

18 March 2024

TEAM INTERNET GROUP PLC
("Team Internet" or "the Company" or "the Group")

Audited Annual Report 2023
Notice of Q1 2024 Results
Notice of Annual General Meeting
and
Dividend Timetable

A record year for revenue, adjusted EBITDA and profit after tax

Team Internet Group Plc (AIM: TIG), the global internet company that generates recurring revenue from creating meaningful and successful connections: business to domains, brands to consumers, publishers to advertisers, is pleased to announce its audited annual report for the financial year 2023 is now available on the Group's website at the following link: <https://teaminternet.com/annual-interim-reports/>. The annual report will shortly be posted to those shareholders who have opted to receive a hard copy.

Financial summary:

- Revenue increased by 15% to USD 836.9m (FY2022: USD 728.2m)
- Organic revenue growth of 13%
- Net revenue (gross profit) increased by 8% to USD 191.1m (FY2022: USD 177.7m)
- Adjusted EBITDA increased by 12% to USD 96.4m (FY2022: USD 86.0m)
- Operating profit increased by 26% to USD 42.3m (FY2022: USD 33.6m)
- Profit before tax increased by 98% to USD 29.3m (FY2022: USD 14.8m)
- Profit after tax increased to USD 24.3m (FY2022: loss of USD 2.1m)
- Net debt increased by 31% to USD 74.1m as compared to USD 56.6m at 31 December 2022, following USD 39.7m of cash share repurchases, (including Employee Benefit Trust repurchases), USD 3.6m payment of dividends and USD 21.5m settlement of deferred contingent consideration during 2023
- Leverage increased to 0.96x adjusted EBITDA (31 December 2022: 0.84x), remaining under 1.0x
- Adjusted operating cash conversion of 96% (FY2022: 110%)
- Adjusted EPS for the year increased by 32% to 23.22 US cents (FY2022: 17.56 US cents)
- Proposed final dividend of 2.0p (FY2022: 1.0p), an increase of 100% as the group continues to pursue the progressive dividend policy launched in 2022

Operational and corporate highlights

- On 4 September 2023, to support our next phase of continued growth, the Group announced its rebranding from CentralNic Group to Team Internet Group, and effective that same day, the Group's shares commenced trading under the ticker "TIG".
- The Financial Times listed Team Internet among the top 250 fastest-growing companies and among the top 50 fastest-growing technology companies in Europe
- Acquisition of Adrenalads, a business which has a rich history with Zeropark, on 31 August 2023 for an initial consideration of USD 2.1 million; the acquisition included deferred consideration of USD 0.2 million payable in February 2025
- The Group adjusted its global office footprint to post-pandemic working realities, notably reducing cash outflow, lease liabilities and emissions
- Appointment of Marie Holive as Non-Executive Director and Chair of the Audit & Risk Committee on 24 April 2023
- The Group successfully completed its first share buyback programme of GBP 4.0 million worth of ordinary shares in January 2023, and a second share buyback programme commenced in May 2023 and was increased to GBP 34.0 million worth of ordinary shares in July 2023. By 31 December 2023, the Group had repurchased a total of GBP 28.4 million (USD 35.6 million) worth of ordinary shares across the two programmes, with GBP 9.6 million (USD 12.2 million) remaining of the share buyback scheme at 31 December 2023.
- On 16 June 2023, the Group paid its inaugural final dividend of 1.0 pence per share totalling USD 3.6 million, reflecting a renewed capital allocation geared towards greater return to Shareholders

Notice of Q1 2024 Results

The Company further announces that it will publish its results for the three months ended 31 March 2024 on Monday 13 May 2024.

Annual General Meeting

The Company also announces that its 2024 Annual General Meeting (“AGM”) will be held at 09.00 GMT on Thursday, 18 April 2024 at the Company’s registered office at 4th Floor, Saddlers House, 44 Gutter Lane, London, ECV 6BR. The notice of AGM document will shortly be available on the Company’s website at <https://teaminternet.com/constitutional-documents-and-circulars/>

The Company is offering facilities for shareholders to attend by conference call to ask questions in real time should they wish to do so.

