12 August 2024

TEAM INTERNET GROUP PLC

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

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Year-on-year growth in all key financial metrics including a 7% increase in net revenue, 13% increase in operating profit and an 8% increase in profit before tax

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 six months ended 30 June 2024 ("H1 2024").

Financial summary:

- Organic gross revenue growth(i) of approximately 9%, for the trailing twelve months ended 30 June 2024 ("TTM 2024")
- Gross revenue increased by 3% to USD 409.7m (versus six months ended 30 June 2023 ("H1 2023"): USD 396.4m)
- Net revenue (gross profit) increased by 7% to USD 97.7m (H1 2023: USD 91.2m), with gross margin increasing from 23.0% to 23.8%, a relative 3.5% uplift
- Adjusted EBITDA(ii) increased by 4% to USD 46.6m (H1 2023: USD 44.6m), with EBITDA margin increasing from 11.3% to 11.4%, a relative 0.9% uplift
- Operating profit increased by 13% to USD 22.9m (H1 2023 restated(iii): USD 20.2m)
- Profit before tax increased by 8% to USD 14.4m (H1 2023: USD 13.3m)
- Profit after tax increased by 4% to USD 9.8m (H1 2023: USD 9.4m)
- Adjusted EPS (diluted) increased by 12% to USD 10.74 cents (H1 2023 restated(iii): USD 9.63 cents)
- Net debt(iv) of USD 109.9m (31 December 2023: USD 74.1m) and leverage(v) of 1.2x pro forma TTM 2024 EBITDA, following non-operating cash outflows related to the initial cash outflow (net of cash acquired) for acquisition of the Shinez for USD 31.8m, repurchase of own shares of USD 12.6m and dividend payment of USD 7.2m
- Adjusted operating cash conversion of 87% (FY 2023: 96%), we expect cash conversion to normalise nearer to 100% over the remainder of the year

H1 highlights:

- In the Online Marketing segment, the number of visitor sessions increased by 16% to 6.1 billion for TTM 2024 from 5.3 billion for the trailing twelve-month period ended 30 June 2023 ("TTM 2023"). Revenue per thousand sessions ("RPM") decreased by 12% from USD 100 to USD 88
- The Online Presence segment recorded organic revenue growth of 8% in TTM 2024
- Adjusted EBITDA as a percentage of net revenue remains healthy at 48% for H1 2024 (H1 2023: 49%)
- On 26 April 2024, the Group acquired Shinez I.O. Ltd and its subsidiaries (together "Shinez") for an initial cash consideration of USD 31.8m (net of cash acquired), a further USD 1.3m subject to completion of operational milestones, and a further USD 4.3m retained to cover for customary warranties and indemnification. The acquisition includes additional contingent payments of up to USD 12.3m in cash, payable on Shinez achieving ambitious financial targets over the next two years
- FY2023 final dividend of 2.0 pence per share paid on 28 May 2024 (FY2022: 1.0 pence per share), 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

Post period end highlights:

- The Board intends to declare an interim dividend of 1.0 pence per ordinary share, subject to bank approval per the conditions of the Company's Facilities Agreement, which the Company expects to be granted. The Company will provide details on the proposed dividend timetable shortly.

Outlook:

Team Internet has once again delivered a strong quarter, with growth in both adjusted and statutory earnings. Although the Group prioritises earnings growth over top-line growth, a robust 9% organic revenue growth has been maintained on a pro forma basis for TTM 2024. Adjusted EBITDA conversion remained healthy at 48% (H1 2023: 49%) 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.(vi)

Michael Riedl, CEO of Team Internet, commented: "Team Internet has delivered another strong set of trading results for the first half of the year. Year-on-year growth in trading results for Q2 2024 was slightly ahead of that seen in Q1 2024, with growth across revenue, net revenue and adjusted EBITDA, demonstrating momentum as we move into the second half of the year.

The addition of Shinez to the Group has introduced platform capability that addresses the 'awareness' stage of the advertising funnel, complementing our existing solutions: TONIC for 'consideration' and comparison platforms for 'conversion'. Our vision is to strategically integrate Shinez, TONIC and VGL into a synergistic platform designed to enhance advertising revenue. By doing so, we will drive future profitability through improved targeting, increased RPM, and the accumulation of valuable first-party data."

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://www.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.

[i] Pro forma revenue, adjusted for: acquired revenue, constant currency foreign exchange impact and non-recurring revenues is USD 954m for TTM 2024 and at USD 878m for TTM 2023

[ii] Earnings before interest, tax, depreciation, amortisation, impairment, non-core operating expenses, foreign exchange gains and losses, and share-based payment expenses

[iii] Please see note 12 for further information

[iv] Includes cash (USD 86.2m), bank debt and prepaid finance costs (USD 197.0) and hedging assets (USD 0.9m) as of 30 June 2024 (31 December 2023 cash (USD 92.7m), bank debt and prepaid finance costs (USD 166.6m) and hedging liabilities (USD 0.2m))

[v] Includes Net Debt as defined under[iv] (a) excluding prepaid finance costs, (b) plus guarantee obligations, and (c) 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 expenses capitalised under IFRS 16 and non-core expenses

[vi] Latest analyst forecasts are within a range of USD 931m and USD 984m for FY24 gross revenue and USD 105m and USD 115m 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 in trading results, through a combination of organic growth and the strong performance of businesses acquired over the last several years.

Performance overview

The Group's key financial metrics are listed below:

	Six months ended 30 June 2024	Six months ended 30 June 2023 Restated*	Change
	USD m	USD m	%
Revenue	409.7	396.4	3%
Net revenue/gross profit	97.7	91.2	7%
Adjusted EBITDA	46.6	44.6	4%
Operating profit	22.9	20.2	13%
Adjusted operating cash conversion (note 9)	87%	94%	n.m.
Profit after tax	9.8	9.4	4%
EPS – Basic (cents)	3.84	3.40	13%
EPS – Diluted (cents)	3.73	3.37	10%
EPS – Adjusted earnings – Basic (cents) (note 7)	11.07	9.72	14%
EPS – Adjusted earnings – Diluted (cents) (note 7)	10.74	9.63	12%

* Certain prior period figures are restated, please refer to note 12 for further information.

Segmental analysis

Organic growth rates quoted below are calculated on a pro forma basis including all of 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

Gross revenue increased by USD 8.1m, or 3%, from USD 304.4m to USD 312.5m, with Net revenue increasing by 5% from USD 61.8m to USD 65.0m demonstrating improved operating margins. Organic gross revenue grew at a rate of 9% for TTM 2024, driven by 16% growth in the number of consumer journeys, from 5.3 billion for TTM 2023 to 6.1 billion for TTM 2024. Click prices continue to be under pressure on both the demand (revenue) and supply (cost of sales) side, with RPM decreasing by 12% from USD 100 to USD 88[(1)].

Our Online Marketing segment aims to become the leading Digital Audience Matching platform. We match audiences and advertisers between platforms that are not innately integrated, such as linking social media users with search ad campaigns on leading search engines, programmatic display, and video ad inventory. We also connect users starting their product search on search engines with leading e-commerce platforms and their marketplace partners. In line with our OM^2 – omni-media, omni-monetisation – vision, we continually expand our network of digital audiences and demand sources. By harnessing the power of artificial intelligence, we enhance the relevance and value of our first-party data as we expand our international footprint.

