22 January 2025

LBG Media plc

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

Full year results for the nine months ended 30 September 2024

FINANCIAL PERFORMANCE AHEAD OF CALENDAR YEAR MARKET EXPECTATIONS. STRONG MOMENTUM GOING INTO 2025.

LBG Media, the global digital entertainment business with a focus on young adults, is pleased to announce its results for the nine months ended 30 September 2024 (“FY24” or “the period”). Following the change in year-end, statutory financial results are being reported for the nine months ended 30 September 2024.

Highlights

- Financial performance ahead of market expectations for the calendar year to December 2024[1]
- Deeper brand relationships and becoming integral to our clients’ corporate marketing strategies
- Integration of U.S. businesses delivered significant wins with a strong pipeline, providing confidence in future growth
- Increasing diversification of revenues with Direct 51%, Indirect 47% (Social 26%, Web 21%), Other 2%[2]
- Strong results in Direct & Web; Social temporarily impacted by Facebook commercial model change in calendar Q3
- Positive first quarter in the year ending 30 September 2025 (“FY25”) giving confidence over full year performance and clear line of sight to £200m revenue

Financial Highlights

	FY24 *(9 months to 30 September 2024)*	FY23 *(12 months to 31 December 2023)*	Unaudited 12 months to 30 September 2024	Unaudited 12 months to 30 September 2023	Unaudited 12 month YoY growth rate (%)
- Direct	34.4	29.3	**43.9**	31.6	**39%**
- Indirect	29.4	37.1	**40.7**	38.3	**6%**
- Other	1.1	1.1	**1.6**	1.0	**60%**
Total Group Revenue *(£m)*	64.9	67.5	**86.2**	70.9	**22%**
Adjusted EBITDA *(£m)*[3]	16.9	17.4	**24.5**	21.1	**16%**
Adjusted EBITDA margin[3]	26%	26%	**28%**	30%	**(2)%pts**
Profit before tax	12.1	5.9	**14.5**	11.0	**32%**
Cash and cash equivalents	27.2	15.8	**27.2**	30.7	**(12)%**

- Total Group revenue up 22% for the unaudited 12 months to 30 September 2024, with 6% organic growth and the remainder attributed to the acquisition of Betches in October 2023[4]
- Broadly even split between Direct and Indirect reflects effectiveness of business model and reinforces sustainability of our growth, with Facebook now accounting for 23% of total revenue for the unaudited 12 months to 30 September, compared to 37% at time of IPO
- Adjusted EBITDA up 16% for the unaudited 12 months to 30 September 2024, predominantly driven by the expansion of our U.S. footprint, through the acquisition of Betches, and a more efficient ANZ operating model
- Adjusted EBITDA margin impacted by investments for growth of £3.4m which have focused on our Direct and Web segments, and which are already delivering positive results
- Cash and cash equivalents of £27.2 million at 30 September 2024 (31 December 2023: £15.8 million) with very strong cash conversion of 105%[5]

Strategic and Operational Highlights

DIRECT: *Continued demand from brands and media agencies for our content to reach young adults online*

- Strong performance in client retention and acquisition, with brief conversion of 29%, repeat revenue of 74% and 9 clients that generate revenue over $1m[6]
- Expanded partnerships with major brands such as Google, where we have supported campaigns for Android, Pixel, Gemini, and Google Pay, showcase our ability to collaborate with brands on a macro scale

INDIRECT: *Revenues we share with social media platforms that place adverts next to our content*

- Global audience has grown by 19% year-on-year, to 503m, with U.S. audience of 143m, highlighting our unparalleled engagement and extensive reach[7]
- Investment in Web driving sessions and yields higher, with positive progress maintaining our position as one of Facebook's largest publishers
- From July to September 2024, changes to Facebook's commercial model resulted in lower Indirect revenues from Social compared to the same period in the prior year. As with previous platform changes, we were able to adapt quickly and saw a return to normalised levels on exiting Q1 FY25, providing positive momentum for the remainder of the new year ahead

U.S. EXPANSION: *Combined business performing well in the world's largest ad market*

- Strong signs of early success with key client wins such as Netflix, L'Oreal and White Castle and alignment of commercial teams in H1 bearing fruit with a strong pipeline
- Collaboration between LBG Media and Betches has advanced Betches' social content strategy, showcasing cross-business learning and presenting opportunity for diversification of our U.S. revenues

Outlook

The Group has entered FY25 with good momentum across its three growth lenses of Direct, Indirect, and U.S. expansion. The Board remains confident in the size of the opportunity ahead and may consider further investment to accelerate the U.S. growth strategy.

Building on a robust first quarter that achieved double-digit growth compared to the same period last year, management is confident in the growth trajectory for the remainder of FY25 and expects revenue to increase by approximately 10%.

CEO, Solly Solomou commented:

"2024 was a transformational year for LBG Media. We are running more campaigns for more blue-chip brands, particularly in the U.S., the largest advertising market in the world. We have been able to drive this momentum for two reasons. Firstly, our acquisition of Betches has extended our already-strong reach with U.S. social audiences and our combined business is performing well. Secondly, LBG Media has a unique model. More than half a billion people globally, including Gen Z and Millennials, see us as the go-to destination for digital content. The biggest brands and the biggest celebrities therefore want to partner with us to access the growing buying power and influence of this hard-to-reach demographic. The strength of our model, our progress in the U.S., and our fantastic team, explain why our results are ahead of calendar year expectations and give us confidence of further progress in 2025."

Analyst Presentation

LBG Media will host a hybrid virtual and in-person analyst briefing at 9.30am UK time, on Wednesday 22 January 2025. To join the briefing virtually, please use the following webcast link: https://brrmedia.news/LBG_FY_24

A recording of the presentation will also be available on the LBG Media website at www.lbgmedia.co.uk/results-reports-presentations/results-and-presentations following the event.

Notes

[1] External market consensus for year ending 31 December 2024: Revenue £86.3m and Adjusted EBITDA £23.4m.
[2] On a proforma basis for the 12 months to the 30 September 2024. Social and Web form part of Indirect, which, along with Direct, is one of two core revenue streams.
[3] Adjusted EBITDA – earnings before interest, tax, depreciation, and amortisation adjusted for share-based payments (including employers NIC as appropriate) and adjusting items. Adjusted EBITDA margin is adjusted EBITDA divided by Group Revenue represented as a percentage.
[4] Organic growth excludes the impact of Betches acquisition and ANZ model restructure.
[5] Cash conversion is on a proforma basis for the 12 months to 30 September 2024 and calculated as operating cash flow divided by adjusted EBITDA.
[6] All numbers shown on a proforma basis for the 12 months to 30 September 2024. Repeat revenue represents percentage of proforma 2024 Direct revenue from clients that ran campaigns with us in 2022 and 2023 proforma periods.
[7] Audience numbers reflect social followers, unique podcast listeners and average monthly website users in the 12 months 30 September 2024. The percentage growth indicates the change compared to the corresponding period in the previous year.

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Notes to editors

We help brands reach young adults on social media platforms, such as Facebook, Instagram, Snapchat, X, YouTube and TikTok and our owned and operated websites.

We produce and distribute digital content such as videos, editorial, images and audio.

We do this through our brands, such as LADbible and SPORTbible, which are dedicated to distinct popular interests (e.g. news, sport, gaming).

Engagement is at the heart of what we do – which comes through in our two main revenue streams:

a. We create bespoke content for blue-chip advertisers that gives them access to a young adult audience that is hard to reach for traditional media players. This is distributed across social media platforms and our owned and operated websites. We call this ‘Direct’ revenue.

b. Third parties – such as social media platforms – generate revenue by placing advertising next to our content. We call this ‘Indirect’ revenue, and the revenue is shared between the publisher, which is us, and the social media platform.

LBG Media is listed on the AIM market of the London Stock Exchange *(AIM: LBG).*

CHAIR'S STATEMENT

LBG has come a long way from the organisation that joined the public markets in 2021, and I am immensely proud of the incredible work our team has done to shape the present-day business. The past nine months have been another period marked by strong financial performance, further embedding of our footprint in the U.S. and strengthening our line of sight to £200m of revenue. Underpinning the success of our business model is our highly engaged audience. This audience grew by 19% in the 12 month proforma period ended 30 September 2024, to 503m, as rising audience numbers, alongside key sporting and cultural event campaigns, confirm our position as one of the 'go-to' digital entertainment brands for young adults.

We remain extremely well positioned to capture the opportunity ahead of us as the macro shift towards digital advertising continues and the purchasing power of Gen Z expands. As a digital advertiser focused on young adults, LBG is direct beneficiary of these macro trends, and this is evident in our financial performance, and future opportunity, as we look to enhance value for our shareholders and stakeholders alike.

Our progress

In the 9 months ended 30 September 2024, LBG made significant progress focusing on three key growth lenses: Direct, Indirect, and U.S. expansion, with the latter supplementing growth across both Direct and Indirect operations. During this period, the Group delivered revenue of £64.9m, adjusted EBITDA reached £16.9m, while profit before tax increased to £12.1m. For the unaudited proforma 12 months ended 30 September 2024, the Group reported revenue of £86.2m, up 22% compared to the same prior period. On an unaudited 12 month proforma basis, adjusted EBITDA rose to £24.5m, an increase of 16%, and profit before tax grew 32% to £14.5m.

Direct revenue, which is where we provide content marketing services to blue-chip brands and media agencies, accounted for over 50% of total Group revenue in the 9 months ended 30 September 2024 with the impressive growth driven by an expanding client base, deeper relationships with existing partners and the acquisition of Betches in October 2023. Direct brief conversion of 29% and 74% repeat client revenue in the 12 month period to 30 September 2024 also highlights the confidence our partners have in our ability to deliver targeted and unique campaigns that drive meaningful penetration and results.

Our Indirect business is where we generate revenue on social platforms and from our owned and operated websites. We have expanded our Web capabilities by investing in people and technology that have enhanced our Web programmatic offering, resulting in a significant increase in both sessions and yields during the period. Social revenues were temporarily impacted by the Facebook commercial model change in calendar Q3 but, as with previous platform changes, we were able to adapt quickly and saw a return to normalised levels on exiting Q1 FY25. This gives us confidence and positive momentum for the remainder of the new year ahead.

We also saw significant progress in the U.S. market where we successfully integrated the LBG and Betches commercial teams in the first half of the period, resulting in several major wins that are a testament to the complementary nature of our operations. Partnerships with global brands like The Boston Beer Company, NYX Cosmetics, and White Castle illustrate the growing demand for access to our vast audience and top-tier capabilities in the U.S. market.