Shareholders will be able to follow the proceeding of the AGM over the online Investor Meet Company platform by registering in advance via the following link: <https://www.investormeetcompany.com/Team Internet-group-plc/register-investor>

Shareholders who already follow **TEAM INTERNET GROUP PLC** on the Investor Meet Company platform will automatically be invited.

Shareholders are invited to submit any questions in respect of the meeting for the Board to consider. Questions may be submitted in advance up until 09:00 GMT the day before the meeting or during the meeting over the Investor Meet Company platform following registration, and the Board will aim to respond to any such questions relevant to the business of the meeting.

Shareholders taking part via the Investor Meet Company platform will not be able to speak or vote on the AGM resolutions. Shareholders are therefore strongly encouraged to exercise their voting rights by completing and submitting a Form of Proxy. It is highly recommended that Shareholders submit their Form of Proxy as early as possible to ensure that their votes are counted at the AGM. Shareholders are strongly encouraged to appoint the Chairman as your proxy to ensure that each Shareholder’s vote will be counted in the event of restrictions on shareholders and proxies attending the AGM in person.

Dividend Timetable

Team Internet is proposing a final dividend of 2.0p per share to be approved at the AGM as the next step in the Group’s plan to return cash to shareholders. The dividend will be payable on 28 May 2024 for shareholders on the Company’s register of members at close of business on 26 April 2024.

Michael Riedl, CEO of Team Internet, commented: “This year has been a milestone for us with our revenues growing by 15% to USD 837 million, and our adjusted EBITDA increasing by 12% to USD 96 million. We have also seen a significant breakthrough in bottom-line profitability, delivering a profit after tax of USD 24.3 million, a notable improvement from the USD 2.1 million loss after tax in 2022.”

For further information:

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Forward-Looking Statements

This document includes forward-looking statements. Whilst these forward-looking statements are made in good faith, they are based upon the information available to Team Internet at the date of this document and upon current expectations, projections, market conditions and assumptions about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group and should be treated with an appropriate degree of caution.

About Team Internet Group Plc

Team Internet (AIM: TIG) creates meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. The Company is a leading global internet solutions company that operates in two highly attractive markets: high-growth digital advertising (Online Marketing segment) and domain name management solutions (Online Presence segment). The company's Online Marketing segment creates privacy-safe and AI-generated online consumer journeys that convert general interest online media users into confident high conviction consumers through advertorial and review websites. The Online Presence segment is a critical constituent of the global online presence and productivity tool ecosystem, where Team Internet serves as the primary distribution channel for a wide range of digital products. The company's high-quality earnings come from subscription recurring revenues in the Online Presence segment and revenue share on rolling utility-style contracts in the Online Marketing segment.

For more information please visit: www.teaminternet.com

MANAGEMENT COMMENTARY ON PERFORMANCE

Introduction

2023 was another year of record profitability for Team Internet. Long-standing followers of the Group will be well aware of the consistent and continuing growth in revenue, EBITDA and operating profit, but the development of profitability all the way through the income statement adds an additional dimension to the Group's financial strength. Delivery of USD 24.3 million profit after tax provides further evidence of the sustainability of the Group's business models and objectively increases Shareholder value.

In the financial year 2023, the Group recorded overall year-on-year growth in gross revenues of 14.9% from USD 728.2 million to USD 836.9 million. Net revenue (gross profit) increased by 7.5% from USD 177.7 million to USD 191.1 million. Adjusted EBITDA increased by 12.1% from USD 86.0 million to USD 96.4 million.

Performance Overview

The Group has performed strongly during the period with the key financial metrics listed below:

	Audited Year ended 31 December 2023	Audited Year ended 31 December 2022	
	USD m	USD m	Change %
Revenue	836.9	728.2	15%
Net revenue/gross profit	191.1	177.7	8%
Adjusted EBITDA	96.4	86.0	12%
Adjusted operating cash conversion	96%	110%	(14%)
Profit/(loss) after tax	24.3	(2.1)	n.m.
EPS – Basic (cents)	8.94	(0.78)	n.m.
EPS – Adjusted earnings – basic (cents)	23.22	17.56	32%

Online Marketing segment

Team Internet's Online Marketing segment continued its growth story in 2023, despite less favourable trading conditions than in recent years. Gross revenue in the Online Marketing segment was USD 657.1 million, an increase of 14.3% over the USD 574.7 million recorded in 2022. Net revenue in 2023 was USD 131.7 million, an increase of 5.3% over the 2022 figure of USD 125.1 million.

