the Company's shares at the end of the financial year was 198.25p (upon admission to AIM on 15 December 2021: 175.00p) and the range of prices during this period post Admission was between 175.00p and 213.00p.

No changes in the interests of Directors took place between 31 December 2021 and the date of signing the Group financial statements.

Further details on related party transactions with Directors are provided in Note 24 of the Group financial statements.

Directors' indemnities and insurance

The Company has made qualifying third-party indemnity provisions for the benefit of the Directors, which were in force during the year and up to the date of this report.

Substantial shareholdings

As at 31 March 2022, the Company has been advised, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, of the following notifiable interests in 3% or more of its voting rights:

Name	%
LAD Investments Limited*	39.54%
Makkma Investments Limited	20.21%
abrdn	6.88%
Canaccord Genuity Inc	4.22%
Slater Investments	3.83%

* LAD Investments Limited is wholly owned by A Solomou.

Subsequent events

Details of subequent events are disclosed in Note 26.

Financial risk management

Information relating to the principal risks and uncertainties of the Group are included within the Strategic Report. The financial risk management policies are disclosed within Note 22.

Employees

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in its performance.

The Company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Political donations

The Directors confirm that no donations for political purposes were made during the year (2020: £nil).

Share capital and voting

The Company has one class of equity share, namely £0.001 Ordinary shares. The Ordinary shares have full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable. The rights and obligations attaching to these shares are governed by the Companies Act 2006 and the Company's Articles.

As at 31 December 2021, the Company's issued share capital comprised 205,714,289 Ordinary £0.001 shares totalling £205,714.

Rules governing the appointment and replacement of Directors, and those relating to the amendment of the Company's Articles of Association, are contained within those Articles of Association, a copy of which is located on the Company's website at www.lbgmedia.co.uk.

Notice of Annual General Meeting

The Annual General Meeting will be held on 26 May 2022. The Notice of Annual General Meeting sets out the ordinary and special resolutions to be put to the meeting.

Corporate Governance

The Group's statement on Corporate Governance can be found in the Corporate Governance Report which is incorporated by reference and forms part of this Directors' Report.

Going concern

The Company generated profit after tax of £5.2m during the year ended 31 December 2021 (2020: £3.0m) and, at that date, the Company's total assets exceeded its total liabilities by £52.3m (2020: £14.2m) and it had net current assets of £37.0m (2020: £8.6m).

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the Directors have considered whether the Company can continue in operational existence for the foreseeable future.

DIRECTORS' REPORT
CONTINUED

The Directors have considered the principle risks and uncertainties with respect to their assessment of going concern, none of which in the opinion of the Directors give rise to specific risk to the going concern status of the company. In particular reliance on key individuals and relationships with social media platforms do not give rise to any concerns with respect to projected trading in the forthcoming 12 months.

The appalling and concerning events in Ukraine have affected us all on a personal basis. As a Group we have no significant revenue or costs associated with Russia or Ukraine. We will continue to closely monitor the ongoing situation and impact on the Group.

Whilst acknowledging the negative impact that the COVID-19 pandemic may continue to have on the UK economy for 2022 and beyond, having consulted with stakeholders extensively during the last few months, including banks, staff and customers, the Directors consider the Group to be in a strong and well prepared position and are confident in the market outlook. In 2020, the Group took Government support to defer the Q1 VAT/GST payments both in the UK and Australia. Also in 2020, it was agreed with the bank that there would be a loan payment holiday and waiver of covenants from 30 September 2020 to 30 June 2021. No COVID-19 support schemes were used in 2021. No staff were furloughed during 2021 or the prior year.

Given the significant cash reserves within the Group and the strong net current and total net asset position, there is not considered to be a plausible scenario where the Group would cease to trade as a going concern within 12 months of the date of these financial statements. The Directors have run an extreme downside sensitivity scenario at 30% of forecast 2022 revenue and including the current cash balance the Group would still have sufficient cash beyond 30 April 2023.

Streamlined Energy and Carbon Report ('SECR')

The Streamlined Energy and Carbon Reporting ('SECR') regulations were implemented on 1 January 2020. This report considers relevant energy and carbon usage for the period from 1 January 2021 to 31 December 2021. The information in this report relates to the UK territory only.

Reporting parameters

The reporting parameters are the financial year ended 31 December 2021 and cover the operations of the Company. The main energy usage for the Company is grid electricity within the offices, given there is no requirement for further energy usage.

The reporting intensity ratio used is tonnes of CO_2 emissions per £k turnover. It is considered that this provides the best representation of activity, in line with other SECR reporting and industry standards.

The table below shows the total kWh consumed by the Company from the period 1 January 2021 to 31 December 2021. The Company has consumed no gas during the year.

Energy consumption and greenhouse gas emissions	**kWh/annum (year ended 31/12/2021)**	**kWh/annum (year ended 31/12/2020)**
Total electricity and gas	88,519	112,872
Total transport	10,286	106,527
Total	**98,805**	**219,399**

The fall in total transport energy consumptions and greenhouse gas emissions is due to a reduction in air travel in 2021.

Intensity ratio

The energy intensity metric being reported is tCO_2e/£k turnover and the results are shown below.

	Emissions $kgCO_2e$/annum	**Turnover, £k**	**Intensity ratio tCO_2e/£k turnover**
Year ended 31/12/2021	92,877	54,502	0.1704%
Year ended 31/12/2020	51,150	30,170	0.1695%

Disclosure of information to auditors

In the case of each Director in office at the date the Directors' Report is approved:

– so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and
– they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

Independent auditor

The auditor, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the AGM.

The Directors' Report was approved on behalf of the Board on 20 April 2022.

By order of the Board

Tim Croston
Chief Financial Officer
20 April 2022

20 Dale Street, Manchester, M1 1EZ

Registered number: 13693251

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Tim Croston
Chief Financial Officer
20 April 2022

20 Dale Street
Manchester
M1 1EZ

Registered number: 13693251

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

to the members of LBG Media plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LBG Media plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated statement of total comprehensive income, the Consolidated statement of financial position, the Company balance sheet, the Consolidated and the Company statements of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK), and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

We obtained the Directors' assessment that supports the Board's conclusions with respect to going concern and performed the following:

- We challenged the rationale for the assumptions utilised in the forecasts, using our knowledge of the business and the sector and wider commentary available from stock market analysts;
- We considered the appropriateness of the Directors' forecasts by testing their mathematical accuracy, assessing historical forecasting accuracy and understanding the Directors' consideration of downside sensitivity analysis and reverse stress testing;
- We reperformed sensitivities on the Directors' base case and stressed case scenarios, considered the likelihood of these occurring and understood and challenged the mitigating actions the Directors' would take under these scenarios; and
- We assessed the going concern disclosures against the requirements of the accounting standards, and assessed the consistency of the disclosures with the Directors' forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	99% of Group profit before tax
	99% of Group revenue
	99% of Group total assets
Key audit matters	Revenue recognition
Materiality	Group financial statements as a whole
	£655,000 based on 5% of profit before tax adjusted for initial public offering ('IPO') related costs incurred

INDEPENDENT AUDITOR'S REPORT

to the members of LBG Media plc

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Our Group audit scope focused on the Group's main trading entities being LADbible Group Limited, LADbible Australia Pty Ltd and the Parent Company which were considered to be the significant components. Full scope audits were performed on these components by the Group engagement team.

The remaining components are considered non-significant to the Group, accounting for nominal amounts of contributed revenue, profit and assets. The Group engagement team performed analytical procedures over the financial information of each of the remaining non-significant components.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition Refer to Note 2 – Revenue recognition accounting policy, Note 4 Revenue, and Note 14 Trade receivables, in relation to accrued income	The Group has a number of revenue streams as detailed at Note 2.2, each of which contain different performance obligations with regard to appropriate revenue recognition under IFRS 15 Revenue from Contracts with Customers, which has led to our assessment of this being a Key Audit Matter. We have assessed that the risk of material misstatement could arise from: – an inappropriate use of manual journals in revenue; – improper revenue recognition before completion of performance obligations, with a focus around year end cut-off; and – the reliance placed on external data by the Directors within certain revenue streams that confirms the number of views of videos on social media.	The audit procedures included the following: – for a sample of journal entries recorded in revenue throughout the year, we assessed the validity of the transaction by testing it to source documentation; – we vouched a sample of direct revenue recognised by performance obligations during the year and either side of year end, to contracts with customers and to confirmation of the delivery of the obligations in the year; – we tested a sample of accrued income balances at the year end to supporting documentation. This included testing that the revenue and accrued revenue was recorded in the correct period with procedures such as agreeing to proof of obligation delivery, agreeing to contractual terms, confirming customer acceptance and subsequent invoicing as well as receipt of cash; – for a sample of indirect revenue recognised during the year, and focusing on the period either side of year end, we obtained external third party statements to confirm that revenue was recognised in the correct period; – we challenged those charged with governance on the reliance on third party data by performing our own assessment of the reliability of the data through assessing the recoverability of related amounts due from the customers, as well reviewing contractual terms for any matters impacting revenue recognition, to check the appropriateness of recognition of revenue based on third party data; and – we considered the completeness of revenue by tracing a sample of contracts and performance obligations delivered to having been recorded within revenue. **Key observations:** We found management's revenue recognition policy to be in line with the requirements of applicable accounting standards and the recognition of revenue in the year to be appropriate.

INDEPENDENT AUDITOR'S REPORT

to the members of LBG Media plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements – 2021	Parent Company financial statements – 2021
Materiality	£655,000	£300,000
Basis for determining materiality	Set based on 5% of profit before tax adjusted for IPO-related costs.	46% of Group materiality.
Rationale for the benchmark applied	We consider adjusted profit before tax to be the most relevant measure for users of the financial statements. Due to the initial public offering during the year, significant costs have been incurred and recognised as adjusting items. We have considered these costs to be appropriate to add back to profit before tax in calculating materiality on the basis that these costs are one-off items incurred in the current year.	As the Parent Company does not trade and acts as an investment holding company, calculating materiality based on a total gross or net asset basis would give rise to a materiality significantly in excess of Group materiality. We have utilised a materiality at 46% of Group materiality, to reduce aggregation risk when considering the materiality thresholds applied to each of the three significant components of the audit.
Performance materiality	65% of materiality	
Basis for determining performance materiality	This was considered appropriate based on: – cumulative knowledge of the Group; – degree of estimation in financial statements; – the trade of the Group being contained in two principal trading companies and one principal holding company; and – the initial public offering in the year.	

