Company number: 08525481

SILVER BULLET DATA SERVICES GROUP PLC
UNAUDITED FINANCIAL STATEMENTS
FOR THE INTERIM SIX MONTHS ENDED 30 JUNE 2024

Corporate Information

Directors	Mr Nigel Sharrocks Mr Ian James Mr Umberto Torrielli Mr Steven Clarke Mr Martyn Rattle Mr Christopher Ellis Ms AnnaMaria Khan-Rubalcaba
Secretary	Mr Christopher Ellis
Company Number	08525481
Registered Office	The Harley Building 77 New Cavendish Street London W1W 6XB
Auditor	Crowe U.K. LLP 4 Mount Ephraim Road Tunbridge Wells TN1 1EE
Legal Advisors	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Accountants	Purple Lime Accountancy Limited Hartham Park Corsham SN13 0RP
Nominated Adviser	Strand Hanson Ltd. 26 Mount Row London W1K 3SQ
Joint Broker	Zeus Capital Ltd. 125 Old Broad St. London EC2N 1AR
Joint Broker	CMC Markets plc 133 Houndsditch

London
EC3A 7BX

Silver Bullet Data Services Group plc

("Silverbullet" or the "Company", or, together with its subsidiaries, the "Group")

Interim Results

Silverbullet (AIM: SBDS), a provider of AI driven digital transformation services and products, is pleased to announce interim results for the six months to 30 June 2024.

Cash generated from operations, current record bookings and committed revenue, on target to achieve an EBITDA positive run rate from October onwards.

Financial Highlights

	Six months to June 2024	Six months to June 2023
Revenue	**£4.4m**	**£4.2m**
Gross Profit	**£3.3m**	**£3.3m**
EBITDA*	**(£0.9m)**	**(£1.2m)**
Reported Loss before tax	**(£1.6m)**	**(£1.8m)**
Earnings Per Share	**-0.08p**	**-0.10p**

*See note 3 of notes to the interim accounts

Highlights

- Confident of achieving an EBITDA positive run rate from October onwards
- Continued strong revenue growth over 2023, excluding one-time discontinued business
- Repeatable services business up 32% for H1 24 versus H1 23
- 4D AI revenues up 17% for H1 24 versus H1 23
- 4D AI integrations into other platforms expected to drive further strong growth in H2 24
- Global and US Client revenues increased to 57% versus 47% in H1 23
- Cash generated from operations of £0.2m in H1 24 (-£1.3m H1 23)
- Narrowing EBITDA loss
- Total bookings and committed revenues as of 31 August 2024 are £8.6m (versus £7.1m in the period to 31 August 2023, 21% increase) year-on-year being greater than last year's full-year revenue of £8.3m

Ian James, Chief Executive, commented:
"*We are delighted with the continued progress and positioning of the Company, as well as our strong revenue growth entering the second half of the year. With the objective of achieving a consistent positive EBITDA run rate, the Board took the decision in the first half to focus on higher margin long-term repeatable business and decided to discontinue previous lower margin projects. The second half of the year started particularly strongly with new global contracts and, as a result, we have strong visibility on full-year revenues, having already surpassed the total revenue for FY23 by the end of August FY24. At the same time, we continue to carefully manage our investments in talent and operational costs.*

Silverbullet

"With the Company reporting a positive cash flow position in the first half of FY24 and confident of achieving an EBITDA positive run rate from October onwards, the Board remains particularly optimistic about the future of the business."

For further information please contact:

Silverbullet	via IFC
Ian James (CEO) / Chris Ellis (CFO)	
Strand Hanson Limited - Financial and Nominated Adviser	0207 409 3494
James Spinney / James Bellman / Robert Collins	
Zeus Capital Limited – Joint Broker	0203 829 5000
Simon Johnson / Jake Walker	
CMC Markets – Joint Broker	0203 003 8632
Douglas Crippen	
IFC Advisory	020 3934 6630
Graham Herring / Tim Metcalfe / Florence Chandler	07793 839 024

Chief Executive Officer's Report

Silverbullet is pleased to announce a positive performance for the first half of 2024, meeting management's expectations for the period combined with a particularly strong start to the second half. Alongside revenue growth, the Company has achieved key milestones, including reaching positive operating cash flow in the first half and total bookings of £8.6 million by the end of August which already surpasses the total revenue recorded for the entire FY23 whilst maintaining a consistent cost base.

