20 September 2023

LBG Media plc

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

Results for the half year ended 30 June 2023

Good progress across our strategic pillars, on track to meet full year expectations

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 2023 ("HY23" or "the period"). During the period, the Group delivered a strong performance, growing its global audience and content views, and is on track to meet full year market expectations.

Financial Highlights

	HY23 (£m)	HY22 (£m)	*Change %*
Revenue			
- Direct	11.4	10.6	*9%*
- Indirect	15.3	13.6	*13%*
- Other	0.5	0.6	*(28%)*
Total Group Revenue	**27.2**	**24.8**	***10%***
Adjusted EBITDA[1]	3.0	1.6	*84%*
Adjusted EBITDA margin[1]	*11%*	*7%*	*+4% pts*
Loss before tax	(1.2)	(1.9)	*39%*
Cash and cash equivalents	32.7	28.6	*15%*

- Total Group Revenue of £27.2m (HY22: £24.8m) up 10% and in line with the typical seasonal split between H1 and H2, and which we have experienced historically.
  - Direct revenues increased by 9% to £11.4m (HY22: £10.6m) driven by the Group's growing reputation for successful campaigns with global brands. Visibility of booking levels for the second half of the year has also improved compared to this time last year.
  - Indirect revenue increased by 13% to £15.3m (HY22: £13.6m). Year-on-year content views increased by 87%, on the back of strong growth of 38% in the prior year, enabling the Group to greater capitalise on the market shift to short-form content that occurred in the second half of last year.
- Adjusted EBITDA[1] of £3.0m (HY22: £1.6m), up 84%, reflective of the stronger revenue performance of the Group and disciplined cost management. Loss before tax was £1.2m (HY22: loss of £1.9m) representing a 39% improvement in comparison to the prior year.
- Cash and cash equivalents at the period-end amounted to £32.7m (FY22: £29.3m, HY22: £28.6m), reflecting a net increase in cash of £3.4m, after £0.5m of consideration paid in March for the acquisition of Lessons Learned in Life ('LLIL').

Operational Highlights

- Global audience grew by 95m people (including the LLIL acquisition with 19.6m followers as at 30 June 2023) to over 410m (HY22: 315m), with 67.1bn content views in the period, up 87% on the prior period.
- In March 2023, the Group completed the acquisition of LLIL - an under-monetised US Facebook page that is on track to achieve payback within its first year.
- Continued to support socially responsible campaigns with a cross-business, post-earthquake Turkey / Syria appeal fund, working with the 'If U Care, Share' charity and our recent partnership with the London Mayor's office supporting the 'Have A Word' campaign.
- Achieved direct revenue brief conversion of 29%; a significant uplift from 18% conversion in HY22.

CEO, Solly Solomou commented:

"We have made good financial and operational progress throughout the first half of 2023. The significant increase in content views demonstrates our effective ongoing engagement with the hard to reach 18 to 34 year-old demographic which remains a highly attractive proposition for our partner brands and platforms and will continue to drive the business forward.

"Our growth continued to outperform the wider digital advertising market as we operate within the fastest growing segments, giving us confidence as we look forward. In addition, our strategic progress in the half was encouraging. We continued to execute on our plans to broaden geographically, with good early progress in our recently established US operations, to acquire businesses, plugging in under-monetised brands onto our platform, and to broaden our capabilities, with our agile business model ensuring we can reach the widest possible audience.

"We have started H2 with positive momentum and I am excited by the opportunities that lie ahead."

Outlook

The Board believes that the Group's highly differentiated offering and strategic programme will continue to fuel our growth. Normal seasonality in advertising revenue combined with the relatively even split of costs means that profitability is significantly weighted towards the second half of the year, as has been the case in prior years. Notwithstanding the general challenges in the overall market, our momentum on audience and content growth, as well as client brief conversion rate, has continued into H2 and will help us capitalise on that seasonality. We can confirm the outlook for the full year remains in line with market expectations[2].

