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INDEPENDENT AUDITORS' REPORT

To the Shareholders of XLMEDIA PLC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of XLMedia PLC and its subsidiaries (the Group), which comprise the consolidated statements of financial position as of 31 December 2023 and 2022, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for each of the years then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

	Description of key audit matter	Description of auditor's response
Revenue recognition	Revenues which amounted to approximately USD 51 million in 2023 (including USD 0.6 million from discontinued operations) are significant to the consolidated financial statements based on their quantitative materiality. As such, there is inherent risk that revenues may be improperly recognised, inflated or misstated. Recognition of revenues in the accounts of the Group is a highly automated process. The Group is heavily reliant on the reliability and continuity of its in-house IT platform to support automated data processing in its recognition and recording of revenues.	In order to gain the required level of assurance, we performed substantive audit procedures relating to the recognition and recording of revenues, including tests of reconciliations from underlying data to the financial accounts. IT audit specialists were deployed to assist in understanding the design and operation of the relevant IT systems and in performing various data analyses in order to test completeness, accuracy and timing of the recognition of revenues. We also evaluated the adequacy of the disclosures provided in relation to revenues in Notes 2,4 and 8 to the consolidated financial statements.
Domains and Websites and other intangible assets – impairment test	As of 31 December 2023, the total net carrying amount of domains and websites with indefinite useful life and other intangible assets is approximately USD 63 million. In accordance with IFRS as adopted by the European Union, the Group is required to annually test these assets for impairment. As a result of the impairment test, the Company recorded a net impairment loss of USD 43 million.	Our audit procedures included, among others, the involvement of valuation experts, examinations and evaluations of the assumptions and methodologies used by the Group. In particular, we tested the Group's determination of the recoverability and the forecasted cash flows of these assets by reviewing management's forecasts of revenues and profitability. We assessed the reliability of these forecasts through, among others, a review of actual performance against previous forecasts. We evaluated and tested the discount rates and attribution of expenses, and we considered the reasonableness of management's other assumptions. We also verified the adequacy of the disclosure of the assumptions and other data in Note 11 to the consolidated financial statements.
Taxation	The Group's operations are subject to income tax in various jurisdictions. Taxation is significant to our audit because the assessment process is complex and judgmental, and the amounts involved are material to the consolidated financial statements as a whole.	We included in our engagement team tax specialists to analyse and evaluate the assumptions used to determine tax provisions. We evaluated and tested the underlying support and data for the calculation of income taxes in the various jurisdictions. We also assessed the adequacy of the Group's disclosures in Notes 7 and 17 to the consolidated financial statements.

Other information included in the Group's 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the board of directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The consolidated financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

The partner in charge of the audit resulting in this independent auditor's report is Mr. Eli Barda.

Tel-Aviv, Israel
16 May 2024

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

	Notes	**2023 $000**	2022[1] $000
Continuing operations			
Revenue [2]	4	**50,329**	70,935
Expenses:			
Operating	5	**(25,555)**	(34,629)
Sales and marketing		**(18,602)**	(22,824)
Depreciation and amortisation	11, 12	**(6,477)**	(7,313)
Net impairment charge	11c	**(44,624)**	-
Operating (loss)/profit		**(44,929)**	6,169
Finance expenses	6	**(233)**	(1,751)
Finance income	6	**20**	5
Loss on disposal of assets	9	**(212)**	-
Other income		**463**	566
(Loss)/profit before taxes on income		**(44,891)**	4,989
Tax charge	7	**(627)**	(1,604)
(Loss)/profit for the year from continuing operations		**(45,518)**	3,385
Discontinued operations			
Loss for the year from discontinued operations (net of tax)	8	**(1,527)**	(12,824)
Net loss for the year attributable to the owners of the Company		**(47,045)**	(9,439)
Other comprehensive expenses that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**429**	(372)
Other comprehensive expenses that will not be reclassified to profit or loss in subsequent periods:			
Impairment of equity investment		**(242)**	-
Total other comprehensive income/(expenses)		**187**	(372)
Total comprehensive loss for the year attributable to the owners of the Company		**(46,858)**	(9,811)
(Loss)/earnings per share attributable to the owners of the Company (in $):			
Basic and diluted (loss)/earnings per share from continuing operations	10	**(0.173)**	0.009
Basic and diluted loss per share	10	**(0.179)**	(0.036)

[1] Comparative data for the year ended 31 December 2022 has been adjusted to reflect the reclassification of the Blueclaw business to discontinued operations in line with IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'*.

[2] Total Group revenue including discontinued operations is $50,960,000 (2022: $73,738,000). See Note 4 for further details.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position

as at 31 December 2023

	Notes	2023 $000	2022 $000
Assets			
Non-current assets			
Intangible assets and goodwill	11	**63,345**	108,581
Property and equipment	12	**1,761**	2,277
Other financial assets	20a	**-**	242
Long-term deposits	13	**78**	75
		65,184	111,175
Current assets			
Short-term deposits	13	**103**	342
Trade receivables	14a	**6,605**	5,699
Other receivables	14b	**1,315**	3,454
Cash and cash equivalents		**4,692**	10,411
		12,715	19,906
Total assets		**77,899**	131,081
Equity and liabilities			
Equity			
Share capital [1]	18	**-**	-
Share premium	18	**122,071**	122,071
Capital reserve		**860**	500
Accumulated deficit		**(69,353)**	(22,308)
Total equity		**53,578**	100,263
Non-current liabilities			
Lease liabilities	16	**937**	1,177
Deferred taxes	17	**1,411**	36
Deferred consideration		**-**	3,884
		2,348	5,097
Current liabilities			
Trade payables		**4,613**	3,655
Deferred consideration		**3,954**	3,969
Consideration payable on intangible assets	11	**3,500**	3,000
Other liabilities and accounts payables	15	**3,974**	10,241
Current tax provision		**5,696**	4,505
Current maturities of lease liabilities	16	**236**	351
		21,973	25,721
Total liabilities		**24,321**	30,818
Total equity and liabilities		**77,899**	131,081

[1] Less than $1,000.

The accompanying notes are an integral part of the consolidated financial statements. The financial statements were approved by the Board of Directors on 16 May 2024 and were signed on its behalf by:

David King Chief Executive Officer	Marcus Rich Chairman

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Share capital [1] $000	Share premium $000	Capital reserve from share-based transactions $000	Capital reserve from the translation of a foreign operation $000	Other Capital reserves [2] $000	Accumulated deficit $000	Total equity $000
As at 1 January 2023	-	122,071	3,514	(388)	(2,626)	(22,308)	100,263
Loss for the year	-	-	-	-	-	(47,045)	(47,045)
Other comprehensive income	-	-	-	429	(242)	-	187
Total comprehensive loss	-	-	-	429	(242)	(47,045)	(46,858)
Cost of share-based payments [3]	-	-	173	-	-	-	173
As at 31 December 2023	**-**	**122,071**	**3,687**	**41**	**(2,868)**	**(69,353)**	**53,578**
As at 1 January 2022	-	122,071	2,656	(16)	(2,626)	(12,869)	109,216
Loss for the year	-	-	-	-	-	(9,439)	(9,439)
Other comprehensive loss	-	-	-	(372)	-	-	(372)
Total comprehensive loss	-	-	-	(372)	-	(9,439)	(9,811)
Cost of share-based payments [3]	-	-	858	-	-	-	858
As at 31 December 2022	**-**	**122,071**	**3,514**	**(388)**	**(2,626)**	**(22,308)**	**100,263**

[1] Less than $1,000.

[2] Other Capital reserves relate to transactions with non-controlling interests and financial assets at fair value through other comprehensive income.

