

12 April 2023

LBG Media plc

(“LBG Media”, the “Company” or “Group”)

Results for the year ended 31 December 2022 and Board changes

LBG Media, the UK-based multi-brand, multi-channel digital youth publisher, is pleased to report its results for the full year ended 31 December 2022. During the year, the Group delivered a strong performance, against a challenging economic backdrop, with key strategic progress being made through expansion of our global audience and content views, and continued growth in both new and existing brand partnerships.

Highlights

Business performance measures	2022 (£m)	2021 (£m)	Change
Financial:			
Revenue			
- Direct	27.8	23.7	17%
- Indirect	33.6	29.7	13%
- Other	1.4	1.1	33%
Group Revenue	62.8	54.5	15%
Adjusted EBITDA ¹	15.7	16.8	(6%)
- Adjusted EBITDA margin ¹	25%	31%	
Profit before tax	7.3	8.1	(10%)
Cash and cash equivalents	29.3	34.3	(15%)

EPS:	2022 (p)	2021 (p)	Change
Basic	2.6	3.0	(13%)
Diluted	2.5	3.0	(17%)

Non - Financial:	2022	2021	Change
Global audience	366m	264m	39%
Content views	98bn	63bn	56%

- Group revenue increased by 15% to £62.8m boosted by a strong performance in the second half of the year.
 - H2 revenue was £38.0m, 21% ahead of the prior year period and created positive momentum into 2023.
 - The strong performance was delivered from both Direct and Indirect income streams and across the Group’s geographies, with record Q4 revenue.

- Direct revenue of £27.8m, +17% YoY (2021: £23.7m) driven by a strong performance in both the UK and international markets. International revenue from APAC and Ireland grew by 52% and now represents c.20% of this income stream.
- Indirect revenue of £33.6m, +13% YoY (2021: £29.7m), with a relatively much stronger H2 performance, +20% vs prior year (H1: +4%) as a result of the successful early transition to short form video content demonstrating the Group's agility to adapt and stay ahead of the market.
- Adjusted EBITDA¹ was £15.7m (2021: £16.8m). This included a strong H2 performance of £14.1m +48% YoY, as a result of the H2 revenue growth and swift action taken to restructure the staff cost base in recognition of the tough macro-economic environment impacting advertising spend.

Cash and cash equivalents of £29.3m, down £5.0m YoY (2021: £34.3m). The primary causes of the cash reduction in-year were:

- Weighting of revenue in Q4 2022 resulting in a significant movement in receivables YoY (£5.2m).
- The cash impact of adjusting items (£2.0m).
- Cash outflow in Q1 2022 to pay the 2021 IPO related liabilities (£2.6m).
- Payment of deferred Australian tax (£1.1m).
- Investing activities including two small bolt on acquisitions (£2.2m).

The cash and cash equivalents as of 11 April 2023 were £33.6m.

Operational Highlights

- Our global audience grew by 39% YoY to 366m, with 98bn content views in the period, up 56% YoY, following the successful pivot to short form video and further content diversification.
- Followers on TikTok grew by 72% YoY, diversifying our reach across platforms. We are now the number one news publisher on TikTok.
- The Group made the difficult decision to reduce its staffing costs in H2. This involved restructuring the business, including the redundancy of 43 employees. We continue to be well placed to continue to deliver on our strategy in the future.
- The Group opened its office in New York City, ahead of launching operations in 2023, expanding its US presence and building on its significant following, by producing dedicated content for the local audience.
- In 2022, the Group completed two small bolt on acquisitions of social media pages, increasing its target audience and bringing new genres of content to the Group's brand portfolio.

- Continued to scale our dedicated youth research panel, LADnation, which now has more than 55,000 members.

Outlook

In 2022, global digital advertising spend was £541bn² and is forecast to grow at an 8%² CAGR over the next three years. Digital accounted for 67%² of the total advertising spend in 2022, with market growth ahead of all other segments, and is estimated to grow to 73%² by 2027.

The Board and wider management team remain focused on the Group's three strategic pillars for growth; geographic expansion, acquisitions and expansion of our capabilities.

2023 year to date performance has been positive, continuing the strong momentum seen in Q4 2022, and the Group remains on track to deliver external expectations³ for the full year.

As with prior years, revenue is affected by the seasonality in advertising spend (typically 40/60), with Adjusted EBITDA even more weighted towards H2 given that operating costs are relatively evenly spread across the year.

Board changes

Tim Croston, Chief Financial Officer, has notified the board of his intention to retire later this year. Tim will step down as Chief Financial Officer with immediate effect, however he will remain in the business for a number of months in order to facilitate a smooth handover to his successor Richard Jarvis ACMA who joins us from GB Group plc, the AIM-listed digital location, identity and fraud prevention software experts where he was Group Commercial Finance Director.

Richard joined GB Group plc in 1996 and has held a number of senior and executive roles there including Group Financial Controller, Deputy Finance Director and for the last four years as Group Commercial Finance Director. During his time with GB Group, Richard managed and developed a global finance team across UK, USA and APAC, gained significant international growth and acquisition experience and guided GB Group on performance, commercial opportunities and risks.

Richard joined the Group on 11 April 2023.

The following information is provided in accordance with Schedule Two (g) of the AIM Rules for Companies:

Richard Mark Jarvis (aged 49) does not currently hold, nor has held within the last five years, any Directorships or Partnerships.

Richard holds no shares in the Company.

There is no further information to be disclosed pursuant to Schedule Two (g) of the AIM Rules for Companies.

CEO, Solly Solomou commented:

“We have made continued financial and operational progress in 2022. H2 was particularly strong, delivered amid a challenging backdrop, with both our core revenue streams demonstrating the resilient nature of our business.

“LBG is well positioned to capitalise on the fast-growing digital media market. We have a diverse range of brands catering to the hard to reach 18–34-year-old demographic, have expanded our capabilities, with our survey platform LADnation forming an increasingly key part of our offer, and we are taking advantage of the significant growth opportunity that the US market has to offer.