The Group aims to leverage the Shinez platform to generate revenue from previously unmonetised TONIC and VGL visitor sessions through programmatic display and video advertising on a pay-per-view basis. In return, the behavioural insights gathered from TONIC and VGL will enable Shinez to more effectively connect advertisers with relevant audiences when viewing its content. By doing so, we will drive future profitability through improved targeting, increased RPM, and the accumulation of valuable first-party data.

Online Presence segment

Reported gross revenue in this segment increased by 6% from USD 92.0m in H1 2023 to USD 97.2m in H1 2024. Net revenue increased by 11% from USD 29.4m to USD 32.7m, with much improved operating margins. Organic gross revenue growth for the Online Presence segment was 8% for TTM 2024, continuing the year-on-year 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 decreased by 3% from 13.8m for TTM 2023 to 13.4m for TTM 2024, and the average revenue per domain year increased by 13.3% from USD 10.5 to USD 11.9[(2)].

The Online Presence segment empowers businesses and individuals worldwide to create, maintain, and protect their digital identities, starting with a domain name. This segment serves its global subscriber base through both direct and indirect channels.

Michael Riedl
Chief Executive Officer

[(1)] Based on analysis of c.81% of the Online Marketing segment which can be adequately and reliably described by this KPI

[(2)] 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 Six months ended 30 June 2024 USD m	Unaudited Six months ended 30 June 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Revenue	4	409.7	396.4	836.9
Cost of sales		(312.0)	(305.2)	(645.8)
Net revenue/gross profit		97.7	91.2	191.1
Operating expenses		(73.5)	(68.7)	(140.9)
Share-based payment expenses		(1.3)	(2.3)	(4.5)
Operating profit		**22.9**	**20.2**	**45.7**
Adjusted EBITDA[(a)]		**46.6**	**44.6**	**96.4**
Depreciation of property, plant and equipment		(1.3)	(1.5)	(3.3)
Amortisation and impairment of intangible assets		(20.3)	(18.5)	(38.8)
Non-core operating expenses[(b)]	5	(1.6)	(0.5)	(2.7)
Foreign exchange		0.8	(1.6)	(1.4)
Share-based payment expenses		(1.3)	(2.3)	(4.5)
Operating profit		**22.9**	**20.2**	**45.7**
Finance income		0.6	-	0.6
Finance costs		(9.1)	(6.9)	(16.2)
Net finance costs	6	(8.5)	(6.9)	(15.6)
Profit before taxation		**14.4**	**13.3**	**30.1**
Income tax		(4.6)	(3.9)	(5.0)
Profit after taxation		**9.8**	**9.4**	**25.1**
Exchange differences on translation of foreign operations		(5.7)	0.9	4.8
Gain arising on changes in fair value of hedging instruments		1.1	0.9	-
Total comprehensive profit for the period		**5.2**	**11.2**	**29.9**
Earnings per share:				
Basic (cents)	7	3.84	3.40	9.20
Diluted (cents)	7	3.73	3.37	8.89
Adjusted earnings – Basic (cents)	7	11.07	9.72	23.27
Adjusted earnings – Diluted (cents)	7	10.74	9.63	22.46

All amounts relate to continuing activities

[(a)] Earnings before interest, tax, depreciation, amortisation and impairment, non-core operating expenses, foreign exchange gains and losses, and share-based payment 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.

* Certain prior period figures are restated, please refer to note 12 for further information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Note	Unaudited 30 June 2024 USD m	Unaudited 30 June 2023 Restated* USD m	Audited 31 December 2023 Restated* USD m
ASSETS				
Non-current assets				
Property, plant and equipment		2.6	2.2	2.6
Right-of-use assets		4.7	4.7	4.6
Intangible assets	8	337.5	332.3	323.6
Other non-current assets		0.1	0.2	0.1
Deferred tax assets		14.5	10.2	12.8
Derivative financial instruments		0.9	0.7	-
		360.3	**350.3**	**343.7**
Current assets				
Trade and other receivables		117.1	94.2	106.7
Inventory		0.3	0.5	0.2
Derivative financial instruments		-	0.7	-
Cash and bank balances		86.2	82.6	92.7
		203.6	**178.0**	**199.6**
TOTAL ASSETS		**563.9**	**528.3**	**543.3**
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		27.4	26.4	25.7
Cash flow hedging reserve		0.9	0.7	(0.2)
Foreign exchange translation reserve		(11.7)	(9.9)	(6.0)
Retained earnings		119.7	40.3	128.2
Total equity		**141.9**	**161.4**	**153.3**
Non-current liabilities				
Other payables		5.6	7.2	4.5
Lease liabilities		3.2	3.2	3.2
Deferred tax liabilities		26.9	26.6	28.0
Borrowings		196.7	151.2	166.3
Derivative financial instruments		-	-	0.2
		232.4	**188.2**	**202.2**
Current liabilities				
Trade, other payables and accruals		187.7	176.7	185.9
Lease liabilities		1.6	1.7	1.6
Borrowings		0.3	0.3	0.3
		189.6	**178.7**	**187.8**
TOTAL LIABILITIES		**422.0**	**366.9**	**390.0**
TOTAL EQUITY AND LIABILITIES		**563.9**	**528.3**	**543.3**

The financial statements on pages 1 to 20 were approved by the Board of Directors and authorised for issue on 12 August 2024.

* Certain prior period figures are restated, please refer to note 12 for further information.

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)**	**50.0**	**167.0**
Prior year restatement (note 12)	-	-	-	-	-		(1.1)	**(1.1)**
Restated balance at 1 January 2023	**0.3**	**98.3**	**5.3**	**24.1**	**(0.2)**	**(10.8)**	**48.9**	**165.9**
Profit for the period	-	-	-	-	-	-	9.4	**9.4**
Translation of foreign operations	-	-	-	-	-	0.9	-	**0.9**
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	0.9	-	-	**0.9**
Total comprehensive profit for the period	**-**	**-**	**-**	**-**	**0.9**	**0.9**	**9.4**	**11.2**
Dividends paid on equity shares	-	-	-	-	-	-	(3.6)	**(3.6)**
Repurchase of shares	-	-	-	-	-	-	(14.4)	**(14.4)**
Share-based payments	-	-	-	1.4	-	-	**-**	**1.4**
Share-based payments – deferred tax	-	-	-	0.9	-	-	**-**	**0.9**
Balance as at 30 June 2023	**0.3**	**98.3**	**5.3**	**26.4**	**0.7**	**(9.9)**	**40.3**	**161.4**
Profit for the period (restated, see note 12)	-	-	-	-	-	-	15.7	**15.7**
Translation of foreign operations (restated, see note 12)	-	-	-	-	-	3.9	-	**3.9**
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	(0.9)	-	-	**(0.9)**
Total comprehensive profit for the period	**-**	**-**	**-**	**-**	**(0.9)**	**3.9**	**15.7**	**18.7**
Cancellation of shares	-	(98.3)	-	-	-	-	98.3	**-**
Repurchase of shares	-	-	-	-	-	-	(26.1)	**(26.1)**
Share-based payments	-	-	-	1.8	-	-	-	**1.8**
Share-based payments – deferred tax	-	-	-	(2.5)	-	-	-	**(2.5)**
Balance as at 31 December 2023	**0.3**	**-**	**5.3**	**25.7**	**(0.2)**	**(6.0)**	**128.2**	**153.3**
Profit for the period	-	-	-	-	-	-	9.8	**9.8**
Translation of foreign operations	-	-	-	-	-	(5.7)	-	**(5.7)**
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	1.1	-	-	**1.1**
Total comprehensive profit for the period	**-**	**-**	**-**	**-**	**1.1**	**(5.7)**	**9.8**	**5.2**
Dividends paid on equity shares	-	-	-	-	-	-	(6.4)	**(6.4)**
Repurchase of shares	-	-	-	-	-	-	(11.9)	**(11.9)**
Share-based payments	-	-	-	0.5	-	-	-	**0.5**
Share-based payments – deferred tax	-	-	-	1.2	-	-	-	**1.2**
Balance as at 30 June 2024	**0.3**	**-**	**5.3**	**27.4**	**0.9**	**(11.7)**	**119.7**	**141.9**

