13 May 2024

TEAM INTERNET GROUP PLC

("Team Internet" or the "Company" or the "Group")

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

Substantial growth in operating profit with a 44% increase, underpinning a confident outlook for FY24

Team Internet Group Plc (AIM: TIG, OTCQX: TIGXF), the global internet company that generates recurring revenue from creating meaningful and successful connections: businesses to domains, brands to consumers, publishers to advertisers, is pleased to announce its unaudited financial results for the three months ended 31 March 2024 ("Q1 2024").

Financial Summary:

- Organic revenue growth* of approximately 8%, for the trailing twelve months ended 31 March 2024 ("TTM 2024")
- Gross revenue increased by 1% to USD 195.9m (versus three months ended March 2023 ("Q1 2023"): USD 194.9m)
- Net revenue (Gross profit) increased by 4% to USD 47.6m (Q1 2023: USD 45.8m), with gross margin increasing from 23.5% to 24.3%, a relative 3% uplift
- Adjusted EBITDA** increased by 4% to USD 22.2m (Q1 2023: USD 21.3m), with EBITDA margin increasing from 10.9% to 11.3%, a relative 4% uplift
- Operating profit increased by 44% to USD 11.1m (Q1 2023: USD 7.7m)
- Profit before tax increased by 65% to USD 7.1m (Q1 2023: USD 4.3m)
- Profit after tax increased by 62% to USD 4.7m (Q1 2023: USD 2.9m)
- Adjusted EPS increased by 20% to USD 5.35 cents (Q1 2023: USD 4.46 cents)
- Net debt*** of USD 80.6m (31 December 2023: USD 74.1m) and Leverage**** of 0.95x pro forma TTM 2024 EBITDA, remaining under 1.0x, following non-operating cash outflows in respect of the Group acquiring USD 11.5m of its own shares
- Adjusted operating cash conversion of 80% (Q1 2023: 94%), impacted by cash receipts from a significant business partner being collected in April instead of March, due to Easter public holidays coinciding with quarter-end. We expect cash conversion to normalise nearer to 100% over the remainder of the year

Q1 highlights:

- In the Online Marketing segment, the number of visitor sessions increased by 19% to 6.0 billion for TTM 2024 from 5.0 billion for the trailing twelve-month period ended 31 March 2023 ("TTM 2023"). Revenue per thousand sessions ("RPM") decreased by 10% from USD 102 to USD 91
- The Online Presence segment recorded organic revenue growth of 14% TTM 2024 compared to 10% for TTM 2023
- Adjusted EBITDA as a percentage of Net revenue has increased to 46.6% for Q1 2024 from 46.5% for Q1 2023, demonstrating that Team Internet's continued growth can be achieved whilst maintaining compelling operating leverage

Post period end highlights:

- FY2023 final dividend of 2.0p payable on 28 May 2024 (FY2022: 1.0p), an increase of 100% as the Group continues to pursue the progressive dividend policy launched in 2022
- On 10 April 2024, the Group announced that its ordinary shares began trading on the OTCQX® Best Market ("OTCQX") under the symbol "TIGXF". OTCQX is the premier tier of OTC Markets where more than 12,000 US and global securities trade. Trading on OTCQX will significantly enhance Team Internet's visibility and accessibility in the world's largest capital market
- On 26 April 2024, the Group acquired Shinez I.O. Ltd and its subsidiaries (together "Shinez") for an initial cash consideration of USD 38.9m and USD 4.3m retained to cover for customary warranties and indemnification.

Outlook:

Team Internet has once again delivered a strong quarter, with both adjusted and statutory earnings growth. The Group prioritises earnings growth over top-line growth, whilst maintaining a robust 8% organic revenue growth on a pro forma basis for TTM 2024. Adjusted EBITDA Conversion remained healthy at 46.6% (Q1 2023: 46.5%) of Net revenue, demonstrating continued strong profit margins.

The Directors remain confident in the Group's strategic investments in product innovation, vertical integration, and international expansion. These initiatives have positioned the Group for success. Given these strong foundations, the Directors are confident that the Group will meet market expectations for the full year.*****

Michael Riedl, CEO of Team Internet, commented: *"I am pleased to report that the emphasis on holistically managing for earnings and cash flow continues to yield substantial benefits. This holds true even as we tailor the growth of our Online Marketing sector to align with our enhanced focus on sustainability and customer experience. We are laying the strong operational foundations which will best position the Group to go from strength to strength, as we execute on our strategy and deliver attractive returns for our shareholders.*

The commencement of trading on OTCQX is another milestone in making the Team Internet success story available to a broader audience and we are excited about further milestones on this journey to come.