We ended 2022 with a great deal of positive momentum, as evidenced by our record direct revenue performance for Q4, and with this momentum continuing into 2023 I am excited by what lies ahead for the business.”

Chairman, Dave Wilson commented on Board changes:

“The Board would like to thank Tim for his great contribution to the Group’s development in the important period in the years up to and since its successful IPO in late 2021. We look forward to continuing to work with Tim during the handover to his successor. I’m pleased to welcome Richard to the Group who I know well having worked with him previously at GB Group plc. I’m confident that with his skills and experience of both international growth and public markets, we will have a worthy successor to Tim.”

Notes:

¹ Adjusted EBITDA - profit before interest, tax, depreciation, and amortisation adjusted for share based payments and adjusting items

² Figures are taken from Group M Report, 2022 This Year Next Year

³ External market consensus for year ending 31 December 2023 is currently: Revenue £69.3m and Adjusted EBITDA £19.4m.

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Analyst Presentation

LBG Media plc will be hosting an analyst presentation on Wednesday 12 April 2023 following the release of these results for the year ended 31 December 2022.

Attendance is by invitation only. Slides accompanying the analyst presentation, along with a recording, will be available on the LBG Media plc website following the event.

Annual Report and Accounts

An electronic copy of the Annual Report and Accounts will be available shortly on the investor section of the Company's website www.lbgmedia.co.uk.

Notes to editors

LBG Media is a multi-brand, multi-channel digital youth publisher and is a leading disrupter in the digital media and social publishing sectors. The Group produces and distributes digital content across a range of mediums including video, editorial, image, audio, and experience (virtual and augmented reality). Since its inception in 2012, the Group has curated a diverse collection of ten core specialist brands using social media platforms (primarily Facebook, Instagram, Snapchat, Twitter, YouTube and TikTok) and has built multiple websites to reach new audiences and drive engagement. Each brand is dedicated to a distinct popular interest point (e.g. sport, gaming etc.), which is designed to achieve broader engagement, increase relevance and ultimately build a loyal community of followers.

The Group operates two core routes to market: Direct revenue, which is principally generated from the provision of content marketing services to corporates, brand owners, marketing agencies and other entities such as government bodies and where the relationship with the client is held directly by LBG Media; and Indirect revenue, which is generated via a third-party, such as a social media platform or via a programmatic advertising exchange / online marketplace, which holds the relationship with the brand owner or agency.

CHAIRMAN'S STATEMENT

It has been another year of progress and expansion for LBG Media, and I'm pleased to present the Group's Annual Report and Accounts for the year ended 31 December 2022.

Our progress in 2022 has been achieved despite a challenging macro-economic environment and the Group has continued to deliver on the strategy set out at the time of our IPO in December 2021.

In addition to our strong performance in our core markets of the UK, Ireland and Australia, we have made progress across all three pillars of our growth strategy:

- On geographic expansion, we have started to establish a team in the US to tap into the significant Direct revenue opportunities that are available to us in this market;
- On acquisitions, we acquired the social pages of Go Animals, which we rebranded to Furry Tails, seeing excellent growth since acquisition; and
- On expanding our capabilities, we have continued to develop our LADnation research platform, which is now an integral part of the offer we present to clients.

Given the ongoing macro-economic challenges impacting advertising spend, we considered it prudent to reduce its cost base in the year (see CEO report) and following this we are well placed to continue to deliver on our strategy in the future.

LBG Media continues to produce engaging and relevant content for its youth audience and the Board and I are delighted with the 25% increase in followers across our brands, and 62% increase in audience engagements reflecting the support they have shown us over the past year. Furthermore, the positive reaction and support we have received around many of our campaigns, particularly our coverage of the horrific events in Ukraine, show what an engaged, thoughtful, and caring audience we have.

It is a great privilege to serve as Chair of LBG Media and I would like to take this opportunity to thank the whole team for their hard work throughout the year.

Performance Overview

The Group delivered significant revenue growth in 2022, growing revenue by 15% to £62.8m. Whilst we acknowledge that the Group did not achieve its initial revenue and profit targets for 2022, we are pleased with our robust performance given the rapidly changing macro-economic issues affecting the UK and international markets during the year. Growth in H2 was particularly strong, across both our Direct and Indirect revenue streams. Adjusted EBITDA (non-IFRS measure) for the year was down 6% but remains strong at £15.7m. Profit before tax fell by 10% but held well at £7.3m, despite the challenging economic environment. A more detailed analysis of our financial results can be found in the CFO review.

Corporate Governance

The Directors believe in maintaining the highest standards of corporate governance, and as such, we have complied with the QCA Code since we listed on AIM in December 2021. We will continue to follow this framework to ensure that the Group has a strong governance culture and remains a sustainable business for the long-term.

Board and Our People

We have a talented and diverse Board that is ideally set up to support LBG Media's growth strategy. I would like to thank the Board for their diligence and guidance throughout the year.

We continue to work hard to create an inclusive and supportive environment for all our employees. Alongside introducing new policies and new internal community groups, I am proud to say that we are above the industry standard 8% in LGBTQ+ representation at 13% and Disability representation at 12%. We also continue to meet our diversity target of ensuring 20% of our leadership team are from an ethnic minority group.

Dividend

The Board understands the importance of dividends to many shareholders, but given the high-growth nature of the Group, the Directors plan to reinvest much of the Group's earnings to facilitate this growth. The Board will consider a progressive dividend policy at the appropriate time.

Outlook

The strong revenue growth (15% YoY) and payroll cost reduction shows the Group's resilience and adaptability which puts the business in good shape to deliver continued growth in the years ahead.

The £30m we raised at IPO is still to be deployed, giving us significant firepower for both acquisitions and organic growth opportunities.