The Company's growth and key milestones demonstrate its focus on building long-term, repeatable business, particularly with global and US clients. Notably, revenue contributions from these regions increased to 57%, compared to 47% during the same period in FY23. This strategy is driving robust growth by expanding the scope of work with existing clients and securing over 20 new scalable, long-term client engagements in the first half of the year.

During this period, the Company achieved overall revenue growth of 5.1% compared to H1 2023, reaching £4.4 million. With a focus on achieving a positive EBITDA run rate, the Board took the decision to focus on higher margin long-term repeatable business and decided to discontinue previous lower margin projects. As a result, after discontinuing several one-off clients from the previous year, who were not deemed repeatable, the Company saw a like-for-like growth of 32% in its CX services business and 17% in its 4D AI division, compared to the first half of FY23. This success stems from deepening engagements with both new and existing clients across its three key markets: the US, UK, and APAC, as companies accelerate their data-driven marketing transformations.

In February, the Company announced an extended contract with Mars Petcare US ("Mars"), which provides pet nutrition, health, and veterinary services as part of Mars, Incorporated. Silverbullet extended its partnership with Mars for the third consecutive year, from January to December 2024. In this extended collaboration, the Company will be broadening its support to Mars across three primary workstreams, specifically dedicated to the implementation of AI driven first party customer data intelligence.

In March, Silverbullet announced new contract wins and renewals worth, in aggregate, £1.7 million. It secured a renewed contract with Heineken, a Global Dutch multinational brewing company with a presence in over 70 countries and ownership of 165 breweries. As Heineken's trusted data services partner, Silverbullet will serve as a multi-regional resource for first-party data services, overseeing the implementation of a comprehensive first-party customer data strategy and implementation. In addition, Silverbullet successfully renewed its 2023 contract and secured a new contract with a leading pub retailer and brewer in the UK. Silverbullet is collaborating closely to deliver transformative solutions, leveraging AI and digital strategies to enhance their operations.

As customer data, enhanced by AI, becomes increasingly vital to businesses, Silverbullet is well-positioned as a leading Data-Driven Customer Experience (CX) company. Operating at the heart of the data ecosystem, Silverbullet enables clients like Heineken, Mars, Sony, and Omnicom to drive marketing transformation by unlocking the value of first-party customer data, marketing technology, and AI-powered advertising tools.

With growing consumer demand for data privacy, Silverbullet helps its clients communicate with their customers in a privacy-first manner, while maximising marketing ROI through optimised use of data and marketing technology.

The business is comprised of two divisions:

Customer Experience (CX) Services Suite
Strategic Consultancy & Managed Services

- Our strategic consultants combine key digital capabilities with industry expertise, bridging the gap between marketing data and technology in complex client environments.

Customer Experience (CX) Product Studio
4D AI & Silverbullet Cloud

- Rooted in privacy and driven by powerful AI and the industry's most robust data, the Silverbullet Cloud is made up of a portfolio of owned and operated data tools and platforms which empower global brands to personalize every single customer journey, driving better ROI for digital marketing spend.

CX Services:

Silverbullet's Customer Experience (CX) Services division achieved impressive growth of 32% (excluding discontinued one-off clients) during the period, with revenues increasing to £2.9 million. This growth was driven by securing additional contracts, expanding the scope of work with existing global and US clients, and winning 20 new clients. Notably, multi-brand international clients like Heineken, Mars, and Omnicom Group continue to adopt more services from Silverbullet, benefiting from the Group's expanding service offerings, product suite, and growing geographical footprint.

Compared to the same period last year, the Company's top three clients experienced revenue growth of 19%, 41%, and 60%, respectively. Additionally, Silverbullet secured a major contract with a global confectionery company, granting the company a worldwide mandate to lead its data transformation strategy.

Silverbullet's partnerships with global enterprise marketing software companies such as Salesforce, Treasure Data, and Braze continue to thrive. These partnerships enable clients to build long-term, transformational data infrastructures that can be systematically replicated with the support of Silverbullet's CX services and Cloud data products across new geographical markets and brands. This expansion, in turn, provides Silverbullet with a robust pipeline and significant opportunities to further grow services with both new and existing clients.