Online Presence segment

The Online Presence segment yielded gross revenue of USD 179.8 million, delivering a 17.1% increase over the USD 153.5 million recorded in 2022. Net revenue in 2023 was USD 59.4 million, an increase of 12.9% over the 2022 figure of USD 52.6 million. In achieving a higher level of growth than in previous years, the Online Presence business lays down a marker that double-digit percentage growth is a realistic aspiration for the domain name procurement and distribution business.

Outlook

We confirm our guidance that the Group is confident in its ability to meet current market expectations. Our established brands, market leadership, cutting-edge technology, the assembled talent and robust cash flow will allow us to translate our current success into future success.

Michael Riedl
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Revenue	4	836.9	728.2
Cost of sales		(645.8)	(550.5)
Gross profit		191.1	177.7
Operating expenses		(144.3)	(138.4)
Share-based payment expenses		(4.5)	(5.7)
Operating profit		42.3	33.6
Adjusted EBITDA^(a)		96.4	86.0
Depreciation of property, plant and equipment		(3.3)	(3.0)
Amortisation and impairment of intangible assets		(38.8)	(36.4)
Non-core operating expenses ^(b)	5	(6.1)	(8.2)
Foreign exchange		(1.4)	0.9
Share-based payment expenses		(4.5)	(5.7)
Operating profit		42.3	33.6
Finance income		0.6	-
Finance costs		(13.6)	(13.2)
Foreign exchange loss on borrowings		-	(5.6)
Net finance costs	6	(13.0)	(18.8)
Profit before taxation		29.3	14.8
Income tax		(5.0)	(16.9)
Profit/(loss) after taxation		24.3	(2.1)
Items that may be reclassified subsequently to profit and loss			
Exchange difference on translation of foreign operation		4.7	(13.7)
Movement arising on changes in fair value of hedging instruments		-	6.2
Total comprehensive profit/(loss) for the financial year		29.0	(9.6)
All amounts relate to continuing activities			
^(a) Parent and subsidiary earnings before interest, tax, depreciation, amortisation and impairment, non-cash charges and non-core operating expenses.			
^(b) Non-core operating expenses include items related primarily to acquisition, integration and other related costs, which are not incurred as part of the underlying trading performance of the Group, and which are therefore adjusted for, in line with Group policy.			
Earnings per share			
Basic (cents)		8.94	(0.78)
Diluted (cents)		8.63	(0.78)
Adjusted earnings - Basic (cents)		23.22	17.56
Adjusted earnings - Diluted (cents)		22.41	16.72

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 31 December 2023 USD m	Audited 31 December 2022 USD m
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2.6	1.8
Right-of-use assets	4.6	5.5
Intangible assets	327.0	347.9
Other non-current assets	0.1	0.3
Deferred tax assets	12.8	9.5
	347.1	365.0
CURRENT ASSETS		
Trade and other receivables	106.7	98.2
Inventory	0.2	0.6
Cash and bank balances	92.7	94.8
	199.6	193.6
TOTAL ASSETS	546.7	558.6
EQUITY AND LIABILITIES		
EQUITY		
Share capital	0.3	0.3
Share premium	-	98.3
Merger relief reserve	5.3	5.3
Share-based payments reserve	25.7	24.1
Cash flow hedging reserve	(0.2)	(0.2)
Foreign exchange translation reserve	(6.1)	(10.8)
Retained earnings	128.5	50.0
TOTAL EQUITY	153.5	167.0
NON-CURRENT LIABILITIES		
Other payables	5.8	13.9
Lease liabilities	3.2	3.8
Deferred tax liabilities	28.0	30.2
Borrowings	147.7	145.9
Derivatives	0.2	0.2
	184.9	194.0
CURRENT LIABILITIES		
Trade and other payables and accruals	187.8	190.3
Lease liabilities	1.6	1.9
Borrowings	18.9	5.3
Derivative financial liabilities	-	0.1
	208.3	197.6
TOTAL LIABILITIES	393.2	391.6
TOTAL EQUITY AND LIABILITIES	546.7	558.6

