

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

31 March 2023



Gfinity plc
("Gfinity" or the "Company")

Half Year Results

Gfinity (AIM: GFIN), a world-leading esports solutions provider, announces its unaudited results for the six-month period ended 31 December 2022.

Financial Highlights:

- Revenue of £4.1m (H1 FY22: £3.3m), representing a 26% increase year on year and a 106% increase on the six-month period immediately preceding
- Investment in development of Gfinity owned intellectual property, in particular the proprietary Athlos Gaming Technology, resulted in an increase in adjusted operating expenditure to £2.7m in the period (FY22 H1: £2.4m)
- Adjusted Operating Loss¹ of £0.8m (H1 FY22: £0.4m), representing an increase of 101% year on year, but an improvement of 47% on the previous six months
- Period-end cash of £1.7m, supplemented by a post period end placing and subscription, raising a further £2.0m before expenses
- Restructure announced post-period expected to deliver £0.7m of recurring overhead savings, through reduced fixed costs of central leadership group and release of Gfinity Arena

Operational Highlights:

Athlos Gaming Technology

Significant progress made to productise Gfinity's proprietary esports technology, allowing it to be deployed at scale. This includes:

- Successful pilot programme with one of the world's leading mobile publishers now extended into 3rd year, with the platform having reached more than 22m gamers across 3 game titles in 2022
- Two further beta clients integrated with Athlos platform, with a significant reduction in the time taken to implement the platform
- Post-period end, deal announced with Playgendary, a top-10 mobile game developer for Athlos to be integrated into Playgendary titles, with Gfinity's remuneration linked to number of users of the platform each month
- Todd Sitrin, former Head of Competitive Gaming at EA, added to Athlos leadership group as a Strategic Advisor

Gfinity Digital Media

¹ Adjusted operating loss is before interest, tax, depreciation, amortisation, impairment and the share-based payment expense.

- Average Monthly Active Users (MAUs) during the period of 13.1m, representing a 10% year on year reduction (H1 FY22: 14.5m), following Google algorithm changes which impacted traffic from September 2022
- Annualised revenue per MAU of 22p, representing a 2% reduction on prior year, but relatively consistent in a global advertising market, which has seen significant pressure on CPM rates over the past year
- Revenue of £1.4m, an 11% reduction on the equivalent period in the prior year (H1 FY22: £1.6m), but a 20% increase on the 6 month period immediately preceding
- New commercial partner appointed for GDM business with effect from April 2023, expected to drive a sharp increase in advertising rates
- Rebekah Billingsley, an experienced leader in the digital media sector, announced as Managing Director of the GDM business in September 2022

Esports Solutions

Gfinity has continued to build a leading position as a provider of esports solutions to sports organisations, particularly within the football and motorsports sectors, driving revenue up to £2.5m (H1 FY22: £1.5m), an increase of 70% year on year.

- Appointed as esports strategy development partner to Saudi Professional League
- Completed delivery of fifth season of award-winning Formula 1 Esports Series
- Delivery of an esports operating plan for a leading UK football club
- Completed third season of V10 R League series, part of the Global Racing Series venture co-owned together with Abu Dhabi Motorsports Management, featuring leading motorsports teams including Mercedes, Red Bull, McLaren, Ford and Aston Martin

Post-period, a restructure of the Esports Solutions business was announced, to reflect the pivot towards developing solutions for clients to engage with gamers, leveraging Gfinity's proprietary technology and experience in building communities and away from live event delivery and production. Under this restructure, the Gfinity Arena was released and it was agreed that the previous CEO, John Clarke would step down from the business.

Post-Period Transaction

On 9 February 2023, it was announced that Gfinity intended to raise a minimum of £1.5m through a placing and subscription to support working capital and to allow for continued development of the Company's proprietary intellectual property to facilitate future growth. On 14 February it was announced that this placing had been oversubscribed and that, subject to General Meeting, the Company would raise a total of £2.0m prior to expenses from a combination of new and existing investors.

Shareholders approved this transaction at a General Meeting on Monday 6 March 2023.