Notes:
[1] 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.
[2] External market consensus for the year ending 31 December 2023 is currently: Revenue of £69.3m and Adjusted EBITDA of £19.3m.

Analyst Presentation

LBG Media plc will be hosting an analyst presentation on 20 September 2023 following the release of these results for the half year ended 30 June 2023. 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.

For further information please contact:

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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 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 2023, LBG Media delivered a strong performance, with revenue growth of 10% to £27.2m (HY22: £24.8m), while Adjusted EBITDA increased by 84% to £3.0m (HY22: £1.6m). The Group remains cash generative with a healthy cash position of £32.7m (FY22: £29.3m, HY22: £28.6m).

LBG Media remains focused on delivering relevant and exciting content to the predominantly youth audience, with the volume of views continuing to grow in the first half of the year, by 87% versus HY22, driving growth in market share. The growth in views came as the Group used its insights and first-mover advantage to capitalise on the market shift to short-form content that occurred in the second half of last year.

LBG Media operates within some of the fastest growing segments of the digital media market, including social video and mobile. With the global digital advertising revenue forecast to grow at 7.6% this year[1], LBG Media is once again outgrowing the digital market.

Revenue

Revenue is generated through our two core revenue channels, Direct and Indirect. Despite being distinct channels, our capabilities and opportunities to monetise our audience relationship can be used across both.

Direct revenue is generated from the provision of content marketing services to brand owners, marketing agencies and other entities such as government bodies, and has increased by 9% in HY23 to £11.4m (HY22: £10.6m). This was driven by strong momentum with our branded clients such as Vodafone, McDonalds, Google and Disney. Direct revenue also includes some revenue from direct display advertising, where brand owners' pay for advertising space on our websites for an agreed fee.

Indirect revenue is received via third party social media platforms (e.g. Facebook, Snapchat, YouTube) or via programmatic partners, which hold the relationship with the brand owner, or agency. In HY23 indirect revenue increased by 13% to £15.3m (HY22: £13.6m), driven by the market shift to short-form video seen in the second half of 2022. Facebook, YouTube and Snapchat are already monetised platforms, while TikTok and Instagram are at earlier stages of monetisation.

Audience, followers & engagement

LBG Media's 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 2023, our global audience grew to 410m, which is a 33% growth rate year-on-year. In the UK alone, the Group reaches almost two thirds of 18 to 34-year-olds. Our content was viewed over 67.1bn times, up 87% compared to HY22 and this was well diversified across our brand portfolio.

Brand portfolio

LBG Media's 14 core brands serve both niche and mainstream audiences. Each of the brands are based around specific interest points such as sports, gaming, music, technology, and travel. The portfolio has been enhanced over recent years, with the well targeted acquisitions of Go Animals in 2022 (since rebranded as Furry Tails) and LLIL in 2023.

Strategic Progress

In line with the Group's growth strategy, in March 2023, LBG Media acquired the social media accounts, social media content, domain names, website, intellectual property licenses, third party rights and records of LLIL for a consideration of £0.5m. This was an under-monetised asset that is on track to achieve payback within its first year.

Our presence in the US continues to expand following the launch of our US operations last year. We are proud to have a multi-platform global audience, and international represents 17% of Group revenue.

We saw another significant increase in followers on TikTok, up 66% year-on-year, where we are the largest media publisher.

Growth strategy

LBG Media has a proven track record of delivering strong growth, both organically and via acquisitions. Our strategy for growth can be summarized by the three core pillars below:

1) **Geographies:** LBG Media currently has a physical presence in five territories – the UK, Ireland, Australia, New Zealand, and United States. 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 and help to de-risk revenue through diversification.

2) **Acquisitions:** It can be significantly more time and cost efficient to access markets through selective acquisitions compared to building a new brand from scratch if an established digital media brand with a physical presence, existing audiences and understanding of the local market is already present. We continue to actively consider and assess acquisition opportunities that have diversification potential, both geographically and in terms of genre of content, as we look to increase our audience.