- 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 Six months ended 30 June 2024	Unaudited Six months ended 30 June 2023 Restated*	Audited Year ended 31 December 2023 Restated*
	USD m	USD m	USD m
Cash flow from operating activities			
Profit before taxation	14.4	13.3	30.1
Adjustments for:			
Depreciation of property, plant and equipment	1.3	1.5	3.3
Amortisation and impairment of intangible assets	20.3	18.5	38.8
Finance costs (net)	8.5	6.9	15.6
Share-based payments	1.3	2.3	4.5
(Increase)/decrease in trade and other receivables	(10.4)	4.0	(8.5)
Increase/(decrease) in trade and other payables	1.2	(11.3)	(6.0)
(Increase)/decrease in inventories	(0.1)	0.1	0.4
Cash flow generated from operations	**36.5**	**35.3**	**78.2**
Income tax paid	(5.1)	(2.4)	(5.6)
Net cash flow generated from operating activities	**31.4**	**32.9**	**72.6**
Cash flow used in investing activities			
Purchase of property, plant and equipment	(0.8)	(0.8)	(1.9)
Purchase of intangible assets	(3.5)	(3.8)	(8.3)
Payment of deferred consideration	(1.6)	(15.2)	(18.7)
Acquisition of subsidiaries and related assets, net of cash acquired	(32.2)	(2.1)	(5.6)
Net cash flow used in investing activities	**(38.1)**	**(21.9)**	**(34.5)**
Cash flow generated from/(used in) financing activities			
Drawdown of revolving credit facility	30.0	-	15.0
Bank finance arrangement fees	(0.1)	(0.2)	(0.7)
Payment of dividend to ordinary Shareholders**	(7.2)	(3.6)	(3.6)
Repurchase of ordinary shares	(12.6)	(13.9)	(39.7)
Lease principal repayments	(1.0)	(1.1)	(2.3)
Bank loan capital repayments	(0.2)	(0.1)	-
Interest paid	(6.7)	(6.0)	(12.1)
Net cash flow generated from/(used in) financing activities	**2.2**	**(24.9)**	**(43.4)**
Net decrease in cash and cash equivalents	(4.5)	(13.9)	(5.3)
Cash and cash equivalents at beginning of the period	92.7	94.8	94.8
Exchange (losses)/gains on cash and cash equivalents	(2.0)	1.7	3.2
Cash and cash equivalents at end of the period	**86.2**	**82.6**	**92.7**

* Certain prior period figures are restated, please refer to note 12 for further information.

** Dividend paid of USD 7.2m is USD 0.8m greater than the dividend in the consolidated statement of changes in equity of USD 6.4m. This is due to funds advanced to the paying agent, which will be returned to the Group.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

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 (company number 08576358). 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 six months ended 30 June 2024 have been prepared in accordance with the accounting policies outlined in the Group's 2023 statutory financial statements, except for the changes to IAS 1: Presentation of Financial Statements effective 1 January 2024 and the classification of the reassessment of contingent consideration in the income statement, and comply with the disclosure requirements of IAS 34: Interim Financial Reporting. The financial statements have been restated for the changes in accounting policies and errors in respect of contingent consideration, please refer to note 12 for further information.

The Group adopted the following new pronouncements during the period to 30 June 2024, which did not have a material impact on the Group's interim financial statements:

• Amendment to IFRS 16 – Leases on sale and leaseback; and
• Amendment to IAS 7 and IFRS 7 – Supplier finance.

The unaudited financial results are condensed and do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial statements 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. These interim financial statements for the six-month period ended 30 June 2024 have been reviewed, not audited.

Going concern

The Directors have procedures in place to review the forecasts and budgets for the going concern review period, which have been drawn up with appropriate regard for the macroeconomic environment in which the Group operates, particular circumstances influencing the domain name and online advertising industry and the Group itself. These were prepared with reference to historical and current industry knowledge, as well as contractual trading activities and prospects that relate to the future strategy of the Group. As a result, at the time of approving the financial statements, the Directors consider that the Group has sufficient resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in the preparation of the financial statements.

As at 30 June 2024, the Group had access to over USD 136.2m of liquidity, comprising cash and cash equivalents of USD 86.2m and access to an undrawn Revolving Credit Facility (RCF) of USD 50.0 million. In considering whether the Group's financial statements can be prepared on a going concern basis, the Directors have reviewed the Group's business activities together with factors likely to affect its performance, financial position and access to liquidity (including consideration of financial covenants).

The Group has net current assets of USD 14.0m at 30 June 2024. Current liabilities include USD 23.5m of liabilities not expected to result in a cash outflow in the foreseeable future, comprising deferred revenue of USD 5.7m and payments received on account from customers of USD 17.8m. Excluding these liabilities, the Group has net current assets of USD 37.5m.

The Directors have, after careful consideration of the factors set out above, concluded that it is appropriate to adopt the going concern basis for the preparation of the financial statements, and the financial statements do not include any adjustments that would result if the going concern basis was not appropriate.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

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 reporting segments, Online Marketing and Online Presence. Online Marketing is comprised of three operating segments which meet the qualitative and quantitative thresholds for aggregation as one reporting segment. Online Presence is comprised of one operating segment.

Our Online Marketing segment aims to become the leading Digital Audience Matching platform, matching audiences and advertisers between platforms that are not innately integrated. Our Online Presence segment enables business and individuals globally to create, maintain and protect their digital identity online, commencing the journey with a domain name. The Online Presence segment is serving its global subscriber base through direct and indirect channels.