Outlook

The sector opportunity remains strong, reflecting a continued trend towards video gaming, both playing and watching, as the entertainment pastime of a new generation. Within this space, directors believe that the greatest opportunity lies in creating technology and products that engage all fans of competitive gaming, not only the elite 1% at the top of the professional pyramid. Gfinity's expertise, audience, relationships and proprietary technology means that it is well positioned to take advantage of this opportunity.

By business unit, directors see the outlook as follows:

Athlos Gaming Technology:

Represents a significant opportunity to create scalable, recurring, high-margin revenues. Work to date has validated the belief that the target market for this product is very large and that the Athlos product has a distinct first-mover advantage in helping publishers drive engagement and revenue per user through quickly and seamlessly integrating competitive functionality for players at all levels.

Fully unlocking this potential will require further investment in the product. As a result, the company continues to engage actively with potential investors with regards to a direct investment in the Athlos product, so this potential can be unlocked without an ongoing requirement for group funding.

Gfinity Digital Media:

The Gfinity Digital Media network continues to represent a valuable asset for the group, both in its ability to generate revenues from an owned audience through ecommerce and advertising, but also in providing Gfinity with a forum through which to directly connect with a large network of gamers.

The trading environment in the digital media sector, however, has been more challenging over the past 12 months than in previous years. Directors expect this situation to continue for the next 12 months, before returning to growth in 2024.

Esports Solutions:

While the size of the audience watching esports has continued to grow over recent years, the provision of production and event services around esports has become more commoditised than at the outset of the industry. There have been several new entrants in the market, willing to deliver work at a loss, which has impacted the economics of the industry.

As a result, directors believe the greatest opportunity lies in designing esports solutions for key clients and leveraging the investments made by others to facilitate the delivery of live events and productions required as part of such programmes.

This approach allows Gfinity to own key client relationships, while reducing its cost base from the level that would be required to maintain a market leading events and production delivery capability.

Overall:

Gfinity remains well positioned as a business with a strong reputation, an owned audience and proprietary technology in an industry that continues to grow. Directors believe that the actions taken over the six months to December 2022, and in the three month period following that date, have positioned the business to fully capitalise on that opportunity.

ENDS

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About Gfinity

Gfinity is a leading media and technology company in the fast growing esports and gaming sector. Founded in late 2012, Gfinity established itself as esports and community engagement experts. More recently, the

company's business model has evolved to reflect the rapidly developing gaming market, sharpening its strategic focus, based on 3 distinct areas:

Gfinity Digital Media is made up of 11 sites that reach an average of >13 million monthly unique active users, and delivers 75 million impressions per month across its social network of over 7,000,000 followers.

Athlos Gaming Technology is a fully configurable, white-label, bespoke solution, designed to maximise community engagement through competitive play, and is already trusted by some of the world's biggest gaming and esports organisations.

Esports Solutions – Designing and delivering esports programmes for partners, building communities and deepening their engagement with gamers, both under a fee-based model and through programmes in which Gfinity shares in the commercial rights created.

Operational Review:

The results for the six-month period to 31 December 2022 reflect a period of strong top line growth, with a 26% increase in revenue year on year, coupled with a period of investment in building the intellectual property, products and audience that the directors believe will provide a platform for profitable future growth and long term shareholder value.

Athlos Gaming Technology:

Since Gfinity's foundation, the structure of the gaming industry has changed significantly.

- Two-thirds of games industry revenues now come not from the day one sale of games, but in-game revenues, both through micro-transactions and through advertising.
- Mobile gaming has become the largest segment within the market. Newzoo's Global Games Market Report now estimates revenue from mobile gaming to be worth more than \$100bn p.a., accounting for more than half of the annual revenue of the games industry.
- The audience for esports has continued to grow, with 2.5bn people now aware of esports and 261m gamers identifying themselves as esports enthusiasts. (Source: Newzoo: Global Esports and Live Streaming Market Report 2022.)

These changes have impacted the market in a number of important ways:

- There has been a proliferation of new games coming to market, particularly mobile games, which typically have a lower cost to develop and launch than AAA console and PC titles
- There is a direct and significant financial benefit to publishers of keeping players engaged in their games for longer
- Competitive gaming has proven to be one of the most effective tools for driving this increased engagement.

