

11 November 2024

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("UK MAR"). Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

TEAM INTERNET GROUP PLC

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

UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

Increasing gross margins and cost control provide the basis for sustaining bottom-line profitability and increased adjusted EPS

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, announces its unaudited financial results for the nine months ended 30 September 2024 ("September 2024 YTD").

Financial summary:

- Gross revenue increased by 1% to USD 615.1m (versus nine months ended 30 September 2023 ("September 2023 YTD"): USD 611.7m)
- Net revenue (gross profit) increased by 4% to USD 143.6m (September 2023 YTD: USD 138.5m), with gross margin increasing from 22.6% to 23.3%
- Adjusted EBITDA⁽ⁱ⁾ increased by 2% to USD 70.1m (September 2023 YTD: USD 68.8m), with adjusted EBITDA as a percentage of net revenue stable at approximately 49%
- Operating profit decreased by less than 1% to USD 31.2m (September 2023 YTD restated⁽ⁱⁱ⁾: USD 31.4m), following a USD 2.7m higher amortisation charge, combined with a similar reduction in share-based payment expenses year-on-year
- Profit before tax decreased by 9% to USD 18.3m (September 2023 YTD: USD 20.0m)
- Profit after tax decreased by 7% to USD 11.9m (September 2023 YTD: USD 12.8m)
- Adjusted EPS (diluted) increased by 7% to USD 16.83 cents (September 2023 YTD restated⁽ⁱⁱⁱ⁾: USD 15.68 cents)
- Net debt⁽ⁱⁱⁱ⁾ of USD 99.7m (31 December 2023: USD 74.1m, 30 June 2024: USD 109.9m) and leverage^(iv) of 1.20x. The Group has continued to be cash generative during Q3 2024, reducing net debt by USD 10.2m. As of September 2024 YTD, the Group has incurred non-operating cash outflows, including a cash outflow (net of acquired cash) of USD 31.8m for the acquisition of Shinez, USD 13.8m for share repurchases, and a USD 6.4m dividend payment
- Adjusted operating cash conversion of 91% (September 2023 YTD: 95%). We expect cash conversion to continue to normalise nearer to 100% over the remainder of the year

Q3 highlights:

- In the Online Marketing segment, for the core products of TONIC and ParkingCrew, the number of visitor sessions increased by 15% to 6.5 billion for TTM 2024 from 5.6 billion for the trailing twelve-month period ended 30 September 2023 ("TTM 2023"). Revenue per thousand sessions ("RPM") decreased by 18% from USD 97 to USD 79
- The Online Presence segment recorded organic revenue growth of 5% for TTM 2024
- Adjusted EBITDA as a percentage of net revenue reached 49% for September 2024 YTD, a slight decrease from 50% in September 2023 YTD. However, consistent quarter-on-quarter improvements have been observed throughout the year, supported by improved operating leverage, delivering Q3 2024 adjusted EBITDA of USD 23.5m (Q3 2023: USD 24.2m) with EBITDA conversion of 51% (Q3 2023: 51%)

Post period-end events:

- On 2 October 2024, a payment of USD 3.0m was made for the acquisition of M.A Aporia, related to contingent consideration tied to the ongoing employment of specific employees. We anticipate that this will be the last material acquisition related contingent payment across the Group
- Interim dividend of 1.0 pence per ordinary share paid on 4 October 2024

Outlook:

The Directors are pleased to report that Team Internet Group's core businesses remain strong and resilient. While our recent acquisition of Shinez has yet to contribute to EBITDA, we are actively adjusting its operating model and cost base to improve performance. The Group's established operations continue to provide a solid foundation for growth and cash generation. The Group remains on track to produce record profits in 2024 and 2025, albeit at more moderate growth rates than originally anticipated. The Group now expects to deliver approximately USD 97m adjusted EBITDA for 2024.

Looking ahead, the Directors are committed to maximising value across the Group's asset base. We continue to enhance the revenue and profitability of our Online Presence business, which now contributes a substantial share of our overall profitability and operates under a subscription-based revenue model. The Board will continue to assess group structure to maximise Shareholder returns.

Our portfolio comprises a mix of market-leading assets in digital marketing and domain management. While the Group's Online Marketing assets are more transactional and operate in structural growth markets, the Online Presence assets, though lower growth over an economic cycle, offer high predictability and profitability. The Board believes the market does not fully recognise

the value of this diverse asset mix and is committed to providing greater information by reporting on the profitability of each of these divisions in the 2024 annual results, as well as separating out our Comparison business, which has grown to the extent that it is expected to qualify as a separate reporting segment. In addition, the Board intends to explore a range of options to increase Shareholder value including balance sheet optimisation through share buybacks and dividends, as well as a comprehensive review of asset ownership. Additionally, the ongoing deployment of AI tools across all business areas presents opportunities for automation and profitability enhancement.

The Group's commitment to operational efficiency, paired with continuous innovation, reinforces our confidence in delivering sustainable Shareholder value and returns.

Michael Riedl, CEO of Team Internet, commented: "Team Internet has delivered a resilient performance in our core businesses within a dynamic market environment and the Group is poised to maintain record levels of profitability. Although our recent acquisition has not yet contributed to EBITDA, I am confident in its strategic value to our long-term objectives. In contrast, our Comparison business, created from the acquisition of VGL Publishing AG, has grown significantly, demonstrating the success of our acquisition strategy. Our focus is now more than ever on realising synergies through strategic integration, enhancing value across the sum of the parts of our established assets and accelerating Shareholder returns. With our ongoing commitment to innovation and operational excellence, we are well-positioned to return to higher growth in profit and cash flow."

