21 September 2022

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

# LBG Media plc

("LBG Media", the "Company" or "Group")

# Results for the half year ended 30 June 2022

LBG Media plc, the UK-based multi-brand, multi-channel digital youth publisher, is pleased to report its results for the half year ended 30 June 2022. During the period, the Group delivered a robust performance, both operationally and financially, against a challenging macro environment, and continued to grow its global audience and content views.

## OVERVIEW

### Financial Highlights

| | HY22 (£m) | HY21 (£m) | Change |
|---|---|---|---|
| Revenue | | | |
| - Direct | 10.6 | 9.5 | 11% |
| - Indirect | 13.6 | 13.1 | 4% |
| - Other | 0.6 | 0.4 | 61% |
| **Total Group Revenue** | **24.8** | **23.0** | **8%** |
| | | | |
| Adjusted EBITDA[1] | 1.6 | 7.3 | (78%) |
| - Adjusted EBITDA margin[1] | 7% | 32% | (25pp) |
| Adjusted Profit before tax[2] | 0.5 | 6.2 | (92%) |
| (Loss) / Profit before tax | (1.9) | 5.6 | (134%) |
| Cash and cash equivalents | 28.6 | 12.6 | 127% |

- Revenue of £24.8m (HY21: £23.0m), up 8% YoY, compared with a strong prior year, where revenue grew 133% in HY21.
  - Direct revenue increased by 11% to £10.6m (HY21: £9.5m) driven by strong growth in the Group's international operations, most notably its Australia business.
  - Indirect revenue grew by 4% to £13.6m (HY21: £13.1m). The significant growth in the volume of views continued in HY22, up 38% vs the prior year period, reflecting growth in market share. As previously stated, this has been offset by a reduced revenue per view across the platforms as a result of the current economic environment.
- Adjusted EBITDA[1] of £1.6m (HY21: £7.3m), down 78% YoY, and move to statutory loss before tax (HY21: profit), primarily due to investment into people in H2 2021 to increase content and views across our brands and drive growth into the future, along with increased spend on physical marketing events that did not go ahead in the prior year due to Covid-19 restrictions.
- Cash and cash equivalents at the period-end amounted to £28.6m (2021: £34.3m, HY21: £12.6m). The reduction in cash in comparison to the year end is primarily driven by the payment of IPO related costs and the Go Animals acquisition.

### Operational Highlights

- Global audience grew by 62m people (including the Go Animals acquisition) to over 315m (HY21: 253m), with 35.8bn content views in the period, up 38% on the prior year, following investment in people to increase volumes and drive more engaging content across all platforms.
- On 19 May 2022, the Group completed the small bolt on acquisition of the Go Animals Facebook pages, with a total of 6.8m followers, increasing its target audience and bringing a new genre of content to the Group's brand portfolio.
- The Group continued to progress plans to launch operations in the US and has begun the recruitment process in New York City, with activity expected to commence in early 2023.
- The Group signed a new contract with Vodafone to provide a cutting edge solution for its VOXI owned social channels. Vodafone recognised LBG Media's expertise in creating deeply engaging content for youth and young adults at scale. VOXI perfectly aligns with the Group's target audiences, speaking directly to the youth generation and providing services tailored to them.

## OVERVIEW *continued*

### Outlook

In recent weeks, we have seen improving momentum in indirect revenues as we have responded to the demand for more short format videos on our partner platforms, positively impacting revenue per view. This trend is expected to continue throughout our seasonally stronger second half. Direct bookings are also showing good momentum, although advertisers are making decisions with shorter lead-times given current uncertainty around consumer demand into the winter months and we continue to monitor this closely.

Management believes results for the full year will be broadly in line with market expectations[3], supported by activity around the Qatar World Cup as well as the usual seasonal peak. As previously guided, given the investments made in the first half and the end of year peak in advertising activity, profitability is expected to be heavily weighted towards the final quarter of the year.

### CEO, Solly Solomou commented:

*"The Group has seen solid performance in the first half of the year in what is a challenging macro environment. The growth we have achieved in our audience and views is a testament to the hard work of our teams and our ability to adapt creatively to changing market conditions. Our partner brands and platforms recognise our differentiated offering and significant engagement with hard to reach audiences and we remain leaders in our field.*

*We continue to focus on our growth strategy, excited by the potential of the US market, and assess M&A opportunities that are complementary to our existing offering. We remain confident in the long-term prospects for the business and significant growth potential for the future."*

*Notes:*

[1] Adjusted EBITDA – earnings before interest, tax, depreciation, and amortisation adjusted for share based payments (including employers NIC as appropriate) and exceptional items. Adjusted EBITDA margin is Adjusted EBITDA divided by Group Revenue represented as a percentage.

[2] Adjusted Profit before tax - earnings before tax, share based payments (including employers NIC as appropriate) and exceptional items.

[3] External market consensus for year ended 31 December 2022 (FY22) is currently: Revenue £65.4m, Adj EBITDA £20.1m.

### For further information please contact:

| | |
|---|---|
| **LBG Media plc**<br>Tim Croston, Chief Financial Officer<br>Clara Melia, Investor Relations<br>Mark Mochalski, Investor Relations | investors@ladbiblegroup.com |
| **Zeus**<br>**(Nominated Adviser & Broker)**<br>Dan Bate / Nick Cowles / Benjamin Robertson | Tel: +44 (0) 161 831 1512<br>www.zeuscapital.co.uk |
| **Media enquiries**<br>**Buchanan**<br>Richard Oldworth / Chris Lane / Toto Berger / Jack Devoy | Tel: +44 (0) 20 7466 5000<br>www.buchanan.uk.com |

### Analyst Presentation

LBG Media plc will be hosting an analyst presentation on Wednesday 21 September 2022 following the release of these results for the half year ended 30 June 2022. Attendance is by invitation only. Slides accompanying the analyst presentation, along with a recording, will be available on the LBG Media plc website following the event.