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	Share capital USD m	Share premium USD m	Merger relief reserve USD m	Share-based payments reserve USD m	Cash flow hedging reserve USD m	Foreign exchange translation reserve USD m	Retained earnings USD m	Equity attributable to owners of the Parent Company USD m
Balance as at 31 December 2021	0.3	39.8	5.3	19.5	(6.4)	2.9	52.5	113.9
Loss for the year	-	-	-	-	-	-	(2.1)	(2.1)
Other comprehensive income – translation of foreign operations	-	-	-	-	-	(13.7)	-	(13.7)
Other comprehensive income – gain arising on changes in fair value hedging instruments	-	-	-	-	6.2	-	-	6.2
Total comprehensive loss for the year	-	-	-	-	(6.2)	(13.7)	(2.1)	(9.6)
Transactions with owners								
Issue of share capital	-	59.6	-	-	-	-	-	59.6
Share issue costs	-	(1.1)	-	-	-	-	-	(1.1)
Repurchase of shares	-	-	-	-	-	-	(0.4)	(0.4)
Share-based payments	-	-	-	4.7	-	-	-	4.7
Share-based payments – deferred tax assets	-	-	-	(0.1)	-	-	-	(0.1)
Balance as at 31 December 2022	0.3	98.3	5.3	24.1	(0.2)	(10.8)	50.0	167.0
Profit for the year	-	-	-	-	-	-	24.3	24.3
Other comprehensive income – translation of foreign operations	-	-	-	-	-	4.7	-	4.7
Total comprehensive gain for the year	-	-	-	-	-	4.7	24.3	29.0
Transactions with owners								
Dividends paid on equity shares	-	-	-	-	-	-	(3.6)	(3.6)
Cancellation of share premium	-	(98.3)	-	-	-	-	98.3	-
Repurchase of shares	-	-	-	-	-	-	(40.5)	(40.5)
Share-based payments	-	-	-	3.2	-	-	-	3.2
Share-based payments – deferred tax assets	-	-	-	(1.6)	-	-	-	(1.6)
Balance as at 31 December 2023	0.3	-	5.3	25.7	(0.2)	(6.1)	128.5	153.5

- Share capital represents the nominal value of the Company's cumulative issued share capital.
- Share premium represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable share issue costs and other permitted reductions. The Company's share premium was cancelled in full during the year.
- Merger relief reserve represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable shares issue costs and other permitted reductions, where the consideration for shares in another company includes issued shares, and 90% of the equity is held in the other company.
- Share-based payments reserve represents the cumulative value of share-based payments, excluding related employment taxes, recognised through equity and deferred tax assets arising thereon.
- Cash flow hedging reserve represents the effective portion of changes in the fair value of derivatives.
- Foreign exchange translation reserve represents the cumulative exchange differences arising on Group consolidation.
- Retained earnings represents the cumulative value of the profits not distributed to Shareholders but retained to finance the future capital requirements of the Group.