Results presentation:

There will be a webinar/conference call for equity analysts at 10am UK time 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 UK time 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) Earnings before interest, tax, depreciation, amortisation, impairment, non-core operating expenses, foreign exchange gains and losses, and share-based payment expenses

(ii) Please see note 12 for further information on prior period restatements, which are of the same nature as reported in the June 2024 unaudited interim financial statements

(iii) Includes cash (USD 93.3m), bank debt and prepaid finance costs (USD 192.3m) and hedging liabilities (USD 0.7m) as of 30 September 2024 (31 December 2023 cash (USD 92.7m), bank debt and prepaid finance costs (USD 166.6m) and hedging liabilities (USD 0.2m))

(iv) Includes Net Debt as defined under⁽ⁱⁱⁱ⁾ (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

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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's core businesses continue to be robust and resilient, with the Group's established operations serving as a solid base for future growth and cash generation.

Performance overview

The Group's key financial metrics are listed below:

	Nine months ended 30 September 2024	Nine months ended 30 September 2023 Restated*	Change
	USD m	USD m	%
Revenue	615.1	611.7	1%
Net revenue/gross profit	143.6	138.5	4%
Adjusted EBITDA	70.1	68.8	2%
Operating profit	31.2	31.4	-
Adjusted operating cash conversion (note 9)	91%	95%	(4%)
Profit after tax	11.9	12.8	(7%)
EPS – Basic (cents)	4.65	4.69	(1%)
EPS – Diluted (cents)	4.59	4.53	1%
EPS – Adjusted earnings – Basic (cents) (note 7)	17.06	16.25	5%
EPS – Adjusted earnings – Diluted (cents) (note 7)	16.83	15.68	7%

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

Online Marketing segment

Net revenue increased by 1% from USD 94.3m to USD 95.4m. The segment saw 15% growth in the number of consumer journeys, from 5.6 billion for TTM 2023 to 6.5 billion for TTM 2024. Click prices continue to be under pressure on both the demand (revenue) and supply (cost of sales) side, with RPM⁽¹⁾ decreasing by 18% from USD 97 to USD 79. These metrics relate to the TONIC and ParkingCrew platforms and do not cover the Group's product comparison business, VGL, where RPM has increased 19% to USD 246, with visitor sessions 33% higher.

During the period, in line with market best practice, the Group pursued higher traffic quality metrics and less reliance on short-form video. As a result, whilst volume growth remained healthy, it did not fully compensate for lower RPM. A key and significant investment in the last eighteen months is the launch of the search on content business model, and this is expected to assist the Group in improving both metrics over time.

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 OM² – omni-media, omnimonetisation – 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 recently acquired 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. In response to unanticipated changes in Shinez's specific target markets and the resulting underperformance relative to expectations, the Group has swiftly taken corrective actions, including integrating additional advertising inventory, refining revenue optimisation strategies and a more general review of its operating model. Please refer to note 10.a for more information.

Online Presence segment

Net revenue increased by 9% from USD 44.2m to USD 48.2m, with much improved operating margins, 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 6% from 14.0m for TTM 2023 to 13.2m for TTM 2024, and the average revenue per domain year increased by 13% from USD 10.8 to USD 12.2⁽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.78% of the Online Marketing segment which can be adequately and reliably described by this KPI

⁽²⁾ Based on analysis of c.86% of the Online Presence segment which can be adequately and reliably described by this KPI