### Notes to editors

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

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

## BUSINESS REVIEW

### Overview

In the period ended 30 June 2022, LBG Media delivered a robust performance with revenue up 8% to £24.8m (HY21: £23.0m), building on an exceptional prior year, where revenue grew 133% in HY21. Adjusted EBITDA fell 78% to £1.6m (HY21: £7.3m), primarily due to our investment in staff in H2 2021, enabling the Group to deliver an increased breadth of relevant and exciting content to its global youth audience to drive future growth.

LBG Media remains focused on delivering relevant and exciting content to the youth audience, with the volume of views continuing to grow in HY22, up 38% vs the first half of 2021, driving growth in market share. Following investments made into our teams in the second half of last year, we have increased content volumes and views across our broad portfolio of distinct brands, driving further engagement with our existing audience and increasing our following base.

The global digital media market is forecast to grow at 15%[4] this year, despite the current challenging economic environment. LBG Media operates within some of the fastest growing segments of the digital media market, including social video and mobile, and is therefore well placed to continue to increase its market share.

Our addressable market within our four core geographies of focus, being the United Kingdom, Australia, Ireland and the United States, continues to grow as we increase and diversify our content.

### Revenue

Revenue is generated through our two core revenue channels, Direct and Indirect, and many capabilities with which we monetise the relationship we have with our audience can be used across both sales channels.

Direct revenue is generated from the provision of content marketing services to corporates, brand owners, marketing agencies and other entities such as government bodies, and increased by 11% in HY22 to £10.6m (HY21: £9.5m), driven by strong growth in the Group's international business. Direct revenue also includes some revenue from direct display advertising, where brand owners' pre-existing content (not created by LBG Media) can be displayed across our websites for an agreed fee.

Indirect revenue is generated via a third party, such as a social media platform (e.g. Facebook, Snapchat, YouTube) through social videos or via a programmatic advertising exchange / online marketplace, which holds the relationship with the brand owner or agency, and in the first half of 2022 increased by 4% to £13.6m (HY21: £13.1m). In terms of monetisation, Facebook is an already monetised platform, Snapchat is advancing its monetisation progress, while TikTok and Instagram are at earlier stages of monetisation.

### Audience, followers & engagement

LBG Media's 200 expert content creators produce engaging and relevant content for our audience. The content is then distributed through various platforms and websites and in-depth analysis is then performed on interactions and audience engagement in real time. The learnings from this then drive the refinement of content to make it even more engaging for the audience, in a cycle of continuous improvement.

In the first half of 2022, our global audience grew to 315m, up from 276m[5] at 31 December 2021 and 253m at 30 June 2021. In the UK alone, the Group reaches almost two thirds of 18 to 34 year-olds. Our content was viewed over 35bn times, up 38% YoY and this was well diversified across our brand portfolio.

### Brand portfolio

LBG Media's 11 core brands are each based around specific interest points such as sports, gaming, music, technology, and travel. We have recently launched LADnation, the Group's consumer youth research panel, which already has over 50,000 subscribers. LADnation offers real time insights for brands to uncover the social generation's habits and motivations to help them find ways to connect with their target audiences in an authentic way.

### Strategic progress

The United States is one of the largest social media markets in the world and we have already built a substantial community of followers there whilst being strategically focused on the UK market. In HY22 we commenced a recruitment process to begin to build up a team on the ground, having identified New York City as the perfect home for our new US operations. We expect to have a team of roughly 10 people by the end of the year, including content creators and relationship managers to build brand partnerships and drive growth in Direct revenue.

In May 2022, we completed the small bolt-on acquisition of the 'Go Animals' Facebook pages, with a total of 6.8m followers, increasing our target audience and bringing a new genre of content to our brand portfolio. Since acquisition and rebranding, we have reallocated a small team to create content, increase engagement and bring new followers to the Group.

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4. EMarketer data
5. Updated from 264m reported at year end to include non-core accounts

## BUSINESS REVIEW *(continued)*

### Future growth strategy

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

1) **Geographies:** LBG Media currently has a physical presence in four territories – the UK, Ireland, Australia, and New Zealand. With our new team in the United States, we will continue to increase engagement and followers and begin to monetise the market. We aim to grow these communities, by continuing to create and publish relevant digital content, further building brand awareness levels and increasing follower numbers. The majority of LBG Media's Direct revenue is currently generated in the UK, however, active audiences in other geographies provide a foundation for future growth across both the Indirect and Direct revenue streams.

2) **Mergers & Acquisitions ("M&A"):** Where an established digital media brand with a physical presence and understanding of the local market already exists, it can be significantly more time and cost efficient to access such markets through selective acquisitions compared to building a new brand from scratch. We continue to actively consider and assess M&A opportunities that have diversification potential, both geographically and in terms of genre of content, as we look to increase our audience.

3) **Capabilities**: Our agile model allows us to actively replicate content across any new platforms, ensuring it reaches the widest possible audience and we intend to continue to expand our capabilities to produce innovative content. Increasing audience monetisation is key to driving LBG Media's growth. Currently only Facebook, Snapchat and YouTube facilitate such monetisation of users through adverts, but we believe that in time these capabilities will be introduced across all social media platforms as they mature, providing significant upside opportunities for us.

### Awards/Events

We are pleased to have been nominated for, and subsequently won, several awards that recognise our positive impact on tackling complex social issues, including a bronze award for The Creative Use of Media at this year's Festival of Media Global Awards, for our 'Think Outside The Box' campaign with Tampax and Starcom on Tyla. In addition, we won at the Digiday Content Marketing Awards for 'Best Agency and Client Collaboration' for our campaign with The Walt Disney Company and Publicis for the launch of the Star content hub on Disney+ and the Best Equality & Inclusion Cause Campaign Award for 'A Solider Is A Solider' with The British Army at the Campaign Magazine UK Purpose Awards.