The Group's reporting segments performed as follows during the period:

	Unaudited Six months ended 30 June 2024 USD m	Unaudited Six months ended 30 June 2023 USD m	Audited Year ended 31 December 2023 USD m
Online Marketing			
Revenue	312.5	304.4	657.1
Cost of sales	(247.5)	(242.6)	(525.4)
Net revenue/gross profit	**65.0**	**61.8**	**131.7**
Online Presence			
Revenue	97.2	92.0	179.8
Cost of sales	(64.5)	(62.6)	(120.4)
Net revenue/gross profit	**32.7**	**29.4**	**59.4**
Total revenue	**409.7**	**396.4**	**836.9**
Total cost of sales	(312.0)	(305.2)	(645.8)
Total net revenue/gross profit	**97.7**	**91.2**	**191.1**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

4. Revenue

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

	Unaudited Six months ended 30 June 2024 USD m	%	Unaudited Six months ended 30 June 2023 USD m	%	Audited Year ended 31 December 2023 USD m	%
Americas	182.9	45%	206.3	52%	444.5	53%
EMEA	198.9	48%	157.4	40%	326.2	39%
APAC	27.9	7%	32.7	8%	66.2	8%
	409.7	**100%**	**396.4**	**100%**	**836.9**	**100%**

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

	Unaudited Six months ended 30 June 2024 USD m	%	Unaudited Six months ended 30 June 2023 USD m	%	Audited Year ended 31 December 2023 USD m	%
Americas	55.7	14%	44.9	11%	90.7	11%
EMEA	339.5	83%	334.9	85%	714.1	85%
APAC	14.5	3%	16.6	4%	32.1	4%
	409.7	**100%**	**396.4**	**100%**	**836.9**	**100%**

On a reporting segment basis, the Group's revenue is invoiced directly to the following geographical areas:

	Unaudited Six months ended 30 June 2024 USD m	%	Unaudited Six months ended 30 June 2023 USD m	%	Audited Year ended 31 December 2023 USD m	%
Online Marketing						
Americas	16.1	4%	9.3	3%	20.5	3%
EMEA	292.4	71%	289.9	73%	626.5	75%
APAC	4.0	1%	5.2	1%	10.1	1%
	312.5	**76%**	**304.4**	**77%**	**657.1**	**79%**
Online Presence						
Americas	39.6	10%	35.6	9%	70.2	8%
EMEA	47.1	11%	45.0	11%	87.6	10%
APAC	10.5	3%	11.4	3%	22.0	3%
	97.2	**24%**	**92.0**	**23%**	**179.8**	**21%**
Total revenue	**409.7**	**100%**	**396.4**	**100%**	**836.9**	**100%**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

5. Non-core operating expenses

	Unaudited Six months ended 30 June 2024 USD m	Unaudited Six months ended 30 June 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Acquisition costs	3.1	2.6	4.7
Reassessment of contingent consideration	(2.4)	(4.9)	(7.0)
Total acquisition related costs/(income)	0.7	(2.3)	(2.3)
Integration and streamlining costs	0.5	1.6	3.3
Other costs	0.4	1.2	1.7
Non-core operating expenses	**1.6**	**0.5**	**2.7**

* Certain prior period figures are restated, please refer to note 12 for further information.

6. Net finance costs

	Unaudited Six months ended 30 June 2024 USD m	Unaudited Six months ended 30 June 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Finance income	(0.6)	-	(0.6)
Impact of unwinding of discount on net present value of deferred consideration	0.4	0.8	1.2
Amortisation of arrangement fees on borrowings	0.7	0.7	1.4
Interest on bank borrowings	7.4	6.1	13.5
Other interest	0.5	-	-
Interest expense on leases	0.1	0.1	0.2
Gain arising on derivatives classified as fair value hedges	-	(0.8)	(0.1)
Net finance costs	**8.5**	**6.9**	**15.6**

* Certain period figures are restated, please refer to note 12 for further information.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

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. Exact numbers have been used in the calculation of earnings per share, rather than the rounded numbers used in the financial statements.

	Unaudited Six months ended 30 June 2024 USD m	Unaudited Six months ended 30 June 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Profit after tax attributable to owners	**9.8**	**9.4**	**25.1**
Operating profit	22.9	20.2	45.7
Depreciation of property, plant and equipment	1.3	1.5	3.3
Amortisation and impairment of intangible assets	20.3	18.5	38.8
Non-core operating expenses	1.6	0.5	2.7
Foreign exchange (gain)/loss	(0.8)	1.6	1.4
Share-based payment expenses	1.3	2.3	4.5
Adjusted EBITDA	46.6	44.6	96.4
Depreciation	(1.3)	(1.5)	(3.3)
Net finance costs (excluding gains arising on derivatives classified as fair value hedges) – note 6	(8.5)	(7.7)	(15.7)
Current income tax	(8.5)	(8.5)	(14.0)
Adjusted earnings	**28.3**	**26.9**	**63.4**
Weighted average number of shares:			
Basic	255,427,532	276,168,951	272,131,265
Effect of dilutive potential ordinary shares	7,917,828	2,584,870	9,869,695
Diluted average number of shares	263,345,360	278,753,821	282,000,960
Earnings per share:			
Basic (cents)	3.84	3.40	9.20
Diluted (cents)	3.73	3.37	8.89
Adjusted earnings – Basic (cents)	11.07	9.72	23.27
Adjusted earnings – Diluted (cents)	10.74	9.63	22.46

* Certain prior period figures are restated, please refer to note 12 for further information.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

8. Intangible assets

	Domain names USD m	Software USD m	Customer list USD m	Patents and trademarks USD m	Goodwill USD m	Intellectual property USD m	Total USD m
Cost or deemed cost							
At 1 January 2023	43.3	58.9	101.1	10.2	217.4	4.5	435.4
Restatement (note 12)	-	-	-	-	(5.6)	-	(5.6)
At 1 January 2023 (restated)	43.3	58.9	101.1	10.2	211.8	4.5	429.8
Additions	1.7	2.2	-	-	-	1.7	5.6
Exchange differences	0.4	0.4	1.3	-	1.3	0.1	3.5
At 30 June 2023	**45.4**	**61.5**	**102.4**	**10.2**	**213.1**	**6.3**	**438.9**
Amortisation and impairment							
At 1 January 2023	11.7	25.3	42.7	2.3	3.6	1.9	87.5
Charge for the period	3.7	6.3	7.2	0.5	-	0.8	18.5
Exchange differences	0.2	0.1	0.2	-	-	0.1	0.6
At 30 June 2023	**15.6**	**31.7**	**50.1**	**2.8**	**3.6**	**2.8**	**106.6**
Net book value							
At 1 January 2023 (restated)	31.6	33.6	58.4	7.9	208.2	2.6	342.3
At 30 June 2023	**29.8**	**29.8**	**52.3**	**7.4**	**209.5**	**3.5**	**332.3**