Gfinity's proprietary Athlos platform allows game publishers to deploy this competitive functionality quickly and easily into their games, delivering esports capability without gamers having to leave the game and connect to an external platform.

The Athlos platform solves 2 key problems for game developers in this new eco-system, firstly, producing content for games in a live-service model is incredibly expensive and time intensive and secondly, development resources are incredibly constrained, and remain entirely focused on core game mechanics that make each game unique.

In the six-month period to 31 December 2022, Gfinity successfully integrated the technology into two new beta games, delivering significant reductions in the integration time required on each occasion.

This period also saw the completion the second year of a major beta programme with the Athlos technology integrated into 3 major titles of one of the world's leading mobile game publishers. Across 2022, this resulted in more than 22m interactions with the Athlos product during the year.

Through this beta period, all Athlos revenue has come through flat license fees. In the six months to 31 December, this revenue showed a 2% increase to £0.2m (H1 FY22: £0.2m). In January 2023, however, Athlos signed with a second major mobile game publisher, Playgendary, to integrate the Athlos platform with their games. This will be the first contract under which Gfinity will be remunerated on a per user basis, making revenues truly scalable and annualized based on a player-base.

The directors believe that this technology, licensed on a SaaS basis will become a significant part of the Group's revenue over the medium term.

Gfinity Digital Media

During the six-month period to December 2022 Gfinity's digital media platforms had an average of 13.1m monthly active users. This represented a reduction of 10% on the prior year (H1 FY22: 14.5m). The reduction in users across the platform reflected the impact from September 2022 onwards of Google algorithm changes, which resulted in a reduction in the level of Search Engine Optimisation (SEO) driven traffic.

The six-month period to December 2022 was a tough one for the wider digital media sector, with fears of recession having a downward impact on advertising rates. In this context, annualised revenue per user of 22p, which reflected a reduction of just 2% on the prior year, represented a positive performance.

Overall, the impact of these movements was that GDM revenue in the period was £1.4m, a reduction of 11% on the prior year. This did, however, represent a 20% increase on the 6 month period immediately preceding.

In line with the strategy of recruiting sector experts to lead each of the respective business units, in September 2022, Gfinity announced the appointment of Rebekah Billingsley, an experienced leader in the digital media sector, as MD of the GDM business.

In January, an agreement was reached with Mediavine, a leading provider of digital advertising, to commercialise the advertising inventory of GDM. This agreement takes effect from April 2023 and is expected to drive a significant increase in revenue per advertising impression delivered.

Esports Solutions:

In the period to December 2022, Gfinity continued to build on their position as a leader in providing esports solutions to clients in the traditional sports sector, supporting clients particularly in the football and motorsports sectors in finding ways to engage with a new generation of fans who are gamers first. Revenue from this business unit for the period was up to £2.5m (H1 FY22: £1.5m), an increase of 70% year on year.

In the football sector, in November 2022, Gfinity were announced as the exclusive esports strategy development partner to Saudi Pro League (SPL), to lead the creation of a gaming property to support the development of the SPL brand, connecting with a digital audience around the world. The period also saw the completion of the second phase of work with a leading UK football club, developing the operating plan for their own esports programme.

Within the motorsports sector, the period to December 2022 saw the completion of the fifth year of Gfinity's partnership with Formula 1 to deliver the F1 Esports Pro Series. Gfinity managed all aspects of programme operations for this award-winning programme, utilising its proprietary Race Control technology to manage all aspects of race adjudication and delivering the event and broadcast production.

The period also saw the finals of the third season of the V10 R-League programme, a race series co-owned by Gfinity in conjunction with Abu Dhabi Motorsports Management. This season featured 10 of the leading motorsports teams, including Mercedes, Red Bull, McLaren, Aston Martin and Ford and for the first time featured live finals in Abu Dhabi, supported by event sponsors Miral.