Change in accounting reference date

As announced on 24 July 2024, we have adopted 30 September as our accounting year-end. In this transitionary reporting period we are required to present the statutory statements as the 9 months ending 30 September 2024 in comparison to the 12 months ending 31 December 2023. However, we appreciate that it is difficult for the reader to understand the underlying performance of the business on this basis, therefore our Annual Report and Accounts include an unaudited proforma consolidated statement of comprehensive income as supplementary information, providing insight into the Group's performance on an annualised basis for the 12 months ending 30 September 2024 in comparison to the 12 months ending 30 September 2023. This unaudited proforma information, sourced from the Group's management accounts for the two comparative periods, does not form part of the audited financial statements. Additional notes, including segmental analysis, key assumptions, and reconciliations to the reported financial statements, are detailed on pages 27 to 29 of the Group's Annual Report and Accounts.

Board changes

The Board is always open and transparent with its shareholders and announces that, due to personal reasons, the Company's Chief Financial Officer, Richard Jarvis, is currently taking some time away from the business. To ensure that in the interim the Board has the appropriate oversight and guidance, I will move into an executive Chair role, spending more time in the business, with particular responsibility for the finance and legal teams. My career included 14 years as COO, CFO & Deputy CEO at GB Group plc, before I retired in June 2021.

LBG announced on 6 January 2025 that Richard Flint has stepped down from his non-executive role on the Board, effective 31 December 2024. I would like to express my gratitude to Richard for his valuable contributions and guidance during his tenure, particularly in helping to shape the Group's strategic direction. The Board wishes him the very best in his future endeavours.

Social responsibility and governance

We take immense pride in the significant work we do to support meaningful causes and drive positive change. Our commitment to being a socially responsible organisation is rooted in our ability to engage with our audience, empowering them by fostering communities that laugh, think, and act. This engagement is a fundamental enabler of our success, and we are dedicated to remaining true to these core values in the years ahead.

Outlook

Finally, none of the progress made this period would have been possible without the dedication and hard work of our people. On behalf of the Board, I want to thank every member of the LBG team for their commitment and effort throughout the period - it has not gone unnoticed. I would also like to extend my gratitude to the brands we work with, our global audience and our shareholders for their continued support and trust.

As we look ahead to the opportunities and challenges of the coming year, I remain confident that we present a unique and highly differentiated proposition within the market. We capture the eyes and ears of a highly sought-after demographic for marketers, and in the complex, digital media landscape, the detailed understanding we have of this audience provides a strong foundation for long-term growth and the delivery of sustained shareholder value.

Dave Wilson
Chair
22 January 2025

CHIEF EXECUTIVE OFFICER'S REVIEW

2024 has been a period of strong financial growth and key strategic and operational advancements as we progress along our line of sight to £200m in revenue. This path to £200m is driven by a clear focus on three key growth lenses: Direct, Indirect, and U.S. expansion, with our expansion in the U.S. supporting growth across both Direct and Indirect segments. Combined with our diversified revenue streams, strong client relationships, and dedicated team, this provides us with a platform for sustainable growth, enabling LBG to continue to capture market share from traditional media players in the years ahead.

Market dynamics

The global ad market is expected to exceed $1 trillion by 2025.[1] Over two-thirds of this is allocated to digital advertising and the momentum continues to be one-way, with this figure expected to reach 70% in the next year, up from 50% just five years ago.[1] This macro shift positions LBG as a key player within the biggest and fastest-growing segment of global advertising. A significant driver of this growth is social media, which has become the largest global advertising medium, accounting for 24% of total ad spend. With 94% of Gen Z using social media, we are uniquely positioned to capture spend targeting this influential demographic.[1] Gen Z is not only the largest generation ever from a population perspective, but it is also demonstrating significant purchasing power - already Gen Z represents 17% of global spend and is projected to become the wealthiest generation that has ever lived.[1] Our focus on engaging this digitally native generation, alongside the rapid expansion of the digital ad market, provides substantial opportunities for sustainable long-term growth for our business.

1 - Sources: WARC, Global Ad Spend Outlook 2024/25 & NIQ, A Report on Gen Z Spending Power.

Financial Performance

We have delivered a strong financial performance in both the reporting and proforma period. Total revenue for the 9 months ended 30 September 2024 reached £64.9m (12 month FY23: £67.5m). Revenue was £86.2m for the unaudited proforma financial statements for the 12 months ended 30 September 2024, an increase of 22% based on the same period from the prior year. The growth of Direct, which now accounts for more than 50% of our total revenue, up from 41% at the time of our IPO in 2021, underscores the effectiveness of our business model and the strong relationships we have built with major brands. Further diversity in Indirect revenues with the growth of our Web offering provides the business with a robust and resilient financial base.

Our strong topline performance in the nine month period has resulted in adjusted EBITDA of £16.9m (12 month FY23: £17.4m). For the unaudited proforma financial statements for the 12 months ended 30 September 2024, adjusted EBITDA increased by 16%, driven by strong revenue growth, improvements to the ANZ operating model, and the accretive impact of Betches. Our profit before tax increased to £12.1m for the nine month period ended 30 September 2024, whilst on an unaudited 12 month proforma basis, profit before tax grew 32% to £14.5m. We are also pleased to report a healthy cash position of £27.2m as at 30 September 2024, up from £15.8m at 31 December 2023. This provides us with the flexibility to continue reinvesting in our business and pursue strategic acquisitions, thereby supporting our long-term growth.

Strategic Progress

Direct: Direct revenue is where we provide content marketing services to blue-chip brands and media agencies and have a direct relationship with the advertiser.

Our Direct segment performed extremely well in the nine months ended 30 September 2024, driven by the strengthening of relationships with existing clients, expansion of our client base and the acquisition of Betches in October 2023. The growth in Direct revenue is a result of our ability to build deeper, more strategic partnerships, particularly with brands like Google, Lloyds and Costa Coffee, as well as our growing footprint in the U.S. where we already have one $1 million client. Our Euros-themed edition of the highly successful original series "Snack Wars", which was sponsored by Uber Eats, was a great showcase of our expanding capabilities as we delivered brand sponsored-content in a native format that resonated with our audience, garnering millions of views.

As our client relationships continue to evolve, we have increasingly become an integral part of corporate marketing strategies. Our direct brief conversion rate for the 12 months ended 30 September 2024 stood at 29% and repeat client revenue was 74% - both clear indicators of the trust and value brands place in us, on a repeat basis. Our ability to provide partners with real time analytics and ROI insights that demonstrate the value and success of their advertising investment is a feature which sets us apart from the competition, particularly traditional media. We continue to capture a growing share of spend from these traditional players, as our unique value proposition, high-quality content, and deep audience engagement resonate with advertisers seeking to connect with young adults.

Indirect: Indirect is where we generate revenue on social platforms ("Social") and from our owned and operated websites ("Web").

Indirect has performed in line with our expectations for the period, with solid growth driven by the continued expansion of our global audience, which increased by 19% to 503m in the 12 months to 30 September 2024. Our U.S. audience now stands at 143m. Social, which includes revenues generated from social media platforms and partners, delivered a robust performance despite recent changes to Facebook's commercial model. While these changes impacted social ad yields and introduced some short-term volatility, the segment remained resilient as the new model focuses on high-quality, engaging content - an area that aligns directly with our strengths. As we have demonstrated with previous platform changes, our scale, expertise, and data-driven approach enable us to adapt quickly and navigate such changes in the external environment efficiently.

Web has been a standout performer and now accounts for 45% of Indirect revenue for the 12 months ended 30 September 2024, up from 30% at the end of FY23. We have seen significant growth, fuelled by ongoing investment in technology and talent, which has led to substantially increased yields through the period. The diversification of our Indirect revenue, supported by both social platforms and our owned web assets, enhances the stability of our income streams and provides multiple levers for sustained, long-term growth.

U.S. Expansion: Supporting our growth across both Direct and Indirect segments.

Expanding our operations in the U.S., the world's largest advertising market, presents a significant opportunity from both a Direct and Indirect perspective. Since acquisition of Betches on 17 October 2023, we have made significant strides in integrating our U.S. operations. This has included consolidating offices at Betches HQ and reorganising sales teams to focus on category specialisations in areas such as entertainment, alcohol and consumer goods.

This operational shift has enabled us to build deeper client relationships and is demonstrating encouraging signs of early success with new high-profile partnerships, such as Netflix, L'Oreal and White Castle, and a very encouraging pipeline. We are also excited about new opportunities such as the launch of Betches Sports, a sub-sector where we already have significant experience through our SPORTbible brand. Our U.S. operation offers brands a 'one-stop shop' to access our young adult audience and the steps we have taken this year put the business in a fantastic position to capitalise on the significant opportunity ahead of us in the U.S. market.

Purpose Driven Work & Awards

At LBG we believe strongly in leveraging our global platform to drive socially responsible agendas, supporting meaningful change. During the period, we launched the "You're On Mute" campaign to encourage young people to vote in the general election and also partnered with charity Stamp Out Spiking to launch the "End Spiking, Now" campaign, raising awareness of the drink spiking problem and advocating for legal changes. The campaign, which included a powerful mini-series, culminated in the UK government's decision to make drink spiking a specific offence. Additionally, LBG was honoured to become The King's Trust's first official social partner for their annual awards, celebrating young people who have overcome significant barriers. These initiatives reflect our ongoing commitment to using our platform to empower young people and contribute to positive social change.

We are very proud to have been the most awarded media owner at the Campaign Media Awards for the second year running, with three wins for our partnerships with The AA, Jacamo, and McDonald's. We also took home Best Finance Campaign at the Digital Media Awards for Bank of Ireland, along with other shortlists including 'Channel of the Year,' 'Best Factual Channel,' and 'Best Short Form' for our Honesty Box show.

Clear Line of Sight to £200m Revenue Opportunity

Through our strategic growth lenses LBG is uniquely positioned for significant growth in the years ahead and we remain on track as we progress along our line of sight to £200m of revenue. The positive momentum in our market and the continued growth of our global audience, is supported by our ability to foster even deeper relationships with blue-chip brands and key partners. Our U.S. operations provide a solid foundation for further growth in the world's largest advertising market and the diversification of our revenue streams, along with our strong cash generation profile, provides us with the financial flexibility to accelerate growth through strategic M&A opportunities.

We have made tremendous progress in the period, and with a clear strategy, strong partnerships, and continued market expansion, LBG is well-positioned for sustained, profitable growth in the years to come.

Solly Solomou
Chief Executive Officer
22 January 2025

FINANCIAL REVIEW

Highlights & KPIs

The Group delivered strong financial performance in the 9 months to 30 September 2024, reflecting the successful execution of our strategy across our three growth lenses of Direct, Indirect and U.S. expansion. The following highlights and key performance indicators ('KPIs') showcase our progress and accomplishments over the period. As the current reporting period covers 9 months, compared to a 12 month period for the prior year, percentage changes have not been presented.