1 - Source: GroupM, This Year Next Year Report, December 2022

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, as well as using data and new technologies, including AI, to further enhance our service offering. 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.

Events & Awards

LBG Media have proactively reached out to current and potential direct revenue clients by hosting events within the first six months of the year. Once again, our headline event was at Heckfield Place, which gave brands and agencies the chance to learn more about our commercial capabilities. Over the two-day event, we had a series of tailored presentations shining a light on Gen Z behaviours, the new era of social broadcast, the creator economy and more. Sessions were then interspersed with external speakers such as ex-international footballer Jill Scott and comedian Mo Gilligan. The event had exceptional feedback with guests saying they now had a much deeper understanding of our commercial capabilities.

During the first half of the year, we were proud to have been shortlisted for 20 awards recognising the quality of work we produce within the industry. Our Tango Berry Peachy campaign won in the Campaign Media Awards for 'Best Social Strategy' and also in the Digiday Content Marketing Awards in the 'Best Product Launch' category. Our Budweiser campaign for the 2022 World Cup also took the winning spot at the Campaign Media Awards in the 'Branded Content' category.

ESG

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

Within the first half of the year, we have actively supported those impacted by the earthquake in Turkey and Syria by activating a cross-business fundraising emergency appeal generating more than £50k in just over a week. We also worked with the 'If U Care, Share' charity to encourage our audience to talk about how they are feeling.

More recently, we kickstarted a partnership with the London Mayor's office to combat sexism amongst peer groups supporting the 'Have A Word' campaign. We used LADnation to conduct research into our engaged youth audience's views and experience of sexual harassment, before creating original content which we amplified across our platforms.

FINANCIAL REVIEW

	HY23 £m	HY22 £m	*Change %*
Revenue	**27.2**	24.8	*10%*
Net operating expenses	**(28.5)**	(26.6)	*(7%)*
Operating loss	**(1.3)**	(1.8)	*31%*
Adjusted EBITDA[1]	**3.0**	1.6	*84%*
Adjusted EBITDA[1] %	**11%**	7%	*+4% pts*
Depreciation	**(0.9)**	(0.7)	*(35%)*
Amortisation	**(0.5)**	(0.4)	*(39%)*
Share based payments	**(2.2)**	(2.4)	*10%*
Adjusting items	**(0.7)**	-	-
Operating loss	**(1.3)**	(1.8)	*31%*
Net finance costs	**(0.0)**	(0.1)	*95%*
Share of joint ventures	**0.1**	(0.0)	*283%*
Loss before taxation	**(1.2)**	(1.9)	*39%*
Corporation tax credit/(expense)	**(0.6)**	0.1	*(535%)*
Loss for the period	**(1.7)**	(1.8)	*4%*
Cash and cash equivalents	**32.7**	28.6	*15%*

Notes:
[1] Earnings before interest, tax, depreciation, and amortisation adjusted for share based payments (including employers NIC as appropriate) and adjusting 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:

	HY23 £m	HY22 £m	£m	*Change %*
Financial				
Revenue	**27.2**	**24.8**	2.4	*10%*
Adjusted EBITDA	**3.0**	**1.6**	1.4	*84%*
Adjusted EBITDA as a % of revenue	**11%**	**7%**		*+4% pts*
Loss before tax	**(1.2)**	**(1.9)**	0.7	*39%*
Non-Financial				
Global audience (m)*	**410**	**315**	95	*33%*
Content views (bn)**	**67.1**	**35.8**	31.3	*87%*
Average number of employees (no.)	**427**	**473**	(46)	*(10%)*

* Global audience includes social followers, in addition to average monthly website users for the six months to June.
** Content views is total views of content across all social platforms and websites.
The definition of what constitutes a view can vary across the social platforms.