[3] See Note 19 for further details.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Notes	2023 $000	2022 $000
Cash flows from operating activities			
Cash generated from operations	21	**9,905**	14,647
Interest paid		**(203)**	(310)
Interest received		**2**	5
Income tax paid		**(5,134)**	(876)
Income tax received		**-**	2,287
Net cash inflow from operating activities		**4,570**	15,753
Cash flows from investing activities			
Proceeds on disposal of property and equipment		**-**	83
Proceeds from sale of intangible assets	11	**4,000**	-
Proceeds from sale of discontinued operation	9	**2,050**	-
Purchase of property and equipment		**(14)**	(62)
Purchase of and additions to systems, software and licences	11	**(3,500)**	(3,000)
Acquisition of and additions to domains, websites and other intangible assets		**(5,678)**	(6,701)
Short-term and long-term deposits (net)		**236**	1,824
Net cash outflow from investing activities		**(2,906)**	(7,856)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		**(354)**	(401)
Payment of deferred consideration	20	**(4,004)**	(15,371)
Payment of contingent consideration on intangible assets		**(371)**	-
Payment of consideration on intangible assets		**(3,000)**	(3,000)
Net cash outflow from financing activities		**(7,729)**	(18,772)
Net decrease in cash and cash equivalents		**(6,065)**	(10,875)
Net foreign exchange difference		**346**	(1,151)
Cash and cash equivalents at 1 January		**10,411**	22,437
Cash and cash equivalents at 31 December		**4,692**	10,411

The accompanying notes are an integral part of the consolidated financial statements.

1. General

a. Corporate information

XLMedia PLC ("the Group") is a global performance publisher listed on the London Stock Exchange Alternative Investment Market (“AIM”). The Group was incorporated in Jersey and its registered office is 12 Castle Street, St. Helier Jersey, JE2 3RT (registration number 114467).

b. Definitions

In these financial statements, the following terms will be used:

EUR	- Euro
GBP	- British Pound Sterling
IFRS	- International Financial Reporting Standards as adopted by the European Union
NIS	- New Israeli Shekel
Related parties	- As defined by IAS 24 ‘*Related Party Disclosures*’
Subsidiaries	- Entities controlled (as defined in IFRS 10 ‘*Consolidated Financial Statements*’) by the Group and whose financial statements are consolidated into the Group. For a list of the main subsidiaries, see Note 23
U.S.	- United States
U.K.	- United Kingdom
USD/$	- U.S. dollar, all values are rounded to the nearest thousand ($000), except when otherwise indicated

2. Accounting Policy Information

The following accounting policies have been applied consistently in dealing with items which are considered significant in relation to the Group’s financial statements, unless otherwise stated.

a. Basis of presentation of the consolidated financial statements

i. Compliance with IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) adopted by the European Union, and issued by the International Accounting Standards Board (“IASB”), in accordance with the requirements of the Companies (Jersey) Law 1991.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value or revalued amount; and
- assets held for sale – measured at the lower of carrying amount and fair value less costs to sell.

iii. New accounting standards, amendments and interpretations adopted by the Group

There are no new major standards or amendments applicable for the Group.

The Group has assessed IAS 1 ‘*Presentation of Financial Statements*’ and concluded it does not have a significant impact on the Group’s financial statements.

2. Accounting Policy Information *continued*

b. Basis of consolidation

The consolidated financial statements comprise the financial statements of companies that are controlled by the parent company (subsidiaries). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing whether an entity has control. The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

The financial statements of the Group and of the subsidiaries are prepared as of the same dates and periods. The consolidated financial statements of the Group are prepared using consistent accounting policies by all companies in the Group. Significant intragroup balances and transactions and gains or losses resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

c. Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

The cost of the acquisition is measured at the fair value of the consideration transferred on the date of acquisition with the addition of non-controlling interests in the acquiree. In each business combination, the Group chooses whether to measure the non-controlling interests in the acquiree based on their fair value on the date of acquisition or at their proportionate share in the fair value of the acquiree's net identifiable assets. Direct acquisition costs are expensed as incurred.

Contingent consideration is recognised at fair value on the acquisition date and classified as a financial asset or liability in accordance with IFRS 9 '*Financial Instruments*'. Subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit or loss. If the contingent consideration is classified as an equity instrument, it is measured at fair value on the acquisition date without subsequent remeasurement.

Goodwill is initially measured at cost, which represents the excess of the acquisition consideration and the amount of non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the resulting amount is negative, the acquirer recognises the resulting gain on the acquisition date. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

d. Functional currency, presentation currency and foreign currency

Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD, which is the Group's functional and presentation currency.

2. Accounting Policy Information *continued*

d. Functional currency, presentation currency and foreign currency *continued*

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in statement of profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
ii. income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
iii. all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the statement of profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e. Cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition.

2. Accounting Policy Information *continued*

f. Short-term and long-term deposits

Short-term bank deposits are deposits with an original maturity of more than three months from the investment date and do not meet the definition of cash equivalents. Long-term deposits are deposits with a maturity of more than twelve months from the reporting date. The deposits are presented according to their terms of deposit.

g. Revenue recognition

The Group generates revenues mainly from referred players who are driven by either the Group’s premium branded websites or partners. The main revenue streams are cost per acquisition ("CPA"), revenue-share fees or a combination of both, which is referred to as a hybrid.

CPA fees are fixed-rate fees owed for each player who registers and usually deposits a minimum balance on the operator's site, and they are recognised when earned upon acceptance of the referral by the operator.

Revenue-share fees represent a set percentage of net revenues generated over the lifetime of the referred player. The Group has no material obligations for discounts, incentives or refunds of commissions subsequent to completion of performance obligations.

h. Taxation

Current or deferred taxes are recognised in the statement of profit or loss, except to the extent that they relate to items that are recognised in other comprehensive income or equity.

Current taxes

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date, as well as adjustments required in connection with the tax liability in respect of previous years.

Deferred taxes

Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes. Deferred taxes are measured at the tax rate that is expected to apply when the asset is realised, or the liability is settled based on tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is not probable that they will be utilised. Deductible temporary differences for which deferred tax assets had not been recognised are reviewed at each reporting date, and a respective deferred tax asset is recognised to the extent that their utilisation is probable. Taxes that would apply in the event of the disposal of investments in investees have not been taken into account in computing deferred taxes, as long as the disposal of the investments in investees is not probable in the foreseeable future. Also, deferred taxes that would apply in the event of distribution of earnings by investees as dividends have not been taken into account in computing deferred taxes, since the distribution of dividends does not involve an additional tax liability or since it is the Group's policy not to initiate distribution of dividends from a subsidiary that would trigger an additional tax liability.

Deferred taxes are offset if there is a legally enforceable right to offset a current tax asset against current tax liability, and the deferred taxes relate to the same taxpayer and the same taxation authority.

2. Accounting Policy Information *continued*

i. Leases

The Group accounts for a contract as a lease when the contract terms convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of assets and liabilities

For leases in which the Group is the lessee, the Group recognises on the commencement date of the lease a right-of-use asset and a lease liability, excluding leases whose term is up to 12 months and leases for which the underlying asset is of low value. For these excluded leases, the Group has elected to recognise the lease payments as an expense in the statement of profit or loss on a straight-line basis over the lease term.

In measuring the lease liability, the Group has elected to apply the practical expedient and does not separate the lease components from the non-lease components (such as management and maintenance services, etc.) included in a single contract. On the commencement date, the lease liability includes all unpaid lease payments discounted at the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate. After the commencement date, the Group measures the lease liability using the effective interest rate method. The right-of-use asset is recognised in an amount equal to the lease liability plus lease payments already made on or before the commencement date and initial direct costs incurred. The right-of-use asset is measured applying the cost model and depreciated over the shorter of its useful life or the lease term (see j below). The Group tests for impairment of the right-of-use asset whenever there are indications of impairment pursuant to the provisions of IAS 36 '*Impairment of Assets*'.