Our teams remain dedicated to our core purpose, to give the youth generation a voice by creating communities that laugh, think and act. Despite challenging times, LBG Media continues to deliver and dominate as a leading global media publisher, through stand out editorial, video, partnerships, original content and much more. We have a strong foundation for growth in 2023 and beyond.

Dave Wilson

Chairman

CHIEF EXECUTIVE'S REVIEW

10 years from its creation, LBG Media has grown to become one of the most exciting media brands in the world.

We are building and engaging with youth audiences globally. We continue to innovate, creating original, stand out, award-winning content, leading by example with our employee policies and we are proud to be at the centre of key cultural moments. 2022 has seen us work with more brands, launch new products and lead with new formats. We ventured into new geographies, became leaders on platforms such as TikTok, as well as focusing on exciting acquisition opportunities.

We remain absolutely focused on our mission to give the youth generation a voice by building communities that laugh, think and act. This will guide our progress in the year ahead.

The Group delivered a strong performance in 2022, with revenue up 15% to £62.8m (2021: £54.5m). Adjusted EBITDA and profit before tax fell by 6% and 10% respectively, but remain robust at £15.7m and £7.3m (2021: £16.8m and £8.1m). As guided in our interim statement, performance was weighted towards the second half of the year with the Group benefiting from improving momentum in both Direct and Indirect revenues.

The second half is typically our strongest period. Our growth in Q4 2022 was further supported by the FIFA World Cup. This benefited our Direct revenue performance.

There have been significant macro-economic challenges in 2022 having an impact on advertising spend and these have contributed towards revenue growth being lower than expected at the start of the year. We invested in our workforce over the past few years, with employee numbers in H1 2022 being at a level consistent with planned revenue growth. With revenue growth being lower than expected our cost base was too high and, as such, the Group made the difficult decision to reduce its staffing costs in H2. This involved restructuring the business, including the redundancy of 43 employees. Whilst this decision was necessary, we ensured that employees were consulted and treated compassionately throughout.

We have continued to engage our global audience, which increased by 102m YoY to over 366m followers as at 31 December 2022. Our audience generated over 98bn content views during the year, up 68% YoY and continued to be highly engaged, with 1.4bn interactions over the year.

Revenue

Both our core revenue channels, Direct and Indirect, contributed to the Group's strong growth in 2022. This was despite the challenging economic conditions. Direct revenue, which is generated from the provision of content marketing services to marketing agencies and other entities such as government bodies, grew by £4.1m to £27.8m (2021: £23.7m). During the year, we undertook significant work with various brands including partnerships with Muller Rice, John Lewis, Specsavers, Boxpark, Google and Budweiser. Q4 was a record quarter for Direct revenue, when we worked with a number of clients who spent increasingly large sums with us during the period.

Indirect revenue, which is generated via third parties, such as social media platforms (e.g. Facebook, Snapchat, YouTube) through social videos or via programmatic advertising exchanges/online marketplaces, grew by £3.9m to £33.6m (2021: £29.7m). The Group's Indirect operations achieved +38% YoY growth in views with Facebook, along with 42% on YouTube.

The Group is already one of the largest publishers on TikTok with 29m followers, which presents significant revenue opportunities for LBG Media when the platform monetises.

With the indirect channel, we have also continued to focus on web editorials hosted on our websites. LBG Media is now one of the fastest growing news publishers globally and in December 2022, SPORTbible was the fastest growing website (source: Press Gazette custom list).

Increasing engagement through our diverse own brand portfolio

In addition to the ongoing strength of LBG Media's brands in the UK, our core international markets consisting of Australia and Ireland have delivered a very strong performance in 2022. The performance in Australia was particularly strong, and included the renewal of the Group's contract with Amazon Prime in that market.

The data insight capabilities we gain through our research platform, LADnation, form an integral part of much of our work with its insights ensuring campaigns are effective and measurable.

LADnation now comprises of c.55,000 people, who form our panel, and enables us to gain unique insights into consumer thinking in advance of activating specific campaigns.

LBG Media continues to be a magnet for A list stars. This year, we welcomed huge names including: The Rock, Tom Holland, Margot Robbie, KSI, Ryan Reynolds, Raheem Sterling, David Beckham, Saoirse Ronan, Max Verstappen, Elizabeth Olsen, Zac Efron, Anya Taylor-Joy, Zoe Kravitz, and P!nk to name a few.

We have continued our focus to ensure we engage effectively with both existing and new audiences. We are also investing in younger audiences, particularly those on TikTok, Snapchat and Instagram, which we are already monetising directly when we work with brands. We are well placed to benefit from indirect revenues when such opportunities arise on these particular platforms.

Impact and recognition

We have continued to place a great emphasis on having a positive impact by tackling complex social issues.

This year, our flagship original series 'Minutes With' reached its 100th episode. The series has championed unheard voices, and has featured plane crash survivors, a Taliban hostage and a young woman with Tourette's syndrome, to name a few. At the end of 2022, we created a special episode of Minutes With featured Laura Nuttall, a terminally ill woman. We wanted to tell Laura's story and help her tick off an item on her bucket list. LBG Media are champions of women's sport, and will be putting a huge focus on to this in 2023, so we surprised Laura with a visit from Lioness Chloe Kelly within the episode.

In 2022, we strived to build further credibility amongst marketing, publishing and original content industries, as the most innovative, creative and effective social publisher in the UK. We were recognised across 13 awards, with wins including being named Commercial Team of the Year twice, at the Campaign Media Awards and the Drum Online Media Awards. Other wins included LADTV being named Web Channel of the Year at the Broadcast Digital Awards, securing three wins for our 'Soldier is a Soldier' campaign with the British Army which included a win at the Mediaweek Awards, and three awards for our partnership with Tampax. Additionally, our Data, Intelligence and Planning team were awarded a win for 'Transformation with Data' at the DATAIQ Awards, as well as 'Best New Venture' for our consumer research youth panel, LADnation at the Market Research Awards.