Revenue

	HY23 £m	HY22 £m	*Change %*
Direct	11.4	10.6	*9%*
Indirect	15.3	13.6	*13%*
Other	0.5	0.6	*(28%)*
Total Group Revenue	**27.2**	**24.8**	***10%***

Total Group Revenue of £27.2m (HY22: £24.8m), representing growth of 10% and in line with the seasonality we anticipate between H1 and H2.

Direct revenues increased by 9% to £11.4m (HY22: £10.6m) driven by the Group's growing reputation for successful campaigns with global brands including Vodafone, Google and Disney. Visibility of booking levels for the second half of the year has also improved compared to this time last year.

Indirect revenue increased by 13% to £15.3m (HY22: £13.6m). Year on year content views increased by 87%, enabling the Group to greater capitalise on the market shift to short-form content that occurred in the second half of last year.

Net operating expenses
Net operating expenses increased by 7% to £28.5m (HY22: £26.6m).

Production and media costs increased by £0.1m to £5.0m (HY22: £4.9m), with the increase driven by more branded content (Direct) in the period.

Establishment costs, the majority of which is technology costs, increased by £0.6m to £3.1m (HY22: £2.5m), up 22% mainly due to increased software subscriptions to support our content production and continued investment to support future growth in Direct revenue.

Staff costs reduced by £0.3m to £15.8m (HY22: £16.1m). This reduction is mainly a result of the restructuring exercise undertaken in the second half of 2022, offset by inflationary pay rises and our continued investment in our international businesses.

Travel and expenses decreased by £0.3m to £0.7m (HY22: £1.0m). The prior half year included the costs of celebrating our 10-year anniversary.

Depreciation of £0.9m (HY22: £0.7m) was up 35%, mainly driven by a new property lease in Australia.

Net operating expenses (continued)
Amortisation of £0.5m (HY22: £0.4m) up 39%, the increase mainly being due the acquisition of LLIL in March 2023 in addition to the full six-month period of amortisation of Go Animals (Furry Tails) social media pages which were acquired in May 2022.

Share based payment costs were £2.2m (HY22: £2.4m). The share based payments charge includes £0.2m (HY22: £0.4m) of employers NIC on certain share options.

Adjusting items were £0.7m (HY22: £nil). Adjusting items includes costs associated with team reorganisation, a one-off cost-of-living payment and acquisition related fees. More information on these items can be found in note 4.

Adjusted EBITDA
Adjusted EBITDA was £3.0m (HY22: £1.6m) representing an 84% increase in comparison to the prior half year and in line with the revenue seasonality we anticipate between H1 and H2. Adjusted EBITDA margin increased to 11% (HY22: 7%).

Normal seasonality in advertising revenue combined with the relatively even split of costs means that profitability is significantly weighted towards the second half of the year.

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 18.

Net finance costs
Net finance costs of £0.0m (HY22: £0.1m) were incurred during the year.

Share of JV
Share in joint ventures was £0.1m profit (HY22: £0.0m loss) representing our percentage share in the results of Pubity Group Ltd.

Loss before tax
Loss before tax was £1.2m (HY22: £1.9m) representing a 39% improvement in comparison to the prior year.

Taxation
The tax charge for the period was £0.6m (HY22: £0.1m credit).

Balance sheet
Goodwill and other intangible assets increased by £0.3m to £15.7m (FY22: £15.4m) reflecting additions of the bolt-on acquisition of LLIL for £0.5m and software additions of £0.3m, offset by amortisation of £0.5m.

Property plant and equipment (PPE) decreased by £0.5m to £3.2m (FY22: £3.7m). Within the period we acquired a new property lease accounting for £0.4m, offset by depreciation of £0.9m.

Other receivables reduced to £0.1m (FY22: £0.6m). Other receivables reflect long term lease deposits in relation to our offices. During HY23, we received a significant repayment of £0.5m for the London lease deposit.