			UNAUDITED PROFORMA		
	9 months ended 30 Sept 24	Year ended 31 Dec 23	12 months ended 30 Sept 24	12 months ended 30 Sept 23	Change
	£'000	£'000	£'000	£'000	%
Revenue	64,945	67,510	86,245	70,895	22%
Adjusted EBITDA	16,929	17,368	24,475	21,126	16%
Profit before tax	12,139	5,937	14,469	10,999	32%
Closing cash	27,174	15,800	27,174	30,727	(12%)
Cash generated from operations	20,264	10,100	25,817	14,954	73%
Cash conversion	120%	78%	105%	71%	-
Financial KPIs					
Adjusted EBITDA as a % of revenue	26.1%	25.7%	28.4%	29.8%	
Profit before tax as a % of revenue	18.7%	8.8%	16.8%	15.5%	
Non financial KPI's					
Global audience* (m)	503	452	503	424	19%
Brief conversion	29%	29%	29%	29%	-
Daily web sessions (m)	5.3	4.7	5.0	4.9	2%
Web yield per 1k sessions (£)	10.01	6.87	10.07	6.04	67%

** Global Audience reflects social followers, unique podcast listeners and average monthly website users in the period.*

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

Financial Review

Revenue	9 months ended 30 Sept 24	Year ended 31 Dec 23	12 months ended 30 Sept 24	12 months ended 30 Sept 23	Change
	£'000	£'000	£'000	£'000	%
Direct	34,443	29,349	43,920	31,635	39%
Indirect	29,368	37,111	40,749	38,272	6%
Other	1,134	1,050	1,576	988	60%
Total	**64,945**	**67,510**	**86,245**	**70,895**	**22%**

Total Group revenue for the 9 months ended 30 September 2024 was £64.9m, demonstrating strong operational performance despite being lower than the £67.5m reported for the 12 month prior period. This highlights the growing appeal of our offerings to advertisers and reflects the accelerated growth driven by the strategic value we deliver to our clients on both our Direct and Indirect revenue streams.

The strength of our diversified revenue model continues to improve with Direct accounting for more than 50% of total Group revenue, alongside progression of our Web operations which now accounts for 49% of total Indirect revenue in the 9 months ended 30 September 2024.

On an unaudited proforma basis, revenue for the 12 months ended 30 September 2024 reached £86.2m, representing a 22% increase compared to the prior year. This growth comprised 6% organic growth, driven by deeper relationships with blue-chip brands and continued expansion of Web, offset by softer Social revenues as a result of the Facebook commercial model change in calendar Q3. The remainder of the increase in total Group revenue can be attributed to the acquisition of Betches, which occurred in October 2023.

Direct revenue for the 9 months ended 30 September 2024 was £34.4m (FY23 (12m): £29.3m). This increase, despite the shorter reporting period, was primarily driven by the inclusion of Betches, acquired as part of our U.S. expansion strategy, which has strengthened our Direct revenue streams and aligned with our focus on growing Direct revenue through targeted market opportunities.

On an unaudited proforma basis, Direct revenue for the year ended 30 September 2024 increased by 39%, to £43.9m, up from £31.6m in the prior year. The Group continued to deliver high-quality content, retained, strengthened and developed new relationships with key blue-chip brands, expanded its presence in the U.S., and capitalised on significant cultural and sporting moments with successful campaigns during the year.

Indirect revenue for the 9 months ended 30 September 2024 was £29.4m, down from £37.1m in the prior year. This decline reflects the impact of the shorter reporting period, as well as changes in Facebook's commercial model which resulted in some short-term volatility in Social revenues in calendar Q3. As with previous platform changes, we were able to quickly adapt and saw a return to normalised levels on exiting Q1 FY25.

On an unaudited proforma basis, Indirect revenue grew by 6% to £40.7m from £38.3m in the prior year. This growth was driven by an expanding audience base and significant monetisation improvements in our Web proposition, aligning with the Group's strategy of delivering specialised content to targeted audiences.

Operating expenses

Net operating expenses for the 9 months ended 30 September 2024 amounted to £52.4m, compared to £61.4m for the previous 12 month period. On an unaudited proforma basis, net operating expenses for the 12 months ended 30 September 2024 were £71.3m, representing an 19% increase from £59.8m in the prior year. This increase primarily reflects the inclusion of a full year of operating costs associated with Betches.

Adjusted EBITDA

Adjusted EBITDA for the 9 months ended 30 September 2024 was £16.9m, compared to £17.4m for the year ended 31 December 2023.

On an unaudited proforma basis, Adjusted EBITDA was £24.5m for the 12 months ended 30 September 2024, a 16% increase from £21.1m in the previous year. Whilst this improvement reflects the Group's effective management of core operations, growth in Adjusted EBITDA has been impacted by investments for growth of £3.4m which have focused on our Direct and Web segments, and which are already delivering positive results.

Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategy and is a benchmark that has been used by management and the investment community to assess the performance of the Group. 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 GAAP measure, being Profit Before Tax. It is therefore important to understand the nature of any adjusting items.

Share-Based Payment Charges

Share-based payment charges decreased by £3.2m during the period, to £0.7m compared to £3.9m as of 31 December 2023. The reduction was primarily driven by the vesting of certain Non-Executive Director share schemes in the prior year, which resulted in a decline in associated expenses for the current period.

Amortisation and Depreciation

Amortisation for the 9 months ended 30 September 2024 was £1.8m, up from £1.4m in the prior period, mainly reflecting the charge against intangible assets acquired through Betches.

Unaudited proforma amortisation for the 12 months ended 30 September 2024 was £2.4m, compared to £1.0m in the prior year. This is due to the amortisation of intangible assets recognised as part of the Betches acquisition in October 2023.

The depreciation charge for the 9 months ended 30 September 2024 was £1.8m (FY23 (12m): £2.1m) On a pro-rata basis, the current year charge reflects an increase, primarily driven by higher depreciation on right-of-use assets and new additions during the year.

Adjusting Items

Adjusting items were £nil for the 9 months ended 30 September 2024, a decrease from £3.7m in the previous period.

Unaudited proforma adjusting items for the 12 months ended 30 September 2024 were £2.7m, compared to £3.5m in the prior year. These items included costs related to business reorganisations and acquisition-related fees, which management considers non-recurring.

Net finance costs

Net finance costs increased by £0.4m to £0.9m (FY23 (12m): £0.5m). The increase in finance costs reflect the unwinding of the discount on contingent consideration of £1.0m arising on acquisition (FY23 (12m): £0.3m), offset by an increase in finance income of £0.2m.

Share of joint ventures

The share in joint ventures amounted to £0.5m for the nine months ended 30 September 2024 (FY23 (12m): £0.3m). This increase reflects the growth and improved profitability of Pubity Group Ltd.

Profit before tax

Profit before tax for the 9 months to 30 September 2024 increased to £12.1m, more than doubling from £5.9m in the prior year. This improvement was driven by lower depreciation and amortisation expenses due to the shorter reporting period, as well as a reduction in adjusting items.

Taxation

The tax charge for the period as £3.2m (FY23 (12m): £4.3m).

Balance Sheet

As of 30 September 2024, the balance sheet shows a strengthened financial position with a £5.8m increase in total assets and an £8.0m rise in net assets from 31 December 2023.

The balance sheet reflects a stronger liquidity position and a bank facility free structure.

Total assets increased by £5.8m to £97.1m from £91.3m, mainly due to trading performance and improved cash conversion, offsetting decreases in non-current assets, such as goodwill and PPE.

Total liabilities reduced by £2.2m to £24.0m. Non-current liabilities declined by £4.5m due to reductions in lease liabilities based on payments made in the year of £1.6m and a £3.1m ($4.0m) payment of contingent consideration relating to the Betches acquisition.

Included within reserves movements in the year is a £1.6m currency translation difference (FY23 (12m): £1.1m). The increase in the year relates to foreign exchange movements on intercompany loans.

Cashflow and cash position

The Group continues to maintain a strong cash position of £27.2m (FY23 (12m): £15.8m). Cash generated from operations was £20.3m for the 9 month period (FY23 (12m): £10.1m).

Cash conversion in the period was 120% of adjusted EBITDA (FY23 (12m): 78%). This has been driven by improved focus on working capital management. During the period, we made lease payments of £1.6m (FY23: £1.3m).

On an unaudited proforma basis, cash decreased from £30.7m to £27.2m over the 12 months ended 30 September 2024, reflecting a net reduction of just £3.5m.

This is particularly notable given the significant cash outflows related to the acquisition of Betches, including £17.6m paid at the time of acquisition and a further £3.1m in contingent consideration settled in July 2024.

Solly Solomou
Chief Executive Officer
22 January 2025

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2024

	Period ended 30 September 2024 £'000	Year ended 31 December 2023 £'000
Revenue	**64,945**	67,510
Net operating expenses	**(52,383)**	(61,423)
Decrease in expected credit losses of trade receivables	**–**	(22)
Operating profit	**12,562**	6,065
Analysed as:		
Adjusted EBITDA[1]	**16,929**	17,368
Depreciation	**(1,814)**	(2,088)
Amortisation	**(1,820)**	(1,369)
Asset impairment and release of related liabilities	**–**	(318)
Equity settled share-based payments charge	**(566)**	(3,853)
Cash settled share-based payments charge	**(167)**	–
Adjusting items	**–**	(3,675)
Group operating profit	**12,562**	6,065
Finance income	**289**	106
Finance costs	**(1,217)**	(565)
Net finance costs	**(928)**	(459)
Share of post-tax profits of equity-accounted joint venture	**505**	331
Profit before taxation	**12,139**	5,937
Income tax expense	**(3,185)**	(4,271)
Profit for the financial year attributable to equity holders of the Company	**8,954**	1,666
Currency translation differences (net of tax)	**(1,562)**	(1,082)
Profit and total comprehensive income for the financial year attributable to equity holders of the Company	**7,392**	584
Basic earnings per share (pence)	**4.3**	0.8
Diluted earnings per share (pence)	**4.1**	0.8

1. Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation, asset impairment and release of related liabilities, 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
As at 30 September 2024

	As at 30 September 2024 £'000	**As at 31 December 2023 £'000**
Assets		
Non-current assets		
Goodwill and other intangible assets	**37,330**	39,782
Property, plant and equipment	**4,947**	5,982
Investments in equity-accounted joint ventures	**1,195**	690
Other receivables	**219**	198
Deferred tax asset	**274**	24
Total non-current assets	**43,965**	46,676
Current assets		
Trade and other receivables	**25,982**	28,765
Current tax asset	**–**	62
Inventory	**22**	27
Cash and cash equivalents	**27,174**	15,800
Total current assets	**53,178**	44,654
Total assets	**97,143**	91,330
Equity		
Called up share capital	**209**	207
Share premium reserve	**28,993**	28,993
Accumulated exchange differences	**(2,615)**	(1,053)
Retained earnings	**46,572**	37,006
Total equity	**73,159**	65,153
Liabilities		
Non-current liabilities		
Non-current lease liability	**1,757**	2,975
Provisions	**482**	446
Non-current contingent consideration	**3,240**	6,523
Deferred tax liability	**535**	556
Total non-current liabilities	**6,014**	10,500
Current liabilities		
Current lease liability	**2,485**	2,507
Trade and other payables	**9,460**	8,906
Contingent consideration	**3,811**	3,016
Current tax liabilities	**2,214**	1,248
Total current liabilities	**17,970**	15,677
Total liabilities	**23,984**	26,177
Total equity and liabilities	**97,143**	91,330