4D, AI Contextual Data Platform and Silverbullet Cloud

4D, Silverbullet's AI contextual data targeting and insights platform, has delivered continued growth in the period, with revenues growing by 17% versus H1 2023 to £1.5m, with bookings by the end of August exceeding the total revenue booked in whole of FY 23. This has been driven by a combination of the managed service offering in the US market, and the increasing recurring revenue generated by 4D integrations in partner technology platforms. These 4D data revenues from partner integrations increased 33% year on year and have established a strong platform for scaling in second half of the year and into FY25. During the period the company secured seven data integrations with scaled partners in the digital advertising space.

Multiple clients regularly used the platform in the period, including Coca Cola, Marriott, Disney, Sunkist and Burger King providing a solid foundation for growth moving forward.

Board Changes

In April, Chris Ellis joined Silverbullet as Group CFO and Company Secretary. Chris Ellis is a qualified chartered accountant and an accomplished, target-driven senior executive with extensive experience gained from leading complex global private equity and publicly owned businesses. His industry expertise spans Financial Services, Healthcare, Technology/SAAS, and Oil & Gas sectors, ranging from enterprises with turnover exceeding $1.5 billion and 2,500 employees to smaller businesses with turnovers less than $100 million and 50 employees.

AnnaMaria Khan-Rubalcaba was also appointed as a new Non-Executive Director, who brings extensive senior-level experience in marketing technology and AI services. AnnaMaria serves as

Chief Executive of HYD, an Omnicom Group Digital Product Agency, for over five years, from January 2019 to the present. Prior to her role as Chief Executive, she held the position of Managing Director, where she contributed to the operational and managerial aspects of the agency. Her insights have already proved invaluable to Silverbullet's progress in AI and further development of its 4D data platform.

Outlook

We are pleased with the continued progress and positioning of the Company, as well as our strong revenue growth, driven by a focus on long-term, repeatable engagements with global and US clients. As privacy regulations tighten, with 75%[1] of the world's population now covered by privacy-first legislation, we are seeing increasing global demand for Silverbullet's data products and CX services.

The Company remains committed to delivering world-class value to both current and new clients through data-driven business transformation. We will also continue to expand our integrations with partner technology platforms and grow the licensing of our 4D AI data offering. In August, we secured a significant contract for 4D AI integration with one of the world's largest programmatic self-service advertising platforms, which handles US$9.6 billion in annual transactions.

We have strong visibility on full-year revenues, having already surpassed the total revenue for FY23 by the end of August FY24. At the same time, we continue to carefully manage our investments in talent and operational costs.

With the Company reporting a positive cash flow position in the first half of FY24 and confident of achieving an EBITDA positive run rate from October onwards, the Board remains optimistic about the future of the business.

Source: 1) IAPP Global Privacy Laws Analysis

Consolidated Statement of Comprehensive Income

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
		£	£
Revenue	3	4,373,521	4,163,247
Cost of sales		(1,027,854)	(821,208)
Gross profit		**3,345,667**	**3,342,039**
Personnel costs		(2,793,256)	(3,298,230)
Depreciation and amortisation		(380,664)	(453,392)
Other operating expenditure		(1,443,671)	(1,225,773)
Operating loss		**(1,271,924)**	**(1,635,356)**
Finance expense		(288,854)	(196,822)
Loss before taxation		**(1,560,778)**	**(1,832,178)**
Taxation		126,991	167,331
Loss after taxation attributable to the equity shareholders of the company		**(1,433,787)**	**(1,664,847)**
Other comprehensive (loss) net of taxation			
Currency translation differences		51,200	(11,904)
Total comprehensive loss for the year		**(1,382,587)**	**(1,676,751)**
Total comprehensive loss attributable to:			
Shareholders of the company		(1,381,306)	(1,680,718)
Non-controlling interest		(1,281)	3,967
		(1,382,587)	**(1,676,751)**
Earnings per share			
Basic earnings	5	**(0.08)**	**(0.10)**
Diluted earnings	5	**(0.08)**	**(0.10)**