Strategic progress on our three core pillars

Geographies: We have made good progress during 2022, as we prepare to expand further and monetise our audience in the United States. LBG Media now has six employees in the US and we have recently rebranded one of our core brands, UNILAD, to make it more relevant for this market. With US-centric content, approach and language, the audience for this brand has increased by 1.3m followers in three months. Our team in the US is focused on educating the market and speaking to US-based counterparts of brands we already work with in other geographies. Revenue is anticipated to commence in 2023.

Acquisitions: In May 2022, we completed the small bolt-on acquisition of the Go Animals Facebook pages, which we rebranded to Furry Tails. Furry Tails is monetising well with the brand's followers reaching 7.8m this year. In 2022 the Group also acquired the Facebook pages of "Irish Banter" which has since been rebranded to LADbible Ireland (Facebook). To support our growth ambitions, in January 2023, we created a new position to be solely responsible for Acquisitions and have since welcomed our first M&A Director into this role. Post year-end, in March 2023, we completed the acquisition of the social media pages and content from Lessons Learned in Life Inc.

Capabilities: The investment into the Group's own website proposition has been a big area of focus and the Group is already benefiting from an increasing amount of traffic coming from Google. In addition, LADnation continues to help us secure business with clients and is now an integral part of our offer.

Outlook

Notwithstanding the cost challenges faced within H1 2022, the KPIs that drove our strong performance in Q4 have continued into the new financial year, and website traffic and video numbers are encouraging. Our proven ability to deliver engaging long and short-form content puts us in a strong position to benefit from the increasing demand for this in the year ahead. The investment we have made into our websites has also increased the opportunities for us to monetise this resource in the year ahead.

We are confident that 2023 will see the efforts of our investment into the US market start to deliver direct revenues in that geography. The Group has a healthy pipeline of prospects across all entities, many of which have significantly larger budgets than we have handled previously.

With the global digital media market forecast to grow by 8% in 2023, (source: Group M: This Year Next Year report) and LBG Media's position within some of the fastest growing segments of the digital media market, the Board is confident that the Group is well positioned to meet market expectations for 2023.

Solly Solomou

Chief Executive

CHIEF FINANCIAL OFFICER'S REVIEW

Highlights

- Strong revenue growth of 15% year on year to £62.8m (2021: £54.5m).
- Adjusted EBITDA margin of 25% despite economic headwinds (2021: 31%).
- Profit before tax of £7.3m (2021: £8.1m).
- A significant closing cash position, with cash of £29.3m (2021: £34.3m) after investment in acquisitions of £1.1m and settlement of IPO related liabilities in year of £2.6m. Net cash outflow from operating activities of £1.4m (2021: £12.3m inflow).
- The Group remains debt free, aside from IFRS16 lease liabilities.

Revenue

	2022	2021	2022 v
	£m	£m	2021
Direct	27.8	23.7	17%
Indirect	33.6	29.7	13%
Other	1.4	1.1	33%
Revenue	62.8	54.5	15%

Group revenue increased to £62.8m (2021: £54.5m), a 15% increase in comparison to the prior year. The growth was driven by both primary routes to market.

Direct revenue grew 17% to £27.8m, as a result of increased activity with new and existing clients in the UK, Australia and Ireland.

Indirect revenue grew by 13%, primarily driven by a 56% increase in the number of views totalling 98.4bn (2021: 62.9bn) across web and social video. The increase in views was a result of continued investment in people in order to create engaging content across our platforms and publications (Source: Tubular Labs 2023).

Net operating expenses

The significant operating expenses during the year were:

- Payroll costs excluding share based payments (see below) and restructuring costs of £24.8m (2021: £21.5m), up 15% due to continued investment in our team to support the growth of the business.
- Media costs of £7.4m (2021: £4.4m), up 68%, driven by an increase in content acquisition costs to support view growth, coupled with an increase in marketing spend post Covid.
- Establishment costs of £5.7m (2021: £4.2m) up 34% due to investment in our technology infrastructure.
- Production costs of £4.6m (2021: £3.7m), up 26% supporting the growth of our Direct revenue, coupled with inflationary impact on costs.
- Travel and expenses costs of £1.6m (2021: £1.3m), up 28%, with the early part of the prior year being suppressed due to Covid restrictions.

Depreciation

Depreciation of £1.6m (2021: £1.3m) was up 23%, mainly reflecting new IFRS16 property leases in international territories.

Amortisation

Amortisation of £0.8m (2021: £0.8m) is consistent with prior year.

Share based payments

Share-based payments costs were £3.6m (2021: £1.5m). Similar to other newly listed businesses, we introduced long term incentive plan schemes for senior managers. In addition, all employees across the Group were offered the opportunity to enter the LADBible share incentive plan within the year.

Key performance indicators (“KPIs”)

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

	2022	2021	2022 v 2021	
	£m	£m	£m	%
Financial				
Revenue	62.8	54.5	8.3	15%
Adjusted EBITDA	15.7	16.8	(1.1)	(6%)
Adjusted EBITDA as a % of revenue	25%	31%		
Profit before tax	7.3	8.1	(0.8)	(10%)
Profit before tax as a % of revenue	12%	15%		
Non-Financial				
Global audience (m)*	366	264	102	39%
Content views (bn)**	98	63	35	56%
Average number of employees (no.)	470	388	82	21%

* 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.

Adjusted EBITDA

Adjusted EBITDA was £15.7m (2021: £16.8m). Adjusted EBITDA fell in the year due to an investment in the cost base of the business to drive future growth.

Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategies and is a benchmark that has been used by management and the investment community to assess the performance of the Group since IPO. As such, management believe that this adjusted measure is an appropriate measure to assess the performance of the Group. Note that using Adjusted EBITDA produces a materially different result to the most closely related IFRS based metric, being Profit Before Tax. It is therefore important to understand the nature of any adjusting items, which are discussed below.