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		Unaudited Nine months ended 30 September 2024 USD m	Unaudited Nine months ended 30 September 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
	Note			
Revenue	4	615.1	611.7	836.9
Cost of sales		(471.5)	(473.2)	(645.8)
Net revenue/gross profit		143.6	138.5	191.1
Operating expenses		(111.6)	(103.6)	(140.9)
Share-based payment expenses		(0.8)	(3.5)	(4.5)
Operating profit		31.2	31.4	45.7
Adjusted EBITDA^(a)		70.1	68.8	96.4
Depreciation of property, plant and equipment		(2.2)	(2.3)	(3.3)
Amortisation and impairment of intangible assets	8	(30.8)	(28.1)	(38.8)
Non-core operating expenses ^(b)	5	(3.7)	(3.4)	(2.7)
Foreign exchange		(1.4)	(0.1)	(1.4)
Share-based payment expenses		(0.8)	(3.5)	(4.5)
Operating profit		31.2	31.4	45.7
Finance income		0.9	0.3	0.6
Finance costs		(13.8)	(11.7)	(16.2)
Net finance costs	6	(12.9)	(11.4)	(15.6)
Profit before taxation		18.3	20.0	30.1
Income tax		(6.4)	(7.2)	(5.0)
Profit after taxation		11.9	12.8	25.1
Exchange differences on translation of foreign operations		3.0	(4.2)	4.8
(Loss)/gain arising on changes in fair value of hedging instruments		(0.5)	1.6	-
Total comprehensive profit for the period		14.4	10.2	29.9
Earnings per share:				
Basic (cents)	7	4.65	4.69	9.20
Diluted (cents)	7	4.59	4.53	8.89
Adjusted earnings – Basic (cents)	7	17.06	16.25	23.27
Adjusted earnings – Diluted (cents)	7	16.83	15.68	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		Unaudited 30 September 2024 USD m	Unaudited 30 September 2023 Restated* USD m	Audited 31 December 2023 Restated* USD m
	Note			
ASSETS				
Non-current assets				
Property, plant and equipment		2.7	2.7	2.6
Right-of-use assets		4.4	4.7	4.6
Intangible assets	8	337.3	323.4	323.6
Other non-current assets		0.1	0.2	0.1
Deferred tax assets		13.4	9.7	12.8
Derivative financial instruments		-	1.4	-
		357.9	342.1	343.7
Current assets				
Trade and other receivables		99.6	99.8	106.7
Inventory		0.3	0.5	0.2
Cash and bank balances		93.3	83.7	92.7
		193.2	184.0	199.6
TOTAL ASSETS		551.1	526.1	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 payment reserve		26.7	27.4	25.7
Cash flow hedging reserve		(0.7)	1.4	(0.2)
Foreign exchange translation reserve		(3.0)	(15.0)	(6.0)
Retained earnings		120.3	28.0	128.2
Total equity		148.9	145.7	153.3
Non-current liabilities				
Other payables		6.1	5.8	4.5
Lease liabilities		3.2	3.1	3.2
Deferred tax liabilities		26.2	26.5	28.0
Borrowings		192.0	166.5	166.3
Derivative financial instruments		0.7	-	0.2
		228.2	201.9	202.2
Current liabilities				
Trade, other payables and accruals		172.2	176.5	185.9
Lease liabilities		1.5	1.7	1.6
Borrowings		0.3	0.3	0.3
		174.0	178.5	187.8
TOTAL LIABILITIES		402.2	380.4	390.0
TOTAL EQUITY AND LIABILITIES		551.1	526.1	543.3

The financial statements on pages 1 to 21 were approved by the Board of Directors and authorised for issue on 11 November 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 payment 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)	-	-	-	-	-	-	(1.0)	(1.0)
Restated balance at 1 January 2023	0.3	98.3	5.3	24.1	(0.2)	(10.8)	49.0	166.0
Profit for the period	-	-	-	-	-	-	12.8	12.8
Translation of foreign operations	-	-	-	-	-	(4.2)	-	(4.2)
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	1.6	-	-	1.6
Total comprehensive profit for the period	-	-	-	-	1.6	(4.2)	12.8	10.2
Dividends paid on equity shares	-	-	-	-	-	-	(3.6)	(3.6)
Repurchase of shares	-	-	-	-	-	-	(30.2)	(30.2)
Share-based payments	-	-	-	2.1	-	-	-	2.1
Share-based payments – deferred tax	-	-	-	1.2	-	-	-	1.2
Balance as at 30 September 2023	0.3	98.3	5.3	27.4	1.4	(15.0)	28.0	145.7
Profit for the period (restated, see note 12)	-	-	-	-	-	-	12.3	12.3
Translation of foreign operations (restated, see note 12)	-	-	-	-	-	9.0	-	9.0
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	(1.6)	-	-	(1.6)
Total comprehensive profit for the period	-	-	-	-	(1.6)	9.0	12.3	19.7
Cancellation of shares	-	(98.3)	-	-	-	-	98.3	-
Repurchase of shares	-	-	-	-	-	-	(10.4)	(10.4)
Share-based payments	-	-	-	1.1	-	-	-	1.1
Share-based payments – deferred tax	-	-	-	(2.8)	-	-	-	(2.8)
Balance as at 31 December 2023	0.3	-	5.3	25.7	(0.2)	(6.0)	128.2	153.3
Profit for the period	-	-	-	-	-	-	11.9	11.9
Translation of foreign operations	-	-	-	-	-	3.0	-	3.0
Other comprehensive income – changes in fair value of hedging instruments	-	-	-	-	(0.5)	-	-	(0.5)
Total comprehensive profit for the period	-	-	-	-	(0.5)	3.0	11.9	14.4
Dividends paid on equity shares	-	-	-	-	-	-	(6.4)	(6.4)
Repurchase of shares	-	-	-	-	-	-	(13.4)	(13.4)
Share-based payments	-	-	-	0.7	-	-	-	0.7
Share-based payments – deferred tax	-	-	-	0.3	-	-	-	0.3
Balance as at 30 September 2024	0.3	-	5.3	26.7	(0.7)	(3.0)	120.3	148.9

- 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 payment 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.