Consolidated Statement of Financial Position

	Note	At 30 June 2024	At 31 December 2023	At 30 June 2023
Non-current assets	**Note**	**£**	**£**	**£**
Goodwill	6	4,349,662	4,349,662	4,349,662
Intangible assets	6	1,681,416	1,963,343	2,226,359
Investments		4,999	4,999	4,999
Property, plant and equipment		36,242	35,269	46,230
Total non-current assets		**6,072,319**	**6,353,273**	**6,627,250**
Current assets				
Trade and other receivables		3,126,984	3,333,562	3,109,469
Cash and cash equivalents		803,014	677,855	677,622
Total current assets		**3,929,998**	**4,011,417**	**3,787,091**
Total Assets		**10,002,317**	**10,364,690**	**10,414,341**
Current liabilities				
Trade and other payables		3,489,126	2,833,856	2,547,803
Loans and other borrowings	7	390,563	425,002	372,462
Total current liabilities		**3,879,689**	**3,258,858**	**2,920,265**
Non-current liabilities				
Loans and borrowings	7	2,967,448	2,621,472	2,324,121
Deferred tax liability	4	420,353	487,991	553,170
Total non-current liabilities		**3,387,801**	**3,109,463**	**2,877,291**
Total liabilities		7,267,490	6,368,321	5,797,556
Net assets		**2,734,828**	**3,996,369**	**4,616,785**
Equity				
Share capital	8	174,754	173,908	159,367
Share premium		11,776,216	11,742,897	10,821,021
Share option reserve	9	2,405,747	2,433,195	2,570,666
Other reserves		454,246	451,432	440,695
Retained earnings		(11,988,204)	(10,667,211)	(9,280,584)
Capital redemption reserve		50	50	50
Foreign exchange reserve		(90,414)	(141,615)	(104,644)
Equity attributable to the equity shareholders of the company		2,732,395	3,992,656	4,606,571
Non-controlling interest		2,433	3,713	10,214
Total equity		**2,734,828**	**3,996,369**	**4,616,785**

Consolidated Statement of Cash Flows

	Six months ended 30 June 2024	Six months ended 30 June 2023
	£	£
Cash flows from operating activities		
Total comprehensive loss for the year	(1,382,587)	(1,676,751)
Adjustments for:		
Depreciation	11,516	15,200
Amortisation	369,148	431,668
Net finance expense	288,855	196,821
Taxation expense	(126,991)	(167,331)
Currency translation differences	(51,200)	11,904
Increase in trade and other receivables	189,895	(621,625)
(Decrease) / increase in trade and other payables	706,468	39,542
Share option charge	84,066	241,684
(Decrease) / increase in deferred tax liability	(67,638)	(79,020)
Cash generated from operations	**21,532**	**(1,607,908)**
Taxation refunded	143,675	351,936
Net cash used in operating activities	**165,207**	**(1,255,972)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,490)	(7,621)
Purchase of intangible assets	(87,220)	(113,288)
Net cash used in investing activities	**(99,710)**	**(120,909)**
Cash flows from financing activities		
Proceeds from borrowings	110,937	711,010
Repayments of borrowings	(56,394)	(20,296)
Share options exercised	34,166	-
Equity in convertible loan notes issued	2,814	41,741
Interest paid	(31,861)	(30,173)
Net cash from financing activities	**59,662**	**702,282**
Net increase in cash and cash equivalents	**125,159**	**(674,599)**
Cash and cash equivalents at beginning of period	677,855	1,352,221
Cash and cash equivalents at end of period	**803,014**	**677,622**