Component materiality

Aside from the Parent Company whose materiality is detailed above, the Group has two significant components. Materiality for the significant components was allocated based on a percentage of between 46% and 90% of the Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £300,000 to £590,000. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £13,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the members of LBG Media plc

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' Report	In our opinion, based on the work undertaken in the course of the audit: – the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and – the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: – adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or – the Parent Company financial statements are not in agreement with the accounting records and returns; or – certain disclosures of Directors' remuneration specified by law are not made; or – we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Group and the sector in which it operates we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. We considered the significant laws and regulations to be the applicable accounting frameworks; the UK Companies Act 2006; those that relate to the payment of employees; and industry related such as compliance with infringement and defamation legislation, data protection and advertising standards legislation.

INDEPENDENT AUDITOR'S REPORT

to the members of LBG Media plc

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to valuation of goodwill and other intangibles, and assessment of control over Pubity Group Ltd;
- identifying and testing journal entries to source documentation, in particular any journal entries posted with unusual account combinations or including specific keywords to source documentation;
- performing the procedures set out in the key audit matters section above in response to the risk of fraud in revenue recognition;
- incorporating an element of unpredictability into the audit procedures, by testing a sample of immaterial employee expenses incurred in the year to supporting documentation to assess the validity;
- holding discussions with those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing minutes of Board meetings post admission to AIM for instances of non-compliance with laws and regulations and fraud;
- reviewing a sample of legal costs incurred and any known legal correspondence throughout the year for instances of non-compliance with laws and regulation;
- Obtaining an understanding and documenting of the control environment in monitoring compliance with laws and regulations; and
- Agreement of the financial statement disclosures to underlying supporting documentation.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner has assessed and confirmed that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester

20 April 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Revenue	4	**54,502**	30,170
Net operating expenses	6	**(46,255)**	(25,784)
Operating profit		**8,247**	4,386
Analysed as:			
Adjusted EBITDA[1]		**16,757**	5,472
Depreciation	11	**(1,332)**	(1,205)
Amortisation	10	**(793)**	(901)
Loss on disposal of assets	10	**–**	(481)
Share based payment charge	20	**(1,527)**	(139)
Exceptional (costs)/income	6	**(4,858)**	1,640
Group operating profit		**8,247**	4,386
Finance income	8	**26**	29
Finance costs	8	**(258)**	(347)
Net finance costs		**(232)**	(318)
Share of post-tax profits of equity accounted joint venture	13	**115**	45
Profit before taxation		**8,130**	4,113
Income tax expense	9	**(2,899)**	(1,143)
Profit and total comprehensive income for the financial year		**5,231**	2,970
Basic earnings per share (pence)	7	**3.0**	1.7
Diluted earnings per share pence)	7	**3.0**	1.7

1 Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation, loss on disposal of intangible assets, share based payment charge and exceptional (costs) / income is a non-GAAP metric used by management and is not an IFRS disclosure.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Assets			
Non-current assets			
Goodwill and other intangible assets	10	**14,558**	15,055
Property, plant and equipment	11	**3,705**	4,598
Investments in equity-accounted joint ventures	13	**359**	244
Other receivables	14	**469**	436
Total non-current assets		**19,091**	20,333
Current assets			
Trade and other receivables	14	**15,153**	13,680
Cash and cash equivalents	15	**34,338**	6,937
Total current assets		**49,491**	20,617
Total assets		**68,582**	40,950
Equity			
Called up share capital	21	**206**	–
Share premium reserve		**28,993**	63
Retained earnings		**23,082**	14,154
Total equity		**52,281**	14,217

	Note	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Liabilities			
Non-current liabilities			
Non-current lease liability	12	**2,648**	3,689
Other interest-bearing loans and borrowings	17	**–**	10,248
Provisions	18	**209**	206
Deferred tax liability	19	**920**	594
Total non-current liabilities		**3,777**	14,737
Current liabilities			
Current lease liability	12	**1,111**	1,039
Other interest-bearing loans and borrowings	17	**–**	2,952
Trade and other payables	16	**11,209**	7,415
Current tax liabilities		**204**	590
Total current liabilities		**12,524**	11,996
Total liabilities		**16,301**	26,733
Total equity and liabilities		**68,582**	40,950

The notes on pages 70 to 92 are an integral part of these financial statements.

The financial statements on pages 66 to 92 were approved by the Board of Directors and authorised for issue on 20 April 2022, and were signed on its behalf by:

Tim Croston
Chief Financial Officer

Registered number: 13693251

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash generated from operations		**13,004**	1,950
Tax paid		**(678)**	(1,088)
Net cash generated from operating activities		**12,326**	862
Cash flows from investing activities			
Purchase of intangible assets	10	**(295)**	(127)
Purchase of property, plant and equipment	11	**(353)**	(254)
Repayment of loan		**1,204**	4,000
Loans to Directors		**(2,700)**	–
Repayment of loan by Directors		**2,700**	–
Interest received		**–**	1
Net cash used in investing activities		**556**	3,620
Cash flows from financing activities			
Repayment of borrowings	17	**(13,200)**	(1,850)
Lease payments	17	**(1,055)**	(1,165)
Costs incurred on IPO charged to share premium		**(990)**	–
Proceeds from share issue	21	**30,000**	63
Proceeds from share options vested		**14**	–
Interest paid	17	**(250)**	(335)
Net cash used in financing activities		**14,519**	(3,287)
Net increase/(decrease) in cash and cash equivalents		**27,401**	1,195
Cash and cash equivalents at the beginning of the year	15	**6,937**	5,742
Cash and cash equivalents at the end of the year	15	**34,338**	6,937

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Net cash flow from operating activities			
Profit for the financial year		**5,231**	2,970
Income tax		**2,899**	1,143
Net interest expense	8	**232**	318
Share of post-tax profits of equity accounted joint venture		**(115)**	(45)
Operating profit		**8,247**	4,386
Depreciation charge	11	**1,332**	1,205
Amortisation of intangible assets	10	**793**	901
Loss of disposal of non-current assets		**–**	481
Share based payments	20	**1,527**	138
Decrease/(increase) in Directors' loan account		**53**	(3)
Provisions		**3**	–
(Increase) in trade and other receivables		**(2,730)**	(7,581)
Increase in trade and other payables		**3,779**	2,423
Cash generated from operations		**13,004**	1,950

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2020		–	–	10,728	10,728
Profit for the financial year		–	–	2,970	2,970
Total comprehensive income for the year		–	–	2,970	2,970
Share based payments	20	–	–	138	138
Deferred tax on share options		–	–	318	318
Issue of share capital	21	–	63	–	63
Total transactions with owners, recognised directly in equity		–	63	456	519
Balance as at 31 December 2020 and 1 January 2021		**–**	**63**	**14,154**	**14,217**
Profit for the financial year		**–**	**–**	**5,231**	**5,231**
Total comprehensive income for the year		**–**	**–**	**5,231**	**5,231**
Share based payments	20	**–**	**–**	**1,527**	**1,527**
Deferred tax on share options		**–**	**–**	**(318)**	**(318)**
Current tax deductions on exercise of share options		**–**	**–**	**2,600**	**2,600**
IPO costs to share premium		**–**	**(990)**	**–**	**(990)**
Share issued on incorporation		**–**	**–**	**–**	**–**
Share split and capital reduction		**302**	**–**	**(302)**	**–**
Exercise of pre-IPO share options		**14**	**–**	**–**	**14**
Shares issued on IPO		**17**	**29,983**	**–**	**30,000**
Purchase and cancellation of deferred shares		**(127)**	**(63)**	**190**	**–**
Total transactions with owners, recognised directly in equity		**206**	**28,930**	**3,697**	**32,833**
Balance as at 31 December 2021		**206**	**28,993**	**23,082**	**52,281**

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The principal activity of LBG Media plc ('the Company') is that of a holding company and the principal activity of the Company and its subsidiaries ('the Group') is that of an online media publisher. The Company was incorporated on 20 October 2021 and is a public company limited by shares registered in England & Wales. The registered office of the Company is 20 Dale Street, Manchester, M1 1EZ. The Company registration number is 13693251.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial information has been prepared on a going concern basis under the historical cost convention, in accordance with UK adopted international accounting standards.

The financial information is presented in sterling and has been rounded to the nearest thousand (£'000).

New standards and interpretations not yet adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

Initial public offering ('IPO')

The Company's shares were admitted to trading on the Alternative Investment Market ('AIM'), a market operated by the London Stock Exchange, on 15 December 2021. These financial statements are the Company's first subsequent to its admission to AIM. In connection with the admission to AIM, the Group undertook a Group reorganisation of its corporate structure which resulted in the Company becoming the ultimate holding company of the Group. Prior to the reorganisation the ultimate holding company was LADbible Group Limited ('the Group'). The transaction was accounted for as a Group reorganisation using the principles of merger accounting rather than a reverse acquisition since it did not meet the definition of a business combination under IFRS 3 (see 'Group reorganisation' below). In a Group reorganisation, the consolidated financial statements of the Group reflect the predecessor carrying amounts of LADbible Group Limited with comparative information of LADbible Group Limited presented for all periods since no substantive economic changes have occurred.

Group reorganisation

The principal steps of the Group reorganisation were as follows:

On 10 August 2021, LBG Holdco Limited was incorporated as a private company limited by shares in England and Wales, with the allotment of 1 Ordinary share of £1.

On 20 October 2021, LBG Media Limited was incorporated as a private company limited by shares in England and Wales, with the allotment of 1 Ordinary share of £60.

On 25 November 2021 LADbible Group Limited undertook a sub-division of the entire issued share capital from a nominal value of £0.01 per share, to a nominal value of £0.00005 per share.

On 25 November 2021, LBG Media Limited acquired the entire issued share capital of LADbible Group Limited, via a share exchange agreement. On the same date the two Optionholders in LADbible Group Limited exchanged their share options into new options over shares in LBG Media Limited via Option Exchange Agreements.

LBG Holdco Limited acquired the entire issued share capital of LADbible Group Limited from LBG Media Limited via a share exchange agreement for 2 ordinary shares of £1 each in the capital of LBG Holdco Limited, on 25 November 2021.

LBG Media Limited and LBG Holdco Limited each undertook a capital reduction via directors' solvency statement on 25 November 2021. LBG Media Limited reduced the nominal value per share from £60 to £0.10.

On 26 November 2021, LBG Media Limited re-registered as a public company under the name of LBG Media plc.

On 7 December 2021, the vested share options were exercised by the Optionholders (to take effect immediately prior to completion of LBG Media plc's share reorganisation) with new shares in LBG Media plc to be issued to the Optionholders immediately prior to Admission.

On 7 December 2021, LBG Media plc undertook a share reorganisation (sub-division and redesignation) to reorganise its existing Ordinary share capital into an appropriate number of Ordinary shares, based on the target listing price of £1.75; further, it approved the allotment and issuance of new Ordinary shares in connection with Admission, each to take effect immediately prior to Admission.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. Significant accounting policies continued
On 15 December 2021, an initial public offering took place with LBG Media plc's Ordinary shares admitted to trading on AIM (a market operated by the London Stock Exchange) (Admission), with new shares being offered to investors of 17,142,857 Ordinary shares of £1.75 each, raising a total of £30,000,000, with the balance recorded as share premium after issue costs of £28,993,000.