Finally, with Shinez joining Team Internet, we now have a robust platform addressing the 'Awareness' stage of the advertising funnel, complementing our existing offerings, TONIC and VGL, which focus on 'Consideration' and 'Conversion', respectively. We now undoubtedly hold the most comprehensive product offering among our peers.

We remain laser-focused on our OM2 vision – Omni Media, Omni Monetisation – and leadership in the carefully targeted markets in which we operate, making us even more resilient as we scale up."

Results presentation:

There will be a webinar/conference call for equity analysts at 10am BST today. This event will be hosted by CEO Michael Riedl and CFO William Green.

Anybody wishing to register should contact teaminternet@secnewgate.co.uk, where further details will be provided.

Further, an Investor Meet Company session will be held at 12pm BST today: https://investormeetcompany.com/Team Internet-group-plc/register-investor

Investors who already follow Team Internet Group Plc on the Investor Meet Company platform will automatically be invited. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9am the day before the meeting or at any time during the live presentation.

[*] *Pro forma revenue, adjusted for; acquired revenue, constant currency foreign exchange impact and non-recurring revenues is USD 840m for TTM 2024 and at USD 778m for TTM 2023*

[**] *Earnings before interest, tax, depreciation, amortisation, impairment, non-cash charges and non-core operating expenses*

[***] *Includes gross cash, bank debt and prepaid finance costs as of 31 March 2024 (cash of USD 75.5m and bank debt and prepaid finance costs of USD 156.8m); includes gross cash, bank debt, prepaid finance costs and hedging assets of USD 0.7m (31 December 2023 cash of 92.7m, bank debt and prepaid finance costs of USD 166.6m and hedging liabilities of USD 0.2m)*

[****] *Includes Net Debt as defined under[***] (i) excluding prepaid finance costs, (ii) plus guarantee obligations, and (iii) plus the best estimate of any crystallised deferred consideration payable in cash, all divided by pro forma EBITDA, i.e. last twelve months' EBITDA including acquired entities' EBITDA on a pro forma basis, and adjusted for rental expense capitalized under IFRS 16 and non-core expenses*

[*****] *Latest analyst forecasts, prior to the contribution of Shinez to the enlarged Group forecast, are within a range of USD 857m and USD 910m for FY24 gross revenue and USD 98m and USD 108m for FY24 Adjusted EBITDA*

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Forward-Looking Statements

This document includes forward-looking statements. Whilst these forward-looking statements are made in good faith, they are based upon the information available to Team Internet at the date of this document and upon current expectations, projections, market conditions and assumptions about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group and should be treated with an appropriate degree of caution.

About Team Internet Group Plc

Team Internet (AIM: TIG, OTCQX: TIGXF) creates meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. The Company is a leading global internet solutions company that operates in two highly attractive markets: high-growth digital advertising (Online Marketing segment) and domain name management solutions (Online Presence segment). The company's Online Marketing segment creates privacy-safe and AI-generated online consumer journeys that convert general interest online media users into confident high conviction consumers through advertorial and review websites. The Online Presence segment is a critical constituent of the global online presence and productivity tool ecosystem, where Team Internet serves as the primary distribution channel for a wide range of digital products. The company's high-quality earnings come from subscription recurring revenues in the Online Presence segment and revenue share on rolling utility-style contracts in the Online Marketing segment.

For more information please visit: www.teaminternet.com

MANAGEMENT COMMENTARY ON PERFORMANCE

Introduction

Team Internet continued to deliver growth throughout the income statement, including 44% growth in operating profit and 62% growth in profit after tax, as the Group continues to execute on the delivery of profitability, cash generation and shareholder value.