Over the past two years, Gfinity has moved higher up the value chain, acting as a strategic advisor to partners with regards to esports solutions and utilising partners to deliver certain aspects of live event and operations services. During FY21 and FY22, this has enabled Gfinity to deliver a significant reduction in its operating expenditure. This process continued following the period end, with the decision to relinquish the Gfinity Arena. This, aligned to savings in staff costs and related overheads, will release a further £0.7m p.a. from the company's cost base.

Financial Review:

Revenue of £4.1m represented growth of 26% on the prior year (H1 FY22: £3.3m) and growth of 106% on the six-month period immediately preceding this.

Despite this growth however, an increased investment in resource attached to development and marketing of the Athlos platform and in the content and technology for Gfinity's Digital Media network meant that the Adjusted Operating Loss actually increased to £0.8m for the period.

As a result, on 9 February 2023, directors announced their intention to raise a minimum of a further £1.5m, through a placing and subscription, to supplement the £1.7m of cash the company held at 31 December 2022. On 14 February, the Company announced that this placing had been oversubscribed and that, subject to General Meeting, the Company would raise a total of £2.0m prior to expenses from a combination of new and existing investors. Shareholders approved this transaction at a General Meeting on Monday 6 March 2023.

Directors have noted the impact this has had on the market capitalisation of the Company. It is directors belief that this movement reflects short term market pressures and the requirement to raise cash in a challenging capital markets environment. They do not believe it is a true reflection of a change to the underlying value of the business. On that basis, directors will undertake a full review for indications of impairment to goodwill and intangible assets as part of the full year audit process.

Group Statement of Profit or Loss

		6 months to 31 December 2022 Unaudited	6 months to 31 December 2021 Unaudited	Year to 30 June 2022 Audited
		£	£	£
CONTINUING OPERATIONS	Note			
Revenue	5	4,107,938	3,261,361	5,258,977
Cost of sales		(2,250,835)	(1,320,260)	(2,546,508)
		<hr/>	<hr/>	<hr/>
Gross profit		1,857,103	1,941,101	2,712,469
Other Income		-	697	1,529
Administrative expenses		(3,755,214)	(3,511,533)	(6,950,105)
		<hr/>	<hr/>	<hr/>
Operating loss		(1,898,111)	(1,569,735)	(4,236,107)
Gain on disposal of associate		-	45,090	45,090
Finance income		373	2	77
Finance Costs		-	-	-
		<hr/>	<hr/>	<hr/>
Loss on ordinary activities before tax		(1,897,738)	(1,524,643)	(4,190,940)
Taxation		123,459	117,685	209,968
		<hr/>	<hr/>	<hr/>
Retained loss for the period		(1,774,279)	(1,406,958)	(3,980,972)
		<hr/>	<hr/>	<hr/>
Loss and total comprehensive loss for the period		(1,774,279)	(1,406,958)	(3,980,972)
		<hr/>	<hr/>	<hr/>
Earnings per Share (Basic and Diluted)		(0.001)	(0.001)	(0.004)

Group statement of comprehensive income

	6 months to 31 December 2022 Unaudited	6 months to 31 December 2021 Unaudited	Year to 30 June 2022 Audited
	£	£	£
Items which may subsequently be reclassified to profit or loss			
Foreign exchange gain / (loss) on retranslation of foreign operations	3,501	(5,510)	(3,458)
	<hr/>	<hr/>	<hr/>
Other Comprehensive Income for the period	3,501	(5,510)	(3,458)
	<hr/>	<hr/>	<hr/>
Loss and total comprehensive loss for the period	(1,770,778)	(1,412,468)	(3,984,430)
	<hr/>	<hr/>	<hr/>