Trade and other receivables reduced by £0.9m to £19.5m (FY22: £20.4m) mainly due to effective cash collection within the period including a reduction in accrued income of £3.9m.

Trade and other payables increased by £1.8m to £6.1m (FY22: £4.3m) mainly driven by timing differences of our working capital movements.

Cash flow and cash position
Cash and cash equivalents at the period end amounted to £32.7m (FY22: £29.3m, HY22: £28.6m).

The increase in cash of £3.4m in comparison to the year-end includes net cash generated from operating activates of £5.3m, and outflows relating to investing and financing activities of £1.8m. More information on the cash flow can be found on page 11.

Solly Solomou
Chief Executive Officer

Richard Jarvis
Chief Financial Officer

UNAUDITED INTERIM FINANCIAL INFORMATION - LBG MEDIA PLC

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**Period ended 30 June 2023 £'000 (unaudited)**	Period ended 30 June 2022 £'000 (unaudited)
Revenue	3	27,247	24,763
Net operating expenses		(28,499)	(26,577)
Operating loss		**(1,252)**	**(1,814)**
Analysed as:			
Adjusted EBITDA[1]		**3,013**	**1,637**
Depreciation		(911)	(677)
Amortisation	6	(507)	(366)
Share based payment charge		(2,178)	(2,408)
Adjusting items	4	(669)	-
Group operating loss		**(1,252)**	**(1,814)**
Finance income		-	5
Finance costs		(3)	(62)
Net finance costs		**(3)**	**(57)**
Share of post-tax (loss)/profit of equity accounted joint venture		84	(46)
Loss before taxation		**(1,171)**	**(1,917)**
Income tax	5	(553)	127
Loss for the period attributable to equity holders of the company		**(1,724)**	**(1,790)**
Currency translation differences (net of tax)		(78)	-
Loss and total comprehensive income for the financial year attributable to equity holders of the company		**(1,802)**	**(1,790)**
Basic (loss)/earnings per share (pence)	7	(0.8)	(0.9)
Diluted (loss)/earnings per share (pence)	7	(0.8)	(0.9)

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

All results derive from continuing operations.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2023 £'000 (unaudited)**	As at 30 June 2022 £'000 (unaudited)	As at 31 December 2022 £'000 (audited)
Assets				
Non-current assets				
Goodwill and other intangible assets	6	15,707	15,374	15,436
Property, plant and equipment		3,203	4,038	3,670
Investments in equity-accounted joint ventures		443	314	359
Other receivables		124	574	592
Deferred tax asset		651	-	260
Total non-current assets		**20,128**	**20,300**	**20,317**
Current assets				
Trade and other receivables		19,500	14,733	20,370
Current tax asset		-	434	378
Cash and cash equivalents		32,708	28,554	29,268
Total current assets		**52,208**	**43,721**	**50,016**
Total assets		**72,336**	**64,021**	**70,333**
Equity				
Called up share capital		207	206	206
Share premium reserve		28,993	28,993	28,993
Accumulated exchange differences		(49)	-	29
Retained earnings		32,453	23,317	31,998
Total equity		**61,604**	**52,516**	**61,226**
Liabilities				
Non-current liabilities				
Lease liability	8	1,428	2,474	1,960
Provisions		502	214	540
Deferred tax liability		445	618	394
Total non-current liabilities		**2,375**	**3,306**	**2,894**
Current liabilities				
Lease liability	8	1,334	1,364	1,282
Trade and other payables		6,077	6,835	4,295
Current tax liabilities		946	-	636
Total current liabilities		**8,357**	**8,199**	**6,213**
Total liabilities		**10,732**	**11,505**	**9,107**
Total equity and liabilities		**72,336**	**64,021**	**70,333**