	Domain names USD m	Software USD m	Customer list USD m	Patents and trademarks USD m	Goodwill USD m	Intellectual property USD m	Total USD m
Cost or deemed cost							
At 1 July 2023	45.4	61.5	102.4	10.2	213.1	6.3	438.9
Additions	1.6	3.2	-	-	-	1.3	6.1
Acquisition of subsidiary	-	0.5	0.6	-	1.3	-	2.4
Exchange differences	0.4	0.3	0.6	-	2.4	0.2	3.9
At 31 December 2023	**47.4**	**65.5**	**103.6**	**10.2**	**216.8**	**7.8**	**451.3**
Amortisation and impairment							
At 1 July 2023	15.6	31.7	50.1	2.8	3.6	2.8	106.6
Charge for the period	4.0	6.6	7.4	0.4	-	1.2	19.6
Impairment	-	-	-	-	-	0.7	0.7
Exchange differences	-	0.3	0.5	-	-	-	0.8
At 31 December 2023	**19.6**	**38.6**	**58.0**	**3.2**	**3.6**	**4.7**	**127.7**
Net book value							
At 1 July 2023 (restated)	29.8	29.8	52.3	7.4	209.5	3.5	332.3
At 31 December 2023	**27.8**	**26.9**	**45.6**	**7.0**	**213.2**	**3.1**	**323.6**

	Domain names USD m	Software USD m	Customer list USD m	Patents and trademarks USD m	Goodwill USD m	Intellectual property USD m	Total USD m
Cost or deemed cost							
At 1 January 2024	**47.4**	**65.5**	**103.6**	**10.2**	**220.2**	**7.8**	**454.7**
Restatement (note 12)	-	-	-	-	(3.4)	-	(3.4)
At 1 January 2024 (restated)	**47.4**	**65.5**	**103.6**	**10.2**	**216.8**	**7.8**	**451.3**
Additions	0.4	2.8	-	-	-	0.7	3.9
Acquisition of subsidiary	-	7.0	15.3	-	9.3	4.3	35.9
Exchange differences	(0.7)	(0.6)	(2.3)	-	(3.8)	(0.3)	(7.7)
At 30 June 2024	**47.1**	**74.7**	**116.6**	**10.2**	**222.3**	**12.5**	**483.4**
Amortisation and impairment							
At 1 January 2024	19.6	38.6	58.0	3.2	3.6	4.7	127.7
Charge for the period	3.9	7.4	7.4	0.5	-	1.1	20.3
Exchange differences	(0.3)	(0.6)	(1.0)	-	-	(0.2)	(2.1)
At 30 June 2024	**23.2**	**45.4**	**64.4**	**3.7**	**3.6**	**5.6**	**145.9**
Net book value							
At 1 January 2024 (restated)	27.8	26.9	45.6	7.0	213.2	3.1	323.6
At 30 June 2024	**23.9**	**29.3**	**52.2**	**6.5**	**218.7**	**6.9**	**337.5**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

9. 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 Six months ended 30 June 2024 USD m	Unaudited Six months ended 30 June 2023 USD m	Audited Year ended 31 December 2023 Restated* USD m
Cash conversion			
Cash flow from operations	36.5	35.3	78.2
Non-core costs incurred and paid during the period	2.2	3.2	6.1
Change in working capital due to non-recurring working capital items	1.9	3.4	8.3
Adjusted cash flow from operations	**40.6**	**41.9**	**92.6**
Adjusted EBITDA	46.6	44.6	96.4
Adjusted operating cash conversion %	87%	94%	96%

* Certain prior period figures are restated, please refer to note 12 for further information.

Net debt is shown in the table below:

	Bank debt USD m	Cash USD m	Debt related financial instruments USD m	Net debt USD m
At 1 January 2023	**(151.2)**	**94.8**	**(0.2)**	**(56.6)**
Capital repayments	0.1	(0.1)	-	**-**
Prepaid finance cost additions	0.2	(0.2)	-	**-**
Amortisation of prepaid finance costs	(0.6)	-	-	**(0.6)**
Mark-to-market revaluation	-	-	0.9	**0.9**
Other cash movements	-	(13.6)	-	**(13.6)**
Foreign exchange differences	-	1.7	-	**1.7**
At 30 June 2023	**(151.5)**	**82.6**	**0.7**	**(68.2)**
Drawdown of revolving credit facility	(15.0)	15.0	-	**-**
Capital repayments	0.2	(0.2)	-	**-**
Prepaid finance cost additions	0.5	(0.5)	-	**-**
Amortisation of prepaid finance costs	(0.8)	-	-	**(0.8)**
Mark-to-market revaluation	-	-	(0.9)	**(0.9)**
Other cash movements	-	(5.7)	-	**(5.7)**
Foreign exchange differences	-	1.5	-	**1.5**
At 31 December 2023	**(166.6)**	**92.7**	**(0.2)**	**(74.1)**
Drawdown of revolving credit facility	(30.0)	30.0	-	**-**
Capital repayments	0.2	(0.2)	-	**-**
Amortisation of prepaid finance costs	(0.7)	-	-	**(0.7)**
Prepaid finance costs	0.1	(0.1)		
Mark-to-market revaluation	-	-	1.1	**1.1**
Acquisition of Shinez (initial cash consideration, net of cash acquired)	-	(31.8)	-	**(31.8)**
Other cash movements	-	(2.4)	-	**(2.4)**
Foreign exchange differences	-	(2.0)	-	**(2.0)**
At 30 June 2024	**(197.0)**	**86.2**	**0.9**	**(109.9)**

The Group's drawn-down RCF of USD 50.0m (31 December 2023: USD 20.0m, 30 June 2023: USD 5.0m) is classified as a non-current liability following the IAS 1 amendment effective 1 January 2024 (see note 12 for further information). The RCF would become repayable if the Group breaches a quarterly covenant, which are leverage and interest cover covenants. There is no indication that the Group will breach these covenants.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

10. Business combinations

Acquisition of Shinez I.O. Ltd

On 26 April 2024, Team Internet Group Plc acquired the entire issued share capital of a leading Israel-based online marketing business, Shinez I.O. Ltd from its current shareholders.

Shinez specialises in the production and promotion of highly engaging content across diverse channels such as social media, search engines, and native networks. Its current 40 popular portals include ourfashiontrends.com, falafelandcaviar.com and travelerdreams.com. Leveraging this expertise, Shinez monetises real-time visits through an expansive network of advertising exchanges, utilising cutting-edge technology and strategies. This approach maximises the revenue potential of each piece of content, and positions Shinez at the forefront of digital marketing innovation.

Team Internet acquired Shinez for an enterprise value of USD 41.8m, on a net debt-free basis and subject to customary adjustments for net working capital, payable in cash. The initial consideration represents a multiple of 4.0x Shinez's FY23 Adjusted EBITDA. Additional contingent consideration of up to USD 12.3m will be due subject to Shinez achieving ambitious financial targets over the next two years, payable in cash. As the USD 12.3m of contingent payments is also contingent on continued employment of the shareholders, the fair value of this consideration will be charged to the income statement within non-core expenses as remuneration, and is therefore not included within consideration in the table below.

Total consideration payable in the table below of USD 42.5m comprises the enterprise value of USD 41.8m, less discounting of deferred consideration of USD 0.7m, plus working capital adjustments totalling USD 1.4m. Initial cash consideration, net of cash acquired, is USD 31.8m (USD 37.6m of initial cash consideration, less cash acquired of USD 5.8m).

The following table summarises the consideration paid for Shinez I.O. Ltd and the fair values of the assets and liabilities at the acquisition date, in line with Group policies. The fair values of the acquired assets and liabilities are provisional pending completion of the purchase price allocation as required under IFRS 3: Business combinations ("IFRS 3").