LADstudios has been awarded 'Best Original Web Channel' at the Broadcast Digital Awards and LADbible Australia's documentary series UNHEARD, won the Social Responsibility Award at the Mumbrella Commcon Awards. Additionally, LBG Media was crowned Commercial Team of the Year at The Drum Awards for Online Media and also at the Campaign Magazine UK Media Awards – two wins being testament to our commitment to creating social-first and authentic content for partners to reach and capture a youth audience.

### ESG

As a leading social youth publisher, LBG Media has a powerful global platform to push socially responsible agendas and we have run several social awareness campaigns recently to help raise awareness of key social issues.

Over the last 6 months, we have taken part in the global PRIDE events, supporting and celebrating the LGBTQIA+ community, launching a special episode of The Gap, with two transgender women from different generations. We also launched a new campaign, 'Someone You Love', which aims to end the stigma around talking about abortion, whilst educating our audience on abortion rights closer to home and how they can support women in the US following changes to abortion laws there.

## FINANCIAL REVIEW

| | HY22 £m | HY21 £m | HY22 v HY21 % |
|---|---|---|---|
| Revenue | **24.8** | 23.0 | 8% |
| Net operating expenses | **(26.6)** | (17.4) | 53% |
| **Operating (loss)/profit** | **(1.8)** | 5.7 | (132%) |
| | | | |
| **Adjusted EBITDA[1]** | **1.6** | 7.3 | (78%) |
| Adjusted EBITDA[1] % | **7%** | 32% | (25ppts) |
| Share based payments | **(2.4)** | (0.1) | 1994% |
| Depreciation | **(0.7)** | (0.6) | 4% |
| Amortisation | **(0.4)** | (0.4) | (9%) |
| Exceptional costs | **0.0** | (0.5) | (100%) |
| **Operating (loss)/profit** | **(1.8)** | 5.7 | (132%) |
| | | | |
| Net finance costs | **(0.1)** | (0.1) | (57%) |
| | | | |
| Share of joint ventures | **(0.0)** | 0.1 | (166%) |
| | | | |
| **(Loss)/profit before taxation** | **(1.9)** | 5.6 | (134%) |
| Corporation tax credit/(expense) | **0.1** | (1.4) | (109%) |
| **(Loss)/profit for the period** | **(1.8)** | 4.2 | (143%) |
| | | | |
| Cash and cash equivalents | **28.6** | 12.6 | 127% |

*Notes:*

[1] Earnings before interest, tax, depreciation, and amortisation adjusted for share based payments (including employers NIC as appropriate) and exceptional items. Adjusted EBITDA % is Adjusted EBITDA divided by Group Revenue represented as a percentage.

## FINANCIAL REVIEW *(continued)*

### Key performance indicators ("KPIs")

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

| | HY22 | HY21 | HY22 v HY21 | |
|---|---|---|---|---|
| | £m | £m | £m | % |
| **Financial** | | | | |
| Revenue | **24.8** | **23.0** | 1.8 | 8% |
| Adjusted EBITDA | **1.6** | **7.3** | (5.7) | (78%) |
| Adjusted EBITDA as a % of revenue | **7%** | **32%** | | (25ppts) |
| Adjusted Profit Before Tax | **0.5** | **6.2** | (5.7) | (92%) |
| (Loss) / Profit before Tax | **(1.9)** | **5.6** | (7.1) | (134%) |
| **Non-Financial** | | | | |
| Global audience (m)* | **315** | **253** | 62 | 25% |
| Content views (bn)** | **35.8** | **26.0** | 9.8 | 38% |
| Average number of employees (no.) | **473** | **380** | 93 | 24% |

* Global audience includes social followers and unique website users in June.
** Content views is views of content across all social platforms and websites. The definition of what constitutes a view can vary across the social platforms.

### Revenue

| | HY22 | HY21 | HY22 v HY21 |
|---|---|---|---|
| | £m | £m | % |
| Direct | 10.6 | 9.5 | 11% |
| Indirect | 13.6 | 13.1 | 4% |
| Other | 0.6 | 0.4 | 61% |
| **Revenue** | **24.8** | **23.0** | **8%** |

Group revenue increased to £24.8m (HY21: £23.0m), an 8% increase in comparison to the prior year. This performance follows a strong prior year, where revenue grew 133% in HY21.

Direct revenue increased by 11% to £10.6m (HY21: £9.5m) driven by strong growth in the Group's international operations, most notably our Australia business.

Indirect revenue grew by 4% to £13.6m (HY21: £13.1m). The significant growth in the volume of views continued in HY22, up 38% vs the prior year period, reflecting growth in market share. However, this has been offset by a reduced revenue per view across the platforms as a result of the current economic environment.

Management have assessed the classification of the social agency revenue stream and concluded that this should be recognised within Direct rather than Other revenue. For comparability purposes a prior period reclassification has been made to the HY21 results.

## FINANCIAL REVIEW *(continued)*

### Net operating expenses
Net operating expenses increased by 53% to £26.6m (HY21: £17.4m):

- Staff costs increased by 6.2m to £16.1m (HY21: £9.9m), up 58% due to the continued investment in our teams in the second half of 2021 and HY22 to support future growth of the business in addition to a share based payment charge of £2.4m (HY21: £0.1m).
- Media costs increased by £2.3m to £3.8m (HY21: £1.6m), up 145% as we continue to increase and diversify our output across both monetised and emerging (yet to be monetised) social platforms
- Establishment costs (including Technology costs and Marketing) increased by £0.7m to £2.6m (HY21: £1.9m), up 39% being investment in our technology infrastructure and marketing to support future growth in Direct revenue.
- Travel and expenses increased by £0.8m to £1.0m (HY21: £0.2m), up 353% as a result of the prior year being suppressed due to Covid-19 restrictions, in addition to international travel to Australia and USA in HY22 to support expansion.