Variable lease payments that depend on an index

The Group uses the index rate prevailing on the commencement date to calculate the future lease payments. For leases in which the Group is the lessee, the aggregate changes in future lease payments resulting from a change in the index are discounted (without a change in the discount rate applicable to the lease liability) and recorded as an adjustment of the lease liability and the right-of-use asset, only when there is a change in the cash flows resulting from the change in the index (that is, when the adjustment to the lease payments takes effect).

Lease extension and termination options

A non-cancellable lease term includes both the periods covered by an option to extend the lease when it is reasonably certain that the extension option will be exercised, and the periods covered by a lease termination option when it is reasonably certain that the termination option will not be exercised.

In the event of a significant change in the expected exercise of the lease extension option or in the expected non-exercise of the lease termination option, the Group remeasures the lease liability based on the revised lease term using a revised discount rate as of the date of the change in expectations. The total change is recognised in the carrying amount of the right-of-use asset until it is reduced to zero, and any further reductions are recognised in the statement of profit or loss.

2. Accounting Policy Information *continued*

i. Leases *continued*

Lease modifications

If a lease modification does not reduce the scope of the lease and does not result in a separate lease, the Group remeasures the lease liability based on the modified lease terms using a revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset.

If a lease modification reduces the scope of the lease, the Group recognises a gain or loss arising from the partial or full reduction of the carrying amount of the right-of-use asset and the lease liability. The Group subsequently remeasures the carrying amount of the lease liability according to the revised lease terms at the revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset.

j. Property and equipment

Property and equipment are measured at cost, including directly attributable costs less accumulated depreciation. Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Office furniture and equipment	10
Computers and peripheral equipment	33
Right of use leased assets and leasehold improvement (over the lease term)	10 - 50

Right of use leased assets, and leasehold improvements are depreciated on a straight-line basis over the shorter lease term (including any extension option held by the Group and intended to be exercised) and the asset's expected life. The useful life, depreciation method and residual value of an asset are reviewed at least each year-end, and any changes are accounted for prospectively as a change in accounting estimate.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An asset is derecognised on disposal or when no further economic benefits are expected from its use.

k. Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost, including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, excluding capitalised development costs, are recognised in the statement of profit or loss when incurred.

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each year-end.

The Group's assets include computer systems comprising hardware and software. Software forming an integral part of the hardware to the extent that the hardware cannot function without the programs installed on it is classified as property and equipment. In contrast, software that adds functionality to the hardware is classified as an intangible asset.

2. Accounting Policy Information *continued*

k. Intangible assets *continued*

Amortisation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Systems and software (purchased and in-house development cost)	33
Non-competition and Agencies Relationships	33 - 50

Intangible assets (domains and websites) with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date, the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

Research expenditures are recognised in profit or loss when incurred. An intangible asset arising from a development project or from the development phase of an internal project is recognised if the Group can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the Group's intention to complete the intangible asset and use or sell it; the Group's ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and the Group's ability to measure reliably the expenditure attributable to the intangible asset during its development. The asset is measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is completed, and the asset is available for use. The asset is amortised over its useful life. Testing of impairment is performed annually over the period of the development project.

l. Impairment of non-financial assets

The Group evaluates the need to record an impairment of the carrying amount of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable.
If the carrying amount of the cash-generating unit of the non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset.

The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the statement of profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognised in the statement of profit or loss.

2. Accounting Policy Information *continued*

l. Impairment of non-financial assets *continued*

Goodwill is tested for impairment by assessing the recoverable amount of the cash-generating unit (or Group of cash-generating units) to which the goodwill has been allocated. An impairment loss is recognised if the recoverable amount of the cash-generating unit (or Group of cash-generating units) to which goodwill has been allocated is less than the carrying amount of the cash-generating unit (or Group of cash-generating units). Any impairment loss is allocated first to goodwill. Impairment losses recognised for goodwill cannot be reversed in subsequent periods.

The Group reviews goodwill and intangible assets with indefinite useful life that are not systematically amortised (domains and websites) for impairment annually on 31 December, or more frequently if events or changes in circumstances indicate that there is a need for such review.

m. Financial instruments

i. Financial assets

Financial assets are measured upon initial recognition at fair value plus transaction costs directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in the statement of profit or loss.

The Group classifies and measures debt instruments in the financial statements based on the following criteria:

- the Group's business model for managing financial assets; and
- the contractual cash flow terms of the financial asset.

Debt instruments measured at amortised cost

The Group's business model is to hold the financial assets in order to collect their contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, the instruments in this category are measured according to their terms at amortised cost using the effective interest rate method, less any provision for impairment.

Financial assets held for trading

Financial assets held for trading (derivatives) are measured through the statement of profit or loss unless they are designated as effective hedging instruments.

ii. Impairment of financial assets

The Group reviews at the end of each reporting period the provision for loss of financial debt instruments which are measured at amortised cost. The Group has short-term trade receivables in respect of which the Group applies a simplified approach and measures the loss allowance in an amount equal to the lifetime expected credit losses. An impairment loss on debt instruments measured at amortised cost is recognised in the statement of profit or loss with a corresponding loss allowance that is offset from the carrying amount of the financial asset.

iii. Derecognition of financial assets

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire.

2. Accounting Policy Information *continued*

m. Financial instruments *continued*

iv. Financial liabilities

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest rate method, except for:

- financial liabilities at fair value through profit or loss such as derivatives; and
- contingent consideration recognised by the buyer in a business combination within the scope of IFRS 3.

At initial recognition, the Group measures financial liabilities that are not measured at amortised cost at fair value. Transaction costs are recognised in the statement of profit or loss. After initial recognition, changes in fair value are recognised in the statement of profit or loss.

v. Derecognition of financial liabilities

A financial liability is derecognised only when it is extinguished, that is when the obligation is discharged or cancelled or expires.

n. Fair value measurement

Fair value is the price to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities measured at fair value or for which fair value is disclosed are categorised into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 - inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data).

o. Provisions

A provision in accordance with IAS 37 '*Provisions, Contingent Liabilities and Contingent Asset'* is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects part or all of the expense to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense is recognised in the statement of profit or loss net of the reimbursed amount.

2. Accounting Policy Information *continued*

p. Employee benefit liabilities

Short-term employee benefits include salaries, paid sick leave, recreation and social security contributions, and are recognised as expenses as the services are rendered. Liability in respect of a cash bonus or a profit-sharing plan is recognised when the Group has a legal or constructive obligation to make such payment as a result of past service rendered by an employee, and a reliable estimate of the amount can be made.

Post-employment benefits are financed by contributions to insurance companies or pension funds and are classified as defined contribution plans. The Israeli subsidiaries of the Group have defined contribution plans pursuant to Section 14 to the Severance Pay Law under which the subsidiary pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods.

Contributions to the defined contribution plan in respect of severance or retirement pay are recognised as an expense when contributed concurrently with the performance of the employee's services.

q. Share-based payment transactions

The Group's employees and officers are entitled to remuneration in the form of equity-settled share-based payment transactions. The cost of equity-settled transactions is measured at the fair value of the equity instruments granted at the grant date. The fair value is determined using an acceptable option pricing model (also see Note 19). In estimating fair value, the vesting conditions (consisting of service conditions and performance conditions other than market conditions) are not taken into account. The cost of equity-settled transactions is recognised in the statement of profit or loss together with a corresponding increase in equity during the period which the performance is to be satisfied ending on the date on which the relevant employees or officers become entitled to the award ("the vesting period"). The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether the market condition is satisfied, provided that all other vesting conditions (service and/or performance) are satisfied.

r. Earnings per share

Earnings per share are calculated by dividing the net income attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period. The Group's share of earnings of investees is included based on the earnings per share of the investees multiplied by the number of shares held by the Group. If the number of ordinary shares outstanding increases as a result of a capitalisation, bonus issue, or share split, the calculation of earnings per share for all periods presented are adjusted retrospectively.