CONSOLIDATED STATEMENT OF CASH FLOWS
Period ended 30 September 2024

	Period ended 30 September 2024 £'000	Year ended 31 December 2023 £'000
Net cash flow from operating activities		
Profit for the financial period/year	**8,954**	1,666
Income tax	**3,185**	4,271
Net interest expense	**928**	459
Share of post-tax profits of equity-accounted joint venture	**(505)**	(331)
Operating profit	**12,562**	6,065
Depreciation charge	**1,814**	2,088
Amortisation of intangible assets	**1,820**	1,369
Asset impairment and release of related liabilities	**–**	318
Equity settled share-based payments	**566**	3,853
Cash settled share-based payment	**167**	–
Settlement of cash settled share options	**(305)**	–
Gain on disposal of property, plant and equipment	**–**	(30)
Effect of exchange rates on contingent consideration	**(13)**	–
Decrease/(increase) in trade and other receivables	**2,737**	(4,151)
Increase in trade and other payables	**916**	588
Cash generated from operations	**20,264**	10,100
Tax paid	**(2,638)**	(2,898)
Net cash generated from operating activities	**17,626**	7,202
Cash flows from investing activities		
Purchase of intangible assets	**(563)**	(1,045)
Purchase of property, plant and equipment	**(466)**	(954)
Stamp duty paid	**–**	(26)
Acquisition of subsidiary, net of cash acquired	**–**	(17,580)
Payment of contingent consideration	**(3,120)**	–
Net cash used in investing activities	**(4,149)**	(19,605)
Cash flows from financing activities		
Lease payments	**(1,621)**	(1,323)
Lease deposits paid	**(50)**	(23)
Lease deposits received	**25**	544
Proceeds from share issue	**2**	1
Interest paid	**(182)**	(142)
Net cash used in financing activities	**(1,826)**	(943)
Net increase/(decrease) in cash and cash equivalents	**11,651**	(13,346)
Cash and cash equivalents at the beginning of the period/year	**15,800**	29,268
Effect of exchange rate changes on cash and cash equivalents	**(277)**	(122)
Cash and cash equivalents at the end of the period/year	**27,174**	15,800

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 30 September 2024

	Share capital £'000	Share premium £'000	Accumulated exchange differences £'000	Retained earnings £'000	Total Equity £'000
Balance as at 1 January 2023	206	28,993	29	31,998	61,226
Profit for the financial year	–	–	–	1,666	1,666
Currency translation differences	–	–	(1,082)	–	(1,082)
Total comprehensive (loss)/income for the year	–	–	(1,082)	1,666	584
Issue of shares in the year	1	–	–	–	1
Share based payments	–	–	–	3,853	3,853
Equity settled share options switched to cash settled share options	–	–	–	(494)	(494)
Deferred tax on share options	–	–	–	(17)	(17)
Total transactions with owners, recognised directly in equity	1	–	–	3,342	3,343
Balance as at 31 December 2023 and 1 January 2024	**207**	**28,993**	**(1,053)**	**37,006**	**65,153**
Profit for the financial period	**–**	**–**	**–**	**8,954**	**8,954**
Currency translation differences	**–**	**–**	**(1,562)**	**–**	**(1,562)**
Total comprehensive (loss)/income for the period	**–**	**–**	**(1,562)**	**8,954**	**7,392**
Issue of shares in the period	**2**	**–**	**–**	**–**	**2**
Share based payments	**–**	**–**	**–**	**566**	**566**
Deferred tax on share options and intangibles	**–**	**–**	**–**	**46**	**46**
Total transactions with owners, recognised directly in equity	**2**	**–**	**–**	**612**	**614**
Balance as at 30 September 2024	**209**	**28,993**	**(2,615)**	**46,572**	**73,159**

NOTES TO THE FINANCIAL STATEMENTS

Period ended 30 September 2024

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 and Wales. The registered office of the Company is 20 Dale Street, Manchester, M1 1EZ. The Company registration number is 13693251.

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

2. Basis of preparation

The consolidated financial statements presented in this document have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial information set out herein does not constitute the Company's statutory accounts for the period ended 30 September 2024 or year ended 31 December 2023 but is derived from those accounts. The financial information has been prepared using accounting policies consistent with those set out in the annual report and accounts for the period ended 30 September 2024. Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies, and those for 2024 will be delivered in due course. The auditors have reported on those accounts; their report was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain any statements under Section 498(2) or (3) of the Companies Act 2006. The financial information is presented in sterling and has been rounded to the nearest thousand (£’000).

3. Going concern

The Group generated profit before tax of £12,139k during the period ended 30 September 2024 (FY23: £5,937k) and, at that date, the Group’s total assets exceeded its total liabilities by £73,159k (FY23: £65,153k) and it had net current assets of £35,208k (FY23: £28,977k).

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 principal 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 social media platforms do not give rise to any concerns with respect to projected trading in the forthcoming 12 months.

The Directors have assessed the Group’s ability to continue as a going concern, considering its significant cash reserves, strong net current asset position, and overall net asset position. Based on this assessment, the Directors do not consider there to be any plausible scenario in which the Group would cease to trade as a going concern within 12 months from the date of approval of these financial statements.

As part of their assessment, the Directors have modelled a plausible downside scenario, which includes the potential loss of a key customer. The results indicate that the Group’s business model is resilient and capable of withstanding this event while maintaining sufficient cash reserves.

In addition, the Directors have prepared a severe downside scenario to determine the level of revenue decline required for the Group to no longer be considered a going concern. The analysis demonstrates that revenue would need to fall by 75% from forecast levels for this to occur. Even in this extreme scenario, the Group would retain sufficient liquidity to meet its obligations and continue operations beyond 30 April 2026.

Accordingly, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

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 £1,018k of property, plant and equipment held in the United States (FY23: £1,311k), £419k held in Ireland (FY23: £59k), and £nil held in Australia (FY23: £63k).

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:

	FY24 £'000	FY23 £'000
Direct	**34,443**	29,349
Indirect	**29,368**	37,111
Other	**1,134**	1,050
	64,945	67,510

The geographical analysis of revenue by customer location is:

	FY24 £'000	FY23 £'000
United Kingdom	**24,073**	24,230
U.S.	**20,564**	9,571
Ireland	**15,810**	26,379
Australia	**457**	4,206
Rest of the World	**4,041**	3,124
	64,945	67,510

Major customers

In FY24 there was 1 major customer that individually accounted for at least 10% of total revenue (FY23: 1) (Customer A: 20%) (FY23: Customer A: 34%). The total revenues relating to this customer in FY24 was £13,209k (FY23: total revenues relating to this customer was £23,203k).

5. Employees and Directors

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

	Number of employees FY24	Number of employees FY23
Sales	**50**	43
Administration	**421**	403
	471	446

The aggregate payroll costs of these persons were as follows:

	FY24 £'000	FY23 £'000
Wages and salaries	**23,059**	25,142
Social security costs	**2,421**	2,863
Other pension costs	**497**	516
Share based payments	**733**	3,853
Total payroll costs	**26,710**	32,374
Capitalised payroll costs to software costs	**(211)**	(281)
Net payroll costs recorded within net operating expenses	**26,499**	32,093

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 £497k (FY23: £516k).

Pension contributions included in accruals at 30 September 2024 were £124k (31 December 2023: £118k).

Key management compensation

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

	FY24 £'000	FY23 £'000
Salaries including bonuses	**930**	1,181
Social security costs	**122**	152
Short-term monetary benefits	**8**	7
Termination benefits	**–**	267
Share based payment charge	**340**	2,672
Total short-term benefits	**1,400**	4,279

Directors

The Directors' emoluments were as follows:

	FY24 £'000	FY23 £'000
Directors' aggregate emoluments	**930**	1,183
Defined contribution pension[1]	**5**	7
Gain on exercise of share options[2]	**1,927**	–
Share based payment charge	**340**	2,672
	3,202	3,862

1. In the period, 1 Director accrued retirement benefits in respect of qualifying services under a defined contribution scheme (FY23: 2 Directors).

2. In the period, 2 Directors exercised share options and received shares under long-term incentive schemes (FY23: no Directors).

Remuneration was paid by LADbible Group Limited, a subsidiary company of the Group.

The remuneration of the highest paid Director, excluding share-based payment charge, was as follows:

	FY24 £'000	**FY23 £'000**
Directors' aggregate emoluments	**348**	373
Defined contribution pension	**–**	–
	348	373

The highest paid Director did not exercise share options within the current or prior period. No shares were received or receivable by the Director in the current or prior period in respect of qualifying services under a long term incentive scheme.

6. Net operating expenses

	FY24 £'000	**FY23 £'000**
Employee benefit expense	**26,499**	32,093
Amortisation	**1,820**	1,369
Depreciation	**1,814**	2,088
Asset impairment and release of related liabilities	**–**	318
Auditor's remuneration	**442**	275
Legal and professional	**1,920**	1,721
Media costs	**5,075**	5,841
Production costs	**5,772**	5,285
Travel and expenses	**1,221**	1,366
Establishment costs	**6,011**	6,481
Foreign currency loss/(gain)	**635**	(110)
Adjusting items	**–**	3,675
Other expenses	**1,174**	1,021
Total net operating expenses	**52,383**	61,423

Auditor's remuneration in FY24 includes £335k (FY23: £260k) for the audit of the Group and £15k for the audit of the Company (FY23: £15k), the remaining £92k relates to additional fees incurred in relation to the FY23 audit.

A breakdown of the asset impairment and release of related liabilities is provided below:

	FY24 £'000	**FY23 £'000**
Impairment of plant, property and equipment	**–**	559
Release of dilapidation provision	**–**	(123)
Modification of lease liability	**–**	(118)
Total asset impairment and release of related liabilities	**–**	318

During the prior year, as part of the ANZ business reorganisation, the Group impaired certain assets which included right of use assets, released a dilapidation provision no longer required and modified a lease liability after a reduction in the lease term was agreed with the landlord.

A breakdown of adjusting items is provided below:

	FY24 Gross £'000	FY24 Tax impact £'000	FY23 Gross £'000	FY23 Tax impact £'000
Costs associated with business reorganisations – ANZ	–	–	1,371	406
Acquisition related fees	–	–	1,141	331
One-off retention payment in 2023	–	–	621	158
Costs associated with business reorganisations – Non-ANZ	–	–	609	152
Tax credits	–	–	(67)	(17)
Total adjusting items	–	–	3,675	1,030

The blended tax rates for each adjusting item differ due to the costs being incurred within different jurisdictions, thus incurring tax at differing rates.

Costs associated with business reorganisations – ANZ

On 8 November 2023, the Group announced changes to the Group's operating model within ANZ to address declining profitability. This change involved centralising the Social and Web operations into the UK, as well as appointing a third-party partner, Val Morgan Digital, to perform commercial operations in Australia and New Zealand. Significant costs were incurred, mainly the termination costs of the local team members that didn't transfer to Val Morgan Digital and it is appropriate to categorise these costs as adjusting items to better reflect the underlying performance of the Group.