Performance Overview

The Group's key financial metrics are listed below:

	Three months ended 31 March 2024	Three months ended 31 March 2023	Change
	USD m	USD m	%
Revenue	195.9	194.9	1%
Net revenue/gross profit	47.6	45.8	4%
Adjusted EBITDA	22.2	21.3	4%
Operating profit	11.1	7.7	44%
Adjusted operating cash conversion (note 8)	80%	94%	n.m.
Profit after tax	4.7	2.9	62%
EPS – Basic (cents)	1.85	1.05	76%
EPS – Adjusted earnings – Basic (cents) (note 7)	5.35	4.46	20%

Segmental analysis

Organic growth rates quoted below are calculated on a pro forma basis including all the Group's constituents as of the last balance sheet dates and adjusted for non-recurring or non-cash revenues and on a constant currency basis.

Online Marketing segment

Online Marketing segment Gross revenue reduced by USD 3.8m, or 2.5%, from USD 149.7m to USD 145.9m, with Net revenue stable at USD 30.5m. Organic Gross revenue grew at a rate of 7% for TTM 2024, propelled by Team Internet's TONIC platforms, and driven by 19% growth in the number of consumer journeys, to 6.0 billion for TTM 2024 from 5.0 billion for TTM 2023, while click prices continue to be under pressure on both the demand (revenue) and supply (cost of sales) side, with RPM decreasing by 10% from USD 102 to USD 91[1].

The Online Marketing segment creates privacy-safe and AI-generated online consumer journeys that convert general interest online media users into confident high conviction consumers through advertorial and review websites, generating utility-style referral and commission income through partnerships with Google, Amazon and a multitude of other partners. Our vision harnesses the Group's expertise in two critical areas: first, to transform social media and other low-intent traffic into qualified leads for search ad campaigns; and second, to effectively turn search ad campaigns into successful e-commerce transactions. By integrating these capabilities, we aspire to establish a robust social commerce channel. This sector is expected to reach a value of USD 80 billion[2] by 2025 in the US alone.

Online Presence segment

Reported Gross revenue in this segment increased by 10.6% from USD 45.2m Q1 2023 to USD 50.0m in Q1 2024. Net revenue increased by 12.5% from USD 15.2m to USD 17.1m, with much improved operating margins. Organic Gross revenue growth for the Online Presence segment was 14% for TTM 2024, continuing the year-on-year double digit growth which the segment demonstrated throughout 2023, driven by the structural shift in demand towards Top Level Domains where Team Internet has a competitive edge.

The number of processed domain registration years increased by 1% from 13.5m for TTM 2023 to 13.6m for TTM 2024 and the average revenue per domain year increased by 16% from USD 10.1 to USD 11.7.

The Online Presence segment is a critical constituent of the global online presence and productivity tool ecosystem, where Team Internet serves as the primary distribution channel for a wide range of digital products.

Michael Riedl
Chief Executive Officer

[1] Based on analysis of c.84% of the Online Marketing segment which can be adequately and reliably described by this KPI

[2] Source: "Social commerce: The future of how customers interact with brands", McKinsey & Company, October 19, 2022

[3] Based on analysis of c.86% of this segment which can be adequately and reliably described by this KPI

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	Unaudited Three months ended 31 March 2024 USD m	Unaudited Three months ended 31 March 2023 USD m	Audited Year ended 31 December 2023 USD m
Revenue	4	195.9	194.9	836.9
Cost of sales		(148.3)	(149.1)	(645.8)
Net revenue/gross profit		47.6	45.8	191.1
Operating expenses		(35.8)	(37.2)	(144.3)
Share-based payments expense		(0.7)	(0.9)	(4.5)
Operating profit		**11.1**	**7.7**	**42.3**
Adjusted EBITDA[a]		**22.2**	**21.3**	**96.4**
Depreciation of property, plant and equipment		(0.7)	(0.8)	(3.3)
Amortisation and impairment of intangible assets		(10.0)	(9.0)	(38.8)
Non-core operating expenses[b]	5	(1.0)	(1.4)	(6.1)
Foreign exchange gain/(loss)		1.3	(1.5)	(1.4)
Share-based payment expenses		(0.7)	(0.9)	(4.5)
Operating profit		**11.1**	**7.7**	**42.3**
Finance income		0.3	-	0.6
Finance costs		(4.3)	(3.4)	(13.6)
Net finance costs	6	(4.0)	(3.4)	(13.0)
Profit before taxation		**7.1**	**4.3**	**29.3**
Income tax expense		(2.4)	(1.4)	(5.0)
Profit after taxation		**4.7**	**2.9**	**24.3**
Items that may be reclassified subsequently to profit and loss				
Exchange difference on translation of foreign operations		(5.0)	2.1	4.7
Movement arising on changes in fair value of hedging instruments		0.9	(0.6)	-
Total comprehensive income for the period/year		**0.6**	**4.4**	**29.0**
Earnings per share:				
Basic (cents)		1.85	1.05	8.94
Diluted (cents)		1.79	1.02	8.63
Adjusted earnings – Basic (cents)		5.35	4.46	23.22
Adjusted earnings – Diluted (cents)		5.18	4.36	22.41