	USD m
Initial cash consideration (adjusted for cash and working capital)	37.6
Consideration contingent on completion of operational milestones	1.3
Deferred consideration (USD 4.3m discounted to present value)	3.6
Total consideration	**42.5**
Fair values recognised on acquisition	
Assets	
Customer list	15.3
Software	7.0
Intellectual property	4.3
Trade and other receivables	14.6
Deferred tax asset	0.3
Corporation tax receivable	0.3
Cash and cash equivalents	5.8
	47.6
Liabilities	
Trade payables	8.2
Other current liabilities	3.0
Deferred tax liability	3.2
	14.4
Total identifiable estimated net assets at fair value	**33.2**
Goodwill arising on acquisition	9.3
Purchase consideration	**42.5**

For the period post acquisition to 30 June 2024, revenues of USD 10.7m, adjusted EBITDA of USD 0.1m and a post tax loss of USD 0.6m, including amortisation of acquired intangibles, have been generated by Shinez. If the acquisition had been made on 1 January 2024 the contribution to the Group's results, for the six months ended 30 June 2024, would have been revenues of USD 39.3m, adjusted EBITDA of USD 1.2m and a profit after tax of USD nil, including amortisation of acquired intangibles.

Goodwill arising on the acquisition primarily relates to the specific synergistic benefits able to be realised through Shinez being part of the larger Team Internet Group, as well as goodwill in relation to employees.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

10. Business combinations (continued)

Deferred consideration payments

During the six-month period ended 30 June 2024 the following deferred consideration payments were made:

- The final deferred cash consideration payment of USD 0.1m was made for the acquisition of NameAction in January 2024
- The final deferred cash consideration payment of EUR 1.0m (USD 1.1m) for the acquisition of SK-NIC was made in two instalments: EUR 0.4m (USD 0.4m) on March 2024 and EUR 0.6m (USD 0.7m) on May 2024
- A deferred cash consideration payment of USD 0.4m for the acquisition of Shinez I.O. Ltd was made on June 2024 in respect of operational milestones achieved

11. Share buyback programme and Employee Benefit Trust

During the period, the Company repurchased 7,074,384 shares under its share buyback programme at an average share price of GBP 1.34 (FY2023: 22,136,411 shares at a share price of GBP 1.27). These shares are held in treasury by the Company. The total share repurchase in H1 2024 is USD 11.9m.

At 30 June 2024 the Employee Benefit Trust ("EBT") held 7,532,894 shares (31 December 2023: 9,104,431 shares, 30 June 2023: 10,115,916 shares). In H1 2024, the number of shares held in the EBT reduced due to satisfying the exercise of share options by employees of the Group. During H1 2024, 546,551 share options were granted, 1,555,964 share options were exercised and 614,676 share options were forfeited.

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

	Unaudited 30 June 2024 Number	Unaudited 30 June 2023 Number	Audited 31 December 2023 Number
Issued share capital	287,900,000	288,660,084	288,660,084
Shares held by the Employee Benefit Trust	(7,532,894)	(10,115,916)	(9,104,431)
Shares held in Treasury	(29,430,795)	(5,898,850)	(22,356,411)
Share capital	**250,936,311**	**272,645,318**	**257,199,242**
Outstanding share options	9,733,111	13,608,065	11,357,200
Share capital plus outstanding share options	**260,669,422**	**286,253,383**	**268,556,442**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

12. Changes in accounting policies and correction of errors

Restatements have been made to the financial statements for the periods ended 31 December 2023 and 30 June 2023 as described below. There are no changes to taxation in respect of the restatements.

Classification of borrowings and reassessment of contingent consideration – change in accounting policies

The consolidated statements of financial position at 31 December 2023 and at 30 June 2023 have been restated in line with the amendments to International Financial Statement IAS 1: Presentation of Financial Statements ("IAS 1"), effective 1 January 2024.

Following the changes to IAS 1, amounts drawn from the Group's RCF, and all prepaid finance costs, 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 as long as the Group is still in compliance with its banking covenants. This change in accounting policy has been applied retrospectively, with comparative figures for 31 December 2023 and 30 June 2023 restated, i.e. borrowings of USD 18.6m at 31 December 2023 and of USD 3.6m at 30 June 2023 have been reclassified from current to non-current borrowings.

The Group has also changed its policy in respect of the classification of changes in fair value of contingent consideration in respect of business combinations. Previously changes in the fair value of contingent consideration were recognised within finance costs. The Group has changed its policy to recognise such items within operating profit in instances where the fair value is reassessed as a result of over or underperformance by the acquired entity resulting in more, or less, consideration payable in relation to an earn-out. This change in accounting policy provides reliable and more relevant information on the nature of these transactions. Consequently, a credit of USD 2.8m in the six-month period ended 30 June 2023, and in the year ended 31 December 2023, has been reclassified from finance costs to operating expenses (non-core expenses).

Contingent consideration – correction of errors

Fair value reassessments of contingent consideration after the finalisation of their fair value, but within twelve months of the date of acquisition, were previously accounted for as adjustments to goodwill. Under IFRS 3, such changes should be accounted for within the income statement. To correct this, USD 2.1m has been credited to operating costs (non-core expenses) within the income statement in the six-month period ended 30 June 2023, and in the year ended 31 December 2023. Goodwill has increased by USD 2.7m at 30 June 2023 and USD 2.1m at 31 December 2023. Accrued contingent consideration increased by USD 0.5m at 30 June 2023. There has also been an increase of USD 0.1m to goodwill in respect of foreign exchange differences which impacted the year ended 31 December 2023 related to these adjustments, six-month period ended 30 June 2023 USD nil.

Contingent consideration should be reassessed at the end of each reporting period. Management did not fully reassess the contingent consideration at December 2023. Having now done so, based on the information available as at 31 December 2023, a further USD 2.1m has been credited to operating costs (non-core expenses) in the income statement for the year ended 31 December 2023 to correct this error and reduce the contingent consideration.

In line with IFRS 3, contingent consideration linked to the continued employment of owners of acquired entities should be treated as remuneration, charged to the income statement over the contingent period. Previously the Group treated these payments as part of the acquisition consideration for an acquired entity and included these amounts within goodwill. Consequently, in respect of one business combination, goodwill has been reduced by USD 5.6m at both 30 June 2023 and 31 December 2023, and operating costs (non-core expenses) have increased by USD 3.6m in the year ended 31 December 2023 (of which USD 2.2m relates to six-month period ended 30 June 2023). The impact on finance costs for the unwinding of the discount of deferred consideration is a reduction in finance costs of USD 0.2m for the year ended 31 December 2023 (of which USD 0.1m relates to the six-month period ended 30 June 2023). Deferred consideration decreased by USD 5.1m at 31 December 2023 and USD 5.6m at 30 June 2023. Accruals in respect of contingent consideration treated as remuneration of USD 1.9m have been recognised at 31 December 2023 (30 June 2023: USD 3.3m). The impact on retained earnings at 1 January 2023 is USD 1.1m comprising contingent consideration treated as remuneration.

Impact on earnings per share

Earnings per share for the year ended 31 December 2023 have been impacted by the adjustments described above; there is no impact from the above adjustments for earnings per share for the period ended 30 June 2023.