CONSOLIDATED STATEMENT OF CASH FLOWS	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Cash flow from operating activities		
Profit before taxation	29.3	14.8
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	3.3	3.0
Amortisation and impairment of intangible assets	38.8	36.4
Finance cost (net)	13.0	18.8
Share-based payments	4.5	5.7
Increase in trade and other receivables	(8.5)	(9.8)
Increase in trade and other payables and accruals	0.2	16.9
Decrease in inventories	0.4	0.2
Cash flow from operations	81.0	86.0
Income tax paid	(5.6)	(8.4)
Net cash flow generated from operating activities	75.4	77.6
Cash flow used in investing activities		
Purchase of property, plant and equipment	(1.9)	(1.3)
Purchase of intangible assets	(8.3)	(5.2)
Payment of deferred consideration	(21.5)	(2.7)
Proceeds from disposals of investments	-	0.1
Acquisition of subsidiaries and domain portfolio assets, net of cash acquired	(5.6)	(81.5)
Net cash flow used in investing activities	(37.3)	(90.6)
Cash flow generated/(used in) financing activities		
Proceeds from borrowings	-	185.5
Settlement of forward foreign exchange contracts	-	(25.5)
Repayment of bond financing	-	(128.6)
Drawdown/(repayment) of revolving credit facility	15.0	(18.8)
Bank finance arrangement fees	(0.7)	(3.4)
Accrued interest on bond tap	-	0.4
Proceeds of issuance of ordinary shares (net)	-	58.6
Payment of dividend to ordinary Shareholders	(3.6)	-
Repurchase of ordinary shares	(39.7)	(0.4)
Lease principal repayments	(2.3)	(2.2)
Interest paid	(12.1)	(7.8)
Net cash flow (used in)/generated from financing activities	(43.4)	57.0
Net (decrease)/increase in cash and cash equivalents	(5.3)	44.0
Cash and cash equivalents at beginning of the year	94.8	56.1
Exchange gains/(losses) on cash and cash equivalents	3.2	(5.3)
Cash and cash equivalents at end of the year	92.7	94.8

NOTES TO THE AUDITED ANNUAL ACCOUNTS

1. General information

Team Internet Group Plc is the UK holding company of a group of companies whose principal activities create meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. The Company is registered in England and Wales. Its registered office and principal place of business is 4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR.

2. Basis of preparation

The financial results for the year ended 31 December 2023 have been prepared on the basis of the accounting policies set out in the Group's 2023 statutory accounts.

The financial results are condensed and do not represent statutory accounts within the meaning of section 435 of the Companies Act 2016. The statutory accounts for the year ended 31 December 2023, upon which the auditors issued an unqualified opinion, are available on the Group's website and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

3. Segment analysis

Operating segments are organised around the products and services of the business and are prepared in a manner consistent with the internal reporting used by the chief operating decision maker to determine allocation of resources to segments and to assess segmental performance. The Directors do not rely on analyses of segment assets and liabilities, nor on segmental cash flows arising from the operating, investing and financing activities for each reportable segment, for their decision making and therefore have not included them.

The Group has two segments: Online Marketing and Online Presence. The Online Marketing segment creates privacy-safe AI-based customer journeys that help online consumers make informed choices. The Online Presence segment conducts business as a global distributor of domain names through a network of channel partners as well as selling domain names and ancillary services to end users, monitoring services to protect brands online, technical and consultancy services to corporate clients, and licensing the Group's in-house developed registry management platform on a global basis.

Management reviews the activities of the Team Internet Group in the segments disclosed below:

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Online Marketing		
Revenue	657.1	574.7
Cost of sales	(525.4)	(449.6)
Gross profit	<u>131.7</u>	<u>125.1</u>
Online Presence		
Revenue	179.8	153.5
Cost of sales	(120.4)	(100.9)
Gross profit	<u>59.4</u>	<u>52.6</u>
Total revenue	836.9	728.2
Total cost of sales	(645.8)	(550.5)
Gross profit	<u>191.1</u>	<u>177.7</u>

NOTES TO THE AUDITED ACCOUNTS (continued)

4. Revenue

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

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Americas	444.5	402.9
United States of America	367.1	341.4
Rest of Americas	77.4	61.5
Europe, Middle East & Africa (EMEA)	326.2	260.6
Germany	100.2	78.8
United Kingdom	40.5	31.2
France	30.0	21.7
Netherlands	17.8	15.7
Switzerland	12.6	10.1
Ireland	3.0	3.1
Luxembourg	0.9	0.8
Rest of EMEA	121.2	99.2
Asia Pacific (APAC)	66.2	64.7
Australia	20.8	19.7
Rest of APAC	45.4	45.0
Total revenue	836.9	728.2