All amounts relate to continuing activities

[a] Parent and subsidiary earnings before interest, tax, depreciation, amortisation and impairment, non-cash charges and non-core operating expenses.
[b] Non-core operating expenses include items related primarily to acquisition, integration and other related costs, which are not incurred as part of the underlying trading performance of the Group, and which are therefore adjusted for, in line with Group policy.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Unaudited Three months ended 31 March 2024 USD m	Restated Unaudited Three months ended 31 March 2023* USD m	Restated Audited Year ended 31 December 2023* USD m
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2.8	1.9	2.6
Right-of-use assets	4.8	5.2	4.6
Intangible assets	313.7	342.6	327.0
Deferred receivables	0.1	0.2	0.1
Deferred tax assets	13.0	10.6	12.8
Derivative financial instruments	0.7	-	-
	335.1	**360.5**	**347.1**
CURRENT ASSETS			
Trade and other receivables	97.5	97.0	106.7
Inventory	0.3	0.6	0.2
Derivative financial instruments	-	0.4	-
Cash and bank balances	75.5	102.9	92.7
	173.3	**200.9**	**199.6**
TOTAL ASSETS	**508.4**	**561.4**	**546.7**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	0.3	0.3	0.3
Share premium	-	98.3	-
Merger relief reserve	5.3	5.3	5.3
Share-based payments reserve	26.3	24.9	25.7
Cash flow hedging reserve	0.7	(0.8)	(0.2)
Foreign exchange translation reserve	(11.1)	(8.7)	(6.1)
Retained earnings	121.4	48.9	128.5
TOTAL EQUITY	**142.9**	**168.2**	**153.5**
NON-CURRENT LIABILITIES			
Other payables	3.6	14.2	5.8
Lease liabilities	2.9	3.4	3.2
Deferred tax liabilities	25.9	28.4	28.0
Borrowings	156.5	151.0	166.3
Derivative financial instruments	-	0.8	0.2
	188.9	**197.8**	**203.5**
CURRENT LIABILITIES			
Trade and other payables and accruals	174.3	193.2	187.8
Lease liabilities	2.0	1.9	1.6
Borrowings	0.3	0.3	0.3
	176.6	**195.4**	**189.7**
TOTAL LIABILITIES	**365.5**	**393.2**	**393.2**
TOTAL EQUITY AND LIABILITIES	**508.4**	**561.4**	**546.7**