Potential ordinary shares are included in the computation of diluted earnings per share when their conversion decreases earnings per share from continuing operations. Potential ordinary shares that are converted during the period are included in diluted earnings per share only until the conversion date and from that date in basic earnings per share.

2. Accounting Policy Information *continued*

s. Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held-for-sale. The operating results relating to the discontinued operation (including comparative data) are presented separately in the statement of profit or loss, net of the tax effect.

3. Accounting judgements, estimates and assumptions

Estimations and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses.

Changes in accounting estimates are reported in the period of the change in estimate. The key assumptions made in the financial statements concerning uncertainties at the end of the reporting period and the critical estimates computed by the Group that may result in a significant adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of domains and websites

The Group reviews domains and websites for impairment at least once a year. This requires management to make an estimate of the projected future cash flows from the continuing use of the cash-generating units to which the assets are allocated and also to choose a suitable discount rate for those cash flows (see Note 11).

Current taxes

The Group is subject to income tax in various jurisdictions, and judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises tax liabilities based on assumptions supported by, among others, transfer price studies. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors, including past experience and interpretations of tax law (see Note 7).

4. Revenue and operating segments for the years ended 31 December

An operating segment is a part of the Group that conducts business activities from which it can generate revenue and incur costs, and for which discrete financial information is available. Identification of segments is based on internal reporting to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO"). The Group does not divide its operations into different segments, and the CODM operates and manages the Group's entire operations as one segment, which is consistent with the Group's internal organisation and reporting system.

4. Revenue and operating segments for the years ended 31 December *continued*

Geographic information for the years ended 31 December

	2023 $000	2022 $000
North America	**25,925**	49,226
Europe	**18,335**	20,725
Rest of the World	**540**	652
Total revenues from identified customer locations	**44,800**	70,603
Revenues from unidentified customer locations	**6,160**	3,135
	50,960	73,738

Revenues by vertical

	2023 $000	2022 $000
Sports U.S.	**8,992**	18,065
Media Partnerships	**18,566**	28,398
Casino	**13,106**	15,602
Sports Europe	**9,665**	8,870
Revenue from continuing operations	**50,329**	70,935
Blueclaw [1]	**-**	870
Personal Finance	**631**	1,933
Revenue from discontinued operation (see Note 8)	**631**	2,803
	50,960	73,738

[1] The Group classified Blueclaw as a discontinued operation in the year ended 31 December 2023 as part of a strategic decision. See Note 8 for further details.

5. Operating expenses from continuing operations for the years ended 31 December

	2023 $000	2022[1] $000
Staff costs [2]	**16,536**	19,065
Share-based payments	**173**	858
Technology expenses	**2,661**	5,158
Professional services	**2,142**	2,799
Administrative expenses	**1,402**	2,170
Transformation costs [3]		
Consulting services	**1,301**	1,685
Hiring and settlements	**1,340**	2,792
Acquisition costs	**-**	102
	25,555	34,629

[1] Comparative data for the year ended 31 December 2022 has been adjusted to reflect the reclassification of the Blueclaw business to discontinued operations in line with IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'*.

[2] Included within staff costs are expenses in respect of defined contribution plans of $1,184,000 (2022: $1,615,000).

[3] Transformation costs total $2,641,000 (2022: $4,579,000).

6. Finance expenses and income from continuing operations for the years ended 31 December

	2023 $000	2022 $000
Finance cost	**79**	138
Foreign exchange loss	**-**	1,297
Lease finance cost	**29**	29
Other charges [1]	**125**	287
Finance expenses	**233**	1,751
Finance income on cash at bank	**(2)**	(5)
Foreign exchange gain	**(18)**	-
Finance income	**(20)**	(5)
Net finance costs	**213**	1,746

[1] Other charges relate to interest accrued on acquisition related costs.

7. Tax from continuing operations for the years ended 31 December

Taxation included in the statement of profit or loss for the years ended 31 December:

	2023 $000	2022 $000
Current taxes	**2,434**	(242)
Deferred taxes (Note 17)	**(1,807)**	1,846
Tax charge	**627**	1,604

Tax reconciliation

The reconciliation between the tax expense, assuming that all the income and expenses were taxed at the statutory tax rate for the U.K., and the taxes on income recorded in the statement of profit or loss for the years ended 31 December are as follows:

	2023 $000	2022[1] $000
(Loss)/profit before taxes on income from continuing operations	**(44,891)**	4,989
Taxes on income at 23.5% (2022: 19%)	**(10,549)**	948
Adjustment due to the difference between the Group's statutory tax rate and tax rates applicable to the subsidiaries	**(270)**	660
Non-deductible expenses for tax purposes	**10,635**	15
Taxes in respect of previous years – current tax	**(3,207)**	(5,116)
Unrecognised temporary differences and others	**4,018**	5,097
Tax charge	**627**	1,604

[1] Comparative data for the year ended 31 December 2022 has been adjusted to reflect the reclassification of the Blueclaw business to discontinued operations in line with IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'*.

The Group has a tax presence in different jurisdictions, including Jersey (where the parent company is incorporated), U.K., U.S., Cyprus, Canada and Israel.

7. Tax from continuing operations for the years ended 31 December *continued*

Tax reconciliation continued

Tax law applicable to the Group's Israeli subsidiaries is the Israeli tax law - Income Tax Ordinance (New Version) 1961. The Israeli corporate income tax rate was 23% in 2023 (2022: 23%). Amendment 73 to the law for the Encouragement of Capital Investments, 1959 also prescribes special tax tracks for technological enterprises, which became effective in 2017, as follows:

- Technological preferred enterprise – an enterprise for which total consolidated revenues of its parent company and all subsidiaries are less than NIS 10 billion. A preferred technological enterprise, as defined in the law, is located in Israel and is subject to tax at a rate of 12% on profits deriving from intellectual property.
- Any dividends distributed to "foreign companies", as defined in the law, deriving from income from the technological enterprises will be subject to a withholding tax at a rate of 4%.

The applicable U.S. federal statutory income tax rate for the Group's U.S. subsidiaries for 2023 was 21% (2022: 21%). In addition, state and city taxes are applicable in certain states and cities.

Losses carried forward for tax purposes

As at 31 December 2023, the Group has carry-forward tax losses in its subsidiaries of $4,000,000 covering its Israel and UK jurisdictions, of which $416,000 has been recognised as part of the deferred tax asset on other short-term temporary differences (see Note 17). The remaining element has not been recognised on the statement of financial position as there is insufficient evidence as to the generation of suitable profits against which these assets can be offset.

8. Discontinued operations

For the year ended 31 December 2023, the Group classified the Personal Finance and Blueclaw businesses as discontinued operations based on strategic decisions. Revenue and expenses, and gains and losses relating to the discontinuation of these activities are shown as a single line item on the face of the statement of profit or loss as “Loss for the year from discontinued operations (net of tax)”, with the comparative figures being restated as required by IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'*.

Profit or loss

The financial results of discontinued operations were as follows:

	2023 **$000**	2022 $000
Revenue	**631**	2,803
Expenses:		
Operating	**(875)**	(3,755)
Sales and marketing	**(151)**	(1,219)
Impairment reversal/ (charge) (Note 11)	**2,050**	(13,835)
Profit/(loss) before taxes on income	**1,655**	(16,006)
Tax (charge)/credit (Note 17)	**(3,182)**	3,182
Loss from discontinued operations	**(1,527)**	(12,824)

Taxation from discontinued operations of $3,182,000 relates to the deferred tax impact of the $13,835,000 impairment charge incurred in the year ended 31 December 2022, and its subsequent unwind on disposal of the Personal Finance business in the year ended 31 December 2023 (see Note 9).