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Accumulated exchange differences	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
As at 1 January 2022	206	28,993	-	23,082	52,281
Loss for the financial period	-	-	-	(1,790)	(1,790)
Total comprehensive income for the period	-	-	-	(1,790)	(1,790)
Share based payments	-	-	-	2,025	2,025
Deferred tax on share options	-	-	-	-	-
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**
Profit for the financial period	-	-	-	7,137	7,137
Currency translation differences (net of tax)	-	-	29	-	29
Total comprehensive income for the period	-	-	29	7,137	7,166
Share based payments	-	-	-	1,527	1,527
Deferred tax on share options	-	-	-	17	17
Total transactions with owners, recognised directly in equity	206	28,993	-	1,544	30,743
As at 31 December 2022 and 1 January 2023 (audited)	**206**	**28,993**	**29**	**31,998**	**61,226**
Loss for the financial period	-	-	-	(1,724)	(1,724)
Currency translation differences (net of tax)	-	-	(78)	-	(78)
Total comprehensive loss for the period	-	-	(78)	(1,724)	(1,802)
Share based payments	-	-	-	2,178	2,178
Deferred tax on share options	-	-	-	1	1
Share issue	1	-	-	-	1
Total transactions with owners, recognised directly in equity	1	-	-	2,179	2,180
As at 30 June 2023 (unaudited)	**207**	**28,993**	**(49)**	**32,453**	**61,604**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)	Year ended 31 December 2022 £'000 (audited)
Cash flows from operating activities			
Cash generated/(used) from operations	5,486	(2,900)	1,295
Tax paid	(192)	(803)	(2,693)
Net cash generated/(used) from operating activities	**5,294**	**(3,703)**	**(1,398)**
Cash flows from investing activities			
Purchase of intangible assets	(798)	(1,147)	(1,675)
Purchase of property, plant and equipment	(191)	(315)	(544)
Net cash generated/(used) in investing activities	**(989)**	**(1,462)**	**(2,219)**
Cash flows from financing activities			
Lease payments	(750)	(584)	(1,227)
Lease deposits paid	-	-	(105)
Interest paid	(50)	(60)	(121)
Net cash generated/(used) in financing activities	**(800)**	**(644)**	**(1,453)**
Net increase/(decrease) in cash and cash equivalents	**3,505**	**(5,809)**	**(5,070)**
Cash and cash equivalents at the beginning of the period	29,268	34,338	34,338
Effect of exchange rate changes on cash and cash equivalents	(65)	25	-
Cash and cash equivalents at the end of the period	**32,708**	**28,554**	**29,268**

Cash generated/(used) from operations	**6 months to 30 June 2023 £'000 (unaudited)**	6 months to 30 June 2022 £'000 (unaudited)	Year ended 31 December 2022 £'000 (audited)
(Loss)/profit for the financial period/year	**(1,724)**	**(1,790)**	**5,347**
Income tax	553	(127)	1,976
Net interest expense	3	57	143
Share of post tax (profits)/losses/ of equity accounted joint venture	(84)	46	-
Operating (loss)/profit	**(1,252)**	**(1,814)**	**7,466**
Depreciation charge	911	677	1,633
Amortisation of intangible assets	507	366	804
(Loss)/profit on disposal	-	(40)	21
Share based payments	2,178	2,025	3,552
Provisions	(38)	-	-
Decrease/(increase) in trade and other receivables	1,394	60	(5,210)
(Decrease)/increase in trade and other payables	1,786	(4,174)	(6,971)
Cash generated/(used) from operations	**5,486**	**(2,900)**	**1,295**

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 2023, 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 2022. The Directors do not anticipate any changes in these accounting policies for the year ended 31 December 2023.

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 2022, 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 2022 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 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)
Revenue		
Direct	11,464	10,545
Indirect	15,321	13,578
Other	462	640
	27,247	**24,763**

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

4. Adjusting items

A breakdown of adjusting items is provided below:

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)
Costs associated with team reorganisation	273	-
One-off cost-of-living payment	272	-
Acquisition related fees	124	-
Total adjusting items	**669**	**-**

Restructuring

During the period, the Group continued to review its divisional and central structures and made a small number of further redundancies totalling £0.3m. Costs associated with team member reorganisations of £0.3m relate to exit costs of personnel leaving the business on an involuntary basis, due to reorganisations within our operating divisions and centralised functions. Due to the nature of these costs, management deem them to be adjusting items in order to better reflect our underlying performance. Exit costs outside of these circumstances are treated as an operating expense.