Silverbullet

Consolidated Statement of Changes in Equity attributable to the shareholders

	Share Capital	Share premium	Share Option Reserve	Other reserves	Retained earnings	Capital redemption reserve	Foreign exchange reserve	Total equity attributable to shareholders	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£		
As at 1 January 2023	159,367	10,821,021	2,396,396	398,954	(7,679,183)	50	(92,741)	6,003,864	6,247	6,010,111
Total comprehensive loss for the period	-	-	-	-	(1,668,815)	-	(11,903)	(1,680,718)	3,967	(1,676,751)
Convertible loan notes issued	-	-	-	41,741	-	-	-	41,741	-	41,741
Share option charge	-	-	241,684		-	-	-	241,684	-	241,684
Share options forfeited/lapsed	-	-	(67,414)	-	67,414	-	-	-	-	-
As at 30 June 2023	**159,367**	**10,821,021**	**2,570,666**	**440,695**	**(9,280,584)**	**50**	**(104,644)**	**4,606,571**	**10,214**	**4,616,785**
Total comprehensive loss for the year	-	-	-	-	(1,500,335)	-	(36,971)	(1,537,306)	(6,501)	(1,543,807)
Convertible loan notes issued	-	-	-	10,737	-	-	-	10,737	-	10,737
Share option charge	-	-	(23,763)	-	-	-	-	(23,763)	-	(23,763)
Share option exercised	255	-	(65,316)	-	65,316	-	-	255	-	255
Share options lapsed	-	-	(48,392)	-	48,392	-	-	-	-	-
Shares issued during period (net of transaction costs)	14,286	921,876	-	-	-	-	-	936,162	-	936,162
As at 31 December 2023	**173,908**	**11,742,897**	**2,433,195**	**451,432**	**(10,667,211)**	**50**	**(141,615)**	**3,992,656**	**3,713**	**3,996,369**
Total comprehensive loss for the period	-	-	-	-	(1,432,507)	-	51,200	(1,381,307)	(1,280)	(1,382,587)
Convertible loan notes issued	-	-	-	2,814	-	-	-	2,814	-	2,814
Share option charge	-	-	84,066		-	-	-	84,066	-	84,066
Share option exercised	846	33,320	-	-	-	-	-	34,166	-	34,166
Share options forfeited/lapsed	-	-	(111,514)	-	111,514	-	-	-	-	-
As at 30 June 2024	**174,754**	**11,776,217**	**2,405,747**	**454,246**	**(11,988,204)**	**50**	**(90,415)**	**2,732,395**	**2,433**	**2,734,828**

1. Description of business, basis of preparation and going concern

GENERAL INFORMATION

Silver Bullet Data Services Group PLC ("SBDS") was incorporated on 13 May 2013. SBDS is a limited liability company incorporated in England and Wales and domiciled in the UK. The address of the registered office is The Harley Building, 77 New Cavendish Street, London, W1W 6XB.

The principal activity of the SBDS Group is marketing services through the application of big data technologies to reduce friction.

BASIS OF PREPARATION

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These interim financial statements have been prepared in accordance with those UK adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

These consolidated interim financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the periods presented.

The preparation of these interim financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated interim financial statements are disclosed in Note 2.

The financial information contained in this report, which has not been audited, does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006.

The presentational currency of the Group is GBP with functional currencies of the subsidiaries being GBP, EUR, AUD, and USD.

GOING CONCERN

The directors have prepared detailed budgets and forecasts covering the period to 31 December 2026 which are based on the strategic business plan. These take into account all reasonably foreseeable circumstances and include consideration of trading results, cash flows and the level of facilities the group requires on a month-by-month basis.

Whilst the directors have plans in place to manage any reasonably foreseeable circumstances, they forecast there will be a need for additional funding in the short-term. The directors are confident that the Group will be able to raise any required funds to meet their strategic objectives however there is an uncertainty over how much funding may be raised when required. However as securing new funding cannot be assured, a material uncertainty exists related to the group or company's ability to continue as a going concern.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein, the directors have a reasonable expectation that the company and the group has or will be able to secure adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

2. Significant accounting policies

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the interim financial statements in accordance with IFRS requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. The estimates and related assumptions are based on previous experiences and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounts that require estimates as the basis for determining the stated amounts include performance obligations surrounding revenue recognition and the valuation assumptions in calculating the impairment of goodwill and intangible assets.

REVENUE RECOGNITION

IFRS 15 - Revenue from Contracts with Customers has been applied for all periods presented within the financial statements. The timing of all revenue recognised by the Group during the reporting period was satisfied over time in accordance with IFRS 15 recognition criteria. None of the Group’s activities result in the transfer of control of a product at a point in time for revenue recognition purposes.

During the period under review the Group recognised revenue from the following activities:

Customer Experience Services
Revenue relating to service contracts is invoiced according to milestones defined within each contract, the terms of which vary on a case-by-case basis. In all cases the revenue is recognised in line with the provision of the services or, where the quantum and timing of the services cannot be reliably predicted, rateable over the period of the agreement.