### Depreciation
Depreciation of £0.7m (HY21: £0.6m) was up 4%, mainly driven by a new lease in Australia.

### Amortisation
Amortisation of £0.4m (HY21: £0.4m) down 9%, the minor reduction being down to certain software costs being fully amortised in the prior year.

### Share based payments
Share based payment costs were £2.4m (HY21: £0.1m) mainly as a result of Long-Term Incentives Plans being awarded to the Board and Senior Managers in December 2021. The share based payments charge includes £0.4m (HY21: nil) of accrued employers NIC on certain share options.

### Exceptional costs
Exceptional costs were £nil (HY21: £0.5m). The comparative includes advisor costs in relation to our IPO in December 2021.

### Adjusted EBITDA
Adjusted EBITDA was £1.6m (HY21: £7.3m) representing a 78% decrease in comparison to the prior year, with investment in people in H2 2021 to increase content and views across our brands and drive growth into the future, along with increased spend on physical marketing events that did not go ahead in the prior year due to Covid-19 restrictions. Adjusted EBITDA margin decreased to 7% (HY21: 32%).

Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group. More information on Alternative Performance Measures (APMs) can be found on page 20.

### Net finance costs
Net finance costs of £0.1m (HY21: £0.1m) were incurred during the year.

### Share of JV
Share in joint ventures was £nil (HY21: £0.1m) representing our share in the results of Pubity Group Ltd.

### Adjusted Profit before tax
Adjusted Profit before tax decreased to £0.5m (HY21: £6.2m) representing a 92% decrease in comparison to the prior year. More information on Alternative Performance Measures (APMs) can be found on page 20.

### Loss before tax
Loss before tax was £1.9m (HY21: £5.7m profit) representing a 134% decrease in comparison to the prior year.

### Taxation
The tax credit for the period was £0.1m (HY21: £1.4m charge).

### Balance sheet
Goodwill and other intangible assets increased by £0.8m to £15.4m (2021: £14.6m, HY21 £14.7m) mainly representing the small bolt on acquisition of the Go Animals Facebook pages (£1.1m) offset by amortisation (£0.4m).

Property plant and equipment (PPE) increased by £0.3m to £4.0m (2021: £3.7m, HY21 £4.2m) reflecting the addition of a lease in Sydney (£0.7m), PPE cash additions (£0.3m) partially offset by depreciation (£0.7m).

Other receivables increased by £0.1m to £0.6m (2021: £0.5m, HY21 £1.6m). Other receivables reflects long term lease deposits in relation to our London and Sydney offices. The movement of £1.1m in comparison to HY21 is mainly the repayment of a Director's loan (£1.2m) in December 2021.

Other interest-bearing loans and borrowings amounted to £nil (2021: £nil, HY21 £11.7m). The bank debt was fully repaid in December 2021 with IPO proceeds.

## FINANCIAL REVIEW *(continued)*

Trade and other payables decreased by £4.4m to £6.8m (2021: £11.2m, HY21 £7.8m) mainly driven by the settlement of IPO related costs of £2.9m, payment of Australian employment taxes of £0.7m, a reduction in deferred income of £0.5m and a reduction in other payables of £0.3m.

### Cashflow and cash position

Cash and cash equivalents at the year-end amounted to £28.6m (2021: £34.3m, HY21 £12.6m). The reduction in cash of £5.8m in the comparison to the year end is driven by Adjusted EBITDA of £1.6m offset by the settlement of IPO related costs of £2.9m, the acquisition of Go Animals for consideration of £1.1m, the payment of Australian employment taxes of £0.7m, corporation tax instalments of £0.8m, lease payments of £0.6m, PPE of £0.3m and a movement on working capital of £1.0m

**Solly Solomou**
Chief Executive Officer

**Tim Croston**
Chief Financial Officer

# UNAUDITED INTERIM FINANCIAL INFORMATION - LBG MEDIA PLC

## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Period ended 30 June 2022 £'000 (unaudited) | Period ended 30 June 2021 £'000 (unaudited) |
|---|---|---|---|
| Revenue | 3 | 24,763 | 23,006 |
| Net operating expenses | | (26,577) | (17,352) |
| **Operating (loss)/profit** | | **(1,814)** | **5,654** |
| | | | |
| Analysed as: | | | |
| **Adjusted EBITDA**[1] | | **1,637** | **7,311** |
| Depreciation | | (677) | (648) |
| Amortisation | 6 | (366) | (402) |
| Share based payment charge | | (2,408) | (115) |
| Exceptional costs | 4 | - | (492) |
| **Group operating (loss)/profit** | | **(1,814)** | **5,654** |
| | | | |
| Finance income | | 5 | - |
| Finance costs | | (62) | (132) |
| **Net finance costs** | | **(57)** | **(132)** |
| | | | |
| Share of post-tax (loss)/profit of equity accounted joint venture | | (46) | 70 |
| **(Loss)/profit before taxation** | | **(1,917)** | **5,592** |
| | | | |
| Income tax | 5 | 127 | (1,395) |
| **(Loss)/profit and total comprehensive (loss)/income** | | **(1,790)** | **4,197** |
| | | | |
| Basic (loss)/earnings per share (pence) | 7 | (0.9) | 2.4 |
| Diluted (loss)/earnings per share (pence) | 7 | (0.9) | 2.4 |

[1]*Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation, loss on disposal of intangible assets, share based payment charge (including employers NIC as appropriate) and exceptional costs is a non-GAAP metric used by management.*