These adjusting items total £nil (FY23: £1,371k) and include £nil (FY23: £1,210k) of staff related costs and £nil (FY23: £161k) of non-staff related costs. Of the total cost of £1,371k, £375k was paid within the period (FY23: £964k), with the remaining balance of £32k (FY23: £407k) being accrued at the year end date.

Acquisition related fees

Acquisition related costs of £nil (FY23: £1,141k) include legal, professional advisor and other costs directly attributable to the acquisition of Betches Media, LLC in October 2023, and other target acquisitions. Of the total cost of £1,141k, £313k was paid within the period (FY23: £828k), with £nil (FY23: £313k) being accrued at the year end date.

One-off retention payment in 2023

In FY23, recognising a set of unique circumstances of stabilising and retaining staff following the large reorganisation in the last quarter of 2022 that was also compounded by the cost-of-living crisis, the Group made a payment of £710k to employees to mitigate retention risks. This payment was fully repayable if they chose to leave within the year, £89k was recovered in the prior year as a result of leavers. Due to the one-off nature of this payment and to facilitate meaningful understanding of underlying performance and comparison with prior and future years this was considered an adjusting item. The cost of £621k was recognised in full within FY23 and there was no outstanding liability at the year end.

Costs associated with business reorganisations – Non-ANZ

Costs associated with team member reorganisations within the prior year of £609k related to exit costs of personnel leaving the business due to reorganisations within our operating divisions and Board. £397k of that cost related to Board level changes due both the resignation of the CFO in April 2023 which led to some dual CFO costs and the resignation of the COO in July 2023 who left the business at that point. The remaining £212k related to the exit costs of senior team members. Due to the nature of these costs, management deemed them to be adjusting items in order to better reflect the underlying performance of the Group. Exit costs outside of these circumstances were treated as operating expense.

Of the total cost of £609k, £152k was paid within the period (FY23: £457k), with £nil (FY23: £152k) accrued at the year end date.

Tax credits

In FY22, the Group agreed to settle a PAYE liability on behalf of two employees, totalling £224k. As this was a one-off settlement, it was classified as an adjusting item. In the prior year, following a settlement agreement with HMRC this liability was reduced by £67k and the revised liability of £157k was paid in full. As this was a one-off settlement, this was classified as an adjusting item.

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:

	FY24	FY23
Earnings per share from continuing operations		
Earnings, £'000	**8,954**	1,666
Number of shares, number (m)	**209.1**	206.5
Earnings per share, pence	**4.3**	0.8

Diluted earnings per share calculation:

	FY24	FY23
Diluted earnings per share from continuing operations		
Earnings, £'000	**8,954**	1,666
Number of shares, number (m)	**217.7**	217.7
Diluted earnings per share, pence	**4.1**	0.8

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

	FY24 (m)	FY23 (m)
Number of shares in issue at the start of the period	**206.5**	205.7
Effect of shares issued in period	**2.6**	0.8
Weighted average number of shares used in basic earnings per share	**209.1**	206.5
Employee share options	**8.6**	11.2
Weighted average number of shares used in diluted earnings per share	**217.7**	217.7

8. Net finance costs

	FY24 £'000	FY23 £'000
Unwinding of discount on provisions	**(17)**	(24)
Unwinding of discount on contingent consideration liability	**(1,014)**	(314)
On lease interests	**(182)**	(142)
Other interest	**(4)**	(85)
Finance costs	**(1,217)**	(565)
Unwinding of discounts on deposits	**7**	57
Bank interest received	**282**	49
Finance income	**289**	106
Net finance costs	**(928)**	(459)

9. Income tax expense

Tax expense included in profit or loss:

	FY24 £'000	FY23 £'000
Current year tax:		
Current taxation charge for the period	**2,758**	3,742
Adjustments in respect of prior years	**273**	146
Foreign tax suffered	**635**	-
Total current tax	**3,666**	3,888
Deferred tax:		
Current year	**5**	231
Adjustments in respect of prior years	**(486)**	115
Effect of change in tax rates	**–**	37
Total deferred tax	**(481)**	383
Total tax on profit on ordinary activities	**3,185**	4,271
Equity items		
Current tax	**–**	–
Deferred tax	**(46)**	17
Total tax recognised in equity	**(46)**	17

Reconciliation of tax charge

The tax assessed for the year is higher (FY23: higher) than at the standard rate of corporation tax in the UK. The differences are explained below:

	FY24 £'000	FY23 £'000
Profit before taxation	**12,139**	5,937
Tax on profit multiplied by standard rate of corporation tax in the UK at 25.0% (FY23: 23.50%)	**3,035**	1,395
Effects of:		
Adjustments in respect of prior years	**(110)**	260
Expenses not deductible	**252**	555
Income not taxable	**(134)**	–
Effect of change in UK tax rates	**–**	37
Effects of overseas tax rates	**(50)**	(152)
Exempt items	**–**	25
Amounts not recognised	**4**	1,434
Foreign exchange	**–**	4
Effect of deferred tax on share options	**188**	713
Total taxation charge	**3,185**	4,271

Amounts not recognised in 2023 include losses incurred from the changes to ANZ operations during the year.

10. Goodwill and other intangible assets

	Trade-marks and licenses £'000	Software £'000	Relationships £'000	Brand £'000	Content library £'000	Goodwill £'000	Social Media Pages £'000	Total £'000
Cost								
At 1 January 2023	28	1,183	1,300	4,694	300	10,094	1,074	18,673
Additions	–	524	–	–	–	–	521	1,045
Acquired through business combination	–	–	3,850	6,744	–	15,197	–	25,791
Exchange adjustments	–	–	(164)	(294)	–	(646)	(21)	(1,125)
At 31 December 2023	28	1,707	4,986	11,144	300	24,645	1,574	44,384
Additions	**–**	**211**	**–**	**–**	**–**	**–**	**352**	**563**
Disposals	**–**	**(404)**	**–**	**–**	**–**	**–**	**–**	**(404)**
Exchange adjustments	**–**	**–**	**(182)**	**(326)**	**–**	**(718)**	**(23)**	**(1,249)**
At 30 September 2024	**28**	**1,514**	**4,804**	**10,818**	**300**	**23,927**	**1,903**	**43,294**
Accumulated Amortisation								
At 1 January 2023	27	359	550	1,949	298	–	54	3,237
Charge for the year	–	266	225	642	2	–	234	1,369
Exchange adjustments	–	–	–	(2)	–	–	(2)	(4)
At 31 December 2023	27	625	775	2,589	300	–	286	4,602
Charge for the year	**1**	**241**	**442**	**865**	**–**	**–**	**271**	**1,820**
Elimination on disposal	**–**	**(404)**	**–**	**–**	**–**	**–**	**–**	**(404)**
Exchange adjustments	**–**	**–**	**(21)**	**(33)**	**–**	**–**	**–**	**(54)**
At 30 September 2024	**28**	**462**	**1,196**	**3,421**	**300**	**–**	**557**	**5,964**
Net book value								
At 1 January 2023	1	824	750	2,745	2	10,094	1,020	15,436
At 31 December 2023	1	1,082	4,211	8,555	–	24,645	1,288	39,782

At 30 September 2024	**–**	**1,052**	**3,608**	**7,397**	**–**	**23,927**	**1,346**	**37,330**

Goodwill relates to two acquisitions. The first was Bentley Harrington (trading as 'UNILAD') which was acquired in FY18 (£10,094k), the second is Betches which was acquired in FY23 (£15,197k at the date of acquisition). See Note 16 for details of the Betches Media, LLC acquisition.

Brand and relationships intangible assets relate partly to those acquired in the prior year following the Betches acquisition (total of £10,594k at the date of acquisition). The remaining position in this category relate to assets acquired from Bentley Harrington in FY18, net of amortisation to date.

With regard to social media pages, in FY23, the Group acquired the social media accounts, the social media content, the IP records, the third party rights, the records and all intellectual property rights connected to such assets for total consideration of CA$700k (£521k) from Lessons Learned in Life Inc. In FY24, the Group completed the bolt-on asset acquisition of social media pages from Creative Expansions, Inc. for $450k (£352k).

During the year, £404k (FY23: £nil) of fully written down assets were disposed of. Within the year, £563k of the additions were paid for (FY23: £1,045k, net of business combinations).

The individually material intangible assets at the period end, excluding goodwill, are summarised below:

Intangible asset name	**Asset category**	**Net book value at the period end £'000**	**Remaining amortisation period (years)**	**Description**
Betches – Brand	Brand	5,552	9	The Betches brand was acquired in FY23 as part of the acquisition of Betches Media, LLC.
Betches – Content partner relationships	Content partner relationships	3,086	7	The Betches content partner relationships were acquired in FY23 as part of the acquisition of Betches Media, LLC.
UNILAD – Brand	Brand	1,813	4	The UNILAD brand was acquired from Bentley Harrington in FY18.
Go Animals social media pages	Social media pages	832	8	The Go Animals social media pages were acquired in FY22.
UNILAD – Content partner relationships	Content partner relationships	524	4	The UNILAD content partner relationships were acquired from Bentley Harrington in FY18.
Order Management System (OMS)	Software	403	3	The OMS was completed in FY23 and serves as the Group's order management system.
Lessons Learned in Life social media pages	Social media pages	247	1	The Lessons Learned In Life social media pages were acquired in FY23.
Women Working Facebook page	Social media pages	246	2	The Women Working Facebook page was acquired in FY24.

The individually material intangible assets at the prior year end, excluding goodwill, are summarised below:

Intangible asset name	Asset category	Net book value at the year end £'000	Remaining amortisation period (years)	Description
Betches – Brand	Brand	6,325	10	The Betches brand was acquired in FY23 as part of the acquisition of Betches Media, LLC – see Note 16.
Betches – Content partner relationships	Content partner relationships	3,592	8	The Betches content partner relationships were acquired in FY23 as part of the acquisition of Betches Media, LLC – see Note 16.
UNILAD – Brand	Brand	2,150	5	The UNILAD brand was acquired from Bentley Harrington in FY18.
Go Animals social media pages	Social media pages	913	9	The Go Animals social media pages were acquired in FY22.
UNILAD – Content partner relationships	Content partner relationships	621	5	The UNILAD content partner relationships were acquired from Bentley Harrington in FY18.
Order Management System (OMS)	Software	485	4	The OMS was completed in FY23 and serves as the Group's order management system, which is a step change in the way the Group manages the sales process.
Lessons Learned in Life social media pages	Social media pages	374	2	The Lessons Learned In Life social media pages were acquired in FY23.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The performance of the Group has historically been monitored at a Group level, with the Group considered the only cash-generating unit (CGU) in prior periods. However, following the acquisition of Betches in October 2023, it has been determined that Betches operates largely independently of the legacy LBG Media Group, although key strategic decisions are made centrally. As a result, Betches will be treated as a separate CGU going forward.