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

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Americas	90.7	71.2
United States of America	80.7	60.7
Rest of Americas	10.0	10.5
EMEA	714.1	626.9
Ireland	559.2	483.7
Germany	38.8	28.5
Luxembourg	30.9	33.0
Netherlands	9.9	9.2
United Kingdom	8.6	7.0
Switzerland	8.5	7.5
France	8.1	7.7
Rest of EMEA	50.1	50.3
APAC	32.1	30.1
Australia	12.8	13.0
Rest of APAC	19.3	17.1
Total revenue	836.9	728.2

NOTES TO THE AUDITED ACCOUNTS (continued)

4. Revenue (continued)

The Group's revenue by segment, invoiced directly is summarised below, based on geographical areas:

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Online Marketing		
North America	19.0	18.5
Rest of Americas	1.5	0.9
Total Americas	20.5	19.4
EMEA	626.5	547.5
APAC	10.1	7.8
	657.1	574.7
Online Presence		
North America	67.5	49.3
Rest of Americas	2.7	2.2
Total Americas	70.2	51.5
EMEA	87.6	79.6
APAC	22.0	22.4
	179.8	153.5
All revenue		
North America	86.5	67.8
Rest of Americas	4.2	3.1
Total Americas	90.7	70.9
EMEA	714.1	627.1
APAC	32.1	30.2
Total revenue	836.9	728.2

For the year ended 31 December 2023, there was one customer that represented more than 10% of the Group's revenue, amounting to USD 566.9 million (2022: USD 492.8 million) across two segments, Online Marketing: USD 558.9 million (2022: 483.2 million) and Online Presence: USD 8.0 million (2022: USD 9.6 million). The customer is an aggregator who does not procure the services for its own use but provides access to an estimated three to four million end customers who order and consume the services.

5. Non-core operating expenses

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Acquisition related costs	1.0	3.5
Integration and streamlining costs	4.7	4.0
Other costs	0.4	0.7
	6.1	8.2

6. Net finance costs

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Finance income	(0.6)	-
Impact of unwinding of discount on net present value of deferred consideration	1.4	1.0
Reappraisal of deferred consideration	(2.8)	(1.3)
Arrangement fees on borrowings	1.4	3.0
Interest expense on bank borrowings and bond interest	13.5	10.2
Interest expense on leases	0.2	0.2
(Gain)/loss arising on derivatives classified as fair value hedges	(0.1)	0.1
Foreign exchange loss on borrowings	-	5.6
Net finance costs	13.0	18.8

NOTES TO THE AUDITED ACCOUNTS (continued)

7. Earnings per share

Earnings per share has been calculated by dividing the consolidated profit/(loss) after taxation attributable to ordinary Shareholders by the weighted average number of ordinary shares in issue during the period, plus vested options, as these options have little or no exercise price, less shares held in treasury and by the Group's Employee Benefit Trust.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of the unvested dilutive potential ordinary shares as calculated using the treasury stock method (arising from the Group's share option scheme) into ordinary shares has been added to the denominator. There are no changes to the profit (numerator) as a result of the dilutive calculation.

Due to the loss made in the prior year, the impact of the potential shares to be issued on exercise of share options would be anti-dilutive and therefore diluted earnings per share is reported on the same basis as basic earnings per share.

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Profit/(loss) after tax attributable to owners	24.3	(2.1)
Operating profit	42.3	33.6
Depreciation of property, plant and equipment	3.3	3.0
Amortisation and impairment of intangible assets	38.8	36.4
Non-core operating expenses	6.1	8.2
Foreign exchange losses/(gains)	1.4	(0.9)
Share-based payment expenses	4.5	5.7
Adjusted EBITDA	96.4	86.0
Depreciation	(3.3)	(3.0)
Finance costs (excluding deferred consideration amounts, foreign exchange loss on borrowings and write off of arrangement fees on borrowing – note 6)	(15.9)	(13.0)
Taxation	(14.0)	(22.9)
Adjusted earnings	63.2	47.1
Weighted average number of shares:		
Basic	272,131,265	268,207,663
Effect of dilutive potential ordinary shares	9,869,695	13,501,204
Diluted average number of shares	282,000,960	281,708,867
Earnings per share:		
Basic (cents)	8.94	(0.78)
Diluted (cents)	8.63	(0.78)
Adjusted earnings - Basic (cents)	23.22	17.56
Adjusted earnings - Diluted (cents)	22.41	16.72

Basic and diluted earnings per share of 8.94 cents (2022: (0.78) cents) have been impacted by depreciation, amortisation, impairment, non-core operating expenses, foreign exchange gains and losses and share-based payment expenses.