*All results derive from continuing operations.*

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | As at 30 June 2022 £'000 (unaudited) | As at 30 June 2021 £'000 (unaudited) | As at 31 December 2021 £'000 (audited) |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Goodwill and other intangible assets | 6 | 15,374 | 14,652 | 14,558 |
| Property, plant and equipment | | 4,038 | 4,188 | 3,705 |
| Investments in equity-accounted joint ventures | | 314 | 315 | 359 |
| Other receivables | | 574 | 1,643 | 469 |
| Deferred tax asset | | - | 61 | - |
| **Total non-current assets** | | **20,300** | **20,859** | **19,091** |
| **Current assets** | | | | |
| Trade and other receivables | | 14,733 | 12,245 | 15,153 |
| Current tax asset | | 434 | - | - |
| Cash and cash equivalents | | 28,554 | 12,590 | 34,338 |
| **Total current assets** | | **43,721** | **24,835** | **49,491** |
| **Total assets** | | **64,021** | **45,694** | **68,582** |
| | | | | |
| **Equity** | | | | |
| Called up share capital | | 206 | - | 206 |
| Share premium reserve | | 28,993 | 63 | 28,993 |
| Retained earnings | | 23,317 | 19,244 | 23,082 |
| **Total equity** | | **52,516** | **19,307** | **52,281** |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Lease liability | 8 | 2,474 | 3,187 | 2,648 |
| Other interest-bearing loans and borrowings | 8 | - | 8,772 | - |
| Provisions | | 214 | 210 | 209 |
| Deferred tax liability | | 618 | - | 920 |
| **Total non-current liabilities** | | **3,306** | **12,169** | **3,777** |
| **Current liabilities** | | | | |
| Lease liability | 8 | 1,364 | 1,318 | 1,111 |
| Other interest-bearing loans and borrowings | 8 | - | 2,952 | - |
| Trade and other payables | | 6,835 | 7,797 | 11,209 |
| Current tax liabilities | | - | 2,151 | 204 |
| **Total current liabilities** | | **8,199** | **14,218** | **12,524** |
| **Total liabilities** | | **11,505** | **26,387** | **16,301** |
| **Total equity and liabilities** | | **64,021** | **45,694** | **68,582** |

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium | Retained earnings | Total equity |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| **As at 1 January 2021** | - | 63 | 14,154 | 14,217 |
| Profit for the financial period | - | - | 4,197 | 4,197 |
| Total comprehensive income for the period | - | - | 4,197 | 4,197 |
| Share based payments | - | - | 115 | 115 |
| Deferred tax on share options | - | - | 778 | 778 |
| Total transactions with owners, recognised directly in equity | - | - | 893 | 893 |
| **As at 30 June 2021 (unaudited)** | **-** | **63** | **19,244** | **19,307** |
| Profit for the financial period | - | - | 256 | 256 |
| Total comprehensive income for the period | - | - | 256 | 256 |
| Share based payments | - | - | 1,412 | 1,412 |
| Deferred tax on share options | - | - | (318) | (318) |
| Current tax deduction on exercise of share options | - | - | 2,600 | 2,600 |
| IPO costs to share premium | - | (990) | - | (990) |
| Shares issued on incorporation | - | - | - | - |
| Share split and capital reduction | 302 | - | (302) | - |
| Exercise of pre-IPO share options | 14 | - | - | 14 |
| Share issue on IPO | 17 | 29,983 | - | 30,000 |
| Purchase and cancellation of deferred shares | (127) | (63) | 190 | - |
| Total transactions with owners, recognised directly in equity | 206 | 28,930 | 3,582 | 32,718 |
| **As at 31 December 2021 (audited)** | **206** | **28,993** | **23,082** | **52,281** |
| Loss for the financial period | - | - | (1,790) | (1,790) |
| Total comprehensive loss for the period | - | - | (1,790) | (1,790) |
| Share based payments | - | - | 2,025 | 2,025 |
| Total transactions with owners, recognised directly in equity | - | - | 2,025 | 2,025 |
| **As at 30 June 2022 (unaudited)** | **206** | **28,993** | **23,317** | **52,516** |

## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Period ended 30 June 2022 £'000 (unaudited) | Period ended 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Cash (used)/generated from operations | | (2,900) | 7,435 | 13,004 |
| Tax (paid)/received | | (803) | 290 | (678) |
| **Net cash (used)/generated from operating activities** | | **(3,703)** | **7,725** | **12,326** |
| **Cash flows from investing activities** | | | | |
| Purchase of intangible assets | | (1,147) | - | (295) |
| Purchase of property, plant and equipment | | (315) | (146) | (353) |
| Repayment of loan | | - | 1,204 | 1,204 |
| Loans to Directors | | - | (1,200) | (2,700) |
| Repayment of loan by Directors | | - | - | 2,700 |
| **Net cash (used)/generated in investing activities** | | **(1,462)** | **(142)** | **556** |
| **Cash flows from financing activities** | | | | |
| Repayment of borrowings | | - | (1,476) | (13,200) |
| Lease payments | | (584) | (315) | (1,055) |
| Costs incurred on IPO charged to share premium | | - | - | (990) |
| Proceeds from share issue | | - | - | 30,000 |
| Proceeds from share options vested | | - | - | 14 |
| Interest paid | | (60) | (139) | (250) |
| **Net cash (used)/generated in financing activities** | | **(644)** | **(1,930)** | **14,519** |
| | | | | |
| **Net (decrease)/increase in cash and cash equivalents** | | **(5,809)** | **5,653** | **27,401** |
| Cash and cash equivalents at the beginning of the period | | 34,338 | 6,937 | 6,937 |
| Effect of exchange rate changes on cash and cash equivalents | | 25 | - | - |
| **Cash and cash equivalents at the end of the period** | | **28,554** | **12,590** | **34,338** |

| **Cash generated from operations** | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|
| **(Loss)/profit for the financial period/year** | **(1,790)** | **4,197** | **5,231** |
| Income tax | (127) | 1,395 | 2,899 |
| Net interest expense | 57 | 132 | 232 |
| Share of post tax losses/(profits) of equity accounted joint venture | 46 | (70) | (115) |
| **Operating (loss)/profit** | **(1,814)** | **5,654** | **8,247** |
| | | | |
| Depreciation charge | 677 | 648 | 1,332 |
| Amortisation of intangible assets | 366 | 402 | 793 |
| Loss on disposal of fixed assets | (40) | - | - |
| Share based payments | 2,025 | 115 | 1,527 |
| Increase/(decrease) in Directors' loan account | - | - | 53 |
| Increase in provisions | - | 3 | 3 |
| Decrease/(increase) in trade and other receivables | 60 | 231 | (2,730) |
| (Decrease)/increase in trade and other payables | (4,174) | 382 | 3,779 |
| **Cash (used)/generated from operations** | **(2,900)** | **7,435** | **13,004** |

# NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

## 1. General Information

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

A copy of the audited annual statutory accounts for the Group and the Half Yearly report can be found on the company's website: https://lbgmedia.co.uk.

## 2. Basis of preparation

The interim financial information of the Group for the six months ended 30 June 2022, which is unaudited, has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ('IFRS') and the accounting policies adopted by the Group and set out in the Annual Report and Financial Statements for the year ended 31 December 2021. The Directors do not anticipate any changes in these accounting policies for the year ended 31 December 2022.

The unaudited interim financial information has been prepared on a going concern basis under the historical cost convention. The unaudited interim financial information is presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise indicated. The interim financial information, including for the year ended 31 December 2021, does not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2021 have been delivered to the Registrar of Companies and the auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

This unaudited interim financial information has been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with this basis of preparation.

## 3. Revenue

The trading operations of the Group are in the online media publishing industry and are all continuing.

**Analysis of revenue**

The Group's revenue and operating profit relate entirely to its principal activity.

The analysis of revenue by stream is:

| | 6 months to 30 June 2022 £'000 (unaudited) | Restated 6 months to 30 June 2021 £'000 (unaudited) |
|---|---|---|
| **Revenue** | | |
| Direct | 10,545 | 9,520 |
| Indirect | 13,578 | 13,088 |
| Other | 640 | 398 |
| | **24,763** | **23,006** |

Management have assessed the classification of the social agency revenue stream and concluded that this should be recognised within Direct rather than Other revenue. This is because social agency contracts are direct with the customer and involve all elements typically seen in the Direct revenue stream. For comparability purposes a prior period reclassification has been made to the 30 June 2021 results.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

### 4. Exceptional items

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

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) |
|---|---|---|
| **Exceptional costs/(income)** | | |
| Initial public offering ('IPO') related costs | - | 516 |
| Amounts recoverable from Bentley Harrington Limited | - | (24) |
| Total exceptional costs | **-** | **492** |

**Initial public offering ('IPO') related costs**

IPO costs related to the Group's admission to AIM in December 2021, which included £250k of professional accountancy services and £150k in relation to legal consultancy towards preparing to IPO. £155k of the total IPO related costs had been paid during the period ended 30 June 2021 and the whole balance has now been paid up to 30 June 2022.

**Amounts recoverable from Bentley Harrington Limited**

During the year to 31 December 2021, the Group received £1,204k from Bentley Harrington Limited. £1,180k of this was recorded as a receivable at 31 December 2020. The remaining balance of £24k was in relation to statutory interest received from the Administrator of that company which was not recorded as a receivable at 31 December 2020 and was therefore booked as exceptional income in the 6 month period to June 2021.

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

### 5. Income tax

Tax (credit) / expense included in consolidated statement of comprehensive income:

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) |
|---|---|---|
| **Current period tax:** | | |
| Current taxation charge for the period | 171 | 1,273 |
| Adjustments in respect of prior periods | - | (1) |
| Foreign tax incurred | - | - |
| **Total current tax** | **171** | **1,272** |
| **Deferred tax:** | | |
| Current period | (510) | (97) |
| Effect of change in tax rates | (16) | 269 |
| Adjustments in respect of prior periods | 228 | (49) |
| **Total deferred tax** | (298) | 123 |
| | | |
| **Total tax on (loss) / profit on ordinary activities** | **(127)** | **1,395** |
| **Equity items** | | |
| Current tax | - | - |
| Deferred tax | - | - |
| **Total tax recognised in equity** | **-** | **-** |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

### 5. Income tax (continued)

**Reconciliation of tax charge**

The tax assessed for the year is higher (2021: higher) than at the standard rate of corporation tax in the UK. The differences are explained below:

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) |
|---|---|---|
| **(Loss)/profit before taxation** | **(1,917)** | **5,592** |
| Tax on (loss)/profit multiplied by standard rate of corporation tax in the UK at 19.00% for Jun 22 (Jun 21: 19.00%, Dec 21: 19.00%) | (364) | 1,062 |
| **Effects of:** | | |
| Adjustments in respect of prior periods | 229 | (50) |
| Expenses not deductible | 285 | 91 |
| Non-taxable income | (6) | - |
| Losses | - | - |
| Effect of change in UK tax rates | (16) | 269 |
| Effect of overseas tax rates | 60 | 6 |
| Exempt items | 12 | 17 |
| Amounts not recognised | - | - |
| Share valuation | (327) | - |
| **Total taxation (credit)/charge** | **(127)** | **1,395** |

**Tax rate changes**

On 3 March 2021, the UK Budget announced a further increase to the main rate of Corporation tax to 25% from 1 April 2023. This rate was substantively enacted on 24 May 2021, within the Finance Bill 2021, and as a result deferred tax balances have been measured with a total impact of £16k as shown above.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