Group Statement of Financial Position

	As at 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
NON CURRENT ASSETS		
Property, plant and equipment	104,975	148,510
Goodwill	4,714,399	4,714,399
Intangible fixed assets	4,191,523	4,575,141
	<hr/> 9,010,897	<hr/> 9,438,050
CURRENT ASSETS		
Trade and other receivables	1,591,621	1,968,893
Cash and cash equivalents	1,686,497	2,141,361
	<hr/> 3,278,118	<hr/> 4,110,254
TOTAL ASSETS	<hr/> 12,289,015	<hr/> 13,548,304
EQUITY AND LIABILITIES		
Equity		
Share capital	1,315,697	1,315,697
Share premium	54,856,008	54,858,008
Other reserves	4,030,635	3,876,676
Retained earnings	(53,057,948)	(51,283,669)
Non controlling interest	3	3
Total equity	<hr/> 7,144,395	<hr/> 8,766,715
Non-current liabilities		
Other Payables	582,882	840,742
Deferred Tax Liabilities	732,984	897,575
	<hr/> 1,315,866	<hr/> 1,738,317
Current liabilities		
Trade and other payables	3,828,754	3,043,272
Total liabilities	<hr/> 5,144,620	<hr/> 4,781,589
TOTAL EQUITY AND LIABILITIES	<hr/> 12,289,015	<hr/> 13,548,304

Group Cash Flow Statement

	6 months to 31 December 2022 Unaudited	6 months to 31 December 2021 Unaudited	Year to 30 June 2022 Audited
	£	£	£
Cash flow used in operating activities			
Net cash used in operating activities	23,960	(592,836)	(2,573,719)
Cash flow from/(used in) investing activities			
Interest received	373	2	77
Additions to property, plant and equipment	(3,558)	(68,850)	(74,137)
Additions to intangible assets	(477,140)	(351,103)	(685,951)
Net outflow on business combination	-	(2,155,630)	(1,774,020)
Gain on disposal of associate	-	45,090	45,090
Issue of shares to non controlling interest	-	-	3
Net cash used in investing activities	(480,325)	(2,530,491)	(2,488,938)
Cash flow from/(used in) financing activities			
Issue of equity share capital	(2,000)	3,246,513	5,831,603
Net cash from financing activities	(2,000)	3,246,513	5,831,603
Net (decrease) /increase in cash and cash equivalents	(458,365)	123,186	768,946
Effect of currency translation on cash	3,501	(5,510)	(3,458)
Opening cash and cash equivalents	2,141,361	1,375,873	1,375,873
Closing cash and cash equivalents	1,686,497	1,493,549	2,141,361

Statement of Changes in Equity

	Share Capital	Share premium	Share option reserve	Retained earnings	NCI	Foreign currency translation reserve	Total equity
	£	£	£	£	£	£	£
At 30 June 2021	930,513	46,511,089	3,403,414	(47,302,697)	-	(18,500)	3,523,819
Loss for the period	-	-	-	(1,406,958)	-	-	(1,406,958)
Other comprehensive income	-	-	-	-	-	(5,510)	(5,510)
Total comprehensive income	-	-	-	(1,406,958)	-	(5,510)	(1,412,468)
Shares issued	169,184	6,183,150	-	-	-	-	6,352,334
Share Issue Costs	-	(205,321)	-	-	-	-	(205,321)
Share options issued	-	-	463,608	-	-	-	463,608
Total transactions with owners, recognised directly in equity	169,184	5,977,829	463,608	-	-	-	6,610,621
At 31 Dec 2021	1,099,697	52,488,918	3,867,022	(48,709,655)	-	(24,010)	8,721,972
Loss for the period	-	-	-	(2,574,014)	-	-	(2,574,014)
Other comprehensive income	-	-	-	-	-	2,052	2,052
Total comprehensive income	-	-	-	(2,574,014)	-	2,052	(2,571,962)
Shares issued	216,000	2,484,000	-	-	-	-	2,700,000
Share Issue Costs	-	(114,910)	-	-	-	-	(114,910)
Share options issued	-	-	31,612	-	-	-	31,612
Addition of NCI	-	-	-	-	3	-	3

Total transactions with owners, recognised directly in equity	216,000	2,369,090	31,612	-	3	-	2,616,705
At 30 June 2022	1,315,697	54,858,008	3,898,634	(51,283,669)	3	(21,958)	8,766,715
Loss for the period	-	-	-	(1,774,279)	-	-	(1,733,718)
Other comprehensive income	-	-	-	-	-	3,501	3,501
Total comprehensive income	-	-	-	(1,774,279)	-	3,501	(1,730,217)
Shares issued	-	-	-	-	-	-	-
Share Issue Costs	-	(2,000)	-	-	-	-	(2,000)
Share options issued	-	-	150,458	-	-	-	150,458
Total transactions with owners, recognised directly in equity	-	(2,000)	150,458	-	-	-	148,458
At 31 Dec 2022	1,315,697	54,856,008	4,049,092	(53,057,948)	3	(18,457)	7,144,395

Notes to the interim financial statements

1. General Information

Gfinity plc is a company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. Its registered office is 16 Great Queen Street, London, England, WC2B 5AH. Its shares are quoted on the AIM market of London Stock Exchange.