TEAM INTERNET GROUP PLC

CONSOLIDATED STATEMENT OF CASH FLOWS	Unaudited Nine months ended 30 September 2024 USD m	Unaudited Nine months ended 30 September 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Cash flow from operating activities			
Profit before taxation	18.3	20.0	30.1
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	2.2	2.3	3.3
Amortisation and impairment of intangible assets	30.8	28.1	38.8
Finance costs (net)	12.9	11.4	15.6
Share-based payments	0.8	3.5	4.5
Increase in trade and other receivables	(6.9)	(1.1)	(8.5)
Decrease in trade and other payables	(1.5)	(9.9)	(6.0)
(Increase)/decrease in inventories	(0.1)	0.2	0.4
Cash flow generated from operations	56.5	54.5	78.2
Income tax paid	(6.6)	(4.3)	(5.6)
Net cash flow generated from operating activities	49.9	50.2	72.6
Cash flow used in investing activities			
Purchase of property, plant and equipment	(1.2)	(1.7)	(1.9)
Purchase of intangible assets	(5.7)	(6.7)	(8.3)
Payment of deferred consideration	(3.9)	(17.9)	(18.7)
Proceeds from disposal of subsidiary	0.2	-	-
Acquisition of subsidiaries and related assets, net of cash acquired	(32.2)	(5.6)	(5.6)
Net cash flow used in investing activities	(42.8)	(31.9)	(34.5)
Cash flow generated from/(used in) financing activities			
Drawdown of revolving credit facility	25.0	15.0	15.0
Bank finance arrangement fees	(0.1)	(0.2)	(0.7)
Payment of dividend to ordinary Shareholders	(6.4)	(3.6)	(3.6)
Repurchase of ordinary shares	(13.8)	(30.2)	(39.7)
Lease principal repayments	(1.5)	(1.1)	(2.3)
Bank loan capital repayments	(0.2)	(0.2)	-
Interest paid	(10.4)	(9.0)	(12.1)
Net cash flow used in financing activities	(7.4)	(29.3)	(43.4)
Net decrease in cash and cash equivalents	(0.3)	(11.0)	(5.3)
Cash and cash equivalents at beginning of the period	92.7	94.8	94.8
Exchange gains/(losses) on cash and cash equivalents	0.9	(0.1)	3.2
Cash and cash equivalents at end of the period	93.3	83.7	92.7

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

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 nine months ended 30 September 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 September 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.

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 September 2024, the Group had access to over USD 148.3m of liquidity, comprising cash and cash equivalents of USD 93.3m and access to an undrawn Revolving Credit Facility (RCF) of USD 55.0m. 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 19.2m at 30 September 2024. Current liabilities include USD 22.5m of liabilities not expected to result in a cash outflow in the foreseeable future, comprising deferred revenue of USD 8.1m and payments received on account from customers of USD 14.4m. Excluding these liabilities, the Group has net current assets of USD 41.7m.

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 Nine months ended 30 September 2024 USD m	Unaudited Nine months ended 30 September 2023 USD m	Audited Year ended 31 December 2023 USD m
Online Marketing			
Revenue	471.0	474.7	657.1
Cost of sales	(375.6)	(380.4)	(525.4)
Net revenue/gross profit	95.4	94.3	131.7
Online Presence			
Revenue	144.1	137.0	179.8
Cost of sales	(95.9)	(92.8)	(120.4)
Net revenue/gross profit	48.2	44.2	59.4
Total revenue	615.1	611.7	836.9
Total cost of sales	(471.5)	(473.2)	(645.8)
Total net revenue/gross profit	143.6	138.5	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 Nine months ended 30 September 2024		Unaudited Nine months ended 30 September 2023		Audited Year ended 31 December 2023	
	USD m	%	USD m	%	USD m	%
Americas	270.5	44%	314.6	52%	444.5	53%
EMEA	303.8	49%	246.5	40%	326.2	39%
APAC	40.8	7%	50.6	8%	66.2	8%
	615.1	100%	611.7	100%	836.9	100%

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

	Unaudited Nine months ended 30 September 2024		Unaudited Nine months ended 30 September 2023		Audited Year ended 31 December 2023	
	USD m	%	USD m	%	USD m	%
Americas	86.4	14%	65.8	11%	90.7	11%
EMEA	506.8	82%	520.6	85%	714.1	85%
APAC	21.9	4%	25.3	4%	32.1	4%
	615.1	100%	611.7	100%	836.9	100%

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

	Unaudited Nine months ended 30 September 2024		Unaudited Nine months ended 30 September 2023		Audited Year ended 31 December 2023	
	USD m	%	USD m	%	USD m	%
Online Marketing						
Americas	28.0	5%	14.5	3%	20.5	3%
EMEA	437.0	71%	452.3	74%	626.5	75%
APAC	6.0	1%	7.9	1%	10.1	1%
	471.0	77%	474.7	78%	657.1	79%
Online Presence						
Americas	58.4	9%	51.3	8%	70.2	8%
EMEA	69.8	11%	68.3	11%	87.6	10%
APAC	15.9	3%	17.4	3%	22.0	3%
	144.1	23%	137.0	22%	179.8	21%
Total revenue	615.1	100%	611.7	100%	836.9	100%

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

5. Non-core operating expenses

	Unaudited Nine months ended 30 September 2024 USD m	Unaudited Nine months ended 30 September 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Acquisition costs	4.5	4.0	4.7
Reassessment of contingent consideration	(2.4)	(4.9)	(7.0)
Total acquisition related costs/(income)	2.1	(0.9)	(2.3)
Integration and streamlining costs	0.9	2.6	3.3
Other costs	0.7	1.7	1.7
Non-core operating expenses	3.7	3.4	2.7