The NBV of goodwill by CGU is as follows:

CGU	FY24 £'000	FY23 £'000
LBG Media:	**10,094**	10,094
Betches Media, LLC:	**13,833**	14,552

The value in use assessments for both CGUs – LBG Media and Betches – are based on discounted cash flow models prepared over a five-year forecast period, with cash flows extrapolated into perpetuity using a long-term growth rate. Key assumptions used in the value in use calculations are as follows:

LBG Media Group:

- a long-term growth rate of 2.0% (FY23: 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 post-tax discount rate of 13.9% (FY23: 12.0%) 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.

Betches Media, LLC:

- a short-term growth rate of 25.0% (FY23: 25.0%);
- a long-term growth rate of 2.0% (FY23: 2.1%) 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 post-tax discount rate of 13.5% (FY23: 13.9%) 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 entity'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. While the model for Betches remains sensitive to changes in these assumptions due to the proximity of the acquisition, management is comfortable that there is no impairment based on the current performance and outlook.

	Discount rate Change in value in use (£'000s)	**Long term growth rate Change in value in use (£'000s)**
LBG Media CGU		
Used in value in use model:	13.9%	2.0%
Value in use:	165,122	165,122
1% increase	151,164	175,604
1% decrease	180,404	156,264
Betches Media, LLC CGU		
Used in value in use model:	13.5%	2.0%
Value in use:	33,543	33,543
1% increase	31,861	35,778
1% decrease	35,552	31,671

Management has also considered downside scenarios to reflect risks specific to each CGU. For the LBG Media CGU, a downside model was prepared to reflect the potential loss of a key indirect supplier, which would negatively impact revenue. For the Betches CGU, a downside scenario was developed assuming growth in line with the broader digital advertising market at approximately 8% per annum. In all scenarios, the recoverable amounts exceeded the carrying values, and no impairment of goodwill has been recognised.

Based on the results of these assessments, the Directors believe that there are no reasonably possible changes in the key assumptions that would result in an impairment of goodwill for either CGU. The total recoverable amount for each CGU significantly exceeds its carrying amount, providing sufficient headroom under all tested scenarios.

11. Investments in equity-accounted joint ventures

The Group has a 30% (FY23: 30%) interest in joint venture, Pubity Group Ltd, an online media publisher, incorporated and operating in the United Kingdom. Pubity Group's registered office is Unit 14, 7 Wenlock Road, London, England, N1 7SL.

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.

Pubity Group Ltd operates in the same market as the Group and therefore its business risks remain consistent with that of the Group. Details of the Group's business risks can be found in the Groups Annual Report.

Summarised financial information in relation to the joint venture is presented later in this note.

In FY24, additions in the year relates to the Group's share of total comprehensive income of £505k (FY23: £331k).

Name	**Country of incorporation and principal place of business**	**Proportion of ownership interest held as at 30 September 2024**
Pubity Group Ltd	**United Kingdom**	**30%**

Summarised financial information (Pubity Group Ltd)

	As at 30 September 2024 £'000	**As at 31 December 2023 £'000**
Trade and other receivables	**2,663**	1,607
Cash and cash equivalents	**2,119**	567
Non-current assets	**68**	6
Current liabilities	**(1,662)**	(657)
Net assets (100%)	**3,188**	1,523
Group share of net assets (30%)	**956**	457

	Period ended 30 September 2024 £'000	**Year ended 31 December 2023 £'000**
Revenue	**5,356**	3,240
Profit from continuing operations	**1,684**	1,103
Total comprehensive income	**1,684**	1,103
Group share of total comprehensive income (30%)	**505**	331

	FY24 £'000	**FY23 £'000**
Carrying amount of investment		
At 1 January	**690**	359
Group share of total comprehensive income	**505**	331
At end of the period/year	**1,195**	690

12. Cash and cash equivalents

	FY24 £'000	FY23 £'000
Cash and cash equivalents		
Cash at bank and in hand	**27,174**	15,800
	27,174	15,800
In these currencies		
UK Pound	**17,993**	10,123
United States Dollar	**7,829**	4,162
Euros	**1,233**	1,207
Australian Dollar	**54**	291
New Zealand Dollar	**65**	17
	27,174	15,800

13. Share based payments

The Group operates a number of Share Option Schemes under which Executive Directors, Non-Executive Directors, managers and team members of the Group are granted options over shares. The Group did not enter into any share based payment transactions with other parties other than employees during the current or prior period. The charge recognised from equity-settled share-based payments in respect of employee services received during the year is £566k (FY23: £3,822k). The charge recognised from cash-settled share-based payments in respect of employee services received during the year is £167k (FY23: £31k).

	Number of Ordinary Shares										
Scheme	**At 01 January 2023**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2023 and 01 January 2024**	**Granted**	**Modified**	**Forfeited**	**Lapsed**	**Exercised**	**At 30 September 2024**
Australia SIP	71,440	–	(14,288)	–	**57,152**	**–**	**–**	**–**	**(23,218)**	**(30,362)**	**3,572**
Ireland SIP	13,668	–	–	–	**13,668**	**–**	**–**	**(4,556)**	**–**	**–**	**9,112**
UK SIP	511,380	–	(119,322)	–	**392,058**	**–**	**–**	**(66,290)**	**(13,258)**	**(56,820)**	**255,690**
2022 SAYE	420,323	–	(191,132)	–	**229,191**	**–**	**–**	**(61,105)**	**–**	**–**	**168,086**
2023 SAYE	–	355,350	(26,269)	–	**329,081**	**–**	**–**	**(56,100)**	**–**	**–**	**272,981**
Non-Executive Director Awards	2,459,098	–	–	–	**2,459,098**	**–**	**–**	**–**	**–**	**(2,459,098)**	**–**
FY21 Executive Director Awards	899,996	–	(111,002)	–	**788,994**	**–**	**–**	**–**	**–**	**–**	**788,994**
FY24 Executive Director Awards	–	–	–	–	**–**	**1,478,606**	**–**	**–**	**–**	**–**	**1,478,606**
LADbible Incentive Plan	465,002	–	(441,699)	–	**23,303**	**–**	**–**	**(23,303)**	**–**	**–**	**–**
LTIP Group A – Base Award	–	359,084	(88,479)	–	**270,605**	**–**	**–**	**(69,588)**	**–**	**–**	**201,017**
LTIP Group A – Top-up	–	1,726,632	(397,236)	–	**1,329,396**	**–**	**714,286**	**(187,555)**	**–**	**–**	**1,856,127**
LTIP Group D – Base Award	–	187,949	–	–	**187,949**	**–**	**–**	**–**	**–**	**–**	**187,949**
LTIP Group D – Top-up	–	554,907	–	–	**554,907**	**–**	**–**	**–**	**–**	**–**	**554,907**
LTIP Senior Managers	534,283	–	(534,283)	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**
LTIP Group B – Base Award	–	267,141	(95,661)	–	**171,480**	**–**	**–**	**(72,321)**	**–**	**–**	**99,159**
LTIP Group B – Top-up	–	2,279,286	(622,196)	–	**1,657,090**	**–**	**–**	**(1,292,321)**	**–**	**–**	**364,769**

LTIP Group C – Base Award	–	62,678	–	–	**62,678**	**–**	**–**	**–**	**–**	**–**	**62,678**
LTIP Group C – Top-up	–	1,080,179	–	–	**1,080,179**	**–**	**–**	**–**	**–**	**–**	**1,080,179**
LTIP Group E – Base Award	–	478,468	–	–	**478,468**	**–**	**–**	**(478,468)**	**–**	**–**	**–**
LTIP Group E – Top-up	–	92,961	–	–	**92,961**	**–**	**–**	**(92,961)**	**–**	**–**	**–**
LTIP Group F	–	550,239	–	–	**550,239**	**–**	**–**	**–**	**–**	**–**	**550,239**
FY24 LTIP Senior Leadership	–	–	–	–	**–**	**502,392**	**–**	**–**	**–**	**–**	**502,392**
Key Management Personnel Award	789,865	–	–	(351,000)	**438,865**	**–**	**–**	**–**	**–**	**(315,000)**	**123,865**
	6,165,055	7,994,874	(2,641,567)	(351,000)	**11,167,362**	**1,980,998**	**714,286**	**(2,404,568)**	**(36,476)**	**(2,861,280)**	**8,560,322**

	Number of awards granted	**Grant date**	**Vesting date**	**Contractual life (days)**	**Exercise price (£)**	**Hurdle share price for top-up (£)**	**Share price at grant date (£)**	**Annual risk free rate (%)**	**Annual expected dividend growth rate (%)**	**Volatility (%)**	**Fair value per award (£)**	**Valuation Method**
UK SIP	738,660	19/01/22	19/01/25	1,096	–	–	1.94	–	–	40%[1]	1.94	Monte-Carlo
Australia SIP	78,584	26/05/22	26/05/25	1,096	–	–	1.60	–	–	40%[1]	1.60	Monte-Carlo
Ireland SIP	13,668	26/05/22	26/05/25	1,096	–	–	1.60	–	–	40%[1]	1.60	Monte-Carlo
2022 SAYE	568,032	24/05/22	30/06/25	1,133	1.34	–	0.58	1.47%	–	40%[2]	0.58	Black-Scholes
2023 SAYE	355,350	14/06/23	30/06/26	1,112	0.81	–	0.97	4.76%	–	43%[2]	0.40	Black-Scholes
Non-Executive Director Awards	2,459,098	15/12/21	15/12/23	730	–	–	1.75	–	–	40%[1]	1.75	Monte-Carlo
FY21 Executive Director Awards	1,189,280	22/12/21	31/12/24	1,105	–	–	1.94	0.68%	–	40%[1]	1.45	Monte-Carlo
FY24 Executive Director Awards	1,478,606	15/01/24	31/12/25	717	–	1.75	0.87	3.93%	–	58%[4]	0.35	Monte-Carlo

LADbible Incentive Plan	576,053	13/01/22	12/01/25	1,095	–	–	1.94	–	–	40%[1]	1.94	Monte-Carlo
LTIP Group A – Base Award	359,084	13/01/22	12/01/25	1,095	–	–	1.94*	–	–	40%[1]	1.94	Monte-Carlo
LTIP Group A – Top-up	1,726,632	04/05/23	31/12/25	973	–	1.75	1.00	3.76%	–	44%[3]	0.28	Monte-Carlo
LTIP Group D – Base Award	187,949	04/05/23	12/01/25	620	–	–	1.00	3.76%	–	44%[3]	0.35	Monte-Carlo
LTIP Group D – Top-up	554,907	04/05/23	31/12/25	973	–	1.75	1.00	3.76%	–	44%[3]	0.33	Monte-Carlo
LTIP Senior Managers	836,424	12/01/22	12/01/25	1,096	–	–	1.94	–	–	40%[1]	1.29	Monte-Carlo
LTIP Group B – Base Award	267,141	12/01/22	12/01/25	1,096	–	–	1.94*	–	–	40%[1]	1.29	Monte-Carlo
LTIP Group B – Top-up	2,279,286	04/05/23	31/12/25	973	–	1.75	1.00	3.76%	–	44%[3]	0.27	Monte-Carlo
LTIP Group C – Base Award	62,678	04/05/23	12/01/25	620	–	–	1.00	3.76%	–	44%[3]	0.35	Monte-Carlo
LTIP Group C – Top-up	1,080,179	04/05/23	12/01/25	620	–	1.75	1.00	3.76%	–	44%[3]	0.25	Monte-Carlo
LTIP Group E – Base Award	478,468	04/05/23	31/12/25	973	–	–	1.00	3.76%	–	44%[3]	0.42	Monte-Carlo
LTIP Group E – Top-up	92,961	04/05/23	31/12/25	973	–	1.75	1.00	3.76%	–	44%[3]	0.78	Monte-Carlo
LTIP Group F	550,239	04/05/23	31/12/25	973	–	–	1.00	3.76%	–	44%[3]	0.45	Monte-Carlo
FY24 LTIP Senior Leadership	502,392	30/05/24	31/12/25	581	–	–	1.06	4.49%	–	49%[4]	0.41	Monte-Carlo
Key Management Personnel Award	789,865	15/12/21	17/09/22	92	–	–	1.75	–	–	40%[1]	1.75	Monte-Carlo

* These awards were treated as a modification and the fair value of these replacement awards is reflective of the incremental fair value to be recognised on modification.