The functional and presentational currency is £ sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 2.

These condensed interim financial statements were approved for issue on 31 March 2023.

2. Accounting Policies and Basis of Preparation

Basis of Preparation

The interim financial statements for the six months ended 31 December 2022 have been prepared using accounting policies that are consistent with those of the audited financial statements for the period ended 30 June 2022 and in accordance with IAS 34, "Interim Financial Reporting" as adopted by the United Kingdom. The interim financial information should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 June 2022, which has been prepared in accordance with IFRS as adopted by the United Kingdom.

The interim financial information contained in this report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Annual Report and Accounts for the year ended 30 June 2022 has been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, however, did not a material uncertainty with regards to going concern, relating to the fact that the going concern basis of preparation was linked to a need to raise funding within 12 months from the date of signature of the Annual Report.

Significant Accounting Policies

The critical accounting policies and presentation followed in the preparation of this interim report have been consistently applied to all periods in these financial statements and are the same as those applied in the company's annual accounts for the year ended 30 June 2022.

A copy of the accounts to 30 June 2022 can be obtained from the company's website: www.gfinityplc.com.

Critical Accounting Judgements

The preparation of financial statements in conforming with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates. Revisions to these estimates are made in the period in which they are recognised.

The critical accounting judgements made in preparing this interim report are the same as those in preparing the annual accounts for the Company for the year ended 30 June 2022 which can be obtained from the company's website: www.gfinityplc.com.

Going Concern

At 31 December 2022 the group had cash of £1.7m. This figure was supplemented through the raising of a further £2.0m, which was approved by shareholders on 6 March 2023.

This sum was intended to provide directors with the headroom to:

- Restructure the Esports Solutions business, delivering £0.7m of annualised cost reductions;
- Bring in a new commercial partner for the Gfinity Digital Media business, driving revenues back up in this business unit; and
- Provide a runway to bring a separate external investor into the business to invest directly into the Athlos Gaming Technology platform, leaving Gfinity with a significant holding, but ensuring that the platform had sufficient funds to bring the final version of the product to market and support a successful launch.

The group is making strong progress against each of these objectives and on that basis, directors believe that the going concern basis of preparation is appropriate. In forming this assessment, directors also note the capital value that has been created through the development of both Gfinity's technology and its owned audience. In the event that further funding were to be required, it could be realised through the sale of one or more of these assets, rather than requiring any further recourse to new investment.

3. Loss per share

Basic earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. For a loss-making company with outstanding share options, net loss per share would be decreased by the exercise of options and therefore the effect of options has been disregarded in the calculation of diluted EPS.

	6 months to 31 December 2022	6 months to 31 December 2021	Year to 30 June 2022
	£	£	£
Loss attributable to shareholders from continuing operations	(1,774,279)	(1,412,468)	(3,984,430)
	Number 000's	Number 000's	Number 000's
Weighted average number of ordinary shares	1,315,697	963,463	1,122,821
Loss per ordinary share for continuing operations	-0.001	-0.001	-0.004