### 6. Goodwill and other intangible assets

| | Trade-marks and licenses | Software | Relation-ships | Brand | Content library | Goodwill | Social Media Pages | Total |
|---|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Cost** | | | | | | | | |
| **At 1 January 2021 and 30 June 2021** | **44** | **469** | **1,300** | **4,500** | **300** | **10,094** | **-** | **16,707** |
| Additions | - | 170 | - | 126 | - | - | - | **296** |
| Disposals | (16) | - | - | - | - | - | - | **(16)** |
| **At 31 December 2021** | **28** | **639** | **1,300** | **4,626** | **300** | **10,094** | **-** | **16,987** |
| Impact of FX | - | - | - | 2 | - | - | - | **2** |
| Additions | - | 46 | - | - | - | - | 1,134 | **1,180** |
| Reclassification | - | - | - | (128) | - | - | 128 | **-** |
| **At 30 June 2022** | **28** | **685** | **1,300** | **4,500** | **300** | **10,094** | **1,262** | **18,169** |
| | | | | | | | | |
| **Accumulated Amortisation** | | | | | | | | |
| **At 1 January 2021** | **24** | **127** | **288** | **997** | **216** | **-** | **-** | **1,652** |
| Charge for the period | - | 57 | 53 | 261 | 32 | - | - | 403 |
| **At 30 June 2021** | **24** | **184** | **341** | **1,258** | **248** | **-** | **-** | **2,055** |
| Charge for the period | 13 | 52 | 79 | 196 | 50 | - | - | **390** |
| Eliminated on disposal | (16) | - | - | - | - | - | - | **(16)** |
| **At 31 December 2021** | **21** | **236** | **420** | **1,454** | **298** | **-** | **-** | **2,429** |
| Charge for the period | 4 | 62 | 61 | 224 | - | - | 15 | **366** |
| **At 30 June 2022** | **25** | **298** | **481** | **1,678** | **298** | **-** | **15** | **2,795** |
| | | | | | | | | |
| **Net book value** | | | | | | | | |
| **At 30 June 2021** | **20** | **285** | **959** | **3,242** | **52** | **10,094** | **-** | **14,652** |
| **At 31 December 2021** | **7** | **403** | **880** | **3,172** | **2** | **10,094** | **-** | **14,558** |
| **At 30 June 2022** | **3** | **387** | **819** | **2,822** | **2** | **10,094** | **1,247** | **15,374** |

**Social Media Pages acquisitions**

On 19 May 2022, the Group purchased a number of social media accounts and all Intellectual Property Rights connected (the primary account being 'Go Animals') for £1,074k from a third party with the full amount paid in the period. An additional group of pages (the primary account being 'Irish Banter') was purchased on 24 May 2022 for £60k with £27k paid in the period.

A reclassification has been made during the period to 30 June 2022 in relation to a social media page acquired in November 2021 where management deemed it more appropriate to recognise this within 'social media pages' in this disclosure note rather than 'brand'.

During the period to 30 June 2022, £1,147k was paid by the Group in relation to the acquisition of intangible assets.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

### 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:

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|
| **(Loss)/earnings per share from continuing operations** | | | |
| (Loss)/earnings, £'000 | (1,790) | 4,197 | 5,231 |
| Number of shares, number | 205,714,289 | 174,951,429 | 176,682,740 |
| **(Loss)/earnings per share, pence** | **(0.9)** | **2.4** | **3.0** |

Diluted earnings per share calculation:

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|
| **Diluted (loss)/earnings per share from continuing operations** | | | |
| (Loss)/earnings, £'000 | (1,790) | 4,197 | 5,231 |
| Number of shares, number | 205,714,289 | 175,087,628 | 177,177,443 |
| **Diluted (loss)/earnings per share, pence** | **(0.9)** | **2.4** | **3.0** |

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

| | 6 months to 30 June 2022 (unaudited) | 6 months to 30 June 2021 (unaudited) | Year ended 31 December 2021 (audited) |
|---|---|---|---|
| Number of shares in issue at the start of the period | 205,714,289 | 174,951,429 | 174,951,429 |
| Effects of shares issued in the period | - | - | 1,731,311 |
| Weighted average number of shares used in basic earnings per share | 205,714,289 | 174,951,429 | 176,682,740 |
| Employee share options | - | 136,199 | 494,703 |
| **Weighted average number of shares used in diluted earnings per share** | **205,714,289** | **175,087,628** | **177,177,443** |

The options in existence of 6,344,752 are anti dilutive for the period ended 30 June 2022, given the loss made in the period.

### 8. Borrowings

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|
| **Current** | | | |
| Bank loans | - | 2,952 | - |
| Lease liabilities | 1,364 | 1,318 | 1,111 |
| | **1,364** | **4,270** | **1,111** |
| **Non-current** | | | |
| Bank loans | - | 8,772 | - |
| Lease liabilities | 2,474 | 3,187 | 2,648 |
| | **2,474** | **11,959** | **2,648** |
| **Total borrowings** | **3,838** | **16,229** | **3,759** |

**Bank loans**

The remaining balance of the bank loan was repaid in full on 31 December 2021 out of the proceeds from the IPO.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

### 8. Borrowings (continued)

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|
| **Amount repayable** | | | |
| Within one year | **1,364** | 4,270 | 1,111 |
| In more than one year but less than two years | **1,127** | 4,094 | 1,062 |
| In more than two years but less than three years | **1,055** | 3,891 | 859 |
| In more than three years but less than four years | **292** | 3,740 | 727 |
| In more than four years but less than five years | **-** | 234 | - |
| In more than five years | **-** | - | - |
| | **3,838** | **16,229** | **3,759** |

During the period to 30 June 2022, £584k was paid by the Group in relation to lease payments and £60k of interest paid in relation to leases.