Adjusting items

Adjusting items are all items that are not indicative of the underlying performance of the business. They are adjusted to ensure consistency between periods. These totalled £2.2m (2021: £4.9m), with the key items summarised as follows:

- In the year the Group completed a restructuring of its workforce, the reasons for which are discussed within the CEO report. This included 43 redundancies of permanent employees, alongside the creation of a new team structure delivering our direct revenue stream, known internally as LAD360 2.0. Costs include termination costs, creative team advisory and legal fees associated with the restructuring program, totalling £1.6m. The restructure is viewed to be a one-off exercise and there are no current plans to complete a similar exercise in the future. As such, these costs are classified as adjusting items.
- The Group opened its first office in New York in the second half of 2022. Costs of the initial setup of the US business have been classified as adjusting items within the year. These costs totalled £0.6m and relate to the cost of US employees engaged with the setup of the new business (including their travel and accommodation costs), the incremental costs of employees seconded to the US business, as well as legal and advisory fees. Initial setup activities included rebranding of Unilad to target the US market, sourcing premises and staff recruitment. As all of these costs have been incurred prior to any US revenue being earned by the company management deem it appropriate to classify these costs as adjusting items as they are not indicative of the underlying performance of the business.
- Two significant tax liabilities have been accrued in 2022. Tax due diligence work prior to the IPO of the Group made a recommendation on which the business has subsequently acted. This resulted in the Group agreeing in the year to settle a PAYE liability on behalf of two employees, totalling £0.2m. As this was a one-off settlement, it has been classified as an adjusting item. The second tax liability recorded relates to historic underpaid state payroll taxes in Australia of £0.1m. These liabilities were identified following a change in tax advisor and a subsequent review of tax positions. As the quantum of the liability is not indicative of the future state payroll tax charge, it has been classified as an adjusting item in the year.
- During the year the Group received £0.3m (2021: £1.2m) from Bentley Harrington Limited. Consistent with prior periods, amounts received from Bentley Harrington Limited have been classified as adjusting items (further detail can be found within note 6).
- Adjusting items in the prior year of £4.9m related to the advisor fees and administration costs associated with the December 2021 IPO.

All adjusting items are taxable and have been included within the tax charge at a tax rate of 19%.

Share of JV

Share in joint ventures was £0m (2021: £0.1m), representing our share in the results of Pubity Group Ltd.

Profit before tax

Profit before tax decreased to £7.3m (2021: £8.1m).

Taxation

The tax charge for the year was £2.0m (2021: £2.9m). In the prior year there were significant non-deductible IPO related expenses, meaning that the effective tax rate in the prior year (36%) was higher than the current year (27%).

Balance sheet

Net assets grew to £61.2m (2021: £52.3m) as a result of Group trading performance.

Net current assets grew to £43.8m (2021: £37.0m), largely as a result of Group trading performance.

Trade and other receivables grew to £20.4m (2021: £15.2m), driven by an increase of accrued income from £5.8m in 2021 to £11.1m in 2022. The increase was due to a significant increase in Q4 revenue versus the prior year.

Trade and other payables reduced to £4.3m (2021: £11.2m). This reduction was driven by three main factors. The first being the settlement in year of IPO related liabilities accrued at the prior year end, totalling £2.6m. The second being there is no bonus provision at the period end (2021: £1.1m). Thirdly, due to the timing of direct revenue campaigns, deferred income has reduced by £1.1m versus the prior year.

Included in non-current assets are intangible assets of £15.4m (2021: £14.6m). The majority of this position represents the acquired goodwill and other separately identified intangible assets from our acquisition of the UNILAD business in October 2018. In 2022, the Group acquired the 'Go Animals' Facebook and Instagram social media pages for total consideration of £1.1m, accounting for the increase in the intangible asset balance in the year.

Cashflow and cash position

Cash at the year-end amounted to £29.3m (2021: £34.4m).

Net cash generated from operations fell to £1.3m (2021: £13.0m). The decrease was driven by two main factors:

1. Trade and other receivables increased by £5.2m (2021: £2.7m increase), driven by a significantly improved Q4 revenue performance in 2022 (£24.8m), versus 2021 (£18.6m).
2. Trade and other payables decreased by £7.0m in the year (2021: £3.8m increase), following the settlement of IPO related liabilities and bonus'.

Net cash outflows due to investing activities increased to £2.2m (2021: £0.6m inflow), driven by the acquisition of intangible assets of £1.7m in the year.

Net cash outflows due to financing activities were £1.5m (2021: inflows £14.5m). Outflows in 2022 relate solely to lease payments of £1.3m (2021: £1.1m). In 2021, the Group repaid £13.2m in borrowings, paid £0.3m in interest and received net inflows from the IPO of £30.0m.

Tim Croston

Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Revenue	62,809	54,502
Net operating expenses	(55,810)	(46,255)
Expected credit loss reversal	467	-
Operating profit	7,466	8,247
Analysed as:		
Adjusted EBITDA ¹	15,682	16,757
Depreciation	(1,633)	(1,332)
Amortisation	(804)	(793)
Share based payment charge	(3,552)	(1,527)
Adjusting items	(2,227)	(4,858)
Operating profit	7,466	8,247
Finance income	18	26
Finance costs	(161)	(258)
Net finance costs	(143)	(232)
Share of post-tax profits of equity accounted joint venture	-	115
Profit before taxation	7,323	8,130
Income tax expense	(1,976)	(2,899)
Profit for the financial year attributable to equity holders of the company	5,347	5,231
Currency translation differences (net of tax)	29	-
Profit and total comprehensive income for the financial year	5,376	5,231
Basic earnings per share (pence)	2.6	3.0
Diluted earnings per share (pence)	2.5	3.0