In line with the audited 31 December 2023 financial statements, adjusted earnings per share for 30 June 2023 have been restated to exclude deferred tax, which mainly relates to items adjusted for within amortisation.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

12. Changes in accounting policies and correction of errors (continued)

The consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows have been restated as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Unaudited Six months ended 30 June 2023 USD m	Accounting policy changes USD m	Correction of errors USD m	Unaudited Six months ended 30 June 2023 Restated USD m	Audited Year ended 31 December 2023 USD m	Accounting policy changes USD m	Correction of errors USD m	Audited Year ended 31 December 2023 Restated USD m
Revenue	396.4	-	-	396.4	836.9	-	-	836.9
Cost of sales	(305.2)	-	-	(305.2)	(645.8)	-	-	(645.8)
Net revenue/gross profit	91.2	-	-	91.2	191.1	-	-	191.1
Operating expenses	(71.4)	2.8	(0.1)	(68.7)	(144.3)	2.8	0.6	(140.9)
Share-based payment expenses	(2.3)		-	(2.3)	(4.5)		-	(4.5)
Operating profit	**17.5**	**2.8**	**(0.1)**	**20.2**	**42.3**	**2.8**	**0.6**	**45.7**
Adjusted EBITDA	**44.6**	-	-	**44.6**	**96.4**	-	-	**96.4**
Depreciation of property, plant and equipment	(1.5)	-	-	(1.5)	(3.3)	-	-	(3.3)
Amortisation and impairment of intangible assets	(18.5)	-	-	(18.5)	(38.8)	-	-	(38.8)
Non-core operating expenses	(3.2)	2.8	(0.1)	(0.5)	(6.1)	2.8	0.6	(2.7)
Foreign exchange loss	(1.6)	-	-	(1.6)	(1.4)	-	-	(1.4)
Share-based payment expenses	(2.3)	-	-	(2.3)	(4.5)	-	-	(4.5)
Operating profit	**17.5**	**2.8**	**(0.1)**	**20.2**	**42.3**	**2.8**	**0.6**	**45.7**
Finance income	-		-	-	0.6	-	-	0.6
Finance costs	(4.2)	(2.8)	0.1	(6.9)	(13.6)	(2.8)	0.2	(16.2)
Net finance costs	(4.2)	(2.8)	0.1	(6.9)	(13.0)	(2.8)	0.2	(15.6)
Profit before tax	**13.3**	**-**	**-**	**13.3**	**29.3**	**-**	**0.8**	**30.1**
Income tax	(3.9)	-	-	(3.9)	(5.0)	-	-	(5.0)
Profit after tax	**9.4**	**-**	**-**	**9.4**	**24.3**	**-**	**0.8**	**25.1**
Exchange differences on translation of foreign operations	0.9	-	-	0.9	4.7	-	0.1	4.8
Gain arising on changes in fair value of hedging instruments	0.9	-	-	0.9	-	-	-	-
Total comprehensive profit for the period	**11.2**	**-**	**-**	**11.2**	**29.0**	**-**	**0.9**	**29.9**
Earnings per share:								
Basic (cents)	3.40	-	-	3.40	8.94	-	0.26	9.20
Diluted (cents)	3.37	-	-	3.37	8.63	-	0.26	8.89
Adjusted earnings – Basic (cents)	11.37	(1.65)	-	9.72	23.22	-	0.05	23.27
Adjusted earnings – Diluted (cents)	11.26	(1.63)	-	9.63	22.41	-	0.05	22.46

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

12. Changes in accounting policies and correction of errors (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Unaudited 30 June 2023	Accounting policy changes	Correction of errors	Unaudited 30 June 2023 Restated	Audited 31 December 2023	Accounting policy changes	Correction of errors	Audited 31 December 2023 Restated
	USD m	USD m	USD m	USD m	USD m	USD m	USD m	USD m
ASSETS								
Non-current assets								
Property, plant and equipment	2.2	-	-	2.2	2.6	-	-	2.6
Right-of-use assets	4.7	-	-	4.7	4.6	-	-	4.6
Intangible assets	335.2	-	(2.9)	332.3	327.0	-	(3.4)	323.6
Deferred receivables	0.2	-	-	0.2	0.1	-	-	0.1
Deferred tax assets	10.2	-	-	10.2	12.8	-	-	12.8
Derivative financial instruments	0.7	-	-	0.7	-	-	-	-
	353.2	**-**	**(2.9)**	**350.3**	**347.1**	**-**	**(3.4)**	**343.7**
Current assets								
Trade and other receivables	94.2	-	-	94.2	106.7	-	-	106.7
Inventory	0.5	-	-	0.5	0.2	-	-	0.2
Derivative financial instruments	0.7	-	-	0.7	-	-	-	-
Cash and bank balances	82.6	-	-	82.6	92.7	-	-	92.7
	178.0	**-**	**-**	**178.0**	**199.6**	**-**	**-**	**199.6**
Total assets	**531.2**	**-**	**(2.9)**	**528.3**	**546.7**	**-**	**(3.4)**	**543.3**
EQUITY AND LIABILITIES								
Equity								
Share capital	0.3	-	-	0.3	0.3	-	-	0.3
Share premium	98.3	-	-	98.3	-	-	-	-
Merger relief reserve	5.3	-	-	5.3	5.3	-	-	5.3
Share-based payments reserve	26.4	-	-	26.4	25.7	-	-	25.7
Cash flow hedging reserve	0.7	-	-	0.7	(0.2)	-	-	(0.2)
Foreign exchange translation reserve	(9.9)	-	-	(9.9)	(6.1)	-	0.1	(6.0)
Retained earnings	41.4	-	(1.1)	40.3	128.5	-	(0.3)	128.2
Total equity	**162.5**	**-**	**(1.1)**	**161.4**	**153.5**	**-**	**(0.2)**	**153.3**
Non-current liabilities								
Other payables	8.4	-	(1.2)	7.2	5.8	-	(1.3)	4.5
Lease liabilities	3.2	-	-	3.2	3.2	-	-	3.2
Deferred tax liabilities	26.6	-	-	26.6	28.0	-	-	28.0
Borrowings	147.6	3.6	-	151.2	147.7	18.6	-	166.3
Derivative financial instruments	-	-	-	-	0.2	-	-	0.2
	185.8	**3.6**	**(1.2)**	**188.2**	**184.9**	**18.6**	**(1.3)**	**202.2**
Current liabilities								
Trade and other payables and accruals	177.3	-	(0.6)	176.7	187.8	-	(1.9)	185.9
Lease liabilities	1.7	-	-	1.7	1.6	-	-	1.6
Borrowings	3.9	(3.6)	-	0.3	18.9	(18.6)	-	0.3
	182.9	**(3.6)**	**(0.6)**	**178.7**	**208.3**	**(18.6)**	**(1.9)**	**187.8**
Total liabilities	**368.7**	**-**	**(1.8)**	**366.9**	**393.2**	**-**	**(3.2)**	**390.0**
Total equity and liabilities	**531.2**	**-**	**(2.9)**	**528.3**	**546.7**	**-**	**(3.4)**	**543.3**