The financial statements were approved and authorised for issue by a duly appointed and authorised committee of the Board of Directors on 20 April 2022.

Post Admission, LBG Media plc bought back for consideration of £1 and cancelled the entirety of the deferred shares in issue (127,228,571 shares with a nominal value of £0.001 each), reducing the share capital by £127,229.

The principal accounting policies adopted are set out below.

Consolidation
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in full.

Going concern
The Group generated profit after tax of £5.2m during the year ended 31 December 2021 (2020: £3.0m) and, at that date, the Group's total assets exceeded its total liabilities by £52.3m (2020: £14.2m) and it had net current assets of £37.0m (2020: £8.6m).

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the Directors have considered whether the Group can continue in operational existence for the foreseeable future.

The Directors have considered the principle risks and uncertainties with respect to their assessment of going concern, none of which in the opinion of the Directors give rise to specific risk to the going concern status of the Group. In particular reliance on key individuals and relationships with social media platforms do not give rise to any concerns with respect to projected trading in the forthcoming 12 months.

The appalling and concerning events in Ukraine have affected us all on a personal basis. As a Group we have no significant revenue or costs associated with Russia or Ukraine. We will continue to closely monitor the ongoing situation and impact on the Group.

Whilst acknowledging the negative impact that the COVID-19 pandemic may continue to have on the UK economy for 2022 and beyond, having consulted with stakeholders extensively during the last few months, including banks, staff and customers, the Directors consider the Group to be in a strong and well prepared position and are confident in the market outlook. In 2020, the Group took Government support to defer the Q1 VAT/GST payments both in the UK and Australia. Also in 2020, it was agreed with the bank that there would be a loan payment holiday and waiver of covenants from 30 September 2020 to 30 June 2021. No COVID-19 support schemes were used in 2021. No staff were furloughed during 2021 or the prior year. Given the significant cash reserves within the Group and the strong net current and total net asset position, there is not considered to be a plausible scenario where the Group would cease to trade as a going concern within 12 months of the date of these financial statements. The Directors have run an extreme downside sensitivity scenario at 30% of forecast 2022 revenue and including the current cash balance the Group would still have sufficient cash beyond 30 April 2023.

Currencies

i) Functional and presentation currency
Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Group's functional currency.

On consolidation, the results of overseas operations are translated into £ at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date.

ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

2. Significant accounting policies continued

Revenue recognition

Revenue is grouped within three streams: direct, indirect and other income:

1) Direct revenue relates to sales driven streams, including content marketing and direct display;

2) Indirect revenue includes social video, web advertising and content recommendation revenues; and

3) Other income includes affiliate, licensing and social consultancy.

To determine whether to recognise revenue, the Group follows a five-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price, stated net of rebates, VAT and other sales-related taxes. Revenue is recognised either at a point in time, or over time as the Group satisfies performance obligations by transferring the promised services to its customers as described below.

i) Content marketing and direct display – recognised when performance obligations are met, at a point in time net of any agency rebate;

ii) Web advertising – recognised at the point a digital advert is delivered;

iii) Social video – recognised at the point a digital advert is delivered, net of revenue share taken by platform partners;

iv) Content recommendation – recognised upon referral of new customers to our partners;

v) Affiliates commissions – recognised upon referral of new customers to our partners, as well as commission earned on active accounts;

vi) Social consultancy – recognised over the life of the agreement with the customer; and

vii) Licensing – see below.

For those licensing agreements where the following apply, all revenue was recognised immediately at the start date of the contract:

(a) The customer has access to draw all videos/credits down immediately; and

(b) The Group has no obligation to 'update the video bank' to make it current.

For those licensing agreements where the following apply, all revenue should be recognised over the contract period:

(a) The customer has access to draw down a set number of videos/credits per period (often a month); and

(b) Where the customer can draw down all videos immediately at the start of a period, but the Group has an obligation to 'update the video bank' to make it current over the contracted period (this is not the case for any current contracts).

Although revenue is grouped within three separate streams, as the Directors analyse revenue at this gross level, the Directors do not monitor or review gross margin by revenue stream. The Directors analyse the Group's adjusted EBITDA and profit before tax as key performance indicators. Due to this, the Group does not believe there are any IFRS 8 considerations around the requirement to disclose operating segments for reporting purposes.

The following revenue streams' revenue recognition rely on the use of third party data from social media platforms and Google ad manager confirming the number of impressions and views:

i) Content marketing and direct display

ii) Web advertising

iii) Social video

Exceptional costs/income

The Group presents as exceptional costs/income and non-recurring items on the face of the income statement those significant items of expense/income which, because of their size, nature and infrequency of the events giving rise to them, merit separate presentation to allow users to understand better the elements of financial performance in the year so as to facilitate comparison with prior years and assess trends in financial performance more readily. These costs are analysed in Note 6.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

2. Significant accounting policies continued

ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Intangible assets
All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the trade and asset acquisitions and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately, or which arise from legal or contractual rights regardless of whether those rights are separable, and are initially recognised at fair value.

Goodwill
Goodwill on trade and asset acquisitions is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite and is presented within operating expenses. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

Trademarks and licences
Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 3 years.

Software
Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs.

Amortisation of intangible assets
Capitalised software development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use over their estimated useful lives of 3-10 years.

Branded content relationships relate to content relationships acquired following the acquisition of the UNILAD brand. They are amortised over their estimated useful lives of 10 years.

Brands relate to social media pages acquired. They are amortised over their estimated useful lives of 3-10 years.

Content libraries which were acquired from Bentley Harrington Limited are a collection of videos that are owned on an exclusive basis which are then either licensed to third parties or published. The libraries are amortised over their estimated useful lives of 3 years. Note, this is only following acquisitions and in line with Group policy; the entity does not capitalise the videos it acquires in its day-to-day activities because the individual value of each video acquired is not material.

Property, plant and equipment
Property, plant and equipment ('PPE') are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. There is no de minimis level regarding the capitalisation of PPE.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

2. Significant accounting policies continued

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. Those useful lives by category are as follows:

Fixtures and fittings:	3 years
Computer equipment:	3 years
Right-of-use asset:	Over the life of the lease

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

PPE are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in net operating expenses.

Leased assets

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right-of-use asset is zero.

The Group presents right-of-use assets within property, plant and equipment in Note 11.

Short-term leases and low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less or leases of low-value assets. These lease payments are expensed on a straight-line basis over the lease term. See further detail in Note 12.

Joint ventures

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interest in joint ventures using the equity method.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Financial instruments

Financial assets

Non-derivative financial assets are classified as either financial assets at amortised cost, fair value through profit or loss and fair value through other comprehensive income. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The basis of classification depends on the contractual cash flow characteristics of the financial asset. All financial assets of the Group are held at amortised cost.

Financial assets include trade and other receivables and cash and cash equivalents. Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2. Significant accounting policies continued

Trade and other receivables are initially recorded at fair value and thereafter are measured at amortised cost using the effective interest rate. A loss allowance for expected credit losses is recognised based upon the lifetime expected credit losses in cases where the credit risk on trade and other receivables has increased significantly since initial recognition. In cases where the credit risk has not increased significantly, the Group measures the loss allowance at an amount equal to the 12-month expected credit loss. This assessment is performed on a collective basis considering forward-looking information.

Financial liabilities

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. The Group's borrowings, finance leases, trade and most other payables fall into this category of financial instruments.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are initially recorded at fair value and thereafter at amortised cost using the effective interest rate method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new Ordinary shares or options are shown as a deduction, net of tax, from the proceeds. The excess of proceeds of a share issue over the nominal value is presented within share premium.

Share premium represents the difference between the nominal value of shares issued and the fair value of consideration received. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the year in which it arises.

Share based payments

The Group operates equity settled share based remuneration plans for certain employees. None of the Group's plans are cash settled. All goods and services received in exchange for the grant of any share based payment are measured at their fair values.

The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed over the appropriate service period is determined by reference to the fair value of the awards. The calculation of fair value includes assumptions regarding the number of cancellations and excludes the impact of any non-market vesting conditions (for example, revenue growth per annum). Nonmarket vesting conditions are included in assumptions about the number of awards that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity for equity-settled awards.

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. 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 the consolidated statement of comprehensive income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

The post IPO share based remuneration schemes have market based vesting conditions included within the assumptions.

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to foreign exchange rate risks and recognises these at fair value in its balance sheet. Any changes to the fair value of derivatives are recognised in the income statement. In accordance with its treasury policy, the Group does not hold or issue any derivative financial instruments for trading purposes.

NOTES TO THE FINANCIAL STATEMENTS

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3. Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Accounting estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Goodwill and intangible assets arising on acquisition (Note 10)

The process of estimating the value of customer contracts and customer relationships on acquisition includes an element of forecasting and judgement. The Directors review customer contracts and customer relationships on an annual basis which also involves an element of judgement as to the length of the contract and relationship.

Significant accounting judgements

- Assessment of control over Pubity Group Ltd

As detailed in Note 2, Joint ventures, the Group has assessed whether it has control over Pubity Group Ltd, of which the Group holds 30% of the equity. Due to the fact that, contractually, the Group holds 50% of the voting rights of the entity, and following consideration of the wider stakeholder arrangement, it has been deemed that there is no control over the entity. All key decisions must be jointly agreed, therefore the investment is treated as a joint venture.

There are no further judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Revenue

The trading operations of the Group are in the online media publishing industry and are all continuing. All assets of the Group reside in the UK with the exception of £318k of property, plant and equipment held in Australia (2020: £379k).

Analysis of revenue

The Group's revenue and operating profit relate entirely to its principal activity. Note that gross margin is not assessed separately for the revenue streams below.

The analysis of revenue by stream is:

	2021 £'000	2020 £'000
Direct	**22,423**	14,206
Indirect	**29,716**	14,644
Other	**2,363**	1,320
	54,502	30,170

The geographical analysis of revenue by customer location is:

	2021 £'000	2020 £'000
United Kingdom	**19,697**	13,625
Ireland	**25,311**	13,544
Australia	**2,781**	1,400
USA	**5,729**	871
Rest of the World	**984**	730
	54,502	30,170

Major customers

In 2021 there was 1 major customer that individually accounted for at least 10% of total revenue (2020: 4) (Customer A: 38%) (2020: Customer A: 23%, customer B: 16%, customer C: 10%, customer D: 10%). The total revenues relating to these customers in 2021 were £20,675k (2020: £17,846k).

NOTES TO THE FINANCIAL STATEMENTS
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5. Employees and Directors

The average monthly number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees 2021	Number of employees 2020
Sales	**42**	33
Administration	**346**	247
	388	280

The aggregate payroll costs of these persons were as follows:

	2021 £'000	2020 £'000
Wages and salaries	**18,731**	13,223
Social security costs	**2,347**	1,303
Other pension costs	**409**	260
Share based payments	**1,527**	138
	23,014	14,924

The Group operates a defined contribution plan which receives fixed contributions from Group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current year in relation to these contributions was £409k (2020: £260k).