NOTES TO THE AUDITED ACCOUNTS (continued)

8. Financial instruments

The Team Internet Group is exposed to market risk, credit risk and liquidity risk arising from financial instruments. The Group's overall financial risk management policy focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not trade in financial instruments.

Cash conversion was as follows:

	Audited Year ended 31 December 2023 USD m	Audited Year ended 31 December 2022 USD m
Cash conversion		
Cash flow from operations	81.0	86.0
Exceptional costs incurred and paid during the year	6.1	7.8
Settlement of non-recurring working capital items from the prior year	5.5	1.2
Adjusted cash flow from operations	92.6	95.0
Adjusted EBITDA	96.4	86.0
Conversion %	96%	110%

Net debt is shown in the table below:

	Bank debt USD m	Cash USD m	Financial instruments USD m	Net debt USD m
At 31 December 2022	(151.2)	94.8	(0.2)	(56.6)
Bank facilities extension costs	0.7	(0.7)	-	-
New financing revolving credit facility	(15.0)	15.0	-	-
Amortisation	(1.3)	-	-	(1.3)
Other cash movements	-	(19.6)	-	(19.6)
Foreign exchange differences	0.2	3.2	-	3.4
At 31 December 2023	(166.6)	92.7	(0.2)	(74.1)

9. Business combinations

Acquisition of Adrenalads LLC

On 31 August 2023, Team Internet acquired Adrenalads LLC, a Los Angeles based online marketing company that has a rich history of collaboration with Zeropark. The purchase price comprised initial consideration of USD 2.1 million and deferred consideration of USD 0.2 million, payable in February 2025. The acquisition will be immediately earnings accretive. The acquisition aims to seamlessly integrate Adrenalads into the Zeropark ecosystem and is anticipated to strengthen Zeropark's ties with e-commerce stakeholders, improve the efficiency of internal media-buying processes, open new supply channels for Zeropark and establish a presence in the strategic Pacific time zone.

Deferred consideration payments

The following deferred consideration payments were made in the year ended 2023:

- Deferred contingent consideration payments for the acquisition of VGL Publishing AG was settled in cash for EUR 13.7 million (USD 14.9 million), which includes EUR 12.4 million (USD 13.6 million) in respect of 2022's performance.
- On 27 July 2023, the final deferred contingent consideration payment for the acquisition of InterNexum GmbH was settled in cash for EUR 0.6 million (USD 0.6 million).
- The first deferred contingent consideration payment for the acquisition of M.A Aporia was settled in cash for USD 2.3 million in two instalments: USD 0.8 million was paid on 13 July 2023 and USD 1.5 million was paid on 24 August 2023. A second deferred consideration payment was settled in cash for USD 2.8 million on 19 October 2023.
- On 19 October 2023, the deferred consideration payment for the acquisition of Intellectual Property Management Company was settled in cash for USD 0.8 million.

10. Share buyback programme

The Group successfully completed its first share buyback programme of GBP 4.0 million worth of ordinary shares in January 2023, and a second share buyback programme commenced in May 2023 and was increased to GBP 34.0 million worth of ordinary shares in July 2023. By 31 December 2023, the Group had repurchased a total of GBP 28.4 million (USD 35.6 million) worth of ordinary shares across the two programmes, with GBP 9.6 million (USD 12.2 million) remaining of the share buyback scheme at 31 December 2023.

To date (close of business Thursday 14 March 2024), the Company has bought back 28.3 million shares under its programmes at a cumulative cost of GBP 36.2 million. GBP 1.8 million remains available for the remainder of the programme.