Invoices against services contracts are raised on a monthly basis with adjustments for accrued or deferred income where the agreed invoicing timescale does not match the valuation of provision of services.

4D contextual targeting and insights platform
Amounts received or receivable for campaigns, typically invoiced on a monthly basis, recognise revenue in proportion to the quantum of advertising units delivered according to the contracted service. Units and metrics deliverable under each contracted services will vary on a case-by-case basis.

Contract liabilities
Contract liabilities are recognised when payment from a customer is received in advance of performance obligations being satisfied. Contract liabilities are recognised in trade and other payables.

Contract assets
Contract assets are recognised when revenue is recognised but payment is conditional on a basis other than the passage of time. Contract assets are included in trade and other receivables.

TAXES

Corporation tax, where payable, is provided on taxable profits at the current rate.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

INTANGIBLE ASSETS AND GOODWILL

Goodwill
Goodwill is initially measured at fair value, being the excess of the aggregate of the consideration transferred over the fair value of the net assets acquired, and any previous interest held over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible assets (other than goodwill)
Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment

losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	-	Straight line basis over 5 years
Customer lists	-	Straight line basis over 4 years

IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Development costs relate to the internally developed platform held by the group which is expected to generate future revenue streams.

FINANCIAL INSTRUMENTS

Silver Bullet Data Services Group PLC classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the settlement date when the Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables and trade and other payables
Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

Convertible loan notes
Liability instruments that are convertible into equity shares either mandatorily or at the option of the holder, are split into liability and equity components. The liability element is determined by the fair value of the cash flows excluding any equity component; with the residual assigned to equity.

PROVISIONS

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

LEASES

The Group leases a number of properties in various locations in Europe, Australia, USA, and the UK from which it operates.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
– Leases of low value assets; and
– Leases with a duration of twelve months or less.

All leases signed by the Group during the reporting period were for a period of less than twelve months so no right-of-use assets have been recognised.

GRANT INCOME

Grant income is recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

SHARE-BASED PAYMENTS

The Group operates a share option programme which allows employees of the subsidiary companies to be granted options to purchase shares in this company. The fair value of options granted is recognised as an employment expense with a corresponding increase in equity.

The particular terms of the share options state that they can only be exercised by employees in the event of an exit where the company is either sold to a third party, wound up or floated on a public stock exchange. The fair value of the options is measured at the grant date and spread over the vesting period. The fair value is measured based on an option pricing model taking into account the terms and conditions upon which the instruments were granted.

Vesting periods in each share option agreement vary from vesting immediately on grant date to vesting over a period of four years.

FINANCE INCOME AND EXPENSES

Finance expenses comprise interest payable and leases liabilities recognised in the statement of comprehensive income using the effective interest method, and unwinding of the discount on provisions.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

INTERIM MEASUREMENT

Costs that are incurred unevenly during the financial year are accrued or deferred in the interim report only if it would be appropriate to do so at the end of the financial year.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires the Directors to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the financial statements. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

Critical accounting estimates:

Impairment of intangible fixed assets
Impairment tests have been undertaken in respect of goodwill and intangible fixed assets using an assessment of the value in use of the respective cash generating units (CGUs). This assessment requires a number of assumptions and estimates to be made including the allocation of assets to CGUs, the expected future cash flows from each CGU and also the selection of a suitable discount rate in order to calculate the present value of those cash flows.

Critical accounting judgements:

Amortisation
The assessment of the useful economic lives, residual values and the method of depreciating or amortising intangible (excluding goodwill) fixed assets requires judgement. Amortisation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets. Useful economic lives and residual values are re-assessed, and amended as necessary, when changes in their circumstances are identified.

Capitalised development costs

Development costs incurred in building the Group's key platform for future expansion have been capitalised in accordance with the requirements of IAS38. The majority of these costs consist of salary expenses to which an estimated proportion of development time has been applied.

Convertible loan notes

The equity portion of the convertible loan notes have been valued using the Black-Scholes model. This gives equivalent discount rates on the liability components ranging from 14% to 21%. The directors consider this rate to be an approximation of the rate on a similar loan without the conversion feature. The directors consider this method is used as a practical measure to estimate the value of the debt.