Pension contributions included in accruals at 31 December 2021 were £86k (2020: £85k).

Key management compensation

Key management includes Directors and other key management. The compensation paid or payable to key management for services is shown below:

	2021 £'000	2020 £'000
Salaries including bonuses	**1,551**	781
Social security costs	**206**	103
Short-term monetary benefits	**15**	2
Share based payments (note 20)	**1,527**	138
Total short-term benefits	**3,299**	1,024

Directors

The Directors' emoluments were as follows:

	2021 £'000	2020 £'000
Directors' aggregate emoluments	**1,285**	724

The Annual Report on Remuneration on page 52 discloses £297k paid to the Directors from their date of appointment to LBG Media plc. There is a difference of £988k compared to the above which relates to amounts paid to the Directors in the year prior to the IPO whilst still a private company.

Highest paid Director

The emoluments received by the highest paid Director in respect of qualifying services totalled £556k (2020: £291k) including pension contributions of £8k (2020: £1k).

6. Net operating expenses

	2021 £'000	2020 £'000
Employee benefit expense	**23,014**	14,924
Amortisation	**793**	901
Loss on disposal of assets	**–**	481
Depreciation	**1,332**	1,205
Auditor's remuneration	**428**	71
Legal and professional	**363**	673
Media costs	**4,407**	1,878
Production costs	**3,696**	3,081
Travel and expenses	**1,286**	366
Establishment costs	**4,233**	3,141
Loss on foreign currency	**632**	383
Exceptional costs/(income)	**4,858**	(1,640)
Other expenses	**1,213**	320
Total net operating expenses	**46,255**	25,784

The Auditor's remuneration in 2021 includes £100k (2020: £100k) for the audit of the Group (£10k for the audit of the Company), £nil (2020: £nil) for tax advice and £318k (2020: £nil) for other services in respect of the IPO.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

6. Net operating expenses continued
In 2021, fees payable to the Auditor for other services are in respect of work required for the Group to complete its IPO. BDO were selected to undertake this work after consideration of the impact this may have on their independence, which it was concluded would not be impinged by undertaking the work. Fees of this type are ad hoc in nature and occur in respect of major events. Any such further occurrence will require Audit Committee approval.

A breakdown of exceptional costs/(income) are provided below:

	2021 £'000	2020 £'000
Initial public offering ('IPO') related costs	4,882	–
Amounts recoverable from Bentley Harrington	(24)	(1,680)
Pubity legal costs	–	40
Total exceptional costs/(income)	**4,858**	(1,640)

Initial public offering ('IPO') related costs
IPO costs relate to the Group's admission to AIM in December 2021, which include £3,223k of adviser fees and commission, £581k in relation to Company bonuses that were contingent on the transaction, £476k in relation to tax and restructuring advice, £376k on legal advisory and £226k of other IPO related costs. Note that £990k of IPO related costs have been debited to share premium in addition to the amount disclosed as exceptional costs above. £4,828k of the total IPO related costs (including those debited to share premium) have been paid during the year ended 31 December 2021.

Amounts recoverable from Bentley Harrington Limited
During the year the Group received £1,204k (2020: £1,680k) from Bentley Harrington Limited. £1,180k of this was recorded as a receivable at 31 December 2020. The remaining balance of £24k was in relation to statutory interest received from the Administrator of that company which was not recorded as a receivable at 31 December 2020 and is therefore booked as exceptional income in the year.

In October 2018, the Group acquired a loan from a creditor of Bentley Harrington Limited amounting to £5,000k for cash consideration of £3,500k. In 2020, a total of £4,000k was recovered in cash from Bentley Harrington Limited. A further £1,180k (£1,000k + statutory interest) was confirmed by the Administrators of Bentley Harrington Limited as a receivable at 31 December 2020. On the basis of that confirmation, management believed at 31 December 2020 that a cash inflow was virtually certain and recognised the amount as an asset at that year end. £1,204k was subsequently recovered in cash in June 2021.

Pubity legal costs
This relates to the legal costs in relation to the acquisition of shares in Pubity Group Limited in the previous year by LADbible Group Limited.

7. Earnings per share
There is no difference between profit as disclosed within the statement of comprehensive income and earnings used within the earnings per share calculation for the reporting periods.

Basic earnings per share calculation:

	2021	2020
Earnings per share from continuing operations		
Earnings, £'000	5,231	2,970
Number of shares, number	176,682,740	174,951,429
Earnings per share, pence	3.0	1.7

Diluted earnings per share calculation:

	2021	2020
Diluted earnings per share from continuing operations		
Earnings, £'000	5,231	2,970
Number of shares, number	177,177,443	175,087,628
Diluted earnings per share, pence	3.0	1.7

Reconciliation from weighted average number of shares used in basic earnings per share to diluted earnings per share:

	2021	2020
Number of shares in issue at the start of the period	174,951,429	174,935,629
Effect of shares issued in period	1,731,311	15,800
Weighted average number of shares used in basic earnings per share	176,682,740	174,951,429
Employee share options	494,703	136,199
Weighted average number of shares used in diluted earnings per share	177,177,443	175,087,628

NOTES TO THE FINANCIAL STATEMENTS

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8. Net finance costs

	2021 £'000	2020 £'000
On loan notes	**(107)**	(184)
Unwinding of discount on provisions	**(3)**	(12)
On lease liabilities	**(148)**	(151)
Finance costs	**(258)**	(347)
Unwinding of discounts	**26**	29
Finance income	**26**	29
Net finance costs	**(232)**	(318)

9. Income tax expense

Tax expense included in profit or loss

	2021 £'000	2020 £'000
Current year tax:		
Current taxation charge for the year	**2,357**	1,213
Adjustments in respect of prior years	**(69)**	25
Foreign tax incurred	**604**	–
Total current tax	**2,892**	1,238
Deferred tax:		
Current year	**(448)**	(239)
Adjustments in respect of prior years	**179**	22
Effect of change in tax rates	**276**	122
Total deferred tax	**7**	(95)
Total tax on profit on ordinary activities	**2,899**	1,143
Equity items		
Current tax	**(2,600)**	–
Deferred tax	**318**	–
Total tax recognised in equity	**(2,282)**	–

Reconciliation of tax charge

The tax assessed for the year is higher (2020: higher) than at the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £'000	2020 £'000
Profit before taxation	**8,130**	4,113
Tax on profit multiplied by standard rate of corporation tax in the UK at 19.00% (2020: 19.00%)	**1,545**	781
Effects of:		
Adjustments in respect of prior years	**134**	47
Expenses not deductible	**1,067**	159
Non-taxable income	**(41)**	(17)
Losses	**(202)**	–
Effect of change in UK tax rates	**276**	122
Effects of overseas tax rates	**270**	–
Exempt items	**23**	–
Amounts not recognised	**51**	–
Share valuation	**(224)**	51
Total taxation charge	**2,899**	1,143

Tax rate changes

On 3 March 2021, the UK Budget announced a further increase to the main rate of corporation tax to 25% from 1 April 2023. This rate was substantively enacted on 24 May 2021, within the Finance Bill 2021, and as a result deferred tax balances have been remeasured with a total impact of £276k as shown above.

NOTES TO THE FINANCIAL STATEMENTS

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10. Goodwill and other intangible assets

	Trademarks and licences £'000	Software £'000	Relationships £'000	Brand £'000	Content library £'000	Goodwill £'000	Total £'000
Cost							
At 1 January 2020	236	859	1,300	4,500	300	10,094	17,289
Additions	–	127	–	–	–	–	127
Reclassification	(107)	107	–	–	–	–	–
Disposals	(85)	(624)	–	–	–	–	(709)
At 31 December 2020	44	469	1,300	4,500	300	10,094	16,707
Additions	**–**	**170**	**–**	**126**	**–**	**–**	**296**
Disposals	**(16)**	**–**	**–**	**–**	**–**	**–**	**(16)**
At 31 December 2021	**28**	**639**	**1,300**	**4,626**	**300**	**10,094**	**16,987**
Accumulated amortisation							
At 1 January 2020	99	69	157	544	110	–	979
Charge for the year	8	203	131	453	106	–	901
Elimination on disposal	(83)	(145)	–	–	–	–	(228)
At 31 December 2020	24	127	288	997	216	–	1,652
Charge for the year	**13**	**109**	**132**	**457**	**82**	**–**	**793**
Elimination on disposal	**(16)**	**–**	**–**	**–**	**–**	**–**	**(16)**
At 31 December 2021	**21**	**236**	**420**	**1,454**	**298**	**–**	**2,429**
Net book value							
At 31 December 2020	20	342	1,012	3,503	84	10,094	15,055
At 31 December 2021	**7**	**403**	**880**	**3,172**	**2**	**10,094**	**14,558**

The carrying amount of goodwill, relating solely to the acquisition of the trade and assets of Bentley Harrington Limited (trading as 'UNILAD'), is £10,094k. The carrying amount of other acquired intangible assets relating solely to the acquisition of the trade and assets of Bentley Harrington Limited is £4,054k as at 31 December 2021 (31 December 2020: £4,599k). Non-acquisition related intangible assets (trademarks and licences, and software) amount to £410k as at 31 December 2021 (31 December 2020: £362k). During the year, £16k of fully written down assets were disposed of.

Within the year, £296k of the additions were paid for (2020: £127k).

As performance is monitored at a Group level, the Group is considered to be one cash generating unit ("CGU"). The recoverable amount of a CGU is determined by a value-in-use calculation. These calculations use cash flow projections derived from data and metrics used on an ongoing basis, with the key assumptions being those regarding discount rates, growth rates, future gross margin improvements and cash flows.

The key assumptions for the value-in-use calculations are:

- cash flows before income taxes are based on approved budgets and management projections;
- a long-term growth rate of 2.0% (2020: 2.0%) for the period beyond which detailed budgets and forecasts do not exist, based on macroeconomic projections for the geographies in which the entity operates; and
- a pre-tax discount rate of 13.6% (2020: 13.0%) based upon the risk-free rate for government bonds adjusted for a risk premium to reflect the increased risk of investing in equities and investing in the Group's specific sector and regions.

Management has applied sensitivities to the key assumptions, including discount rates and growth rates, and believes that there are no reasonably possible scenarios which would result in an impairment of goodwill.

In the prior year, a reclassification was made to correctly recognise software within the correct asset group, from trademarks and licences.