1 Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation, share based payment charge and adjusting items is a non-GAAP metric used by management and is not an IFRS disclosure.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Assets		
Non-current assets		
Goodwill and other intangible assets	15,436	14,558
Property, plant and equipment	3,670	3,705
Investments in equity-accounted joint ventures	359	359
Other receivables	592	469
Deferred tax asset	260	-
Total non-current assets	20,317	19,091
Current assets		
Trade and other receivables	20,370	15,153
Current tax asset	378	-
Cash and cash equivalents	29,268	34,338
Total current assets	50,016	49,491
Total assets	70,333	68,582
Equity		
Called up share capital	206	206
Share premium reserve	28,993	28,993
Accumulated exchange differences	29	-
Retained earnings	31,998	23,082
Total equity	61,226	52,281
Liabilities		
Non-current liabilities		
Non-current lease liability	1,960	2,648
Provisions	540	209
Deferred tax liability	394	920
Total non-current liabilities	2,894	3,777
Current liabilities		
Current lease liability	1,282	1,111
Trade and other payables	4,295	11,209
Current tax liabilities	636	204
Total current liabilities	6,213	12,524
Total liabilities	9,107	16,301
Total equity and liabilities	70,333	68,582

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Net cash flow from operating activities		
Profit for the financial year	5,347	5,231
Income tax	1,976	2,899
Net interest expense	143	232
Share of post-tax profits of equity accounted joint venture	-	(115)
Operating profit	7,466	8,247
Depreciation charge	1,633	1,332
Amortisation of intangible assets	804	793
Share based payments	3,552	1,527
Loss on disposal	21	-
Decrease in Directors' loan account	-	53
Provisions	-	3
Increase in trade and other receivables	(5,210)	(2,730)
(Decrease) / increase in trade and other payables	(6,971)	3,779
Cash generated from operations	1,295	13,004
Tax paid	(2,693)	(678)
Net cash generated from operating activities	(1,398)	12,326
Cash flows from investing activities		
Purchase of intangible assets	(1,675)	(295)
Purchase of property, plant and equipment	(544)	(353)
Repayment of loan	-	1,204
Loans to Directors	-	(2,700)
Repayment of loan by Directors	-	2,700
Net cash used in investing activities	(2,219)	556
Cash flows from financing activities		
Repayment of borrowings	-	(13,200)
Lease payments	(1,227)	(1,055)
Lease deposits paid	(105)	-
Costs incurred on IPO charged to share premium	-	(990)
Proceeds from share issue	-	30,000
Proceeds from share options vested	-	14
Interest paid	(121)	(250)
Net cash used in financing activities	(1,453)	14,519
Net (decrease)/increase in cash and cash equivalents	(5,070)	27,401
Cash and cash equivalents at the beginning of the year	34,338	6,937
Cash and cash equivalents at the end of the year	29,268	34,338

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Accumulated exchange differences £'000	Retained earnings £'000	Total equity £'000
Balance as at 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	-	-	-	1,527	1,527
Deferred tax on share options	-	-	-	(318)	(318)
Current tax deduction on exercise of share options	-	-	-	2,600	2,600
Initial public offering – IPO costs to share premium	-	(990)	-	-	(990)
Shares issued on incorporation	-	-	-	-	-
Share for share exchange and capital reduction	302	-	-	(302)	-
Exercise of share options	14	-	-	-	14
Share issue on IPO	17	29,983	-	-	30,000
Share repurchase and reduction of share premium	(127)	(63)	-	190	-
Total transactions with owners, recognised directly in equity	206	28,930	-	3,697	32,833
Balance as at 31 December 2021 and 1 January 2022	206	28,993	-	23,082	52,281
Profit for the financial year	-	-	-	5,347	5,347
Currency translation differences (net of tax)	-	-	29	-	29
Total comprehensive income for the year	-	-	29	5,347	5,376
Share based payments	-	-	-	3,552	3,552
Deferred tax on share options	-	-	-	17	17
Total transactions with owners, recognised directly in	-	-	-	3,569	3,569
Balance as at 31 December 2022	206	28,993	29	31,998	61,226

Going concern

The Company generated profit after tax of £5.3m during the year ended 31 December 2022 (2021: £5.2m) and, at that date, the Company's total assets exceeded its total liabilities by £61.2m (2021: £52.3m) and it had net current assets of £43.8m (2021: £37.0m).

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.

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. We will also continue to monitor the increased inflation rate and potential impending recession and the impact this may have on the Group.

Whilst acknowledging the negative impact that the covid-19 pandemic may continue to have on the UK economy for 2023 and beyond, having consulted with stakeholders extensively during the last few years, 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.

The Group will continue to monitor the latest position regarding country restrictions on TikTok. Whilst the Group has grown significant audiences on TikTok the platform is currently is not contributing significantly to revenue or costs.

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 2023 / 2024 revenue and including the current cash balance the Group would still have sufficient cash beyond 30 June 2024.

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 £904k of property, plant and equipment held in Australia (2021: £318k), £44k held in Ireland (2021: £nil), and £15k held in US (2021: £nil).

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:

	2022 £'000	2021 £'000
Direct	27,806	23,734
Indirect	33,601	29,716
Other	1,402	1,052
	62,809	54,502

The geographical analysis of revenue by customer location is:

	2022 £'000	2021 £'000
United Kingdom	23,579	19,697
Ireland	25,485	25,311
Australia	4,476	2,781
US	7,102	5,729
Rest of the World	2,167	984
	62,809	54,502

Note that the revenue allocated to the US is generated by UK entities within the Group and not the newly set up US operations, where revenue is expected to be first generated in 2023.

Major customers

In 2022 there were 2 major customers that individually accounted for at least 10% of total revenue (2021: 1) (Customer A: 33% and Customer B: 11%) (2021: Customer A: 38%). The total revenues relating to these customers in 2022 were £27,623k (2021: £20,675k).