8. Discontinued operations *continued*

Cash flows

	2023	2022
	$000	$000
Loss for the year	**(1,527)**	(12,824)
Impairment (reversal)/charge	**(2,050)**	13,835
Tax charge/(credit)	**3,182**	(3,182)
Cash outflow from discontinued operations	**(395)**	(2,171)

Cash flows from discontinued operations also include working capital balances to support the Personal Finance and Blueclaw businesses. These are immaterial for disclosure in both the year ended 31 December 2023 and in the comparative year.

9. Loss on disposal of assets

On 30 May 2023 and 6 June 2023, the Group disposed of the assets of the Personal Finance business for total proceeds of $2,050,000. The disposal is detailed below:

	2023
	$000
Consideration received	**2,050**
Costs of disposal	**(212)**
Carrying value of net assets sold	**(2,050)**
Loss on disposal after tax	**(212)**

The disposal of the Personal Finance business incurred no tax payable.

The cash generated from the disposal of the Personal Finance business has been utilised in the day-to-day operations of the wider business of the Group.

10. (Loss)/earnings per share

Basic (loss)/earnings per share (“EPS”) is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding shares held in trust.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of potentially dilutive ordinary shares. Note that share options for the Group have not been reflected for the year ended 31 December 2023 as their effect would be anti-dilutive.

The following tables reflects the income and share data used in the basic and diluted EPS calculations.

10. (Loss) / earnings per share *continued*

Continuing operations

	2023 Earnings [1] $000	**2023** Weighted average number of ordinary shares Thousands	**2023** Loss per share $	2022 Earnings [1] $000	2022 Weighted average number of ordinary shares Thousands	2022 EPS $
Basic and diluted (loss)/earnings per share	(45,518)	262,586	**(0.173)**	2,353	262,586	0.009

[1] Defined as (Loss)/profit for the year from continuing operations as per the statement of profit or loss.

Discontinued operations

	2023 Earnings [1] $000	**2023** Weighted average number of ordinary shares Thousands	**2023** Loss per share $	2022 Earnings [1] $000	2022 Weighted average number of ordinary shares Thousands	2022 Loss Per Share $
Basic and diluted loss per share	(1,527)	262,586	**(0.006)**	(11,792)	262,586	(0.045)

[1] Defined as Loss for the year from discontinued operations (net of tax) as per the statement of profit or loss.

Total Group

	2023 Earnings [1] $000	**2023** Weighted average number of ordinary shares Thousands	**2023** Loss per share $	2022 Earnings [1] $000	2022 Weighted average number of ordinary shares Thousands	2022 Loss Per Share $
Basic and diluted loss per share	(47,045)	262,586	**(0.179)**	(9,439)	262,586	(0.036)

[1] Defined as Net loss attributable to the owners of the Company as per the statement of profit or loss.

11. Intangible assets and goodwill

	Goodwill $000	Domains and websites $000	Agencies Relationships $000	Systems, software and licences $000	Work in Progress[1] $000	Total $000
Cost or valuation						
At 1 January 2022	32,115	162,287	716	48,054	-	243,172
Additions	-	3,000	-	3,926	-	6,926
Additions – internally developed	-	-	-	2,775	-	2,775
Other adjustments	(245)	(367)	(48)	-	-	(660)
Reclassifications [2]	-	-	-	(637)	-	(637)
At 31 December 2022	**31,870**	**164,920**	**668**	**54,118**	**-**	**251,576**
Additions	-	3,500	-	-	-	3,500
Additions – internally developed	-	-	-	3,954	1,660	5,614
Disposals	-	(35,048)	-	(7,169)	-	(42,217)
Revaluations	105	-	25	-	-	130
Reclassifications [2]	-	(32)	-	(5,083)	-	(5,115)
At 31 December 2023	**31,975**	**133,340**	**693**	**45,820**	**1,660**	**213,488**
Accumulated amortisation and impairment:						
At 1 January 2022	30,052	55,106	201	37,529	-	122,888
Amortisation	-	-	241	6,578	-	6,819
Impairment charge	-	13,835	-	-	-	13,835
Exchange differences	-	-	90	-	-	90
Reclassifications [2]	-	-	-	(637)	-	(637)
At 31 December 2022	**30,052**	**68,941**	**532**	**43,470**	**-**	**142,995**
Amortisation	-	-	171	5,776	-	5,947
Impairment charge	1,923	40,651	-	-	-	42,574
Disposals	-	(30,163)	-	(6,085)	-	(36,248)
Revaluations	-	-	(10)	-	-	(10)
Reclassifications [2]	-	-	-	(5,115)	-	(5,115)
At 31 December 2023	**31,975**	**79,429**	**693**	**38,046**	**-**	**150,143**
Net book value						
At 31 December 2022	**1,818**	**95,979**	**136**	**10,648**	**-**	**108,581**
At 31 December 2023	**-**	**53,911**	**-**	**7,774**	**1,660**	**63,345**

[1] Work in Progress relates to internally developed software.

[2] These items relate to reclassifications between asset class, cost and accumulated depreciation on historical balances. There is no net book value impact from these reclassifications.

a. Goodwill and Agency Relationships

In September 2021, the Group acquired Blueclaw Media Ltd, recognising a goodwill balance of $2,063,000 and agencies relationships of $484,000. As Blueclaw Media Ltd is a foreign operation, the goodwill balance is retranslated at the end of each reporting period. As at 31 December 2023, the goodwill balance of $1,923,000 was fully impaired as a result of the impairment review of non-financial assets. See Note 11c for further details.

Agency relationships are amortised in line with the Group's accounting policy.

11. Intangible assets and goodwill *continued*

b. Domains and websites

In the year ended 31 December 2021, the Group acquired domains and websites, including Sports Betting Dime and Saturday Football inc. and accounted for these as an asset acquisition. The Group recognises a liability for the intangible assets acquired for contingent consideration only when there is sufficient certainty that the liability will be settled.

In the year ended 31 December 2023, due to targets being met for the acquisition of CB Sports and Warwick Gaming (CBWG), additions of $3,000,000 were recognised and paid, and a further $3,500,000 was recognised as an addition, and paid in March 2024.

In the year ended 31 December 2023, the Group disposed of three of the Europe Gaming domains and associated websites, Casino.se, Casino.gr and Casino.pt, and domains and websites relating to the Personal Finance business (see Note 9 for further details). Before the sales completed, the Group reversed the impairment charge relating to these domains and websites up to the sales proceeds as the recoverable amount of the assets was deemed to be the consideration agreed with the third party buyers for those specific assets. The Group then disposed of those domains and websites for a combined total of $6,050,000, with $2,050,000 relating to the Personal Finance assets being recognised within discontinued operations in the line "Loss for the period from discontinued operations (net of tax)" in the year ended 31 December 2023.

c. Net impairment of non-financial assets

The Group tests goodwill and intangible assets with indefinite useful life for impairment annually or when whenever events or changes in circumstances indicate that the carrying amount is not recoverable. Intangible assets are grouped into cash generating units ("CGU's") to determine their recoverable amount, which is the higher of fair value less cost of sale and value in use. If the carrying amount of the CGUs exceeds their recoverable amount, the assets are reduced to their recoverable amount.

In measuring value in use, the expected future cash flows of each CGU are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The key assumptions used in calculating the value in use are:

- The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Revenues and the profit rate assumptions are based on management expectations and forecasts for the coming years. These forecasts included an evaluation of factors which could adversely affect revenues and profitability.
- Cash flows beyond the three-year period are extrapolated using the estimated terminal growth rate of 3%. This growth rate is based on the long-term average growth rate as customary in similar industries.
- The discount rate reflects management's assumptions regarding the Group's specific risk premium.
- The pre-tax discount rate that was applied for the cash flow projection was 25% (2022: 20%).

Fair value less cost of sale is considered if external, market-based evidence exists indicating the valuation of the CGUs.