* The comparative statement of financial positions at 31 December 2023 and 31 March 2023 have been restated in line with the amendments to International Financial Statement IAS 1: Presentation of Financial Statements, effective 1 January 2024. Borrowings of USD 18.7m at 31 December 2023 and USD 3.7m have been reclassified from non-current to current borrowings as the Group has the right to defer payment for at least twelve months from the dates of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital USD m	Share premium USD m	Merger relief reserve USD m	Share-based payments reserve USD m	Cash flow hedging Reserve USD m	Foreign exchange translation reserve USD m	Retained earnings USD m	Equity attributable to owners of the Parent Company USD m
Balance as at 1 January 2023	**0.3**	**98.3**	**5.3**	**24.1**	**(0.2)**	**(10.8)**	**50.00**	**167.0**
Profit for the period	-	-	-	-	-	-	2.9	**2.9**
Translation of foreign operations	-	-	-	-	-	2.1	-	**2.1**
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	(0.6)	-	-	**(0.6)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(0.6)**	**2.1**	**2.9**	**4.4**
Repurchase of shares	-	-	-	-	-	-	(4.0)	**(4.0)**
Share-based payments	-	-	-	(0.1)	-	-	-	**(0.1)**
Share-based payments – deferred tax	-	-	-	0.9	-	-	-	**0.9**
Balance as at 31 March 2023	**0.3**	**98.3**	**5.3**	**24.9**	**(0.8)**	**(8.7)**	**48.9**	**168.2**
Profit for the period	-	-	-	-	-	-	21.4	**21.4**
Translation of foreign operations	-	-	-	-	-	2.6	-	**2.6**
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	0.6	-	-	**0.6**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**0.6**	**2.6**	**21.4**	**24.6**
Dividends paid on equity shares	-	-	-	-	-	-	(3.6)	**(3.6)**
Cancellation of shares	-	(98.3)	-	-	-	-	98.3	**-**
Repurchase of shares	-	-	-	-	-	-	(36.5)	**(36.5)**
Share-based payments	-	-	-	3.3	-	-	-	**3.3**
Share-based payments – deferred tax	-	-	-	(2.5)	-	-	-	**(2.5)**
Balance as at 31 December 2023	**0.3**	**-**	**5.3**	**25.7**	**(0.2)**	**(6.1)**	**128.5**	**153.5**
Profit for the period	-	-	-	-	-	-	4.7	**4.7**
Translation of foreign operations	-	-	-	-	-	(5.0)	-	**(5.0)**
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	0.9	-	-	**0.9**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**0.9**	**(5.0)**	**4.7**	**0.6**
Repurchase of shares	-	-	-	-	-	-	(11.8)	**(11.8)**
Share-based payments	-	-	-	0.2	-	-	-	**0.2**
Share-based payments – deferred tax	-	-	-	0.4	-	-	-	**0.4**
Balance as at 31 March 2024	**0.3**	**-**	**5.3**	**26.3**	**0.7**	**(11.1)**	**121.4**	**142.9**

- Share capital represents the nominal value of the Company's cumulative issued share capital.
- Share premium represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable share issue costs and other permitted reductions.
- Merger relief reserve represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable shares issue costs and other permitted reductions.
- Share-based payments reserve represents the cumulative value of share-based payments recognised through equity and deferred tax assets arising thereon.
- Cash flow hedging reserve represents the effective portion of changes in the fair value of derivatives.
- Foreign exchange translation reserve represents the cumulative exchange differences arising on Group consolidation.
- Retained earnings represents the cumulative value of the profits not distributed to Shareholders but retained to finance the future capital requirements of the Group.

CONSOLIDATED STATEMENT OF CASH FLOWS	Unaudited Three months ended 31 March 2024	Unaudited Three months ended 31 March 2023	Audited Year ended 31 December 2023
	USD m	USD m	USD m
Cash flow from operating activities			
Profit before taxation	7.1	4.3	29.3
Adjustments for:			
Depreciation of property, plant and equipment	0.7	0.8	3.3
Amortisation and impairment of intangible assets	10.0	9.0	38.8
Finance costs (net)	4.0	3.4	13.0
Share-based payments	0.7	0.9	4.5
Decrease/(increase) in trade and other receivables	9.2	1.2	(8.5)
(Decrease)/increase in trade and other payables	(14.9)	(1.1)	0.2
Decrease/(increase) in inventories	(0.1)	0.1	0.4
Cash flow generated from operations	**16.7**	**18.6**	**81.0**
Income tax paid	(3.6)	(0.8)	(5.6)
Net cash flow generated from operating activities	**13.1**	**17.8**	75.4
Cash flow used in investing activities			
Purchase of property, plant and equipment	(0.8)	(0.2)	(1.9)
Purchase of intangible assets	(1.8)	(1.8)	(8.3)
Payment of deferred consideration	(0.5)	-	(21.5)
Acquisition of subsidiaries and related assets, net of cash acquired	-	(1.9)	(5.6)
Net cash flow used in investing activities	(3.1)	(3.9)	(37.3)
Cash flow used in financing activities			
(Repayment)/drawdown of revolving credit facility	(10.0)	-	15.0
Bank finance arrangement fees	-	-	(0.7)
Proceeds of issuance of ordinary shares (net)	-	-	(3.6)
Repurchase of ordinary shares	(11.5)	(4.0)	(39.7)
Lease principal repayments	(0.5)	(0.6)	(2.3)
Bank loan capital repayments	(0.1)	(0.1)	-
Interest paid	(3.6)	(2.8)	(12.1)
Net cash flow used in financing activities	**(25.7)**	**(7.5)**	(43.4)
Net (decrease)/increase in cash and cash equivalents	(15.7)	6.4	(5.3)
Cash and cash equivalents at beginning of the period/year	92.7	94.8	94.8
Exchange (losses)/gains on cash and cash equivalents	(1.5)	1.7	3.2
Cash and cash equivalents at end of the period/year	**75.5**	**102.9**	**92.7**

NOTES TO THE UNAUDITED FINANCIAL RESULTS

1. General information

Team Internet Group Plc is the UK holding company of a group of companies whose principal activities create meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. The Company is registered in England and Wales. Its registered office and principal place of business is 4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR.