Management have assessed the classification of the social agency revenue stream and concluded that this should be recognised within Direct rather than Other revenue. This is because social agency contracts are direct with the customer and involve all elements typically seen in the Direct revenue stream. For comparability purposes a prior period reclassification has been made to the 31 December 2021 results.

Adjusting items

A breakdown of adjusting items is provided below:

	2022 £'000	2021 £'000
Initial public offering (IPO) related costs	–	4,882
Amounts recoverable from Bentley Harrington	(335)	(24)
Restructuring	1,571	–
US Setup costs	626	–
Tax settlements	365	–
Total adjusting items	2,227	4,858

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 adjusting items above. £4,828k of the total IPO related costs (including those debited to share premium) were paid during the year ended 31 December 2021. The remaining balance was settled within 2022, leaving £nil unpaid at the year end.

Amounts recoverable from Bentley Harrington Limited

At the end of 2020 a receivable of £1,180k was recorded as an asset. This relates to amounts due from Bentley Harrington Limited - a company in administration. In October 2018, the group had acquired a loan from a creditor of Bentley Harrington Limited of £5,000k.

The receivable at the end of 2020 was in relation to this loan. In 2021, £1,204k was received from the administrators of Bentley Harrington Limited, being £24k more than the amount included as receivable at 31 December 2020. Consistent with prior years, the £24k difference was then recorded as an adjusting item (as the receipt was in relation to transactions outside the normal course of business). Within 2022 a further receipt of £335k was received relating to statutory interest not accrued at the end of 2021. Again, this was recognised as an adjusting item.

Restructuring

In 2022 the Group completed a restructuring of its workforce. Details of the restructure can be found in the CFO report.

US Setup costs

In 2022, the Group opened its first office in the United States, in New York. Costs in relation to the initial setup of the US business have been classified as adjusting items within the year. Details of these costs can be found in the CFO report.

Tax settlements

Two significant tax settlements have been made in 2022. Details of these costs can be found in the CFO report.

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:

	2022	2021
Earnings per share from continuing operations		
Earnings, £'000	5,347	5,231
Number of shares, number	205,714,289	176,682,740
Earnings per share, pence	2.6	3.0

Diluted earnings per share calculation:

	2022	2021
Diluted earnings per share from continuing operations		
Earnings, £'000	5,347	5,231
Number of shares, number	211,879,344	177,177,443
Diluted earnings per share, pence	2.5	3.0

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

	2022	2021
Number of shares in issue at the start of the period	205,714,289	174,951,429
Effect of shares issued in period	–	1,731,311
Weighted average number of shares used in basic earnings per share	205,714,289	176,682,740
Employee share options	6,165,055	494,703
Weighted average number of shares used in diluted earnings per share	211,879,344	177,177,443

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 post-IPO. 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.

2021 Share Schemes

In 2021 a number of new share schemes were implemented, as summarised below.

Scheme	Summary
Long Term Incentive Plan - Executive Directors	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.
Non-Executive Director Awards	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.
Key Management Personnel Award	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.

2022 Share Schemes

In the year, a number of new share schemes were implemented, as summarised below.

Scheme	Summary
UK Share Incentive Plan	A total of 738,660 awards were granted to employees on 19 January 2022, subject to continued employment, which vest after three years.
Long Term Incentive Plan - Senior Managers	A total of 418,212 awards were granted to senior employees on 12 January 2022, subject to revenue performance conditions and an Adjusted EBITDA margin underpin. A further 418,212 awards were also granted subject to a Total Shareholder Return (TSR) multiplier. Vesting is after three years and is contingent upon continued employment.
LADbible Incentive Plan	A total of 559,008 awards were granted on 13 January 2022, with a further issue of 17,045 awards on 25 February 2022, to senior employees subject to revenue performance conditions and an Adjusted EBITDA margin underpin. Vesting is after three years and is contingent upon continued employment.
Australia Share Incentive Plan	A total of 78,584 awards were granted to employees on 26 May 2022, subject to continued employment, which vest after three years.
Ireland Share Incentive Plan	A total of 13,668 awards were granted to employees on 26 May 2022, subject to continued employment, which vest after three years.
Save as you Earn (SAYE) Incentive Plan	The SAYE awards are options with an exercise price of 133.56p. The completion date for the SAYE is three years from the contract start date of 1 July 2022. All employees were offered the opportunity to join the SAYE scheme in 2022.

In 2023 the Group will reassess the vesting conditions for the following schemes: Long Term Incentive Plan - Executive Directors; Long Term Incentive Plan - Senior Managers; and LADbible Incentive Plan. At the present growth trajectory none of the options will vest.

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

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	2	4,438,243	10	136,200
Granted during the year	1	2,811,421	2	4,438,243
Forfeited during the year	(1)	(1,084,609)	–	–
Exercised during the year	–	–	10	(136,200)
Outstanding at 31 December	2	6,165,055	2	4,438,243

Summary of the Above - Split by Scheme:

Long Term Incentive Plan - Executive Directors

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	1	1,189,280	–	–
Granted during the year	–	–	1	1,189,280
Forfeited during the year	(1)	(289,284)	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	1	899,996	1	1,189,280

Non-Executive Director Awards

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	2	2,459,098	–	–
Granted during the year	–	–	2	2,459,098
Forfeited during the year	–	–	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	2	2,459,098	2	2,459,098

Key Management Personnel Award

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	2	789,865	–	–
Granted during the year	–	–	2	789,865
Forfeited during the year	–	–	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	2	789,865	2	789,865

UK Share Incentive Plan

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	–	–	–	–
Granted during the year	2	738,660	–	–
Forfeited during the year	(2)	(227,280)	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	2	511,380	–	–

Long Term Incentive Plan - Senior Managers

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	–	–	–	–
Granted during the year	1	836,424	–	–
Forfeited during the year	(1)	(302,141)	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	1	534,283	–	–

LADBible Incentive Plan

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	–	–	–	–
Granted during the year	2	576,053	–	–
Forfeited during the year	(2)	(111,051)	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	2	465,002	–	–