NOTES TO THE FINANCIAL STATEMENTS

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11. Property, plant and equipment

	Fixtures and fittings £'000	Computer equipment £'000	Right-of-use assets £'000	Total £'000
Cost				
At 1 January 2020	943	492	5,808	7,243
Additions	11	243	383	637
Disposals	(290)	(335)	–	(625)
At 31 December 2020	664	400	6,191	7,255
Reclassification	(124)	124	–	–
At 1 January 2021	**540**	**524**	**6,191**	**7,255**
Additions	**29**	**326**	**85**	**440**
Disposals	**(299)**	**(102)**	**–**	**(401)**
At 31 December 2021	**270**	**748**	**6,276**	**7,294**
Accumulated depreciation				
At 1 January 2020	492	419	1,166	2,077
Charge for the year	176	131	898	1,205
Disposals	(290)	(335)	–	(625)
At 1 January 2021	**378**	**215**	**2,064**	**2,657**
Charge for the year	**150**	**208**	**974**	**1,332**
Elimination on disposal	**(300)**	**(100)**	**–**	**(400)**
At 31 December 2021	**228**	**323**	**3,038**	**3,589**
Net book value				
At 31 December 2020	286	185	4,127	4,598
At 31 December 2021	**42**	**425**	**3,238**	**3,705**

Depreciation is charged to net operating expenses in the consolidated statement of comprehensive income.

£353k (2020: £254k) of additions relate to cash movements in the year. The remaining additions relate to non-cash recognition of the right-of-use asset. The right-of-use asset is a lessee's right to use an asset over the life of a lease and are all related to property leases.

All right-of-use assets are properties.

A reclassification of assets was made on 1 January 2021 after a review of allocations between asset types. This resulted in a reclassification of £124k between fixtures and fittings and computer equipment.

12. Leases

The Group leases the offices and treats the UK and Australia leases under IFRS 16, recognising the leases on the balance sheet.

Right-of-use assets

The Group includes right-of-use assets as part of property, plant and equipment on the balance sheet. Their carrying value as at 31 December 2021 was £3,238k (2020: £4,127k). See Note 11.

Lease liabilities

The Group includes lease liabilities on the balance sheet. The carrying amounts of lease liabilities for the periods are set out below:

	2021 £'000	2020 £'000
Current		
Lease liabilities	**1,111**	1,039
Non-current		
Lease liabilities	**2,648**	3,689
Total lease liabilities	**3,759**	4,728

Lease liabilities maturity analysis

	2021 £'000	2020 £'000
Amount repayable		
Within one year	**1,111**	1,039
In more than one year but less than two years	**1,062**	1,081
In more than two years but less than three years	**859**	1,027
In more than three years but less than four years	**727**	862
In more than four years but less than five years	**–**	537
In more than five years	**–**	182
	3,759	4,728

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12. Leases continued

Lease liabilities maturity analysis (including interest)

	2021 £'000	2020 £'000
Amount repayable		
Within one year	**1,218**	1,177
In more than one year but less than two years	**1,133**	1,185
In more than two years but less than three years	**900**	1,096
In more than three years but less than four years	**742**	901
In more than four years but less than five years	**–**	597
In more than five years	**–**	192
	3,993	5,148

For the lease liability movements in the year, see note 17.

During the year, short-term leases of office space were held for LADbible New Zealand Limited and LADbible Ireland Limited. There were also two short-term leases of pool flats for LADbible Group Limited employees. The total costs during the year and lease liabilities at the end of the year are shown below.

	2021 £'000	2020 £'000
Total cost in the year		
LADbible New Zealand office space	**1**	–
LADbible Ireland office space	**34**	68
LADbible Group pool flats	**19**	15
	54	83
Lease liability as at year end		
LADbible New Zealand office space	**3**	–
LADbible Ireland office space	**13**	16
LADbible Group pool flats	**29**	6
	45	22

13. Investments in equity-accounted joint ventures

On 27 August 2020 the Group acquired 30% of the share capital of Pubity Group Ltd for £nil consideration. Pubity Group Ltd is an online media publisher, incorporated and operating in the United Kingdom.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Pubity Group Ltd. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method. Summarised financial information in relation to the joint venture is presented later in this note.

A fair value exercise regarding the consideration for Pubity Group Ltd was performed in 2020 using a 'value of service' approach, concluding that the fair value of consideration in the entity was £199k, made up of £123k of back office support staff costs, £45k of Director support and £31k of office space provided by LADbible Group Limited as part of the shareholder agreement.

NOTES TO THE FINANCIAL STATEMENTS
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13. Investments in equity-accounted joint ventures continued

In 2021, additions in the year relates to the Group's share of total comprehensive income of £115k.

Deferred consideration of £199k was recorded at acquisition relating to services that the Group has to provide to Pubity Group Limited for £nil consideration over a two-year period. The deferred consideration will unwind over the next year.

Name	Country of incorporation and principal place of business	Proportion of ownership interest held as at 31 December 2021
Pubity Group Ltd	United Kingdom	30%

Summarised financial information (Pubity Group Ltd)	2021 £'000	2020 £'000
As at 31 December 2021		
Current assets	679	287
Non-current assets	–	2
Current liabilities	(166)	(103)
Net assets (100%)	513	186
Group share of net assets (30%)	154	56
Period ended 31 December 2021		
Revenue	1,211	371
Profit from continuing operations	383	151
Total comprehensive income (100%)	383	151
Group share of total comprehensive income (30%)	115	45

Carrying amount of investment	£'000
Brought forward as at 1 January 2020	–
Additions during the year	199
Group share of total comprehensive income	45
Brought forward as at 1 January 2021	244
Group share of total comprehensive income	115
Carried forward as at 31 December 2021	359

14. Trade and other receivables

	2021 £'000	2020 £'000
Trade receivables not past due	4,733	3,727
Trade receivables past due	3,262	4,263
Less: provision for credit losses	(467)	(96)
Trade receivables net	7,528	7,894
Work in progress	223	259
Other receivables	1,120	1,969
Directors' loan receivable	–	53
Prepayments	913	512
Contract asset – accrued income	5,838	3,429
Total trade and other receivables	15,622	14,116
Less: non-current portion – other receivables	(469)	(436)
Current portion	15,153	13,680

Trade receivables and all other receivables (including work in progress, other receivables, Directors' loan receivable and accrued income) are stated net of provisions of £467k (2020: £96k). Trade and other receivables are assessed for impairment based upon the expected credit losses model as well as individually impaired trade receivables. The lifetime expected loss provision and individually impaired trade receivables is £467k (2020: £96k) at an expected loss rate of 5.8% (2020: 1.2%) on gross trade receivables.

Work in progress relates to costs incurred on content marketing campaigns in excess of the total costs for the campaign recognised in net operating expenses. The output method is used to determine the stage of completion of a content marketing campaign. This is used to derive the costs to be recognised in any period based upon the budgeted final cost for each content marketing campaign.

The accrued income balance of £5,838k (2020: £3,429k) relates to revenue recognised which had not been invoiced to the customer at the period end. The balance has increased in the year due to increased revenue in 2021 (2020: this balance increased in the year due to increased Q4 activity).

NOTES TO THE FINANCIAL STATEMENTS
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14. Trade and other receivables continued

It is expected that all of accrued income held at 31 December 2021 will be invoiced and cash received within 2022. There is no difference between the carrying value and fair value of the financial assets noted above. Receivables not past due and past due but not impaired are generally with well-established counter parties with good credit quality.

Non-current other receivables relate to security deposits on property leases.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end.

The lifetime expected loss provision for trade receivables is as follows:

31 December 2021	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.7%	34.4%	0.3%	90.1%	
Gross carrying amount, £'000	7,160	537	44	254	7,995
Loss provision, £'000	53	185	–	229	467

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.5%	0.5%	0.5%	8.8%	
Gross carrying amount, £'000	5,989	740	594	667	7,990
Loss provision, £'000	31	4	3	58	96

	2021 £'000	2020 £'000
Opening provision as at 1 January 2021	(96)	(41)
Amount utilised	–	–
New charge in year	(371)	(55)
Closing provision as at 31 December 2021	(467)	(96)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2021 £'000	2020 £'000
In foreign currencies		
UK Pound	9,402	11,165
United States Dollar	3,764	2,138
Australian Dollar	1,582	653
Euro	856	150
New Zealand Dollar	18	10
	15,622	14,116

15. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash and cash equivalents		
Cash at bank and in hand	34,338	6,937
	34,338	6,937
Held in foreign currencies		
UK Pound	32,728	5,414
United States Dollar	962	1,219
Australian Dollar	353	260
Euro	295	44
	34,338	6,937

Foreign exchange movements on cash flows are immaterial and are therefore not included within the cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS
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16. Trade and other payables

	2021 £'000	2020 £'000
Current:		
Trade payables	**1,959**	1,964
Tax and social security	**3,267**	1,794
Accruals	**4,163**	1,714
Deferred income	**1,255**	1,601
Forward contracts liability	**409**	–
Deferred consideration	**56**	164
Other payables	**100**	178
	11,209	7,415

There is no difference between the carrying value and fair value of the financial liabilities noted above. The deferred income balance of £1,255k (2020: £1,601k) relates to contracts with customers where invoices have been raised in advance of revenue being recognised.

It is expected that all of the deferred income recorded at 31 December 2021 will be recorded as revenue in the forthcoming year. All of the deferred income recorded at 31 December 2020 was recognised as revenue within the subsequent year, apart from £293k relating to delayed campaigns with two customers.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2021 £'000	2020 £'000
In foreign currencies		
UK Pound	**9,370**	7,060
United States Dollar	**235**	101
Euro	**119**	58
Australian Dollar	**1,484**	196
New Zealand Dollar	**1**	–
	11,209	7,415

17. Borrowings

	2021 £'000	2020 £'000
Current		
Bank loans	**–**	2,952
Lease liabilities	**1,111**	1,039
	1,111	3,991
Non-current		
Bank loans	**–**	10,248
Lease liabilities	**2,648**	3,689
	2,648	13,937
Total borrowings	**3,759**	17,928

	2021 £'000	2020 £'000
Amount repayable		
Within one year	**1,111**	3,991
In more than one year but less than two years	**1,062**	4,033
In more than two years but less than three years	**859**	3,979
In more than three years but less than four years	**727**	5,206
In more than four years but less than five years	**–**	537
In more than five years	**–**	182
	3,759	17,928

Bank loans
The balance was paid in full by 31 December 2021. The loan was an interest-bearing loan to the Company.

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17. Borrowings continued

A reconciliation from opening to closing borrowings can be found below.