1. 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.

2. The volatility assumption for the 2023 SAYE scheme is based on the median daily share price volatility for a group of peer companies over a historical period prior to the date of grant with length commensurate with the expected life assumption of 3.05 years. For the 2022 SAYE scheme this was based on the historical 3.1 year volatility of the constituents of the FTSE AIM Media super sector as of the date of grant.
3. The volatility assumption of 44% is based on the median daily share price volatility for a group of peer companies over a historical period prior to the date of grant with length commensurate with the remaining projection period of 2.66 years.
4. The volatility assumptions of 49% and 58% are based on the historical volatility of the Company's TSR at the calculation dare using daily return index data over a period commensurate with the performance period.

Save As You Earn (SAYE) Schemes

The Group operates saving-related share option plans, under which employees save on a monthly basis, over a three-year period, towards the purchase of shares at a fixed price determined when the option is granted. All employees were offered the opportunity to join the SAYE schemes. This price is set at a 20% discount to the average closing price for a share on the five dealing days prior to the grant date. The option must be exercised within six months of maturity of the savings contract, otherwise it lapses.

At 30 September 2024, none of the options were exercisable (31 December 2023: nil).

Share Incentive Plans

In the year ended 31 December 2022, the Group introduced Share Incentive Plan (SIP) awards. These awards are subject to continued employment, and vest after three years. After the third anniversary of the award date employees can elect to sell or transfer the awards.

At 30 September 2024, none of the options were exercisable (31 December 2023: nil).

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. The scheme vesting period was reached on 15 December 2023 and the options were exercised in full in January 2024. The share price at the date of exercise was 78.44p.

At 30 September 2024, none of the options were exercisable (31 December 2023: 2,459,098).

The Company only share-based remuneration charge in the year, relating to the above Non-Executive Director remuneration scheme only was £nil (FY23: £2,341k expense).

Executive Director Awards

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. Within 2023, for two outgoing former Directors the vesting period has been shortened to their leave dates in 2024. Similarly, the number of shares that vest has been pro-rated downwards to align with the shortened tenure.

Further awards were granted within FY24 to Executive Directors, the awards for the Executive Directors, granted in the form of nil cost options, are subject to the satisfaction of stretching performance conditions measured over a three year performance period (1 January 2023 to 31 December 2025) and continued employment. The awards consist of a ‘Base Award’ (which will vest subject to stretching financial targets) and a ‘Stretch Award’ (which will vest subject to stretching total shareholder return targets of 30% and 50% CAGR over a three year performance period ending on 31 December 2025).

At 30 September 2024, none of the options were exercisable (31 December 2023: nil).

LAD Incentive Plans

The Group operates incentive plans for senior employees subject to revenue performance conditions and an Adjusted EBITDA margin underpin. Vesting is contingent upon continued employment. In May 2023 the LADbible Incentive Plan awards were forfeited in return for the Group A awards which mirrored the terms of the original awards with additional market based performance conditions, including top-up awards. The top-up options will only vest if the series of performance conditions are fully met, at which point the quantity of options vesting will represent those equivalent to a fixed maximum value to the option-holder. The scheme was changed in order to better align with the Group’s objectives.

At 30 September 2024, none of the options were exercisable (31 December 2023: nil).

LTIPs – Senior Leadership

The Group operates long term incentive plans for senior employees subject to revenue performance conditions and an Adjusted EBITDA margin underpin. Vesting is contingent upon continued employment. In May 2023 the LTIP Senior Manager awards were forfeited in return for the Group B awards which mirrored the terms of the original awards with additional market based performance conditions, including top-up awards, and removal of the Total Shareholder

Return (TSR) multiplier. The top-up options will only vest if the series of performance conditions are fully met, at which point the quantity of options vesting will represent those equivalent to a fixed maximum value to the option-holder. The scheme was changed in order to better align with the Group's objectives.

Further awards were granted within FY23 and FY24 to senior employees, subject to revenue and market performance conditions and an Adjusted EBITDA margin underpin.

At 30 September 2024, none of the options were exercisable (31 December 2023: nil).

Key Management Personnel Award

Awards were granted to a member of Key Management Personnel (KMP) under the Long Term Incentive Plan on 15 December 2021 (Date of Admission) 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.

Following an election made by the Group to settle liabilities in relation to this scheme in cash (rather than shares), this scheme was reassessed as a cash-settled share scheme in the prior year. The cash-settled share-based payment liability at 30 September 2024 is £182k (31 December 2023: £375k). This liability is included within other payables. 315,000 options were exercised within the period (FY23: 351,000) at a weighted average share price of 95.64p at the date of exercise (FY23: 87.29p). The cash settlement of these exercised options totalled £305k in the period.

At 30 September 2024, 132,865 of the options were exercisable (31 December 2023: 438,865).

14. Called up share capital

Ordinary shares of £0.001 each	**FY24 Number**	**FY24 £**	**FY23 Number**	**FY23 £**
At 01 January	**206,620,642**	**206,621**	205,714,289	205,714
Issued during the year	**2,459,098**	**2,459**	906,353	907
At period/year end	**209,079,740**	**209,080**	206,620,642	206,621

15. Subsequent events

The Group established an Employee Benefit Trust (EBT) during the year to facilitate the remuneration of employees, including the administration of share-based payment schemes. The EBT is managed independently and operates under the terms of the trust deed, funded by the Group.

The EBT did not hold any shares at the reporting date. However, subsequent to the year-end, the EBT acquired shares totalling £1,900k to support its objectives. These post-year-end transactions will be reflected in the Group's consolidated financial statements for the next reporting period.

16. Acquisitions

On 17 October 2023, the Group acquired the entire share capital of Betches Media, LLC ('Betches') for total consideration of £29,175k ($35,593k).

Betches is a US-based media brand founded by women and focused on digital media content production and publication for women.

Consideration for the acquisition was entirely in cash, with no shares in the Group issued to the sellers. The cash consideration is comprised of £19,541k ($23,840k) funded from existing cash resources, with up to a further $30,000k cash consideration payable in instalments (£23,548k at the closing balance sheet rate), subject to Betches achieving certain revenue and EBITDA targets to 2026. The contingent consideration is payable in annual tranches from March 2024 up until March 2026.

Of the maximum contingent consideration of $30,000k (£23,548k) payable to the sellers, based upon revenue and EBITDA forecasts at the date of acquisition, a total of £9,634k ($11,753k) is management's best estimate of the amount payable within a range of potential outcomes. The fair value of total consideration at the date of acquisition is therefore £29,175k.

The contingent consideration estimate remains management's best estimate. The Group have paid £3,120k ($4,000k) to the founders in relation to the earnout and the remaining liability on the balance sheet is £7,051k. Refer to the contingent consideration section of this note for a reconciliation of the current position.

Summary of the acquisition balance sheet:

	Fair value recognised on acquisition £000
Net assets	
Non-current assets	
Content partnership relationships	3,850
Brand	6,744
Fixed assets	261
Right of use asset	1,143
Current assets	
Cash	1,713
Security deposits	63
Accounts receivable	3,915
Inventory	31
Prepayments	380
Contract asset	422
Current liabilities	
Accounts payable	(97)
Accruals	(998)
Provisions	(7)
Other payables	(39)
Transaction costs payable	(2,285)
Lease liability	(239)
Non-current liabilities	
Lease liability	(879)
Total identifiable net assets at fair value	13,978
Goodwill arising on acquisition	15,197
Total purchase consideration transferred	29,175
Purchase consideration:	
Cash	19,293
Amounts unpaid	248
Contingent consideration	9,634
Total purchase consideration	29,175

Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	1,713
Cash paid	(19,293)
Acquisition of subsidiaries, net of cash acquired (included in cash flows from investing activities)	(17,580)
Transaction costs of the acquisition (included within cash flows from operating activities)	(799)
Net cash outflow	(18,379)

Cash consideration per the RNS on 18 October 2023 was noted as being $24,000k (£19,673k). The difference between this and that noted as the initial cash payment of $23,537k (£19,293k) are adjustments in line with the acquisition agreement for working capital movements, cash reflected on acquisition, sell-side transaction expenses and bonus accruals, totalling $463k (£380k).

Further as a result of the finalisation of the completion accounts an additional £228k (£248k at the acquisition date spot rate) remains unpaid at 30 September 2024, we expect this to be paid in FY25.

17. Contingent consideration

The Group has adopted the following fair value hierarchy in relation to its financial instruments that are carried in the balance sheet at the fair values at the year end (being solely contingent consideration):

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table sets out the fair value of all financial assets and liabilities that are measured at fair value:

	FY24			**FY23**		
Liabilities measured at fair value	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**
Contingent consideration	**–**	**–**	**7,051**	–	–	9,539
Total	**–**	**–**	**7,051**	–	–	9,539

Contingent consideration is included in Level 3 of the fair value hierarchy. The provision for contingent consideration is in respect of the Betches Media, LLC acquisition in October 2023, further details of which can be found above. The fair value is determined considering the expected payments, discounted to present value using a risk adjusted discount rate.

The significant unobservable inputs are the financial performance forecasts for the Year 1 (2023), Year 2 (2024), Year 3 (2025) and Year 4 (2026) twelve month periods and the risk adjusted discount rate of 17.6%.

The estimated fair value could increase or decrease if Revenue or EBITDA was higher or lower. This is because the potential earn out payments are split into two tranches.