Australia Share Incentive Plan

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	–	–	–	–
Granted during the year	2	78,584	–	–
Forfeited during the year	(2)	(7,144)	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	2	71,440	–	–

Ireland Share Incentive Plan

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	–	–	–	–
Granted during the year	2	13,668	–	–
Forfeited during the year	–	–	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	2	13,668	–	–

Save as you Earn (SAYE) Incentive Plan

	2022 Weighted average exercise price (£)	2022 Number	2021 Weighted average exercise price (£)	2021 Number
Outstanding at 1 January	–	–	–	–
Granted during the year	1	568,032	–	–
Forfeited during the year	(1)	(147,709)	–	–
Exercised during the year	–	–	–	–
Outstanding at 31 December	1	420,323	–	–

The exercise price of options outstanding at 31 December 2022, ranged between £0.45 and £1.94 (2021: £0.95 and £1.75).

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

Of the total number of options outstanding at 31 December 2022, 789,865 vested and were exercisable (2021: 526,577).

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.

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	Monte-Carlo
Weighted average share price at grant date	1.61	1.62
Weighted average contractual life (in days)	837	985
Expected volatility	40%	40%
Expected dividend growth rate	–	–

Summary of the Above - Split by Scheme:**Long Term Incentive Plan - Executive Directors**

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	Monte-Carlo
Weighted average share price at grant date	1.45	1.45
Weighted average contractual life (in days)	1,105	1,105
Expected volatility	40%	40%
Expected dividend growth rate	–	–

Non-Executive Director Awards

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	Monte-Carlo
Weighted average share price at grant date	1.75	1.75
Weighted average contractual life (in days)	730	730
Expected volatility	40%	40%
Expected dividend growth rate	–	–

Key Management Personnel Award

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	Monte-Carlo
Weighted average share price at grant date	1.75	1.75
Weighted average contractual life (in days)	92	92
Expected volatility	40%	40%
Expected dividend growth rate	–	–

UK Share Incentive Plan

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	–
Weighted average share price at grant date	1.94	–
Weighted average contractual life (in days)	1,096	–
Expected volatility	40%	–
Expected dividend growth rate	–	–

Long Term Incentive Plan - Senior Managers

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	–
Weighted average share price at grant date	1.29	–
Weighted average contractual life (in days)	1,040	–
Expected volatility	40%	–
Expected dividend growth rate	–	–

LADbible Incentive Plan

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	–
Weighted average share price at grant date	1.94	–
Weighted average contractual life (in days)	1,094	–
Expected volatility	40%	–
Expected dividend growth rate	–	–

Australia Share Incentive Plan

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	–
Weighted average share price at grant date	1.60	–

	2022 £	2021 £
Weighted average contractual life (in days)	1,096	–
Expected volatility	40%	–
Expected dividend growth rate	–	–

Ireland Share Incentive Plan

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	–
Weighted average share price at grant date	1.60	–
Weighted average contractual life (in days)	1,096	–
Expected volatility	40%	–
Expected dividend growth rate	–	–

Save as you Earn (SAYE) Incentive Plan

	2022 £	2021 £
Equity settled		
Option pricing model used	Monte-Carlo	–
Weighted average share price at grant date	0.58	–
Weighted average contractual life (in days)	1,133	–
Expected volatility	40%	–
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-19' period, being the three years prior to 1 January 2020.

It is considered that volatility levels during covid-19 will not be representative of likely volatility over the vesting period, hence Pre-covid-19 volatility levels are considered more appropriate.

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

	2022 £'000	2021 £'000
Equity settled schemes	3,552	1,527

The Company only share based remuneration expense in the year, relating to the Non-Executive Director remuneration schemes only was £2,490k (2021: £nil).

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

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 2021	2,541	7,459	4,671	438	–	–	–	15,109	151
Re-designation in the year	–	–	–	–	1	–	–	1	60
Issued during the year	505,659	1,484,341	929,529	87,162	(1)	–	–	3,006,690	181,307,789
Share issued on incorporation	–	–	–	–	–	–	–	–	(181,005,820)
Share split	–	–	–	15,800	120,400	–	–	136,200	13,620
Capital reduction	50,311,800	147,688,200	92,485,800	10,236,600	11,919,600	–	–	312,642,000	–
Subdivision of shares	(50,820,000)	(149,180,000)	(93,420,000)	(10,340,000)	(12,040,000)	127,228,571	188,571,429	–	–
Re-designation in the year	–	–	–	–	–	–	17,142,860	17,142,860	17,143
Shares issued on IPO	–	–	–	–	–	(127,228,571)	–	(127,228,571)	(127,229)
Balance at 31 December 2021 and 31 December 2022	–	–	–	–	–	–	205,714,289	205,714,289	205,714

Post year end, on 14 February 2023, the Company issued 9,000 new ordinary shares of £0.001 each. On 4 April 2023, a further 9,000 new ordinary shares of £0.001 each were issued. Both of these share issues were following the exercise of options granted under the Company's Long Term Incentive Plan (Key Management Personnel Award).

For details on the above transactions please refer to the 2021 Annual Report.

Subsequent events

On 20 March 2023 LADbible US Inc. acquired the social media accounts, social media content, domain names, website, intellectual property licenses, third party rights and records from Lessons Learned in Life Inc. for a total value of CAD \$700k. This acquisition of assets is consistent with previous acquisitions made (such as Go Animals in 2022), with the assets being recorded as intangible assets in 2023.

Cautionary Statement

Certain statements included or incorporated by reference within this announcement may constitute “forward-looking statements” in respect of the Group’s operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as “anticipates”, “aims”, “due”, “could”, “may”, “will”, “should”, “expects”, “believes”, “intends”, “plans”, “potential”, “targets”, “goal” or “estimates”. By their nature, forward looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Company. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Statements in this announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this announcement shall be governed by English law. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.