Going concern

As discussed more fully in the Directors' Report these financial statements have been prepared on the going concern basis. This treatment is based on management's judgement that cashflow requirements for the continued development can be achieved through operating activities and through additional fundraising if required.

3. Operating segments

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Group has two key business segments outlined below. The business analyses these streams by revenue and gross margin. Overheads, assets and liabilities are not separately allocated across the business streams.

	Six months ended 30 June 2024		Six months ended 30 June 2023	
	Revenue	*Gross profit*	*Revenue*	*Gross profit/(loss)*
	£	**£**	**£**	**£**
Customer Experience Services	2,946,459	2,929,032	2,939,841	2,881,498
4D Platform	1,427,062	416,635	1,223,406	460,541
Total	4,373,521	3,345,667	4,163,247	3,342,039
EBITDA				
Operating (loss)		(1,271,924)		(1,635,356)
Depreciation and amortisation		380,664		453,392
Total		**(891,260)**		**(1,181,964)**

4. Income tax

A deferred tax asset in respect of the Group’s cumulative losses to date has not been recognised due to the uncertainty of the timing of future loss relief. Deferred tax movements during the period relate solely to the change in value of internally generated intangible fixed assets.

Research and development tax relief claims under the SME scheme are submitted at each financial year end. Anticipated tax credits for the period under review totalling £60,000 (June 2023: £98,064) are held within other receivables.

5. Earnings per share

Earnings per share (EPS) is calculated on the basis of profit attributable to equity shareholders divided by the weighted average number of shares in issue for the year. The diluted EPS is calculated on the treasury stock method and the assumption that the weighted average EMI share options outstanding during the period are exercised.

	Six months ended 30 June 2024	Six months ended 30 June 2023
	£	£
Total comprehensive loss attributable to shareholders	(1,381,306)	(1,680,718)
Number of shares		
Weighted average number of ordinary shares	17,413,830	15,936,687
Dilutive effect of in-the-money share options	547,654	523,218
Diluted weighted average number of shares	17,961,484	16,459,905
Earnings per share		
Basic earnings per share	(0.08)	(0.10)
Diluted earnings per share	(0.08)	(0.10)

As there is a loss for the year the options are antidilutive and therefore the basic and the diluted EPS are the same.

6. Goodwill and intangible assets

	Customer lists	Development Costs	Websites	Goodwill	Total
	£	£	£	£	£
COST					
At 1 January 2023	595,708	3,574,071	22,995	4,349,662	**8,542,436**
Additions	-	113,288	-	-	**113,288**
At 30 June 2023	**595,708**	**3,687,359**	**22,995**	**4,349,662**	**8,655,724**
At 1 July 2023	595,708	3,687,359	22,995	4,349,662	**8,655,724**
Additions	-	113,603	-	-	**113,603**
At 31 December 2023	**595,708**	**3,800,962**	**22,995**	**4,349,662**	**8,769,327**
At 1 January 2024	595,708	3,800,962	22,995	4,349,662	**8,769,327**
Additions	-	87,221	-	-	**87,221**
At 30 June 2024	**595,708**	**3,888,183**	**22,995**	**4,349,662**	**8,856,548**
AMORTISATION					
At 1 January 2023	511,717	1,129,299	7,019	-	**1,648,035**
Amortisation charge	74,464	354,904	2,300	-	**431,668**
At 30 June 2023	**586,181**	**1,484,203**	**9,319**	**-**	**2,079,703**
At 1 July 2023	586,181	1,484,203	9,319	-	**2,079,703**
Amortisation charge	9,527	364,793	2,300	-	**376,620**
At 31 December 2023	**595,708**	**1,848,996**	**11,619**	**-**	**2,456,323**
At 1 January 2024	595,708	1,848,996	11,619	-	**2,456,323**
Amortisation charge	-	366,848	2,300	-	**369,148**
At 30 June 2024	**595,708**	**2,215,844**	**13,919**	**-**	**2,825,471**
NET BOOK VALUE					
At 30 June 2023	9,528	2,203,155	13,676	4,349,662	**6,576,021**
At 31 December 2023	-	1,951,966	11,377	4,349,662	**6,313,005**
At 30 June 2024	-	1,672,339	9,077	4,349,662	**6,031,078**