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

6. Net finance costs

	Unaudited Nine months ended 30 September 2024 USD m	Unaudited Nine months ended 30 September 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Finance income	(0.9)	(0.3)	(0.6)
Impact of unwinding of discount on net present value of deferred consideration	0.4	1.0	1.2
Amortisation of arrangement fees on borrowings	1.0	1.0	1.4
Interest on bank borrowings	11.7	9.8	13.5
Other interest	0.5	-	-
Interest expense on leases	0.2	0.1	0.2
Gain arising on derivatives classified as fair value hedges	-	(0.2)	(0.1)
Net finance costs	12.9	11.4	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 Nine months ended 30 September 2024 USD m	Unaudited Nine months ended 30 September 2023 Restated* USD m	Audited Year ended 31 December 2023 Restated* USD m
Profit after tax attributable to owners	11.9	12.8	25.1
Operating profit	31.2	31.4	45.7
Depreciation of property, plant and equipment	2.2	2.3	3.3
Amortisation and impairment of intangible assets	30.8	28.1	38.8
Non-core operating expenses	3.7	3.4	2.7
Foreign exchange	1.4	0.1	1.4
Share-based payment expenses	0.8	3.5	4.5
Adjusted EBITDA	70.1	68.8	96.4
Depreciation	(2.2)	(2.3)	(3.3)
Net finance costs (excluding gains arising on derivatives classified as fair value hedges) – note 6	(12.9)	(11.5)	(15.7)
Current income tax	(11.5)	(10.6)	(14.0)
Adjusted earnings	43.5	44.4	63.4
Weighted average number of shares:			
Basic	255,107,731	272,757,583	272,131,265
Effect of dilutive potential ordinary shares	3,382,130	9,878,548	9,869,695
Diluted average number of shares	258,489,861	282,636,131	282,000,960
Earnings per share:			
Basic (cents)	4.65	4.69	9.20
Diluted (cents)	4.59	4.53	8.89
Adjusted earnings – Basic (cents)	17.06	16.25	23.27
Adjusted earnings – Diluted (cents)	16.83	15.68	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	3.1	4.2	0.2	-	-	2.4	9.9
Acquisition of subsidiary	-	0.5	0.6	-	1.3	-	2.4
Exchange differences	-	(0.2)	(0.8)	(0.1)	(2.1)	(0.1)	(3.3)
At 30 September 2023	46.4	63.4	101.1	10.1	211.1	6.8	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	5.7	9.6	10.8	0.7	-	1.4	28.2
Exchange differences	0.2	-	(0.4)	-	-	-	(0.2)
At 30 September 2023	17.5	34.9	53.1	3.0	3.6	3.3	115.5
Net book value							
At 1 January 2023 (restated)	31.6	33.6	58.4	7.9	208.2	2.6	342.3
At 30 September 2023	28.9	28.5	48.0	7.1	207.4	3.5	323.4

Cost or deemed cost							
At 1 October 2023	46.4	63.4	101.1	10.1	211.1	6.8	438.9
Additions	0.2	1.2	(0.2)	-	-	0.6	1.8
Acquisition of subsidiary	-	-	-	-	-	-	-
Exchange differences	0.8	0.8	2.7	0.1	5.5	0.4	10.3
At 31 December 2023	47.4	65.4	103.6	10.2	216.6	7.8	451.0
Amortisation and impairment							
At 1 October 2023	17.5	34.9	53.1	3.0	3.6	3.3	115.5
Charge for the period	2.0	3.3	3.8	0.2	-	0.6	9.9
Impairment	-	-	-	-	-	0.7	0.7
Exchange differences	0.1	0.3	0.9	-	-	0.1	1.4
At 31 December 2023	19.6	38.5	57.8	3.2	3.6	4.7	127.4
Net book value							
At 1 October 2023 (restated)	28.9	28.5	48.0	7.1	207.4	3.5	323.4
At 31 December 2023	27.8	26.9	45.8	7.0	213.0	3.1	323.6

Cost or deemed cost							
At 1 January 2024	47.4	65.4	103.6	10.2	220.0	7.8	454.4
Restatement (note 12)	-	-	-	-	(3.4)	-	(3.4)
At 1 January 2024 (restated)	47.4	65.4	103.6	10.2	216.6	7.8	451.0
Additions	0.4	4.7	-	-	-	1.0	6.1
Acquisition of subsidiary	-	7.0	15.3	-	9.3	4.3	35.9
Disposal of subsidiary	-	(0.2)	-	-	-	-	(0.2)
Exchange differences	0.3	0.5	1.0	-	2.3	0.2	4.3
At 30 September 2024	48.1	77.4	119.9	10.2	228.2	13.3	497.1
Amortisation and impairment							
At 1 January 2024	19.6	38.5	57.8	3.2	3.6	4.7	127.4
Charge for the period	5.9	11.6	11.0	0.6	-	1.7	30.8
Disposal of subsidiary	-	(0.1)	-	-	-	-	(0.1)
Exchange differences	0.2	0.4	0.7	-	0.3	0.1	1.7
At 30 September 2024	25.7	50.4	69.5	3.8	3.9	6.5	159.8
Net book value							
At 1 January 2024 (restated)	27.8	26.9	45.8	7.0	213.0	3.1	323.6
At 30 September 2024	22.4	27.0	50.4	6.4	224.3	6.8	337.3