11. Intangible assets and goodwill continued

c. Net impairment of non-financial assets *continued*
For the impairment review for the year ended 31 December 2023, the value in use was deemed to be the recoverable amount for Sports U.S. For the Casino and Sports Europe CGUs, due to the existence of a fair valuation soon after 31 December 2023, the fair value less cost of sale was applied as the recoverable amount for these CGUs. This fair value reflects the consideration paid by a third party for those CGUs (see Note 24).

In total, the Group has recognised a net impairment charge of $42,574,000 in the year ended 31 December 2023. This figure is made up of a net impairment charge of $44,624,000 related to continuing operations, offset by an impairment reversal of $2,050,000 for discontinued operations.

For continuing operations, the net impairment charge of $44,624,000 consists of an impairment charge of $58,534,000 (2022: $Nil) for the Sports U.S. and Sports Europe CGUs. This is driven by a decline in trading for Sports U.S. during the year ended 31 December 2023, and a high cost base for the assets in the Sports Europe CGU, offset by an impairment reversal of $13,910,000 for Casino. The impairment reversal in Casino reflected the increase in the recoverable amount to the consideration received for assets. The Group received $4,000,000 disposal of three of the Europe Gaming domains and associated websites, Casino.se, Casino.gr and Casino.pt, with the remainder of the reversal reflecting the consideration paid by a third party for the remainder of the Casino CGU in April 2024 (see Note 24).

This net impairment charge has been allocated first to the goodwill balance and then to domains and websites in line with IAS 36 '*Impairment of Assets*'.

The table below summarises the net impairment charge assigned to the different intangible asset classes for the year ended 31 December 2023:

	Goodwill $000	**Domains and websites $000**	**Total $000**
Sports U.S.	1,923	55,335	57,258
Sports Europe	-	1,276	1,276
Impairment charge	**1,923**	**56,611**	**58,534**
Casino [1]	-	(13,910)	(13,910)
Impairment reversals	**-**	**(13,910)**	**(13,910)**
Net impairment charge for continuing operations	**1,923**	**42,701**	**44,624**
Personal Finance	-	(2,050)	(2,050)
Impairment reversal for discontinued operations (see Note 8)	-	**(2,050)**	**(2,050)**
	1,923	**40,651**	**42,574**

[1] Within this impairment reversal, the Group recognised $4,000,000 of reversal relating to the disposal of three of the Europe Gaming domains and associated websites, Casino.se, Casino.gr and Casino.pt in the year ended 31 December 2023.

12. Property and equipment

	Computers, furniture, office equipment and others $000	Leasehold improvements $000	Right of use leased assets – Offices (see note 16) $000	Total $000
Cost				
At 1 January 2022	685	341	4,795	5,821
Additions	62	-	419	481
Reclassifications	403	30	(2,840)	(2,407)
Disposals	(299)	-	-	(299)
At 31 December 2022	**851**	**371**	**2,374**	**3,596**
Additions	14	-	-	14
Termination of leases	-	-	(326)	(326)
At 31 December 2023	**865**	**371**	**2,048**	**3,284**
Accumulated depreciation				
At 1 January 2022	250	15	3,155	3,420
Depreciation during the year	41	34	419	494
Reclassifications	429	4	(2,840)	(2,407)
Disposals	(188)	-	-	(188)
At 31 December 2022	**532**	**53**	**734**	**1,319**
Depreciation during the year	94	40	396	530
Termination of leases	-	-	(326)	(326)
At 31 December 2023	**626**	**93**	**804**	**1,523**
Net book value				
At 31 December 2022	**319**	**318**	**1,640**	**2,277**
At 31 December 2023	**239**	**278**	**1,244**	**1,761**

13. Long-term and short-term deposits as at 31 December

	2023 $000	2022 $000
Long-term deposits		
Held in EUR	**78**	75
	78	75
Short-term deposits		
Held in USD	**100**	100
Held in NIS	**-**	239
Held in EUR	**3**	3
	103	342

The long-term deposits have a fixed lien in relation to a bank guarantee for the Cyprus office lease.

Short-term deposits carried no interest rate in the year ended 31 December 2023 (2022: 0.99%).

14. Trade and other receivables as at 31 December

a. Trade receivables

	2023 $000	2022 $000
Receivables from third party customers	**6,869**	6,015
Allowance for expected credit losses	**(264)**	(316)
	6,605	5,699

As at 31 December 2023, the Group has no material amounts that are past due and not impaired (2022: $Nil).

Changes in the allowance for expected credit losses are included in administrative expenses reported in Note 5. In the statement of profit or loss, the allowance decreased by $182,000 (2022: $29,000 decrease).

See Note 20b(ii) on the credit risk of trade receivables.

b. Other receivables

	2023 $000	2022 $000
Government authorities	**755**	676
Prepaid expenses	**560**	2,319
Other receivables	**-**	459
	1,315	3,454

15. Other liabilities and accounts payables as at 31 December

	2023 $000	2022 $000
Employees and payroll accruals	**1,644**	2,496
Accrued expenses	**1,511**	2,889
Deferred revenues	**730**	191
Government authorities	**89**	4,283
Other liabilities	**-**	382
	3,974	10,241

Government authorities mainly relates to agreed settlements of historic tax liabilities in specific jurisdictions.

16. Lease liabilities as at 31 December

	2023 $000	2022 $000
Lease liabilities	**1,173**	1,528
Less – current maturities	**(236)**	(351)
Non-current lease liabilities	**937**	1,177

16. Lease liabilities as at 31 December *continued*

The Group recorded fixed liens on bank deposits in connection with these agreements (see Note 13).

In the year ended 31 December 2023, the Group terminated one of its lease contracts, recognising a $4,000 loss in the statement of profit and loss and incurring $61,000 in dilapidations costs.

17. Deferred taxes as at 31 December

	2023	2022
	$000	$000
Deferred tax assets	**(628)**	(2,073)
Deferred tax liabilities	**2,039**	2,109
	1,411	36

IAS 12 '*Income taxes*' permits the offsetting of balances within the same tax jurisdiction. All of the deferred tax assets are available for offset against deferred tax liabilities.

The movements in deferred tax liabilities are shown below:

	Domains and websites $000	**Other intangible assets $000**	**Property and equipment $000**	**Other short-term temporary differences $000**	**Total $000**
Current period					
As at 1 January 2023	(1,226)	1,734	375	(847)	36
(Credited) / charged to loss from continuing operations	(1,956)	151	(221)	219	(1,807)
Charged to loss from discontinued operations	3,182	-	-	-	3,182
As at 31 December 2023	**-**	**1,885**	**154**	**(628)**	**1,411**
Prior period					
As at 1 January 2022	2,072	(270)	(3)	(427)	1,372
(Credited) / charged to profit from continuing operations	(116)	2,004	378	(420)	1,846
(Credited) to loss from discontinued operations	(3,182)	-	-	-	(3,182)
As at 31 December 2022	(1,226)	1,734	375	(847)	36

Other short-term temporary differences include deferred tax on tax losses carried forward, on lease liabilities and on employee benefits.

The deferred taxes are computed at the tax rates of 12.5% to 25% based on the tax rates that are expected to apply upon realisation (2022: 19% to 23%).

18. Equity as at 31 December

	2023 Thousands	2022 Thousands
Authorised shares		
Ordinary shares with a nominal value of $0.000001 each	**100,000,000**	100,000,000

	Thousands	**$000**
Ordinary shares issued and outstanding including share premium		
At 1 January 2022, 31 December 2022 and at 31 December 2023	**262,586**	**122,071**

Share capital in the table above is less than $1,000. Share premium is net of treasury shares.

As at 31 December 2023, 3,356,979 ordinary shares were held in trust for the Group's share-based payment plans (2022: 3,356,979).