2. Basis of preparation

The financial results for the three months ended 31 March 2024 have been prepared in accordance with the accounting policies outlined in the Group 2023 statutory accounts, except for the changes to IAS 1: Presentation of Financial Statements effective 1 January 2024, and comply with the disclosure requirements of IAS 34: Interim Financial Reporting.

Following the changes to IAS 1, amounts drawn from the Group's revolving credit facilities are classified as non-current liabilities in the financial statements. This is based on the Group's ability to defer payments for at least twelve months from the date of the financial statements. This change in accounting policy has been applied retrospectively, with comparative figures for 31 December 2023 and 31 March 2023 restated.

In the financial statements for the year ended 31 December 2023, the drawn revolving credit facilities totalling USD 18.9m (including prepaid finance costs) were reclassified as non-current liabilities. Similarly, for the period ended 31 March 2023, the drawn revolving credit facilities amounting to USD 3.7m (including prepaid finance costs) were reclassified as non-current liabilities.

The unaudited financial results are condensed and do not represent statutory accounts within the meaning of section 435 of the Companies Act 2016. The statutory accounts for the year ended 31 December 2023, upon which the auditors issued an unqualified opinion, are available on the Group's website and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

3. Segment analysis

Operating segments are organised around the products and services of the business and are prepared in a manner consistent with the internal reporting used by the chief operating decision maker to determine allocation of resources to segments and to assess segmental performance. The Directors do not rely on analyses of segment assets and liabilities, nor on segmental cash flows arising from the operating, investing and financing activities for each reportable segment, for their decision making and therefore have not included them.

The Group has two segments: Online Marketing and Online Presence. The Online Marketing segment creates privacy-safe, AI-based online customer journeys that help online consumers make informed choices. The Online Presence segment conducts business as a global distributor of domain names through a network of channel partners as well as selling domain names and ancillary services to end users, monitoring services to protect brands online, technical and consultancy services to corporate clients, and licensing the Group's in-house developed registry management platform on a global basis.

The chief operating decision maker reviews the activities of the Group in the segments disclosed below:

	Unaudited Three months ended 31 March 2024 USD m	Unaudited Three months ended 31 March 2023 USD m	Audited Year ended 31 December 2023 USD m
Online Marketing			
Revenue	145.9	149.7	657.1
Cost of sales	(115.4)	(119.1)	(525.4)
Net revenue/gross profit	**30.5**	**30.6**	**131.7**
Online Presence			
Revenue	50.0	45.2	179.8
Cost of sales	(32.9)	(30.0)	(120.4)
Net revenue/gross profit	**17.1**	**15.2**	**59.4**
Total revenue	**195.9**	**194.9**	**836.9**
Total cost of sales	(148.3)	(149.1)	(645.8)
Net revenue/gross profit	**47.6**	**45.8**	**191.1**

NOTES TO THE UNAUDITED FINANCIAL RESULTS (continued)

4. Revenue

The Group's revenue is generated indirectly from consumers located in the following geographical areas:

	Unaudited Three months ended 31 March 2024 USD m	%	Unaudited Three months ended 31 March 2023 USD m	%	Audited Year ended 31 December 2023 USD m	%
Americas	90.6	46%	104.4	54%	444.5	53%
EMEA	90.9	46%	74.0	38%	326.2	39%
APAC	14.4	8%	16.5	8%	66.2	8%
	195.9	**100%**	**194.9**	**100%**	**836.9**	**100%**

The Group's revenue is invoiced directly to the following geographical areas:

	Unaudited Three months ended 31 March 2024 USD m	%	Unaudited Three months ended 31 March 2023 USD m	%	Audited Year ended 31 December 2023 USD m	%
Americas	24.3	12%	20.6	11%	90.7	11%
EMEA	164.4	84%	166.1	85%	714.1	85%
APAC	7.2	4%	8.2	4%	32.1	4%
	195.9	**100%**	**194.9**	**100%**	**836.9**	**100%**