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 Nine months ended 30 September 2024 USD m	Unaudited Nine months ended 30 September 2023 USD m	Audited Year ended 31 December 2023 Restated* USD m
Cash conversion			
Cash flow from operations	56.5	54.5	78.2
Non-core costs incurred and paid during the period	5.4	5.1	6.1
Change in working capital due to non-recurring working capital items	2.2	6.0	8.3
Adjusted cash flow from operations	64.1	65.6	92.6
Adjusted EBITDA	70.1	68.8	96.4
Adjusted operating cash conversion %	91%	95%	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)
Drawdown of revolving credit facility	(15.0)	15.0	-	-
Capital repayments	0.2	(0.2)	-	-
Prepaid finance cost additions	0.2	(0.2)	-	-
Amortisation of prepaid finance costs	(1.0)	-	-	(1.0)
Mark-to-market revaluation	-	-	1.6	1.6
Other cash movements	-	(25.6)	-	(25.6)
Foreign exchange differences	-	(0.1)	-	(0.1)
At 30 September 2023	(166.8)	83.7	1.4	(81.7)
Capital repayments	0.1	(0.1)	-	-
Prepaid finance cost additions	0.5	(0.5)	-	-
Amortisation of prepaid finance costs	(0.4)	-	-	(0.4)
Mark-to-market revaluation	-	-	(1.6)	(1.6)
Other cash movements	-	6.3	-	6.3
Foreign exchange differences	-	3.3	-	3.3
At 31 December 2023	(166.6)	92.7	(0.2)	(74.1)
Drawdown of revolving credit facility	(25.0)	25.0	-	-
Capital repayments	0.2	(0.2)	-	-
Prepaid finance costs additions	0.1	(0.1)	-	-
Amortisation of prepaid finance costs	(1.0)	-	-	(1.0)
Mark-to-market revaluation	-	-	(0.5)	(0.5)
Acquisition of Shinez (initial cash consideration, net of cash acquired)	-	(31.8)	-	(31.8)
Other cash movements	-	6.8	-	6.8
Foreign exchange differences	-	0.9	-	0.9
At 30 September 2024	(192.3)	93.3	(0.7)	(99.7)

The Group's drawn-down RCF of USD 45.0m (31 December 2023: USD 20.0m, 30 September 2023: USD 20.0m) 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

a. Update on the 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.

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 luxandlush.com, cooking4all.com and theprimarymarket.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 may become 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 specific employees, 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. In view of the post-acquisition performance, the probability of any additional contingent consideration becoming due is negligible.

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	14.0
Deferred tax asset	0.3
Corporation tax receivable	0.3
Cash and cash equivalents	5.8
	47.0
Liabilities	
Trade payables	8.2
Other current liabilities	2.4
Deferred tax liability	3.2
	13.8
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 September 2024, revenues of USD 21.7m, an adjusted EBITDA loss of USD 0.5m and a post-tax loss of USD 2.0m, 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 nine months ended 30 Sept 2024, would have been revenues of USD 50.3m, adjusted EBITDA of USD 0.7m and a loss after tax of USD 1.3m, including amortisation of acquired intangibles.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

10. Business combinations (continued)

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.

Since the acquisition of Shinez in April 2024, the asset has underperformed relative to expectations, primarily due to unanticipated changes in its specific target markets. In response, the Group has swiftly taken corrective actions, integrating additional advertising inventory and refining revenue optimisation strategies to enhance Shinez's performance.

While these measures aim to support Shinez's return to profitability, we currently expect limited EBITDA contribution in the near term. However, the technology, content library, social media reach, behavioural data, and skilled workforce assembled within Shinez represent a valuable asset base. We believe these elements will strengthen our competitive advantage as we advance our core Online Marketing services. The Shinez assets themselves will be redeveloped with a view to using primarily organic traffic, more short-form video content and higher intent advertising.

b. Deferred consideration payments

During the nine-month period ended 30 September 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) in March 2024 and EUR 0.6m (USD 0.7m) in May 2024
- A deferred cash consideration payment of USD 0.4m for the acquisition of Shinez I.O. Ltd was made in June 2024 in respect of operational milestones achieved
- In July 2024, a deferred consideration payment for the acquisition of M.A Aporia was settled in cash for USD 2.3m

11. Share buyback programme and Employee Benefit Trust

During the period, the Company repurchased 7,913,694 shares under its share buyback programme at an average price of GBP 1.33 (USD 1.68), compared to 22,136,411 shares purchased in the year ended 31 December 2023 at GBP 1.27 (USD 1.59). These repurchased shares are held in treasury. The total value of share repurchases for the nine-month period ended 30 September 2024, including commission on shares purchased, amounted to GBP 10.6m (USD 13.4m).

At 30 September 2024 the Employee Benefit Trust ("EBT") held 5,926,601 shares (31 December 2023: 9,104,431 shares, 30 September 2023: 9,199,521 shares). In September 2024 YTD, the number of shares held in the EBT reduced due to satisfying the exercise of share options by employees of the Group. During 2024, 612,371 share options were granted, 3,165,730 share options were exercised and 885,278 share options were forfeited.

During the period 15,160,084 ordinary shares held in treasury were cancelled. Following the cancellation, the issued share capital of the Company is 273,500,000.

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

	Unaudited 30 September 2024 Number	Unaudited 30 September 2023 Number	Audited 31 December 2023 Number
Issued share capital	273,500,000	288,660,084	288,660,084
Shares held by the Employee Benefit Trust	(5,926,601)	(9,199,521)	(9,104,431)
Shares held in treasury	(15,110,021)	(16,098,125)	(22,356,411)
Share capital	252,463,378	263,362,438	257,199,242
Outstanding share options	7,918,563	11,525,831	11,357,200
Share capital plus outstanding share options	260,381,941	274,888,269	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 September 2023 as described below. There are no changes to taxation in respect of the restatements. Please note that these restatements are of the same nature as reported in the June 2024 unaudited interim financial statements.