7. Loans and other borrowings

	30 June 2024	31 December 2023	30 June 2023
	£	£	£
Current liabilities			
Bank loans	40,563	75,002	372,462
Term loans	350,000	350,000	-
	390,563	**425,002**	**372,462**

	30 June 2024	31 December 2023	30 June 2023
	£	£	£
Non-current liabilities			
Convertible loan notes	2,922,603	2,554,672	2,237,569
Bank loans	44,845	66,800	86,552
	2,967,448	**2,621,472**	**2,324,121**

As at 30 June 2024 the Group had one bank loan of £85,408 (June 2023: two loans at £459,014). One loan accrues interest at 1.95% repayable over six years to 2026.

As at 30 June 2024 the group had two short-term loan facilities totalling £350,000 (June 2023: £nil). The loans were lent without security and accrue interest at rates of 8.5% and 12%.

Convertible loan notes are in issue which are convertible by the option holder into new ordinary shares at any point during the three-year term of the loan, the latest of which expires 31 May 2026. Conversion prices are fixed at £1.10 for the June 2022 convertible loan note instruments and £0.50 for the May 2023 convertible loan note instrument.

The loan notes attract interest at a rate of 12% per annum, which is payable commencing on the date of issue either:

- i) at the Company's option of 8% per annum paid monthly plus 4% payable via the issue of additional Convertible Loan Notes as payment in kind.
- ii) 12% payable via the issue of additional Convertible Loan Notes as payment in kind.

The loan notes may be redeemed in cash at the option of company at any point at a premium equal to 15% of the principal amount of the Notes.

Market interest rates of between 14% and 21% have been applied to calculate the residual equity value of the financial instrument.

8. Share capital

During the six months ended 30 June 2024 84,649 new shares were issued as a result of options exercised (six months to June 2023: none). Share capital in issue during the current and comparative periods are listed below:

	30 June 2024		31 December 2023		30 June 2023	
Ordinary share capital issued and fully paid	**No.**	**£**	**No.**	**£**	**No.**	**£**
Ordinary	17,475,417	174,754	17,390,768	173,908	15,936,687	159,367
	17,475,417	**174,754**	**17,390,768**	**173,908**	**15,936,687**	**159,367**

9. Share Option Reserve

	30 June 2024	31 December 2023	30 June 2023
	£	£	£
Share Option reserve	2,405,747	2,433,195	2,570,666
	2,405,747	**2,433,195**	**2,570,666**

Silver Bullet Data Services Group PLC operates a programme for employees of its subsidiaries to acquire shares in the company under an EMI scheme.

The number and weighted average exercise price of share options during the year were as follows:

	30 June 2024		31 December 2023		30 June 2023	
	Weighted average exercise price	**Share options**	**Weighted average exercise price**	**Share options**	**Weighted average exercise price**	**Share options**
	£	**No.**	**£**	**No.**	**£**	**No.**
Outstanding at start of period	1.49	1,458,484	1.56	1,542,860	1.49	1,569,620
Forfeited/expired during period	1.27	(24,125)	1.40	(169,866)	0.05	(26,760)
Granted during period	-	-	0.04	111,000	-	-
Exercised during period	0.41	(84,649)	0.01	(25,510)	-	-
Outstanding at end of period	1.56	1,349,710	1.49	1,458,484	1.56	1,542,860

10. Related party transactions

Local Planet International Limited: is a related party to the group by virtue of having Directors in common. Ian James, Nigel Sharrocks and Martyn Rattle are directors of both companies.

Recharges for shared services totalling £50,038 (June 2023: £49,384) are included in revenue for the six months ended 30 June 2024. Amounts outstanding at the period end included in trade receivables totals £62,902 (June 2023: £9,831).

Recharges for direct costs incurred were processed during the six months ended 30 June 2024 totalling £42,550 (June 2023: £27,600). Amounts outstanding at the period end totalled £24,860 (June 2023: £5,400).

Umberto Torrielli: A director of the Group company relocated to the USA in order to establish a new presence in this territory in 2020. For this purpose a loan was issued of £155,958 which is held within other debtors at the end of the reporting period (June 2023: £150,000). The loan is repayable within 12 months and attracts interest at the Bank of England interest rate.