The Group's revenue is invoiced directly to the following geographical areas:

	Unaudited Three months ended 31 March 2024 USD m	%	Unaudited Three months ended 31 March 2023 USD m	%	Audited Year ended 31 December 2023 USD m	%
Online Marketing						
Americas	4.6	2%	4.6	3%	20.5	3%
EMEA	139.3	71%	142.6	73%	626.5	75%
APAC	2.0	1%	2.5	1%	10.1	1%
	145.9	**74%**	**149.7**	**77%**	**657.1**	**79%**
Online Presence						
Americas	19.7	10%	16.0	8%	70.2	8%
APAC	25.1	13%	23.5	12%	87.6	10%
EMEA	5.2	3%	5.7	3%	22.0	3%
	50.0	**26%**	**45.2**	**23%**	**179.8**	**21%**
Total revenue	**195.9**	**100%**	**194.9**	**100%**	**836.9**	**100%**

5. Non-core operating expenses

	Unaudited Three months ended 31 March 2024 USD m	Unaudited Three months ended 31 March 2023 USD m	Audited Year ended 31 December 2023 USD m
Acquisition related costs	0.5	0.3	1.0
Integration and streamlining costs	0.5	0.3	4.7
Other costs[1]	-	0.8	0.4
	1.0	**1.4**	**6.1**

[1] Other costs include items related primarily to business reviews and restructuring expenses.

6. Net finance costs

	Unaudited Three months ended 31 March 2024 USD m	Unaudited Three months ended 31 March 2023 USD m	Audited Year ended 31 December 2023 USD m
Finance income	(0.3)	-	(0.6)
Impact of unwinding of discount on net present value of deferred consideration	0.3	0.5	1.4
Reappraisal of deferred consideration	-	-	(2.8)
Arrangement fees on borrowings	0.3	0.3	1.4
Interest on bank borrowings	3.6	3.0	13.5
Interest expense on leases	0.1	0.1	0.2
Gains arising on derivatives classified as fair value hedges	-	(0.5)	(0.1)
Net finance costs	**4.0**	**3.4**	**13.0**

7. Earnings per share

Earnings per share has been calculated by dividing the consolidated profit after taxation attributable to ordinary Shareholders by the weighted average number of ordinary shares in issue during the period, plus vested options, as these options have little or no exercise price, less shares held in treasury and by the Group's Employee Benefit Trust.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of the unvested dilutive potential ordinary shares as calculated using the treasury stock method (arising from the Group's share option scheme) into ordinary shares has been added to the denominator.

	Unaudited Three months ended 31 March 2024 USD m	Unaudited Three months ended 30 March 2023 USD m	Audited Year ended 31 December 2023 USD m
Profit after tax attributable to owners	**4.7**	**2.9**	**24.3**
Operating profit	11.1	7.7	42.3
Depreciation of property, plant and equipment	0.7	0.8	3.3
Amortisation and impairment of intangible assets	10.0	9.0	38.8
Non-core operating expenses	1.0	1.4	6.1
Foreign exchange (gain)/loss	(1.3)	1.5	1.4
Share-based payment expenses	0.7	0.9	4.5
Adjusted EBITDA	22.2	21.3	96.4
Depreciation	(0.7)	(0.8)	(3.3)
Net finance costs (excluding reappraisal of deferred consideration and gains arising on derivatives classified as fair value hedges) – note 6	(4.0)	(3.9)	(15.9)
Current income tax	(3.8)	(4.4)	(14.0)
Adjusted earnings	**13.7**	**12.2**	**63.2**
Weighted average number of shares:			
Basic	256,699,397	275,271,743	272,131,265
Effect of dilutive potential ordinary shares	8,369,555	6,786,531	9,869,695
Diluted average number of shares	265,068,952	282,058,274	282,000,960
Earnings per share:			
Basic (cents)	1.85	1.05	8.94
Diluted (cents)	1.79	1.02	8.63
Adjusted earnings – Basic (cents) (1)	5.35	4.46	23.22
Adjusted earnings – Diluted (cents) (1)	5.18	4.36	22.41

Basic and diluted earnings per share of 1.85 and 1.79 cents (Q1 2023: 1.05 and 1.02 cents) have been impacted by depreciation, amortisation, impairment, non-core operating expenses, foreign exchange gains and losses and share-based payment expenses.