Net debt

	2021 £'000	2020 £'000
Cash at bank and in hand	34,338	6,937
Bank loans	–	(13,200)
Lease liabilities	(3,759)	(4,728)
Net cash/(debt)	30,579	(10,991)

	As of 1 January 2021 £'000	New leases £'000	Payments £'000	Interest charge £'000	Interest paid £'000	Non-current to current movements £'000	Other cash movements £'000	As at 31 December 2021 £'000
Bank loans - current	(2,952)	–	2,952	(30)	30	–	–	–
Bank loans - non current	(10,248)	–	10,248	(80)	80	–	–	–
Lease liabilities - current	(1,039)	(21)	1,055	(31)	31	(1,106)	–	(1,111)
Lease liabilities - non current	(3,689)	(65)	–	(114)	114	1,106	–	(2,648)
Total arising from movements in financing activities	(17,928)	(86)	14,255	(255)	255	–	–	(3,759)
Cash and short-term deposits	6,937	–	–	–	–	–	27,401	34,338
Net (debt)/cash	(10,991)	(86)	14,255	(255)	255	–	27,401	30,579

	As of 1 January 2020 £'000	New leases £'000	Payments £'000	Interest charge £'000	Interest paid £'000	Non-current to current movements £'000	Other cash movements £'000	As at 31 December 2020 £'000
Bank loans - current	(2,400)	–	600	(36)	36	(1,152)	–	(2,952)
Bank loans - non current	(11,400)	–	–	(143)	143	1,152	–	(10,248)
Other loans - current	(1,250)	–	1,250	(5)	5	–	–	–
Lease liabilities - current	(868)	(75)	1,165	(30)	30	(1,261)	–	(1,039)
Lease liabilities - non current	(4,650)	(300)	–	(121)	121	1,261	–	(3,689)
Total arising from movements in financing activities	(20,568)	(375)	3,015	(335)	335	–	–	(17,928)
Cash and short-term deposits	5,742	–	–	–	–	–	1,195	6,937
Net debt	(14,826)	(375)	3,015	(335)	335	–	1,195	(10,991)

18. Provisions

Dilapidations have been recognised to account for the cost of returning leased properties to their original condition.

	Dilapidations 2021 £'000
As at 1 January 2021	206
Charged to profit or loss	3
At 31 December 2021	209

The discount rate applied to this provision is 3.25% and is expected to mature in 2026, at the end of the life of the lease.

19. Deferred tax liability

	2021 £'000	2020 £'000
Liability at start of year	**(948)**	(1,043)
Adjustment in respect of prior years	**(180)**	(22)
Deferred tax charge to statement of comprehensive income for the year	**(43)**	117
Liability at end of year	**(1,171)**	(948)
Asset at start of year	**354**	36
Arising on new share options	**225**	318
Utilised	**(318)**	–
Deferred tax charge to statement of comprehensive income for the year	**(10)**	–
Asset at end of year	**251**	354
The deferred tax liability relates to the following:		
Accelerated capital allowances on property, plant and equipment	**(1,171)**	(948)
	(1,171)	(948)
The deferred tax asset relates to the following:		
Temporary differences trading	**22**	36
Deferred tax on share options	**225**	318
Losses	**4**	–
	251	354

There are no unrecognised deferred tax assets.

20. Share based payments

The Group operated a number of share based remuneration schemes for employees prior to the initial public offering ('IPO') and a number of schemes. These have been summarised below.

Pre-IPO share based remuneration schemes

Prior to the IPO, LADbible Group Limited had a number of share option agreements with Directors. All of these agreements had employment conditions attached and vested over the period to an 'exit event'. An 'exit event' is defined as a sale of the business, through private sale or listing. All of the 'Pre-IPO' share options vested upon IPO.

Post-IPO share based remuneration schemes

Following the IPO, the Group implemented Long Term Incentive Plans for the Executive Directors, Non-Executive Directors and Key Management Personnel.

The Long Term Incentive Plan awards for the Executive Directors were granted on 23 December 2021 and vest subject to revenue and adjusted EBITDA margin performance conditions ("base"). The Long Term Incentive Plan awards are also subject to a multiplier based on absolute TSR performance ("stretch"). The overall award was granted as a combination of nil cost options over LBG Media plc shares and an award of A shares in LBG Holdco Limited, in respect of the base and stretch amounts respectively. The A shares in LBG Holdco Limited will convert to LBG Media plc shares on exercise.

Awards were granted to certain Non-Executive Directors prior to, but conditional on, Admission which vest on the second anniversary of Admission subject to continued employment and no further performance conditions.

Awards were also granted to a member of Key Management Personnel under the Long Term Incentive Plan on the Date of Admission (15 December 2021) which vest on 17 September 2022 with no employment conditions attached. Awards were granted to a member of KMP which vested immediately on 15 December 2021 with no performance conditions attached.

The post IPO share based remuneration schemes have market based vesting conditions included within the assumptions.

	2021 Weighted average exercise price (pence)	2021 Number	2020 Weighted average exercise price (pence)	2020 Number
Outstanding at 1 January	**10**	**136,200**	10	169,243
Granted during the year	**2**	**4,438,243**	–	–
Forfeited during the year	**–**	**–**	10	(33,043)
Exercised during the year	**10**	**(136,200)**	–	–
Outstanding at 31 December	**2**	**4,438,243**	10	**136,200**

The exercise price of options outstanding at 31 December 2021 ranged between £0.95 and £1.75 (2020: £0.17 and £6.02).

The schedule above has been updated to reflect the optionholders in LADbible Group Limited converting their options to options in LBG Media PLC (i.e. post share split to a factor of 192).

NOTES TO THE FINANCIAL STATEMENTS

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20. Share based payments continued

Of the total number of options outstanding at 31 December 2021, 526,577 vested and were exercisable (2020: none).

Within 2020, 158 shares were acquired by employees which fell within the scope of IFRS 2 as employment conditions were included within the share purchase agreements. The valuation of these shares in excess of the amounts paid by employees for the shares was £442k, to be recognised as an employee expense over the vesting period of 3 years. This charge was accelerated on IPO.

The following information is relevant to the determination of the fair value of options granted during the year under equity settled share based remuneration schemes operated by the Group.

	2021 Pence	**2020 Pence**
Equity settled		
Option pricing model used	**Monte-Carlo**	Black-Scholes
Weighted average share price at grant date	**1.62**	1
Weighted average contractual life (in days)	**985**	1,094
Expected volatility	**40%**	55%
Expected dividend growth rate	**–**	–

The volatility assumption, measured at the standard deviation of expected share price returns, is based upon a statistical analysis of daily share prices for comparable listed media businesses over the three-year 'Pre-Covid' period, being the three years prior to 1 January 2020.

It is considered that volatility levels during Covid will not be representative of likely volatility over the vesting period, hence Pre-Covid volatility levels are considered more appropriate.

The share based remuneration expense for the year is as follows:

	2021 £'000	**2020 £'000**
Equity settled schemes	**1,527**	–
Shares acquired within the scope of IFRS 2	**–**	138

The Group did not enter into any share based payment transactions with parties other than employees during the current or prior period.

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21. Called up share capital

	A1 Ordinary shares Number	A2 Ordinary shares Number	B Ordinary shares Number	C Ordinary shares Number	A Ordinary shares Number	Deferred shares Number	Ordinary shares Number	Total Number	Total £
At 1 January 2020	–	–	4,671	280	10,000	–	–	14,951	150
Re-designation in the year	2,541	7,459	–	–	(10,000)	–	–	–	–
Issued during the year	–	–	–	158	–	–	–	158	1
At 31 December 2020	2,541	7,459	4,671	438	–	–	–	15,109	151
Share issued on incorporation	**–**	**–**	**–**	**–**	**1**	**–**	**–**	**1**	**60**
Share split	**505,659**	**1,484,341**	**929,529**	**87,162**	**(1)**	**–**	**–**	**3,006,690**	**181,307,789**
Capital reduction	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(181,005,820)**
Exercise of Pre-IPO share options	**–**	**–**	**–**	**15,800**	**120,400**	**–**	**–**	**136,200**	**13,620**
Subdivision of shares	**50,311,800**	**147,688,200**	**92,485,800**	**10,236,600**	**11,919,600**	**–**	**–**	**312,642,000**	**–**
Re-designation in the year	**(50,820,000)**	**(149,180,000)**	**(93,420,000)**	**(10,340,000)**	**(12,040,000)**	**127,228,571**	**188,571,429**	**–**	**–**
Shares issued on IPO	**–**	**–**	**–**	**–**	**–**	**–**	**17,142,860**	**17,142,860**	**17,143**
Purchase and cancellation of deferred shares	**–**	**–**	**–**	**–**	**–**	**(127,228,571)**	**–**	**(127,228,571)**	**(127,229)**
At 31 December 2021	**–**	**–**	**–**	**–**	**–**	**–**	**205,714,289**	**205,714,289**	**205,714**

The holders of the A1 Ordinary, A2 Ordinary, B Ordinary and Ordinary shares carry the right to vote at general meetings of the Company. C Ordinary shares carry no rights to vote. For further details of other rights attached to the shares, see the resolution of adoption of Articles of Association, published on Companies House on 29 January 2020.

The Ordinary shares have a value of £0.001 per share.

In anticipation of the IPO, the share capital structure was reorganised as follows:

On 10 August 2021, LBG Holdco Limited was incorporated as a private company limited by shares in England and Wales, with the allotment of 1 Ordinary share of £1.

On 20 October 2021, LBG Media Limited was incorporated as a private company limited by shares in England and Wales, with the allotment of 1 Ordinary share of £60.

On 25 November 2021 LADbible Group Limited undertook a sub-division of the entire issued share capital from a nominal value of £0.01 per share, to a nominal value of £0.00005 per share.

On 25 November 2021, LBG Media Limited acquired the entire issued share capital of LADbible Group Limited, via a share exchange agreement. On the same date the two Optionholders in LADbible Group Limited exchanged their share options into new options over shares in LBG Media Limited via Option Exchange Agreements.

LBG Holdco Limited acquired the entire issued share capital of LADbible Group Limited from LBG Media Limited via a share exchange agreement for 2 Ordinary shares of £1 each in the capital of LBG Holdco Limited, on 25 November 2021.

LBG Media Limited and LBG Holdco Limited each undertook a capital reduction via a directors' solvency statement on 25 November 2021. LBG Media Limited reduced the nominal value per share from £60 to £0.10.

On 26 November 2021, LBG Media Limited re-registered as a public company under the name of LBG Media plc.

On 7 December 2021, the vested share options were exercised by the Optionholders (to take effect immediately prior to completion of LBG Media plc's share reorganisation described below) with new shares in LBG Media plc to be issued to the Optionholders immediately prior to Admission (defined below).

21. Called up share capital continued

On 7 December 2021, LBG Media plc undertook a share reorganisation (sub-division and redesignation) to reorganise its existing Ordinary share capital into an appropriate number of Ordinary shares, based on the target listing price of £1.75; further, it approved the allotment and issuance of new Ordinary shares in connection with Admission, each to take effect immediately prior to Admission.

On 15 December 2021, an initial public offering took place with LBG Media plc's Ordinary shares admitted to trading on AIM (a market operated by the London Stock Exchange) (the 'Admission'), with new shares being offered to investors of 17,142,857 Ordinary shares of £1.75 each, raising a total of £30,000,000, with the balance recorded as share premium after issue costs of £28,993,000.