The first element of contingent consideration (Earnout 1) is based upon Betches Media, LLC revenue performance in 2023, 2024 and 2025 respectively. Contingent consideration of up to $15m is payable under Earnout 1 in three tranches in 2024, 2025 and 2026 respectively.

The second element of contingent consideration (Earnout 2) is based upon Betches Media, LLC meeting a minimum EBITDA hurdle in 2023, 2024, 2025 and 2026. Contingent consideration of up to $15m is payable under Earnout 2 in four tranches in 2024, 2025, 2026 and 2027 respectively.

At the acquisition date the discounted fair value of the contingent consideration was estimated at £9,634k having been determined from management’s estimates of the range of outcomes and their respective likelihoods.

At 30 September 2024, the value of the contingent consideration after unwinding of the discounting and a £3,120k ($4,000k) earnout payment was £7,051k (31 December 2023: £9,539k). Adjustments to the fair value of the contingent consideration are made in the Consolidated Statement of Comprehensive Income under IFRS 3 Business Combinations.

Further, the estimated fair value would increase or decrease if the risk adjusted discount rate was higher or lower. A reasonably possible change to one of these significant unobservable inputs, holding the other inputs constant, would have the following effects:

	FY24		**FY23**	
Effect of change in assumption on income statement	**Increase £000**	**Decrease £000**	**Increase £000**	**Decrease £000**
Revenue movement by £500k	**–**	**–**	–	–
EBITDA movement by £500k	**1,940**	**–**	928	–
Risk adjusted discount rate change by 1.0%	**51**	**53**	79	85

Note that moving revenue up or down does not impact the fair value because without meeting the EBITDA hurdle, tranche 2 payments will not be made.

However, if the EBITDA hurdle was met, then the earnout 2 payments would be material.

For example, if revenue was $25m (£15.7m) in each of the years 2024, 2025 and 2026 and the EBITDA hurdle was met, then the additional earnout payments would be £0.8m per annum.

A reconciliation from the opening to closing contingent consideration balance can be found below:

	FY24 £000	**FY23 £000**
At 1 January	**9,539**	–
Recognition on the acquisition of subsidiary undertakings	**–**	9,634
Unwinding of discount[1]	**1,014**	314
Settlement of consideration	**(3,120)**	–
Effect of exchange rates on the settlement of consideration	**(13)**	–
Exchange adjustment	**(369)**	(409)
At period/year end	**7,051**	9,539
Analysed as:		
Amounts falling due within 12 months	**3,811**	3,016
Amounts falling due after one year	**3,240**	6,523
At period/year end	**7,051**	9,539

1. The discount rate used for the unwinding of the contingent consideration is 17.6%.

Unaudited Proforma Statement of Comprehensive Income

The unaudited proforma consolidated statement of comprehensive income has been included as supplementary information to the statutory 9-month reporting requirements. It is intended to provide insight into the Group's performance on an annualised basis, recognising the significance of the fourth calendar quarter. This unaudited proforma information is unaudited and does not constitute part of the audited financial statements. Selected income statement data has been sourced from the Group's management accounts for the two comparative periods. Additional notes, including segmental analysis and key assumptions underlying the proforma income statement, are detailed below.

		AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Note	9 months ended 30 Sept 24 £'000	Plus 3 months ended 31 Dec 23 £'000	12 months ended 30 Sept 24 £'000	Year ended 31 Dec 23 £'000	Deduct 3 months 01 Oct 23 to 31 Dec 23 £'000	Plus 3 months ended 1 Oct 22 to 31 Dec 22 £'000	12 months ended 30 Sept 23 £'000
Revenue	8	**64,945**	21,300	**86,245**	67,510	(21,300)	24,685	**70,895**
Net operating expenses		**(52,383)**	(18,895)	**(71,278)**	(61,445)	18,895	(17,295)	**(59,845)**
Operating profit/(loss)		**12,562**	2,405	**14,967**	6,065	(2,405)	7,390	**11,050**
Analysed as:								
Adjusted EBITDA		**16,929**	7,546	**24,475**	17,368	(7,546)	11,304	**21,126**
Depreciation		**(1,814)**	(786)	**(2,600)**	(2,088)	786	(450)	**(1,752)**
Amortisation		**(1,820)**	(574)	**(2,394)**	(1,369)	574	(216)	**(1,011)**
Asset impairment and release of related liabilities		**–**	(318)	**(318)**	(318)	318	–	**–**
Share based payments charge		**(733)**	(760)	**(1,493)**	(3,853)	760	(685)	**(3,778)**
Adjusting items	9	**–**	(2,703)	**(2,703)**	(3,675)	2,703	(2,563)	**(3,535)**
Group operating profit/(loss)		**12,562**	2,405	**14,967**	6,065	(2,405)	7,390	**11,050**
Finance income		**289**	58	**347**	106	(58)	4	**52**
Finance costs		**(1,217)**	(351)	**(1,568)**	(565)	351	(26)	**(240)**
Net finance costs		**(928)**	(293)	**(1,221)**	(459)	293	(22)	**(188)**
Share of post-tax profits of equity accounted joint venture		**505**	218	**723**	331	(218)	24	**137**
Profit/(loss) before taxation		**12,139**	2,330	**14,469**	5,937	(2,330)	7,392	**10,999**
Income tax expense		**(3,185)**	(1,805)	**(4,990)**	(4,271)	1,805	(2,236)	**(4,702)**
Profit/(loss) for the financial year attributable to equity holders of the Company		**8,954**	525	**9,479**	1,666	(525)	5,156	**6,297**
Currency translation differences (net of tax)		**(1,562)**	(1,039)	**(2,601)**	(1,082)	1,039	70	**27**
Profit/(loss) and total comprehensive		**7,392**	(514)	**6,878**	584	514	5,226	**6,324**

income for the financial year attribute to equity holders of the Company								
Basic earnings/(loss) per share (pence)	10	**4.3**	0.3	**4.6**	0.8	(0.3)	2.5	**3.0**
Diluted earnings/(loss) per share (pence)	10	**4.1**	0.2	**4.3**	0.8	(0.2)	2.3	**2.9**

BASIS OF PREPARATION FOR PROFORMA DISCLOSURE

1.Unaudited purpose of proforma disclosure

The proforma statement of comprehensive income has been prepared to provide stakeholders with a full 12 month view of the Group's performance, following the recent change in year-end from 31 December to 30 September. This proforma disclosure covers the period from 1 October 2023 to 30 September 2024, supporting comparability with previous periods and offering insight into the Group's annualised results.

2. Unaudited basis of preparation

The proforma statement of comprehensive income has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom. The accounting policies applied are consistent with those used in the statutory financial statements.

Key assumptions in the proforma statement of comprehensive income include the consistent application of the effective tax rate used in prior financial years and uniform treatment of share-based payments across the proforma period.

Adjusting items have been included in the proforma disclosure, with each item allocated to the period in which it was incurred. This approach provides a realistic view of the Group's financial performance, reflecting all significant items impacting operations during the 12 month period.

3. Unaudited revenue and expense allocation

Revenue recognition has been applied consistently across both the statutory and proforma periods, in line with IFRS 15 guidelines. Revenue streams have been allocated across the proforma period according to performance obligations.

Operating expenses, including direct and indirect costs, have been allocated on a basis consistent with the statutory period.

4. Unaudited adjusting items

Adjusting items during the reporting period are reflected in the proforma statement of comprehensive income based on the actual period in which they were incurred. Detailed notes accompany the proforma statement of comprehensive income, outlining the nature and timing of each adjusting item to enhance transparency and clarity for users.

5. Unaudited taxation

A blended effective tax rate has been applied across the proforma period to reflect relevant tax rates for each segment. Specifically, the FY22 effective tax rate was applied to the first 3 months, with the FY23 effective tax rate applied to the remaining 9 months of the year ended 30 September 2023. For the 12 month proforma period ending 30 September 2024, a blended rate combining the FY23 rate and the rate applicable to the statutory 9 month period has been applied, providing a representative tax view across the proforma period.

6. Unaudited share-based payments

Share-based payments have been calculated and applied consistently throughout the proforma period, using the same valuation methodologies and recognition criteria as in prior periods, ensuring comparability with statutory accounts.

7. Unaudited presentation of comparative information

The proforma statement of comprehensive income serves as supplementary information and is not part of the statutory financial statements. Comparative figures for the statutory 9 month period (1 January 2024 to 30 September 2024) are disclosed alongside the proforma 12 month period for clarity and enhanced comparability.

DISCLOSURES

8. Unaudited revenue

	AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	9 months ended 30 Sept 24 £'000	Plus 3 months ended 31 Dec 23 £'000	Year ended 30 Sept 24 £'000	Year ended 31 Dec 23 £'000	Deduct 3 months 01 Oct 23 to 31 Dec 23 £'000	Plus 3 months ended 1 Oct 22 to 31 Dec 22 £'000	Year ended 30 Sept 23 £'000
Revenue							
Direct	34,443	9,477	**43,920**	29,349	(9,477)	11,763	**31,635**
Indirect	29,368	11,381	**40,749**	37,111	(11,381)	12,542	**38,272**
Other	1,134	442	**1,576**	1,050	(442)	380	**988**
	64,945	**21,300**	**86,245**	67,510	(21,300)	24,685	**70,895**

9. Unaudited adjusting items

A breakdown of adjusting items is provided below

	AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	9 months ended 30 Sept 24 £'000	Plus 3 months ended 31 Dec 23 £'000	Year ended 30 Sept 24 £'000	Year ended 31 Dec 23 £'000	Deduct 3 months 01 Oct 23 to 31 Dec 23 £'000	Plus 3 months ended 1 Oct 22 to 31 Dec 22 £'000	Year ended 30 Sept 23 £'000
Costs associated with business reorganisations	–	1,629	**1,629**	1,980	(1,629)	1,571	**1,922**
Acquisition related fees	–	1,141	**1,141**	1,141	(1,141)	–	**–**
One off retention payment in 2023	–	–	**–**	621	–	–	**621**
U.S. set up costs	–	–	**–**	–	–	626	**626**
Tax (credits)/settlements	–	(67)	**(67)**	(67)	67	365	**365**
	–	**2,703**	**2,703**	**3,675**	**(2,703)**	**2,562**	**3,534**

10. Unaudited EPS

	AUDITED	UNAUDITED	AUDITED	UNAUDITED
	9 months ended 30 Sept 24 £'000	**Year ended 30 Sept 24 £'000**	**Year ended 31 Dec 23 £'000**	**Year ended 30 Sept 2023 £'000**
Basic Earnings per share				
Earnings, £m	8,954	9,479	1,666	6,297
Number of shares (m)	209.1	208.4	206.5	206.5
Earnings per share, pence	**4.3**	**4.6**	**0.8**	**3.0**
Diluted Earnings per share				
Earnings, £m	8,954	9,479	1,666	6,297
Number of shares (m)	217.7	217.7	217.7	217.7
Earnings per share, pence	**4.1**	**4.4**	**0.8**	**2.9**

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.