One-off cost-of-living payment

Recognising the cost-of-living crisis and the need to retain staff in these challenging times, the Group awarded a one-off cost-of-living payment to employees within the period with the condition of continued employment. The payment is repayable by employees if they were to leave prior to the year end. This is considered a one-off incentive and there are no current plans to complete a similar exercise in the future.

Acquisition related fees

During the period, the Group incurred legal and other advisory costs associated with our acquisition activity totalling £0.1m.

5. Income tax

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

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)
Current period tax:		
Current taxation charge for the period	856	171
Adjustments in respect of prior periods	72	-
Total current tax	**928**	**171**
Deferred tax:		
Current period	(506)	(510)
Effect of change in tax rates	13	(16)
Adjustments in respect of prior periods	118	228
Total deferred tax	**(375)**	**(298)**
Total tax on loss on ordinary activities	**553**	**(127)**
Equity items		
Current tax	-	-
Deferred tax	(1)	-
Total tax recognised in equity	**(1)**	**-**

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

5. Income tax (continued)

Reconciliation of tax charge

The tax assessed for the year is higher (2022: higher) than at the standard rate of corporation tax in the UK. The differences are explained below:

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)
Loss before taxation	**(1,171)**	**(1,917)**
Tax on loss multiplied by standard rate of corporation tax in the UK at 22% (2022: 19%)	(258)	(364)
Effects of:		
Adjustments in respect of prior periods	190	229
Expenses not deductible	558	285
Non-taxable income	(14)	(6)
Effect of change in UK tax rates	13	(16)
Effect of overseas tax rates	(117)	60
Exempt items	19	12
Amounts not recognised	175	-
FX	(12)	-
Share valuation	(1)	(327)
Total taxation (credit)/charge	**553**	**(127)**

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 2022	**28**	**639**	**1,300**	**4,626**	**300**	**10,094**	**-**	**16,987**
Additions	-	46	-	-	-	-	1,134	**1,180**
Reclassifications	-	-	-	(128)	-	-	128	**-**
Exchange adjustments	-	-	-	2	-	-	-	**2**
At 30 June 2022	**28**	**685**	**1,300**	**4,500**	**300**	**10,094**	**1,262**	**18,169**
Additions	-	498	-	-	-	-	-	**498**
Reclassification	-	-	-	188	-	-	(188)	**-**
Exchange Adjustments	-	-	-	6	-	-	-	**6**
At 31 December 2022	**28**	**1,183**	**1,300**	**4,694**	**300**	**10,094**	**1,074**	**18,673**
Additions	-	340	-	-	-	-	458	798
Exchange Adjustments	-	-	-	(11)	-	-	(14)	(25)
At 30 June 2023	**28**	**1,523**	**1,300**	**4,683**	**300**	**10,094**	**1,518**	**19,446**
Accumulated Amortisation								
At 1 January 2022	**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**
Charge for the period	2	60	68	269	-	-	39	**438**
Exchange Adjustments	-	1	1	2	-	-	-	4
At 31 December 2022	**27**	**359**	**550**	**1,949**	**298**	**-**	**54**	**3,237**
Charge for the period	-	90	65	256	2	-	94	**507**
Exchange Adjustments	-	-	-	(4)	-	-	(1)	**(5)**
At 30 June 2023	**27**	**449**	**615**	**2,201**	**300**	**-**	**147**	**3,739**
Net book value								
At 30 June 2022	**3**	**387**	**819**	**2,822**	**2**	**10,094**	**1,247**	**15,374**
At 31 December 2022	**1**	**824**	**750**	**2,745**	**2**	**10,094**	**1,020**	**15,436**
At 30 June 2023	**1**	**1,074**	**685**	**2,482**	**-**	**10,094**	**1,371**	**15,707**