Post Admission, LBG Media plc bought back and cancelled the entirety of the deferred shares in issue (127,228,571 shares with a nominal value of £0.001 each), reducing the share capital by £127,229.

22. Financial risk management

The Group uses various financial instruments. These include cash, issued equity instruments and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are currency risk, credit risk, interest rate risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Currency risk

The Group contracts with certain customers in US Dollars, Euros and Australian Dollars and manages this foreign currency risk through close management of foreign currency positions including the use of forward currency contracts. As of 31 December 2021 the Group's net exposure to foreign exchange risk was as follows:

	GBP £'000	USD £'000	EUR £'000	AUD £'000	2021 £'000
Financial assets	39,700	516	1,110	1,660	42,986
Financial liabilities	(9,514)	(535)	(37)	(305)	(10,391)
Total net exposure	**30,186**	**(19)**	**1,073**	**1,355**	**32,595**

	GBP £'000	USD £'000	EUR £'000	AUD £'000	2020 £'000
Financial assets	14,360	1,581	149	711	16,801
Financial liabilities	(21,487)	(101)	(38)	(158)	(21,784)
Total net exposure	**(7,127)**	**1,480**	**111**	**553**	**(4,983)**

It is estimated that, with all other variables held equal (in particular other exchange rates), a general change of 10% in the value of each foreign currency in the table below against Sterling would have had the following impact on the Group's current year profit after tax and on retained earnings:

2021 currency risks expressed in foreign currency/ GBP	**USD £'000**	**EUR £'000**	**AUD £'000**
Reasonable shift	10%	10%	10%
Impact on profit after tax if currency strengthens against GBP	78	97	121
Impact on profit after tax if currency weakens against GBP	(96)	(119)	(148)

2020 currency risks expressed in foreign currency/ GBP	**USD £'000**	**EUR £'000**	**AUD £'000**
Reasonable shift	10%	10%	10%
Impact on profit after tax if currency strengthens against GBP	135	10	50
Impact on profit after tax if currency weakens against GBP	(164)	(12)	(61)

Credit risk

The Group's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from the Group's trade receivables.

In order to manage credit risk the Directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with borrowings ageing and collection history.

22. Financial risk management continued

The Directors consider that the Group's trade receivables were impaired for the year ended 31 December 2021 and a provision for credit losses of £467k was made. See Note 14 for further information on financial assets that are past due.

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing the cash balance and by investing cash assets safely and profitably.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

At 31 December 2021	Up to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	2,059	–	–	–
Loans and borrowings	–	–	–	–
Lease liabilities	1,111	1,062	1,586	–
Accruals	4,163	–	–	–
Forward contracts liability	409	–	–	–
Total	7,742	1,062	1,586	–

At 31 December 2020	Up to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	2,142	–	–	–
Loans and borrowings	2,952	2,952	7,296	–
Lease liabilities	1,039	1,081	2,426	182
Accruals	1,714	–	–	–
Total	7,847	4,033	9,722	182

The table below analyses the Group's undiscounted non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Summary of financial assets and liabilities by category
The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting years under review may also be categorised as follows:

	2021 £'000	2020 £'000
Financial assets		
Non-current:		
Other receivables	469	436
	469	436
Current:		
Trade and other receivables	8,179	9,427
Cash and cash equivalents	34,338	6,937
	42,517	16,364
Financial liabilities		
Non-current:		
Borrowings and lease liabilities	(2,648)	(13,937)
	(2,648)	(13,937)
Current:		
Borrowings and lease liabilities	(1,111)	(3,991)
Trade and other payables	(2,059)	(2,142)
Accruals	(4,163)	(1,714)
Forward contracts liability	(409)	–
	(7,742)	(7,847)
Net financial assets and liabilities	32,595	(4,984)

23. Commitments

There are no capital commitments at the current or prior year end.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

24. Related party transactions

The following transactions were carried out with related parties:

	2021 £'000	2020 £'000
Entity controlled by key management personnel		
Directors' loan account (1)	**(53)**	(3)
Shares acquired by management (2)	**–**	63
Sale of services (3)	**(143)**	–
Purchase of services (4)	**356**	229

(1) This relates to third party payments made by the Group on behalf of the Directors for personal expenses.

(2) Within 2021 £nil allotment of shares were made to Directors (2020: £63k).

(3) Services were provided to Boohoo.com UK Limited, an entity controlled by key management personnel, on normal commercial terms and conditions. The entity controlled by key management personnel is a firm belonging to Mahmud Abdullah Kamani, a former Director of the Group and Carol Kane, a Non-Executive Director of the Group. The services provided in the year totalled £143k (2020: £nil) of which £98k was paid within the year and £45k remained outstanding at 31 December 2021 (2020: £nil).

(4) Services are purchased from Kamani Commercial Property Ltd, an entity controlled by key management personnel, on normal commercial terms and conditions. The entity controlled by key management personnel is a firm belonging to Mahmud Abdullah Kamani, a former Director of the Group. The Company rents the Manchester Dale Street properties from Kamani Commercial Property Ltd. The 'purchase of services' in the table above relates to the lease depreciation and interest attributable to the Dale Street properties which has been recognised as a cost in the income statement in the Group reporting periods. Payments made in 2021 totalled £275k. The amount outstanding of the lease liability as at 31 December 2021 is £259k (2020: £425k). The outstanding service charge balance at 31 December 2021 is £nil (2020: £nil) and outstanding property insurance is £nil (2020: £611). Rent paid in the year ended 31 December 2021 is £166k (2020: £177k).

Products were purchased from Treat Yo Self Limited, an entity controlled by close family of key management personnel on normal commercial terms and conditions. The entity controlled by key management personnel is a firm belonging to the close family of Solly Solomou, a Director of the Company. The Group's UK entity purchased confectionery goods from Treat Yo Self Limited. Payments of £6k were made within the year. This cost has been recognised in the income statement in the year. At 31 December 2021 £nil was outstanding.

Services are purchased from Wilson's Consultancy Ltd, an entity controlled by key management personnel on normal commercial terms and conditions. The entity controlled by key management personnel is a firm belonging to Dave Wilson, a Non-Executive Director of the Group. Wilson's Consultancy Limited provided general business advice and also specific advice around the initial public offering. Within the year £75k of costs were incurred. This cost has been recognised in the income statement in the year. Payments of £55k were made within the year. At 31 December 2021 £20k was outstanding.

A loan was granted on 30 March 2021 and paid on 8 April 2021 for Solly Solomou of £1,200k and a loan was granted on 25 August 2021 and paid on 26 August 2021 for Arian Kalantari of £1,500k that were both repaid upon IPO on 15 December 2021. These were interest-free, short-term loans.

Year-end balances arising from purchases of services and interest on other loans:

	2021 £'000	2020 £'000
Entity controlled by key management personnel		
Directors' loan account	–	53
	–	53

25. Ultimate controlling party

The Directors consider there to be no ultimate controlling party following Admission to AIM in December 2021. Prior to this, in the current and prior year, Solly Solomou was the ultimate controlling party by virtue of his shareholding.

26. Subsequent events

In January 2022, three new employee share schemes were created, with a total of 3,606,951 share options awarded.

The total fair value of these share options has been calculated at £4,169k, which will be charged to the income statement over the relevant vesting periods (up to 2025).

The appalling and concerning events in Ukraine have affected us all on a personal basis. As a Group we have no significant revenue or costs associated with Russia or Ukraine. We will continue to closely monitor the ongoing situation and impact on the Group.

COMPANY BALANCE SHEET

	Note	31 December 2021 £'000
Fixed assets		
Investments	2	**182,874**
Deferred tax asset	3	**224**
		183,098
Current assets		
Debtors: amounts falling due within one year	4	**24,287**
Current liabilities		
Creditors: amounts falling due within one year	5	**(162)**
Net current assets		**24,125**
Net assets		**207,223**
Equity		
Share capital	6	**206**
Share premium		**28,993**
Retained earnings		**178,024**
Total equity		**207,223**

The Company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to produce its own profit and loss account. The loss for the year dealt within the financial statements of the Company was £4,636k.

The notes on pages 95 to 98 are an integral part of these Company financial statements.

The Company financial statements on pages 93 to 98 were approved by the Board of Directors on 20 April 2022 and were signed on its behalf by:

Tim Croston
Chief Financial Officer
Registered number: 13693251

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity attributable to owners £'000
Balance at 20 October 2021	**–**	**–**	**–**	**–**
Share issued on incorporation	–	–	–	–
Share for share exchange and capital reduction	302	–	181,006	181,308
Exercise of pre-IPO options	14	–	–	14
Shares issued on IPO	17	29,983	–	30,000
Purchase and cancellation of deferred shares	(127)	–	127	–
IPO costs to share premium	–	(990)	–	(990)
Share based payment	–	–	1,527	1,527
Loss for the financial period	–	–	(4,636)	(4,636)
Balance at 31 December 2021	**206**	**28,993**	**178,024**	**207,223**

1. General information

LBG Media plc (the 'Company') is a public limited company, limited by shares, which is listed on the London Stock Exchange and incorporated and domiciled in England and Wales. The registered number is 13693251 and the address of the registered office is 20 Dale Street, Manchester, M1 1EZ.

These Financial Statements present information about the Company as an individual undertaking and not about its Group.

The Financial Statements of LBG Media plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

Accounting policies
The accounting policies set out in the notes below have been applied in preparing the financial statements for the 10-week period ended 31 December 2021.

The Company is included within the Consolidated Financial Statements of LBG Media plc. The Consolidated Financial Statements of LBG Media plc are prepared in accordance with IFRS and are publicly available. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- The requirement to prepare a statement of cash flows;
- Certain disclosures in relation to share based payments; and
- Key Management Personnel compensation.

As permitted by section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of the Financial Statements.

The Company's accounting policies are the same as those set out in the notes of the Group Consolidated Financial Statements, except as noted below.

Investments
Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Impairment
The carrying values of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any impairment loss arises, the asset is adjusted to its estimated recoverable amount and the difference is recognised in the Income Statement.

Trade and other debtors/creditors
Trade and other debtors are recognised initially at transaction price plus attributable costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discontinued at a market rate of interest for a similar debt instrument.

Share based payments
Some employees (including Senior Management) of the Group receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments (equity settled transactions). The fair value of the equity settled awards is calculated at grant date using a Monte Carlo or Black-Scholes model. The resulting cost is charged in the Income Statement over the vesting period of the option or award and is regularly reviewed and adjusted for the expected and actual number of options or awards vesting.

Service and non-service performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions that have not been met.

The social security contributions payable in connection with the grant of the share options is determined at each balance sheet date as a liability with the total cost recognised in the Consolidated Income Statement over the vesting period.