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

12. Changes in accounting policies and correction of errors (continued)

CONSOLIDATED STATEMENT OF CASH FLOWS	Unaudited Six months ended 30 June 2023	Accounting policy changes	Correction of errors	Unaudited Six months ended 30 June 2023 Restated	Audited Year ended 31 December 2023	Accounting policy changes	Correction of errors	Audited Year ended 31 December 2023 Restated
	USD m	USD m	USD m	USD m	USD m	USD m	USD m	USD m
Cash flow from operating activities								
Profit before taxation	13.3	-	-	13.3	29.3	-	0.8	30.1
Adjustments for:								
Depreciation of property, plant and equipment	1.5	-	-	1.5	3.3	-	-	3.3
Amortisation and impairment of intangible assets	18.5	-	-	18.5	38.8	-	-	38.8
Finance costs (net)	4.2	2.8	(0.1)	6.9	13.0	2.8	(0.2)	15.6
Share-based payments	2.3	-	-	2.3	4.5	-	-	4.5
Decrease/(increase) in trade and other receivables	4.0	-	-	4.0	(8.5)	-	-	(8.5)
(Decrease)/increase in trade and other payables	(8.6)	(2.8)	0.1	(11.3)	0.2	(2.8)	(3.4)	(6.0)
Decrease in inventories	0.1	-	-	0.1	0.4	-	-	0.4
Cash flow generated from operations	**35.3**	**-**	**-**	**35.3**	**81.0**	**-**	**(2.8)**	**78.2**
Income tax paid	(2.4)	-	-	(2.4)	(5.6)	-	-	(5.6)
Net cash flow generated from operating activities	**32.9**	**-**	**-**	**32.9**	**75.4**	**-**	**(2.8)**	**72.6**
Cash flow used in investing activities								
Purchase of property, plant and equipment	(0.8)	-	-	(0.8)	(1.9)	-	-	(1.9)
Purchase of intangible assets	(3.8)	-	-	(3.8)	(8.3)	-	-	(8.3)
Payment of deferred consideration	(15.2)	-	-	(15.2)	(21.5)	-	2.8	(18.7)
Acquisition of subsidiaries and related assets, net of cash acquired	(2.1)	-	-	(2.1)	(5.6)	-	-	(5.6)
Net cash flow used in investing activities	**(21.9)**	**-**	**-**	**(21.9)**	**(37.3)**	**-**	**2.8**	**(34.5)**
Cash flow used in financing activities								
Drawdown of revolving credit facility	-	-	-	-	15.0	-	-	15.0
Bank finance arrangement fees	(0.2)	-	-	(0.2)	(0.7)	-	-	(0.7)
Proceeds of issuance of ordinary shares (net)	(3.6)	-	-	(3.6)	(3.6)	-	-	(3.6)
Repurchase of ordinary shares	(13.9)	-	-	(13.9)	(39.7)	-	-	(39.7)
Lease principal repayments	(1.1)	-	-	(1.1)	(2.3)	-	-	(2.3)
Bank loan capital repayments	(0.1)	-	-	(0.1)	-	-	-	-
Interest paid	(6.0)	-	-	(6.0)	(12.1)	-	-	(12.1)
Net cash flow used in financing activities	**(24.9)**	**-**	**-**	**(24.9)**	**(43.4)**	**-**	**-**	**(43.4)**
Net decrease in cash and cash equivalents	(13.9)	-	-	(13.9)	(5.3)	-	-	(5.3)
Cash and cash equivalents at beginning of the period	94.8	-	-	94.8	94.8	-	-	94.8
Exchange gains on cash and cash equivalents	1.7	-	-	1.7	3.2	-	-	3.2
Cash and cash equivalents at end of the period	**82.6**	**-**	**-**	**82.6**	**92.7**	**-**	**-**	**92.7**

13. Subsequent events

The Board intends to declare an interim dividend of 1.0 pence per ordinary share, subject to bank approval per the conditions of the Company's Facilities Agreement, which the Company expects to be granted. The Company will provide details on the proposed dividend timetable shortly.

Independent review report to Team Internet Group Plc
Report on the consolidated interim financial statements for the six-month period ended 30 June 2024

Our conclusion
We have reviewed Team Internet Group Plc's consolidated interim financial statements (the "interim financial statements") for the six-month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

The interim financial statements comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The interim financial statements are the responsibility of, and have been approved by the directors. The directors are responsible for preparing the interim financial statements in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements. In preparing the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
12 August 2024

GLOSSARY

The Group discloses and describes a number of alternative performance measures and terms used in these financial statements. These are listed below:

Adjusted earnings per share
Adjusted earnings per share (‘Adjusted EPS’) is stated before amortisation and impairment, non-core operating expenses foreign exchange gains and losses, share-based payment expenses and deferred tax to provide a widely used metric that provides a more appropriate measure of the ongoing and underlying earnings per share. Deferred tax mainly relates to items adjusted for within amortisation.

Adjusted EBITDA
The Group reports adjusted earnings before interest, tax, depreciation, amortisation and impairment, non-core operating expenses, foreign exchange gains and losses, and share-based payment expenses (‘Adjusted EBITDA’). This metric is widely used by internal and external stakeholders to assess the underlying profitability of a company.

Adjusted EBITDA is considered to be tax jurisdiction, capital structure, property plant and equipment asset and intangible asset agnostic, as well as providing a more appropriate measure of ongoing and underlying profitability.

Adjusted operating cash conversion
Adjusted cash conversion refers to the percentage of Adjusted EBITDA that converted into operating cash in the period. Operating cash flows are adjusted for non-recurring working capital items, such as the settlement of acquisition costs included within the balance sheet of acquired entities.

Net debt
The Group defines net debt as: gross cash, less bank debt and prepaid finance costs, and adding/subtracting bank debt-related hedging assets/liabilities as at the balance sheet date. The Group considers net debt an appropriate measure to determine its overall financial position and is a widely used metric by internal and external stakeholders to assess the solvency or liquidity of the Group.

Non-core operating expenses
Non-core operating expenses are disclosed and described separately in the consolidated financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items of expense relating to projects that have been shown separately due to the significance of their nature or amount, which are generally outside the ordinary scope of business, are discretionary and non-recurring, and convey a future benefit. Acquisition and integration expenses are the most relevant items falling into this taxonomy.

Organic revenue growth
Non-GAAP information has been provided for period-to-period comparison of revenue performance. Revenue for the entire comparative period is used, irrespective of when the acquisition by the Group arose.

Revenue by geographical location of indirect consumer
There is a material difference between the geographical location of the indirect consumer and the invoiced customer. The Group therefore discloses the geographical location of both the indirect (end) consumer and the (direct) invoiced party.

Revenue per domain year
Revenue generated from the sale of an internet domain divided by the licence period (in years) of the internet domain sold.

Revenue per thousand sessions (“RPM”)
Revenue generated for every thousand sessions or visits to a website.

Revenue per visitor session
Revenue generated from each visitor session to a website.

Top-Level Domain or ‘TLD’
A top-level domain is one of the domains at the highest level in the Domain Name System of the Internet. For example, in the domain name ‘www.teaminternet.com’, the top-level domain is .com