### 9. Related parties

The following transactions were carried out with related parties:

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|
| **Entity controlled by key management personnel** | | | |
| Directors' loan account (1) | **-** | 1,200 | (53) |
| Sale of services (2) | **-** | - | (143) |
| Purchase of services (3) | **-** | 135 | 356 |
| | **-** | **1,335** | **160** |

1. In the year ended 31 December 2021, third party payments were made by the Group on behalf of the Directors for personal expenses and a loan was granted on 30 March 2021 and paid on 8 April 2021 for Solly Solomou of £1,200k. A loan was granted on 25 August 2021 and paid on 26 August 2021 for Arian Kalantari of £1,500k and both loans were repaid upon IPO on 15 December 2021. These were interest-free, short-term loans.

2. Services were provided to Boohoo.com UK Limited, an entity controlled by key management personnel, on normal commercial terms and conditions. Boohoo.com UK Limited is a firm belonging to Mahmud Abdullah Kamani, a former Director of the Group and Carol Kane, a Non Executive Director of the Group. The services provided in the six month period to June 2022 were £nil (year ended 31 December 2021: £143k, six month period ended 30 June 2022: £nil) of which £45k was paid within the six month period to June 2022 (year ended 31 December 2021: £98k, six month period ended 30 June 2022: £nil) and £nil remained outstanding at 30 June 2022 (31 December 2021: £45k, 30 June 2021: £nil).

3. In the comparative periods, services were purchased from Kamani Commercial Property Ltd, an entity previously controlled by key management personnel, on normal commercial terms and conditions. The entity previously controlled by key management personnel is a firm belonging to Mahmud Abdullah Kamani, a former Director of the Group. The Company rents the Manchester Dale Street properties from Kamani Commercial Property Ltd. The 'purchase of services' in the table above relates to the lease depreciation and interest attributable to the Dale Street properties which has been recognised as a cost in the income statement in the previous Group reporting periods. Payments made in 2021 totalled £275k. The amount outstanding of the lease liability as at 31 December 2021 was £259k (30 June 2021: £343k). The outstanding service charge balance at 31 December 2021 was £nil (30 June 2021: £nil) and outstanding property insurance at 31 December 2021 was £nil (30 June 2021: £nil). Rent paid in the year ended 31 December 2021 was £166k (30 June 2021: £89k).

   Products were purchased from Treat Yo Self Limited, an entity controlled by close family of key management personnel on normal commercial terms and conditions in comparative periods. Treat Yo Self Limited is a firm belonging to the close family of Solly Solomou, a Director of the Company. The Group's UK entity purchased confectionery goods from Treat Yo Self Limited. Payments of £6k were made within the year ended 31 December 2021. This cost was recognised in the income statement in that year. At 30 June 2022 £nil was outstanding (year ended 31 December 2021: £nil, period ended 30 June 2022, £nil).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

### 9. Related parties (continued)

Services are purchased from Wilson's Consultancy Ltd, an entity controlled by key management personnel on normal commercial terms and conditions. Wilson's Consultancy Ltd is a firm belonging to Dave Wilson, a Non-Executive Director of the Group. Wilson's Consultancy Limited provided general business advice and also specific advice around the initial public offering. Within the period £250 of costs were incurred (year ended 31 December 2022: £75k, period ended 30 June 2021: £nil). This cost has been recognised in the income statement in the year. Payments of £20k were made within the period (year ended 31 December 2021: £55k, period ended 30 June 2021: £nil). At 30 June 2022 £nil was outstanding (year ended 31 December 2021: £20k, period ended 30 June 2022: £nil).

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

| | 6 months to 30 June 2022 £'000 (unaudited) | 6 months to 30 June 2021 £'000 (unaudited) | Year ended 31 December 2021 £'000 (audited) |
|---|---|---|---|
| **Entity controlled by key management personnel** | | | |
| Directors' loan account | - | 1,256 | - |
| | **-** | **1,256** | **-** |

## ALTERNATIVE PERFORMANCE MEASURES (APMs) and GLOSSARY OF TERMS

**Introduction**

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures (APMs) of financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS). These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to IFRS measures and are not intended to be a substitute for IFRS measurements. Purpose The Directors believe that these APMs provide additional useful information on the underlying performance and position of LBG Media plc's. APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding LBG Media plc's performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes and have remained consistent with the prior period.

**Purpose**

The Directors believe that these APMs provide additional useful information on the underlying performance and position of LBG Media plc's. APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding LBG Media plc's performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes and have remained consistent with prior year.

The key APMs that the Group has focused on this period are as follows:

| | |
|---|---|
| **Adjusted EBITDA** | This profit measure shows the Group's Earnings before Interest, Tax, Depreciation and Amortisation adjusted for asset gains and losses, share based payments (including employers NIC as appropriate) and exceptional costs/income.<br><br>Adjusted EBITDA is used for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group. |
| **Adjusted Profit Before Tax** | This profit measure shows the Group's Earnings before tax after adjusted for share based payments (including employers NIC as appropriate) and exceptional items.<br><br>Adjusted Profit before tax is used for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group. |

A glossary of other terms used in the interim financial information can be found below:

| | |
|---|---|
| **Global audience** | Includes global social media platform followers and global monthly online users to LBG Media websites. |
| **Content views** | Content views is the number of views of content across all social platforms and websites. The definition of what constitutes a view can vary across the social platforms. The total excludes content view data form Instagram which is currently not readily available. |
| **IPO** | First public sale of shares by privately owned company. Allowing the company to become publicly listed on a recognised stock exchange i.e. AIM. |
| **AIM** | The Alternative Investment Market (AIM) is a sub-market of the London Stock Exchange. |
| **Multi-platform** | Refers to the Group operating on multiple social media platforms including Facebook, Instagram, Snapchat, TikTok, Twitter and YouTube. In addition, the Group operates 5 owned and operated websites – www.ladbible.com, www.sportbible.com, www.tyla.com, www.gamingbible.com and www.unilad.com. |
| **Multi-channel** | Refers to the Group's portfolio of brands more details can be found in the publicly available admission document on pages 10 and 11. |