19. Share-based payments

In 2013, 2017 and 2020, the Group adopted Share Option Plans ("the plans"). According to the plans, the Group's Board of Directors are entitled to grant certain employees, officers and other service providers (together herein "employees") of the Group remuneration in the form of equity-settled share-based payment transactions.

The Group have three different share schemes – Employee Share Options, Restricted Stock Units ("RSUs"), and Performance Stock Units ("PSUs"). The expense recognised in the statement of profit or loss for services received for those share schemes were:

	2023 $000	2022 $000
Total expense arising from share-based payment transactions	**173**	858

Employee Share Options

Pursuant to the plans, the Group's employees may be granted options to purchase the Group's ordinary shares. These options may be exercised, subject to the continuance of engagement of such employees with the Group, within a period of eight years from the grant date, at an exercise price to be determined by the Group's Board of Directors at the grant date.

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, employee share options during the year (excluding RSUs and PSUs):

	2023 Number in thousands	**2023 WAEP**	2022 Number in thousands	2022 WAEP
Outstanding at 1 January	**148**	**$0.74**	2,359	$0.90
Forfeited during the year	**(106)**	**$0.67**	(2,211)	$0.67
Outstanding at 31 December	**42**	**$0.69**	148	$0.74
Exercisable at 31 December	**42**	**$0.69**	148	$0.74

The weighted average remaining contractual life for the options outstanding as at 31 December 2023 was 0.2 years (2022: 1.3 years). The range of exercise prices for options outstanding (not including the RSUs and PSUs) as at 31 December 2023 was $0.69 (2022: $0.66 to $0.98).

19. Share-based payments *continued*

Restricted Stock Units

In May 2021, the Group granted Restricted Stock Units (“May 2021 RSU”) to key management personnel and used the following inputs to the models:

	2021 May RSU
Weighted average fair values at the measurement date ($)	0.69
Shares granted	910,000
Expected volatility (%)	54.9
Risk-free interest rate (GBP curve)	1.58
Expected life of share options (years)	3
Weighted average share price (GBP)	0.485

The fair value of an RSU is measured by use of the Monte Carlo model. The total fair value of the awards above are recognised on a straight line basis in the statement of profit or loss over the vesting period, amended for leavers from the Group.

The only performance condition which needs to be achieved such that RSUs are capable of vesting is service.

Performance Stock Units

The Group granted Performance Stock Units ("PSUs") in 2022. On 11 May 2023, the Group granted a further 6,850,000 of Performance Stock Units under the XLMedia 2020 Global Share Incentive Plan to the Executive Committee members, including the Executive Directors of the Group.

The PSU award is a contingent right to acquire shares for no consideration. It is subject to a three-year performance period, with vesting subject to the achievement of performance measured by reference to total shareholder return over the performance period as compared to the comparator group, followed by a two-year holding period.

The following tables list the inputs for the schemes which are still live as at 31 December 2023:

	2023 May PSU	2022 October PSU	2022 August PSU	2022 May PSU	2021 October PSU	2021 March PSU
Weighted average fair values at the measurement date ($)	0.09	0.22	0.28	0.28	0.16	0.61
Shares granted	6,850,000	530,120	833,333	2,467,264	1,615,275	470,977
Expected volatility (%)	72.14	81.51	80.27	78.91	71.20	73.94
Risk-free interest rate (GBP curve)	3.56	4.24	3.10	2.72	0.60	0.29
Expected life of share options (years)	3	3	3	3	3	3
Weighted average share price (GBP)	0.1175	0.195	0.38	0.295	0.423	0.54

The fair value of an PSU is measured by use of the Monte Carlo model.

The total fair value of the awards above are recognised on a straight line basis in the statement of profit or loss over the vesting period, amended for leavers from the Group.

19. Share-based payments *continued*

The performance conditions to be achieved such that PSUs are capable of vesting are as follows:

XLMedia's ranking relatively to the Comparator group	% of PSUs capable of vesting
Upper quartile or better	100%
Between upper quartile and median	On a straight-line basis, between 100% and 25%
Median 25%	25%
Lower than Median	0%

Movement during the year of RSUs and PSUs are as follows:

	2023 **Number in thousands**	2022 Number in thousands
Outstanding at 1 January	**4,061**	3,335
Granted during the year	**6,850**	3,871
Forfeited during the year	**(1,986)**	(3,145)
Vested during the year	**(187)**	-
Outstanding at 31 December	**8,738**	4,061

These RSUs and PSUs do not have an exercise price.

20. Financial instruments

a. Classification of financial assets and liabilities

	2023 **$000**	2022 $000
Financial assets		
Financial assets at fair value through other comprehensive income		
Equity instruments	**-**	242
Financial assets measured at amortised cost:		
Cash and cash equivalents	**4,692**	10,411
Short-term and long-term deposits	**181**	417
Trade receivables	**6,605**	5,699
Other receivables	**1,315**	99
Total financial assets	**12,793**	16,868
Total non-current	**78**	317
Total current	**12,715**	16,551
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	**4,613**	3,655
Deferred consideration	**3,954**	7,853
Consideration payable on intangible assets	**3,500**	3,000
Other liabilities and account payables	**3,974**	5,954
Lease liabilities	**1,173**	1,528
Total financial liabilities	**17,214**	21,990
Total non-current	**937**	5,061
Total current	**16,277**	16,929

20. Financial instruments *continued*

a. Classification of financial assets and liabilities *continued*

On 28 February 2022, the Group converted a loan receivable from Xineoh Technologies Inc. to shares giving the Group a 2.6% stake in ordinary shares with no special rights. The Group elected to designate the equity investment as at fair value through Other Comprehensive Income.

As at 31 December 2023, the Group reviewed the financial performance of Xineoh Technologies Inc. and have concluded that the carrying value of $242,000 was fully impaired. This impairment charge has been recognised in Other Comprehensive Income as “Impairment of equity investment”.

b. Financial risks factors

The Group’s activities expose it to various financial risks.

i. Market risk – Foreign exchange risk

A portion of the Group’s revenues is received in EUR and in GBP. The Group has subsidiaries in Israel, the UK and in Cyprus where expenses are paid in NIS, in GBP and in EUR. Therefore, the Group is exposed to fluctuations in the foreign exchange rates in EUR, GBP and NIS against the USD.

The Group did not enter into any forward or options contracts to reduce the foreign exchange risk of forecasted cash flows in the year ended 31 December 2023. A foreign exchange rate gain of $18,000 was recognised in the year ended 31 December 2023 (2022: loss of $1,297,000).

ii. Credit risk

The Group usually extends 30-60 days term to its customers. The Group regularly monitors the credit extended to its customers and their general financial condition but does not require collateral as security for these receivables. The Group maintains cash and cash equivalents, short-term and long-term investments in various financial institutions. These financial institutions are located in the EU, Israel and U.S.

iii. Liquidity risk

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments:

	Less than one year $000	**1 to 2 years $000**	**2 to 3 years $000**	**3 to 4 years $000**	**> 4 years $000**	**Total $000**
Trade payables	4,613	-	-	-	-	**4,613**
Other liabilities and account payables	3,974	-	-	-	-	**3,974**
Consideration payable on intangible assets	3,500	-	-	-	-	**3,500**
Deferred consideration	3,954	-	-	-	-	**3,954**
Lease liabilities	236	135	155	158	489	**1,173**
At 31 December 2023	**16,277**	**135**	**155**	**158**	**489**	**17,214**

	Less than one year $000	1 to 2 years $000	2 to 3 years $000	3 to 4 years $000	> 4 years $000	Total $000
Trade payables	3,655	-	-	-	-	3,655
Other liabilities and account payables	5,954	-	-	-	-	5,954
Consideration payable on intangible assets	3,000	-	-	-	-	3,000
Deferred consideration	4,000	4,000	-	-	-	8,000
Lease liabilities	407	289	157	156	607	1,616
At 31 December 2022	17,016	4,289	157	156	607	22,225