Financial risk management
The Company's financial risk is managed as part of the Group's strategy and policies as discussed in Note 22 of the Consolidated Financial Statements.

Company result for the period
In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income.

Directors' remuneration and staff numbers
The Company has no employees other than the Directors, who did not receive any remuneration for their services directly from the Company in either the current or preceding period. Refer to Note 5 in the Group consolidated accounts for the Key Management Personnel compensation.

Auditor's remuneration

The remuneration paid to the Auditor in relation to the audit of the Company is disclosed in Note 6 of the Consolidated Financial Statements. The fees for the Company's financial statements are borne by a subsidiary of the Company and are not recharged.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

CONTINUED

2. Fixed asset investments

Details of the Company's subsidiaries at 31 December 2021 are set out below. All subsidiaries are included in the consolidation. Shares of those companies marked with an * are directly owned by LBG Media plc.

Entity	Principal activity	Country of incorporation	Registered number	Type of share held by the Group	Proportion of Ordinary shares held by the Group companies	Registered office
LBG Holdco Limited*	Holding company	England & Wales	13558554	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LADbible Group Limited	Online media publishing	England & Wales	08018627	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
Studio Joyride Limited	Dormant	England & Wales	10528845	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
FOODbible Limited	Dormant	England & Wales	10816740	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
CONTENTbible Limited	Dormant	England & Wales	09808319	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
GAMINGbible Limited	Dormant	England & Wales	10230852	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
Pretty52 Limited	Dormant	England & Wales	08716446	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LASSbible Limited	Dormant	England & Wales	09376838	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
ODDSbible Limited	Dormant	England & Wales	09373897	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
SPORTbible Limited	Dormant	England & Wales	08716546	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LADbible Limited	Dormant	England & Wales	08779653	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
Unilad Group Limited	Online media publishing	England & Wales	11564689	Ordinary	100%	20 Dale Street, Manchester, United Kingdom, M1 1EZ
LADbible Australia Pty Limited	Online media publishing	Australia	30 630 465 404	Ordinary	100%	483 Riley Street, Surrey Hills, NSW 2010
LADbible New Zealand Limited	Online media publishing	New Zealand	8163059	Ordinary	100%	4th Floor, Smith & Caughey Building, 253 Queen Street, Auckland, 1010 New Zealand
LADbible Ireland Limited	Online media publishing	Ireland	653717	Ordinary	100%	Riverside 2, Sir John Rogerson's Quay, Dublin Docklands, Dublin, D02 KV60, Ireland
LADbible US Inc.	Dormant	USA	6793417	Ordinary	100%	1209 Orange Street, Wilmington, Delaware, County of New Castle, United States

Investment in subsidiaries at the period end was as follows:

	31 December 2021 £'000
Cost	
At start of period	–
Acquisitions	181,308
Capitalised transaction costs	39
Capital contribution	1,527
At end of period	**182,874**

Parent company guarantee

The parent company, registered number 13693251, guarantees all debts and liabilities of the Group's UK subsidiaries included above, at the balance sheet date in accordance with section 479A of the Companies Act 2006, and is claiming exemption from audit for each UK subsidiary.

Acquisitions

On 25 November 2021, LBG Media Limited acquired the entire issued share capital of LADbible Group Limited, via a share exchange agreement. On 26 November 2021, LBG Media Limited re-registered as a public company under the name of LBG Media plc.

Capital Contribution

This relates to share options in LBG Media plc awarded to employees of LADbible Group Limited.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

CONTINUED

3. Deferred Tax Asset

	31 December 2021 £'000
Asset at start of year	–
Arising on new share options	225
Asset at end of year	**225**
The deferred tax asset relates to the following:	
Deferred tax on share options	225

There are no unrecognised deferred tax assets.

4. Debtors: Amounts falling due within one year

	31 December 2021 £'000
Amounts owed by Group undertakings	24,287
Unpaid share capital	–
	24,287

Amounts owed by Group undertakings are unsecured and repayable on demand.

5. Creditors: Amounts falling due within one year

	31 December 2021 £'000
Accruals	162
	162

6. Equity

The movement on share capital is reflected as follows:

	A1 Ordinary No.	A2 Ordinary No.	B Ordinary No.	C Ordinary No.	A Ordinary No.	Deferred No.	Ordinary No.	Total No.	Total (£)
Balance at 20 October 2021	–	–	–	–	–	–	–	–	–
Share issued on incorporation	–	–	–	–	1	–	–	1	60
Share for share exchange	508,200	1,491,800	934,200	87,600	(1)	–	–	3,021,799	181,307,940
Capital reduction	–	–	–	–	–	–	–	–	(181,005,820)
Exercise of pre-IPO options	–	–	–	15,800	120,400	–	–	136,200	13,620
Subdivision of shares	50,311,800	147,688,200	92,485,800	10,236,600	11,919,600	–	–	312,642,000	–
Re-designation in the year	(50,820,000)	(149,180,000)	(93,420,000)	(10,340,000)	(12,040,000)	127,228,571	188,571,429	–	–
Shares issued on IPO	–	–	–	–	–	–	17,142,860	17,142,860	17,143
Purchase and cancellation of deferred shares	–	–	–	–	–	(127,228,571)	–	(127,228,571)	(127,229)
Balance at 31 December 2021	–	–	–	–	–	–	205,714,289	205,714,289	205,714

The holders of the A1 Ordinary, A2 Ordinary, B Ordinary and Ordinary shares carry the right to vote at general meetings of the Company. C Ordinary shares carry no rights to vote. For further details of other rights attached to the shares, see the resolution of adoption of Articles of Association, published on Companies House on 29 January 2020.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
CONTINUED

6. Equity continued

The Ordinary shares have a value of £0.001 per share.

On 20 October 2021, LBG Media Limited was incorporated as a private company limited by shares in England and Wales, with the allotment of 1 Ordinary share of £60.

On 25 November 2021 LADbible Group Limited undertook a sub-division of the entire issued share capital from a nominal value of £0.01 per share, to a nominal value of £0.00005 per share.

On 25 November 2021, LBG Media Limited acquired the entire issued share capital of LADbible Group Limited, via a share exchange agreement. On the same date the two Optionholders in LADbible Group Limited exchanged their share options into new options over shares in LBG Media Limited via Option Exchange Agreements.

LBG Media Limited and LBG Holdco Limited each undertook a capital reduction via directors' solvency statement on 25 November 2021. LBG Media Limited reduced the nominal value per share from £60 to £0.10.

On 26 November 2021, LBG Media Limited re-registered as a public company under the name of LBG Media plc.

On 7 December 2021, the vested share options were exercised by the Optionholders (to take effect immediately prior to completion of LBG Media plc's share reorganisation described below) with new shares in LBG Media plc to be issued to the Optionholders immediately prior to Admission (defined below).

On 7 December 2021, LBG Media plc undertook a share reorganisation (sub-division and redesignation) to reorganise its existing Ordinary share capital into an appropriate number of Ordinary shares, based on the target listing price of £1.75; further, it approved the allotment and issuance of new Ordinary shares in connection with Admission, each to take effect immediately prior to Admission.

On 15 December 2021, an initial public offering took place with LBG Media plc's Ordinary shares admitted to trading on AIM (a market operated by the London Stock Exchange) (the 'Admission'), with new shares being offered to investors of 17,142,857 Ordinary shares of £1.75 each, raising a total of £30,000,000, with the balance recorded as share premium after issue costs of £28,993,000.

The insertion of the Company as a new holding company by way of share exchange agreements constitutes a Group reorganisation and the transaction is accounted for as a Group reorganisation.

Post Admission, LBG Media plc bought back and cancelled the entirety of the deferred shares in issue (127,228,571 shares with a nominal value of £0.001 each), reducing the share capital by £127,229.

7. Financial instruments

	31 December 2021 £'000
FINANCIAL ASSETS – HELD AT AMORTISED COST	
Amounts owed by Group undertakings	**24,287**
FINANCIAL LIABILITIES – HELD AT AMORTISED COST	
Accruals	**(162)**

8. Related parties

Services are purchased from Wilson's Consultancy Ltd, an entity controlled by key management personnel, on normal commercial terms and conditions. The entity controlled by key management personnel is a firm belonging to Dave Wilson, a Non-Executive Director of the Group. Wilson's Consultancy Limited provided general business advice and also specific advice around the initial public offering. Within the Year £75k of costs were incurred. This cost has been recognised in the income statement in the year. Payments of £55k were made within the year. At 31 December 2021, £20k was outstanding.

9. Share based payments

Details of the Company's share based payments are disclosed within Note 20 of the Consolidated Financial Statements.

GLOSSARY OF TERMS

Introduction

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures (APMs) of financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS). These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to IFRS measures and are not intended to be a substitute for IFRS measurements. Purpose The Directors believe that these APMs provide additional useful information on the underlying performance and position of LBG Media plc's. APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding LBG Media plc's performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes and have remained consistent with prior year.

Purpose

The Directors believe that these APMs provide additional useful information on the underlying performance and position of LBG Media plc's. APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding LBG Media plc's performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes and have remained consistent with prior year.

The key APMs that the Group has focused on this period are as follows:

Adjusted EBITDA	This profit measure shows the Group's Earnings Before Interest, Tax, Depreciation and Amortisation adjusted for asset gains and losses, share-based payments and exceptional costs/income. Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group.

A glossary of other terms used in the Annual Report and Accounts can be found below:

Ad Exchanges	An ad exchange is a digital marketplace that enables advertisers and publishers to buy and sell advertising space, often through real-time auctions. They're used to sell display, video and mobile ad inventory.
CAGR	The compound annual growth rate (CAGR) is the annualised average rate of growth between two given years.
Global audience	Includes global social media platform followers and global monthly online users to LBG Media websites.
IPO	First public sale of shares by privately owned company. Allowing the company to become publically listed on a recognised stock exchange i.e. AIM.
AIM	The Alternative Investment Market (AIM) is a sub-market of the London Stock Exchange
Multi-platform	Refers to the Group operating on multiple social media platforms including Facebook, Instagram, Snapchat, Tik Tok, Twitter and Youtube. In addition, the Group operates 5 owned and operated websites - www.ladbible.com, www.sportbible.com, www.tyla.com, www.gamingbible.com and www.unilad.com.
Multi-channel	Refers to the Group's portfolo of brands more details can be found on pages 10 and 11.
Reach	Reach is the total number of people who viewed our content within a paricular time period.
Engagements	The measurement of a like, share or comment on social media platforms.
Unique user	Refers to a person who has visited us on a social platform or website at least once and is counted only once in the reporting time period.

SHAREHOLDER INFORMATION

Annual General Meeting

The AGM will be held at 9.00am on 26 May 2022 at Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG. The Notice of Meeting will be separately distributed to shareholders.

Key Contacts:

Company Secretary
Emma Thomas

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