4. Notes to the Cash Flow Statement

	6 months to 31 December 2022 Unaudited £	6 months to 31 December 2021 Unaudited £	Year to 30 June 2022 Audited £
Cash flows from operating activities			
Loss for the financial year	(1,774,279)	(1,406,958)	(3,980,972)
Depreciation of property, plant and equipment	47,093	56,109	112,993
Depreciation on right of use assets	-	-	-
Amortisation of intangible fixed assets	860,758	631,608	1,554,745
Impairment of intangible fixed assets	-	-	76,989
Interest Received	(373)	(2)	(77)
Share based payments	150,458	463,608	495,220
(Increase) in Inventories	-	-	-
(Increase)/ decrease in trade and other receivables	377,272	(509,217)	(524,205)
Increase in trade and other payables	527,622	334,791	(110,916)
Gain on disposal of Associate	-	(45,090)	(45,090)
Movement on deferred tax liabilities	(164,591)	-	(294,568)
Corporation tax (paid)/ R&D credits received	-	(117,685)	142,162
	<hr/>	<hr/>	<hr/>
Cash used by operating activities	23,960	(592,836)	(2,573,719)
	<hr/>	<hr/>	<hr/>
Net cash generated by/ (used in) operating activities	23,960	(592,836)	(2,573,719)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. Revenue

The Group's policy on revenue recognition is as outlined in note 2 of the financial statements for the year ending June 2022. The period ending December 2022 included £58,359 in the contract liability balance and at the beginning of the period (December 2021: £0.36m and year ending June 2022: £0.2m).

The Group's revenue disaggregated by primary geographical markets is as follows:

6 months to 31 December 2022				
	Esports	Digital Media	Athlos	Total
	£	£	£	£
United Kingdom	2,451,456	384,029	-	2,835,485
North America	-	659,846	168,452	828,298
ROW	39,200	404,955	-	444,155
Total	2,490,656	1,448,830	168,452	4,107,938

6 months to 31 December 2021				
	Esports	Digital Media	Athlos	Total
	£	£	£	£
United Kingdom	1,337,794	620,549	-	1,958,343
North America	-	625,522	164,829	790,351
ROW	126,000	386,668	-	512,668
Total	1,463,794	1,632,739	164,829	3,261,361

Year to 30 June 2022				
	Esports	Digital Media	Athlos	Total
	£	£	£	£
United Kingdom	1,927,951	853,907	47,232	2,829,090
North America	-	1,248,627	315,356	1,563,982
ROW	126,000	739,904	-	865,904
Total	2,053,951	2,842,438	362,588	5,258,977

The Group's revenue disaggregated by pattern of revenue of revenue recognition is as follows:

6 months to 31 December 2022				
	Gfinity	Cevo	Megit	Total
	£	£	£	£
Services transferred at a point in time	2,017,395	50,171	249,128	2,316,694
Services transferred over time	1,791,244	-	-	1,791,244
Total	3,808,639	50,171	249,128	4,107,938

6 months to 31 December 2021				
	Gfinity	Cevo	Megit	Total
	£	£	£	£

Services transferred at a point in time	1,568,313	166,797	425,547	2,160,657
Services transferred over time	1,207,226	-	-	1,207,226
Total	2,775,539	166,797	425,547	3,367,883

Year to 30 June 2022

	Gfinity	Cevo	Megit	Total
	£	£	£	£
Services transferred at a point in time	2,913,332	108,485	541,755	3,563,572
Services transferred over time	1,695,405	-	-	1,695,405
Total	4,608,737	108,485	541,755	5,258,977

As at 31 December 2022 the Group had the amounts shown below held on the consolidated statement of financial position in relation to contracts either performed in full during the year or ongoing as at the year end. All amounts were either due within one year or, in the case of contract liabilities, the work was to be performed within one year of the balance sheet date.

	Dec-22	Jun-22
	£	£
Trade Receivables	989,325	928,446
Contract Assets	359,688	246,428
Contract Liabilities	58,359	208,715

Trade receivables are non-interest bearing and are generally on 30 day terms. Credit risk of customers is low with many being large multinational corporations.

Contract assets are initially recognised for revenue earned while the services are delivered over time or when billing is subject to final agreement on completion of the milestone. Once the amounts are billed the contract asset is transferred to trade receivables.

Contract liabilities arise when amounts are paid in advance of the delivery of the service. These are then transferred to the statement of comprehensive income as either milestones are completed or work is completed overtime.

6. Intangible fixed assets

During the development phase of Gfinity's proprietary Athlos Gaming Technology, a total of £477,140 has been invested and capitalised in the company's intellectual property in the period.