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 September 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 September 2023 restated, i.e. borrowings of USD 18.6m at 31 December 2023 and of USD 18.8m at 30 September 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 nine-month period ended 30 September 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 2.8m has been credited to operating costs (non-core expenses) within the income statement in the nine-month period ended 30 September 2023, and in the year ended 31 December 2023. Goodwill has increased by USD 2.1m at 31 December 2023 and 30 September 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, nine-month period ended 30 September 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 31 December 2023 and 30 September 2023, and operating costs (non-core expenses) have increased by USD 3.6m in the year ended 31 December 2023 (of which USD 3.3m relates to nine-month period ended 30 September 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 0.2m relates to the nine-month period ended 30 September 2023). Deferred consideration decreased by USD 5.1m at 31 December 2023 and USD 5.8m at 30 September 2023. Accruals in respect of contingent consideration treated as remuneration of USD 1.9m have been recognised at 31 December 2023 (30 September 2023: USD 4.4m). 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 nine-month period ended 30 September 2023 and the year ended 31 December 2023 have been restated for the correction of errors shown in the table below.

In addition, in line with the change in policy within the audited 31 December 2023 financial statements, adjusted earnings per share for 30 September 2023 has been restated to exclude deferred tax, which mainly relates to items adjusted for within amortisation, and the treatment of vested and unvested options within the number of basic and diluted shares.