20. Financial instruments *continued*

c. Fair value

The carrying amounts of the Group's financial assets and liabilities approximate their fair value. The fair value of financial derivatives are categorized within level 2 of the fair value hierarchy. The fair value of the contingent consideration is categorized within level 3 of the fair value hierarchy.

d. Sensitivity tests relating to changes in market factors

	2023	2022
Sensitivity test to changes in EUR to USD exchange rate:	**$000**	$000
Gain (loss) from the change:		
Increase of 10% in the exchange rate	**(183)**	175
Decrease of 10% in the exchange rate	**183**	(175)
Sensitivity test to changes in NIS to USD exchange rate:		
Gain (loss) from the change (net of the effect of derivates):		
Increase of 10% in the exchange rate	**30**	(5)
Decrease of 10% in the exchange rate	**(30)**	5
Sensitivity test to changes in GBP to USD exchange rate:		
Gain (loss) from the change:		
Increase of 10% in the exchange rate	**119**	76
Decrease of 10% in the exchange rate	**(119)**	(76)

The sensitivity tests reflect the effects of possible changes in exchange rates on the position of the Group for the above currencies as of the end of the year. As described in b.i. above, these contracts are intended to reduce the Group's exposure to fluctuations in exchange rates on future revenues and expenses. Therefore, although it is expected the above effects will be offset by contra effects upon the recording of the revenues and expenses, the timing of these effects may not coincide in the same reporting period.

Sensitivity tests and principal assumptions

The selected changes in the relevant risk variables were determined based on management's estimate as to reasonable possible changes in these risk variables. The Group has performed sensitivity tests of principal market risk factors that are liable to affect its reported operating results or financial position. The sensitivity tests present the effects (before tax) on profit or loss and equity in respect of each financial instrument for the relevant risk variable chosen for that instrument as of each reporting date.

The test of risk factors was determined based on the materiality of the exposure of the operating results or the financial condition of each risk with reference to the functional currency and assuming that all the other variables are constant. The Group does not have significant exposure to interest rate risk.

20. Financial instruments *continued*

e. Changes in liabilities arising from financial activities

	Consideration payable on intangible assets $000	Contingent consideration $000	Deferred consideration $000	Lease Liabilities $000	Total $000
At 1 January 2022	3,000	808	26,138	1,553	31,499
Additions	3,000	-	-	-	3,000
Finance lease obligation	-	-	-	449	449
Cash flows	(3,000)	-	(18,371)	(401)	(21,772)
Changes in interest expense	-	-	234	28	262
Other changes	-	(808)	(148)	(101)	(1,057)
At 31 December 2022	3,000	-	7,853	1,528	12,381
Additions	3,500	-	-	-	3,500
Finance lease obligation	-	-	-	29	29
Cash flows	(3,000)	-	(4,004)	(421)	(7,425)
Changes in interest expense	-	-	105	49	154
Other changes	-	-	-	(12)	(12)
At 31 December 2023	**3,500**	**-**	**3,954**	**1,173**	**8,627**

During the year ended 31 December 2023, the Group paid $4,004,000 (2022: $18,371,000) in deferred consideration relating to the 2021 acquisitions of Sports Betting Dime, and a further $3,000,000 for the 2021 acquisition of CBWG.

21. Cash generated from operations

	2023 $000	2022 $000
Loss for the year	**(47,045)**	(9,439)
Adjustments to reconcile loss for the year to net cash flows:		
Depreciation and amortisation	**6,477**	7,313
Net impairment charge for continuing operations	**44,624**	-
Impairment (reversal)/charge for discontinued operations	**(2,050)**	13,835
Net finance expense	**231**	450
Loss on disposal of property and equipment	**-**	157
Loss on disposal of intangible assets	**212**	-
Other income	**(463)**	-
Cost of share-based payments	**173**	858
Tax charge from continuing operations	**627**	1,604
Tax charge/(credit) from discontinued operations	**3,182**	(3,182)
Exchange differences on balances of cash and cash equivalents	**(3)**	1,297
Working capital changes:		
(Increase)/decrease in trade receivables	**(906)**	3,002
Decrease in other receivables	**2,139**	2,665
Increase in trade payables	**958**	1,322
Increase/(decrease) in other liabilities and accounts payable	**1,749**	(5,235)
Cash generated from operations	**9,905**	14,647

22. Balances and transactions with related parties including Directors

The Group’s related party transactions in the year include the compensation of the senior managers, the Directors’ emoluments and retirement benefit entitlements, share awards and share options as disclosed in the Directors’ remuneration report, which forms part of these financial statements.

	2023 $000	2022 $000
Balances		
Current liabilities - management fees and other short-term payables	**9**	20
Compensation of key management personnel of the Group		
Short-term employee benefits	**2,657**	2,426
	2,657	2,426

No other related party services were provided or received by the Group in the year ended 31 December 2023 (2022: None).

23. List of main subsidiaries

A full list of related undertakings including the country of incorporation, the principal activity and the effective percentage of equity owned as at 31 December 2023 is disclosed below:

Name of entity	Country of incorporation	Principal activity	Registered address
XLMedia Finance Ltd	Cyprus	Bank guarantees for Cyprus	232 Agias Fylaxeos, Limassol, 3082, Cyprus
XLMedia Publishing Ltd	Jersey	Websites / domains	12 Castle Street, St. Helier, Jersey, JE2 3RT
Webpals Holdings Ltd	Israel	Holding entity	HaMada 7, 6th floor, Herzliya, 4673341, Israel
Webpals Systems S.C Ltd	Israel	Services to Casino business	As above
Marmar Media Ltd	Israel	Dormant	As above
Webpals Inc.	U.S	Services to US Sports business	U.S c/o Vcorps Services LLC 1013 Centre Road Suite 403-b Newcastle, Wilimington, DE 19805c
XLMedia US Inc.	U.S	US Sports	As above
XLMedia Canada Marketing Ltd	Canada	SBD business	c/o Farris LLP 700 West Georgia Street, 25th Floor, Vancouver, BC V7Y 1B3
Blueclaw Media Ltd	U.K.	Services company	167 - 169 Great Portland Street, London, W1W 5PF

All interest in the subsidiaries confer 100% voting rights and 100% rights to profits.

24. Subsequent events

Director changes
In January 2024, the Group announced that Caroline Ackroyd, Chief Financial Officer, would step down from the Board of Directors of the Company on 31 March 2024. In March 2024, Karen Tyrell, Chief People and Operations Officer, was promoted to Interim Chief Operating Officer and will cover all finance responsibilities for the Group.

Disposal of EU Sports and Casino businesses
On 1 April 2024, the Group disposed of its Europe and Canada sports betting and gaming assets to Gambling.com Group Limited for a total consideration of up to $42,500,000.

24. Subsequent events *continued*

The purchase consideration includes a fixed sum of $37,500,000, plus a potential earnout of up to $5,000,000 based on achieving contingent targets in April 2025. For the fixed element, $20,000,000 cash consideration was received on completion on 2 April 2024, $10,000,000 deferred consideration is due in October 2024 and a further $7,500,000 due in April 2025.

As the sale formally completed on 1 April 2024 which was after the statement of financial position reporting date of 31 December 2023, the full financial impact will be reported in the consolidated financial statements for the year ended 31 December 2024.

However, the consideration received as part of the sale was deemed to be the best indication of the fair value of the domains and websites in the Casino and Sports Europe CGUs as at 31 December 2023. In line with IAS 36 *'Impairment of Assets'*, previous impairment charges have been reversed to reflect the net book value up to the value of the consideration received. The impairment review is detailed further in Note 11 and as of 31 December 2023, the assets had a statement of financial position valuation of approximately $35,643,000.