(1) In line with 31 December 2023, adjusted earnings per share for 31 March 2023 has been adjusted to exclude deferred tax, which mainly relates to items adjusted for within amortisation

NOTES TO THE UNAUDITED FINANCIAL RESULTS (continued)

8. Financial instruments

The Group is exposed to market risk, credit risk and liquidity risk arising from financial instruments. The Group's overall financial risk management policy focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not trade in financial instruments.

Cash conversion was as follows:

	Unaudited Three months ended 31 March 2024 USD m	Unaudited Three months ended 31 March 2023 USD m	Audited Year ended 31 December 2023 USD m
Cash conversion			
Cash flow from operations	16.7	18.6	81.0
Exceptional costs incurred and paid during the year	1.0	1.4	6.1
Settlement of one-off working capital items from the prior year	-	0.1	5.5
Adjusted cash flow from operations	**17.7**	**20.1**	**92.6**
Adjusted EBITDA	22.2	21.3	96.4
Conversion %	80%	94%	96%

Net debt is shown in the table below:

	Bank debt USD m	Cash USD m	Financial instruments USD m	Net debt USD m
At 31 December 2023	**(166.6)**	**92.7**	**(0.2)**	**(74.1)**
Repayment of revolving credit facility	10.0	(10.0)	-	**-**
Capital repayments	0.1	(0.1)	-	**-**
Amortisation of prepaid finance costs	(0.3)	-	-	**(0.3)**
Mark-to-market revaluation	-	-	0.9	**0.9**
Other cash movements	-	(5.6)	-	**(5.6)**
Foreign exchange differences	-	(1.5)	-	**(1.5)**
At 31 March 2024	**(156.8)**	**75.5**	**0.7**	**(80.6)**

9. Business combinations

Deferred consideration payments

During the three month period ended 31 March 2024 the following deferred consideration payments were made:

- On 16 January 2024, a deferred consideration payment for the acquisition of NameAction was settled in cash for EUR 0.1m (USD 0.1m)
- On 5 March 2024, a deferred consideration payment for the acquisition of SK-NIC was settled in cash for EUR 0.4m (USD 0.4m)

NOTES TO THE UNAUDITED FINANCIAL RESULTS (continued)

10 Share buyback programme and Employee Benefit Trust

During the period the Company repurchased 6,534,293 shares under its share buyback programme at an average share price of £1.33 (FY2023: 22,136,411 shares at a share price of £1.27). These shares are held in treasury by the Company. The total share repurchase in Q1 2024 is USD 11.8m.

At 31 March 2024 the Employee Benefit Trust ("EBT") held 7,966,797 shares (31 December 2023: 9,104,431 shares, 31 March 2023: 9,050,817 shares). In Q1 2024, the number of shares held in the EBT reduced due to satisfying exercise of share options by employees of the Group. During Q1 2024, 1,125,097 share options were exercised and 60,334 share options were forfeited.

The number of shares held and outstanding share options is as follows:

	Unaudited 31 March 2024 Number	**Unaudited 31 March 2023 Number**	**Audited 31 December 2023 Number**
Issued share capital	288,660,084	288,660,084	288,660,084
Shares held by the Employee Benefit Trust	(7,966,797)	(9,050,817)	(9,104,431)
Shares held in Treasury	(28,890,704)	(2,570,160)	(22,356,411)
Share capital	**251,802,583**	**277,039,107**	**257,199,242**
Outstanding share options	10,171,769	18,372,001	11,357,200
Share capital plus outstanding share options	**261,974,352**	**295,411,108**	**268,556,442**

11. Events occurring after the period end

The following significant events occurred after the Group's period end date of 31 March 2024 and before the signing of these Unaudited Financial Results on 13 May 2024:

- On 26 April 2024, the Group acquired Shinez I.O. Ltd and its subsidiaries (together "Shinez") for an initial cash consideration of USD 38.9m and USD 4.3m retained to cover for customary warranties and indemnification. The acquisition includes additional contingent consideration of up to USD 12.3m in cash and may become due subject to Shinez achieving ambitious financial targets over the next two years
- In April 2024 the Company cancelled 760,084 ordinary shares resulting in an issued share capital of 287,900,000 ordinary shares