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 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)	Year ended 31 December 2022 £'000 (audited)
(Loss)/earnings per share from continuing operations			
(Loss)/earnings, £'000	(1,724)	(1,790)	5,347
Number of shares, number	206,458,742	205,714,289	205,714,289
(Loss)/earnings per share, pence	**(0.8)**	**(0.9)**	**2.6**

Diluted earnings per share calculation:

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)	Year ended 31 December 2022 £'000 (audited)
Diluted (loss)/earnings per share from continuing operations			
(Loss)/earnings, £'000	(1,724)	(1,790)	5,347
Number of shares, number	217,777,464	205,714,289	211,879,344
Diluted (loss)/earnings per share, pence	**(0.8)**	**(0.9)**	**2.5**

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

	6 months to 30 June 2023 (unaudited)	6 months to 30 June 2022 (unaudited)	Year ended 31 December 2022 (audited)
Number of shares in issue at the start of the period	205,714,289	205,714,289	205,714,289
Effects of shares issued in the period	744,453	-	-
Weighted average number of shares used in basic earnings per share	206,458,742	205,714,289	205,714,289
Employee share options	11,318,722	-	6,165,055
Weighted average number of shares used in diluted earnings per share	**217,777,464**	**205,714,289**	**211,879,344**

8. Borrowings

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)	Year ended 31 December 2022 £'000 (audited)
Current			
Lease liabilities	1,334	1,364	1,282
	1,334	**1,364**	**1,282**
Non-current			
Lease liabilities	1,428	2,474	1,960
	1,428	**2,474**	**1,960**
Total borrowings	**2,762**	**3,838**	**3,242**

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

8. Borrowings (continued)

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)	Year ended 31 December 2022 £'000 (audited)
Amount repayable			
Within one year	**1,334**	1,364	1,282
In more than one year but less than two years	**1,131**	1,127	1,162
In more than two years but less than three years	**297**	1,055	798
In more than three years but less than four years	**-**	292	-
	2,762	**3,838**	**3,242**

During the period to 30 June 2023, £750k was paid by the Group in relation to lease payments and £50k of interest paid in relation to leases.

9. Related parties

The following transactions were carried out with related parties:

	6 months to 30 June 2023 £'000 (unaudited)	6 months to 30 June 2022 £'000 (unaudited)	Year ended 31 December 2022 £'000 (audited)
Entity controlled by key management personnel			
Purchase of services (1)	135	140	276
Tax settlement on behalf of Director (2)	-	-	224
	135	**140**	**500**

(1) Services are purchased from Kamani Commercial Property Ltd (an entity controlled by a significant shareholder) on normal commercial terms and conditions. Kamani Commercial Property Ltd is a firm belonging to Mahmud Abdullah Kamani, a former Director of the Group. The Group leases the Manchester Dale Street properties from Kamani Commercial Property Ltd. The 'purchase of services' in the table above relates to the payments made in the year for the Dale Street properties for both rent and service charges. Payments made to 30 June 2023 totalled £135k (31 December 2022: £276k, 30 June 2022: £140k). The amount outstanding of the lease liability as at 30 June 2023 is £nil (31 December 2022: £88k, 30 June 2022: £177k). The outstanding service charge balance at 30 June 2023 is £nil (31 December 2022: £nil, 30 June 2022: £nil) and outstanding property insurance is £nil (31 December 2022: £nil, 30 June 2022: £nil).

(2) In the prior year the Group agreed to settle a PAYE liability (relating to a previously undisclosed benefit in kind) on behalf of Solly Solomou and Jess Solomou (former employee and wife of Solly Solomou), totalling £0.2m. This balance remains accrued as a liability at the half year.

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

A glossary of other terms used in the 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.