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 Nine months ended 30 September 2023 USD m	Accounting policy changes USD m	Correction of errors USD m	Unaudited Nine months ended 30 September 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	611.7	-	-	611.7	836.9	-	-	836.9
Cost of sales	(473.2)	-	-	(473.2)	(645.8)	-	-	(645.8)
Net revenue/gross profit	138.5	-	-	138.5	191.1	-	-	191.1
Operating expenses	(105.2)	2.8	(1.2)	(103.6)	(144.3)	2.8	0.6	(140.9)
Share-based payment expenses	(3.5)	-	-	(3.5)	(4.5)	-	-	(4.5)
Operating profit	29.8	2.8	(1.2)	31.4	42.3	2.8	0.6	45.7
Adjusted EBITDA	68.8	-	-	68.8	96.4	-	-	96.4
Depreciation of property, plant and equipment	(2.3)	-	-	(2.3)	(3.3)	-	-	(3.3)
Amortisation and impairment of intangible assets	(28.1)	-	-	(28.1)	(38.8)	-	-	(38.8)
Non-core operating expenses	(5.0)	2.8	(1.2)	(3.4)	(6.1)	2.8	0.6	(2.7)
Foreign exchange loss	(0.1)	-	-	(0.1)	(1.4)	-	-	(1.4)
Share-based payment expenses	(3.5)	-	-	(3.5)	(4.5)	-	-	(4.5)
Operating profit	29.8	2.8	(1.2)	31.4	42.3	2.8	0.6	45.7
Finance income	0.3	-	-	0.3	0.6	-	-	0.6
Finance costs	(9.1)	(2.8)	0.2	(11.7)	(13.6)	(2.8)	0.2	(16.2)
Net finance costs	(8.8)	(2.8)	0.2	(11.4)	(13.0)	(2.8)	0.2	(15.6)
Profit before tax	21.0	-	(1.0)	20.0	29.3	-	0.8	30.1
Income tax	(7.2)	-	-	(7.2)	(5.0)	-	-	(5.0)
Profit after tax	13.8	-	(1.0)	12.8	24.3	-	0.8	25.1
Exchange differences on translation of foreign operations	(4.2)	-	-	(4.2)	4.7	-	0.1	4.8
Gain arising on changes in fair value of hedging instruments	1.6	-	-	1.6	-	-	-	-
Total comprehensive profit for the period	11.2	-	(1.0)	10.2	29.0	-	0.9	29.9
Earnings per share:								
Basic (cents)	5.10	(0.04)	(0.37)	4.69	8.94	-	0.26	9.20
Diluted (cents)	5.07	(0.16)	(0.38)	4.53	8.63	-	0.26	8.89
Adjusted earnings – Basic (cents)	17.56	(1.42)	0.11	16.25	23.22	-	0.05	23.27
Adjusted earnings – Diluted (cents)	17.45	(1.88)	0.11	15.68	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 September 2023 USD m	Accounting policy changes USD m	Correction of errors USD m	Unaudited 30 September 2023 Restated USD m	Audited 31 December 2023 USD m	Accounting policy changes USD m	Correction of errors USD m	Audited 31 December 2023 Restated USD m
ASSETS								
Non-current assets								
Property, plant and equipment	2.7	-	-	2.7	2.6	-	-	2.6
Right-of-use assets	4.7	-	-	4.7	4.6	-	-	4.6
Intangible assets	327.0	-	(3.6)	323.4	327.0	-	(3.4)	323.6
Deferred receivables	0.2	-	-	0.2	0.1	-	-	0.1
Deferred tax assets	9.7	-	-	9.7	12.8	-	-	12.8
Derivative financial instruments	1.4	-	-	1.4	-	-	-	-
	345.7	-	(3.6)	342.1	347.1	-	(3.4)	343.7
Current assets								
Trade and other receivables	99.8	-	-	99.8	106.7	-	-	106.7
Inventory	0.5	-	-	0.5	0.2	-	-	0.2
Cash and bank balances	83.7	-	-	83.7	92.7	-	-	92.7
	184.0	-	-	184.0	199.6	-	-	199.6
Total assets	529.7	-	(3.6)	526.1	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 payment reserve	27.4	-	-	27.4	25.7	-	-	25.7
Cash flow hedging reserve	1.4	-	-	1.4	(0.2)	-	-	(0.2)
Foreign exchange translation reserve	(15.0)	-	-	(15.0)	(6.1)	-	0.1	(6.0)
Retained earnings	30.0	-	(2.0)	28.0	128.5	-	(0.3)	128.2
Total equity	147.7	-	(2.0)	145.7	153.5	-	(0.2)	153.3
Non-current liabilities								
Other payables	5.7	-	0.1	5.8	5.8	-	(1.3)	4.5
Lease liabilities	3.1	-	-	3.1	3.2	-	-	3.2
Deferred tax liabilities	26.5	-	-	26.5	28.0	-	-	28.0
Borrowings	147.7	18.8	-	166.5	147.7	18.6	-	166.3
Derivative financial instruments	-	-	-	-	0.2	-	-	0.2
	183.0	18.8	0.1	201.9	184.9	18.6	(1.3)	202.2
Current liabilities								
Trade and other payables and accruals	178.2	-	(1.7)	176.5	187.8	-	(1.9)	185.9
Lease liabilities	1.7	-	-	1.7	1.6	-	-	1.6
Borrowings	19.1	(18.8)	-	0.3	18.9	(18.6)	-	0.3
	199.0	(18.8)	(1.7)	178.5	208.3	(18.6)	(1.9)	187.8
Total liabilities	382.0	-	(1.6)	380.4	393.2	-	(3.2)	390.0
Total equity and liabilities	529.7	-	(3.6)	526.1	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	Accounting policy changes	Correction of errors	Unaudited	Audited	Accounting policy changes	Correction of errors	Audited
	Nine months ended 30 September 2023			Nine months ended 30 September 2023 Restated				Year ended 31 December 2023
	USD m	USD m	USD m	USD m	USD m	USD m	USD m	USD m
Cash flow from operating activities								
Profit before taxation	21.0	-	(1.0)	20.0	29.3	-	0.8	30.1
<i>Adjustments for:</i>								
Depreciation of property, plant and equipment	2.3	-	-	2.3	3.3	-	-	3.3
Amortisation and impairment of intangible assets	28.1	-	-	28.1	38.8	-	-	38.8
Finance costs (net)	8.8	2.8	(0.2)	11.4	13.0	2.8	(0.2)	15.6
Share-based payments	3.5	-	-	3.5	4.5	-	-	4.5
Increase in trade and other receivables (Decrease)/increase in trade and other payables	(1.1)	-	-	(1.1)	(8.5)	-	-	(8.5)
Decrease in inventories	(8.3)	(2.8)	1.2	(9.9)	0.2	(2.8)	(3.4)	(6.0)
	0.2	-	-	0.2	0.4	-	-	0.4
Cash flow generated from operations	54.5	-	-	54.5	81.0	-	(2.8)	78.2
Income tax paid	(4.3)	-	-	(4.3)	(5.6)	-	-	(5.6)
Net cash flow generated from operating activities	50.2	-	-	50.2	75.4	-	(2.8)	72.6
Cash flow used in investing activities								
Purchase of property, plant and equipment	(1.7)	-	-	(1.7)	(1.9)	-	-	(1.9)
Purchase of intangible assets	(6.7)	-	-	(6.7)	(8.3)	-	-	(8.3)
Payment of deferred consideration	(17.9)	-	-	(17.9)	(21.5)	-	2.8	(18.7)
Acquisition of subsidiaries and related assets, net of cash acquired	(5.6)	-	-	(5.6)	(5.6)	-	-	(5.6)
Net cash flow used in investing activities	(31.9)	-	-	(31.9)	(37.3)	-	2.8	(34.5)
Cash flow used in financing activities								
Drawdown of revolving credit facility	15.0	-	-	15.0	15.0	-	-	15.0
Bank finance arrangement fees	(0.2)	-	-	(0.2)	(0.7)	-	-	(0.7)
Payment of dividend to ordinary Shareholders	(3.6)	-	-	(3.6)	(3.6)	-	-	(3.6)
Repurchase of ordinary shares	(30.2)	-	-	(30.2)	(39.7)	-	-	(39.7)
Lease principal repayments	(1.1)	-	-	(1.1)	(2.3)	-	-	(2.3)
Bank loan capital repayments	(0.2)	-	-	(0.2)	-	-	-	-
Interest paid	(9.0)	-	-	(9.0)	(12.1)	-	-	(12.1)
Net cash flow used in financing activities	(29.3)	-	-	(29.3)	(43.4)	-	-	(43.4)
Net decrease in cash and cash equivalents	(11.0)	-	-	(11.0)	(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	(0.1)	-	-	(0.1)	3.2	-	-	3.2
Cash and cash equivalents at end of the period	83.7	-	-	83.7	92.7	-	-	92.7

13. Subsequent events

The following significant events occurred after the Group's period end date of 30 September 2024 and before the signing of these unaudited financial results on 11 November 2024:

- On 2 October 2024, a payment of USD 3.0m was made for the acquisition of M.A Aporia, related to contingent consideration tied to the ongoing employment of specific employees. We anticipate that this will be the last material acquisition related contingent payment across the Group
- Interim dividend of 1.0 pence per ordinary share paid on 4 October 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