

Company number: 08525481



**SILVER BULLET DATA SERVICES GROUP PLC
UNAUDITED FINANCIAL STATEMENTS
FOR THE INTERIM SIX MONTHS ENDED 30 JUNE 2025**

Corporate Information

Directors	Mr Nigel Sharrocks	
	Mr Ian James	
	Mr Umberto Torrielli	
	Mr Steven Clarke	
	Mr Martyn Rattle	Resigned 16 September 2025
	Mr Christopher Ellis	
	Ms AnnaMaria Khan-Rubalcaba	Resigned 16 September 2025
	Mr Dara Nasr	Appointed 16 September 2025
Secretary	Mr Christopher Ellis	
Company Number	08525481	
Registered Office	54 Charlotte St London W1T 2NS	
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	

Statement from the Chief Executive Officer

Financial Highlights

	Six months to 30 June 2025	Six months to 30 June 2024
Revenue	£4.8m	£4.4m
Gross Profit	£3.8m	£3.3m
EBITDA*	(£1.1m)	(£0.9m)
Reported Loss before tax	(£2.1m)	(£1.6m)
Earnings Per Share	-0.11p	-0.08p

Business Highlights

- Headline revenue growth of 10% compared to the six months to 30 June 2025 ("H1 2024"), despite challenging macroeconomic conditions, one-off Q1 2025 tariff headwinds, and ongoing US market instability.
- EBITDA was flat year-on-year and in line with expectations, excluding the impact of the Codec acquisition and one-off costs related to redundant corporate roles.
- Total bookings of £9.0m secured by 31 August 2025 versus £9.3m for the whole of the 2024 financial year, demonstrating strong momentum with further upside expected in the second half of 2025 ("H2 2025").
- Services revenue of £5.7m already secured, representing 88% of target and up 11.9% year-on-year.
- 4D revenue of £3.1m booked year-to-date (80% of full-year target), with data-only revenues up 65% year-on-year.
- New client wins during the period include Global Fashion retailer for a new 2 year contract to drive marketing data transformation, and additional new 4D client logos including Apple, Rover, Thompson Reuters and Sky Bet
- 4D AI structural cost review and broader company wide cost-mitigation programme on track to deliver operating expense savings in H2 2025, supporting further EBITDA improvement.
- Successfully raised £3.3m in June 2025 via the issue of new convertible loan notes ("CLNs"), loan notes, a subscription and a WRAP Retail Offer (the "Fundraise").
- As part of the Fundraise, restructured and consolidated existing CLNs into new three-year CLNs simplifying the Group's capital structure and aligning financing with the Group's growth plan.

Statement from the Chief Executive Officer

Chief Executive Officer's Report

I am pleased to report that Silverbullet has delivered another period of solid progress in the year to date, with headline revenue up 10% despite a challenging macroeconomic backdrop, one-off tariff headwinds in Q1 2025 and ongoing US market instability. This resilience reflects the quality of our client base and the benefits of our focus on high-margin, repeatable business.

By 31 August 2025 the Group had secured £9.0 million of bookings compared with £9.3 million for the whole of the 2024 financial year, providing good visibility and confidence for the second half.

The first half of 2025 has continued to bring change across the digital marketing landscape. The lines between adtech and martech are continuing to blend as organisations move towards more integrated, AI-enabled customer experiences. In this environment, privacy-compliant, first-party data strategies and greater automation are becoming essential components of effective marketing.

Silverbullet is positioned at the heart of this transformation and continues to support clients through this shift. By combining our proprietary technology with expertise in data strategy and implementation, we help brands plan, activate and measure marketing activity in a more connected and contextual way.

We are seeing demand around customer journey orchestration, retail and commerce media, connected TV and social video, all of which benefit from real-time personalisation and contextual insight. Through the integration of our 4D AI and Silverbullet Cloud platforms with our services in data strategy and AI integration, we assist brands in building marketing data ecosystems that are both agile and sustainable.

During the first half of 2025, Silverbullet has continued to expand its partnerships with leading global brands, delivering programmes that embed new technology and operating models to future-proof marketing investment. This approach reduces complexity for our clients, creates repeatable outcomes and reinforces our position as a trusted long-term partner rather than a point-solution provider.

As we look ahead to the second half of the year, our priority remains to evolve our platforms and expertise in line with client needs, focusing on innovation, reliability and measured growth.

New Business Wins

Silverbullet has continued to win high-quality new contracts in the first half of 2025, demonstrating the strength of its proposition and growing market demand. In Q1 2025, a significant two-year engagement with a global retail brand was secured, worth a minimum of US\$1.5 million, to deliver a full data management and integration programme, including digital customer management and activation through 4D AI and Codec. In addition, the Company signed two further contracts with global beverage and FMCG clients to implement new 4D AI-driven digital advertising programmes via The Trade Desk, strengthening the Group's recurring, higher-margin 4D AI revenues, which grew 59% versus Q1 2024.

Statement from the Chief Executive Officer

Services

Services revenues remain a key growth driver. £5.7 million is already secured, 88% of our full-year target and up 11.9% year on year. This growth reflects further consolidation of relationships with key existing global clients and the successful onboarding of new customers, creating a strong platform for the rest of the year.

4D AI

Brands and agencies can now tap into the 4D AI platform in whatever way suits them best, whether that's using our self-service and private data marketplaces for in-house teams or opting for a fully managed service where we handle insights, targeting and measurement on their behalf.

The Group's 4D AI business continues to progress well. £3.1 million has been booked year to date, equivalent to 80% of the full-year target, with data-only revenues up 65% year on year and total 4D revenues up 4% year on year, despite delays in Q1 2025 bookings from larger US Government clients. New client wins and renewals during the period, including Apple, Thompson Reuters, Rover, Visa, Vodafone, Sky Bet and several additional 4D logos, are further strengthening our recurring revenue base and reinforced 4D AI's position as a trusted partner for contextual intelligence.

Since its inception, 4D AI's strategy has been to drive high-margin, low-touch data revenues by embedding its proprietary data and technology into partner platforms with established market scale and client demand. Building on successful integrations with OpenX, PubMatic and The Trade Desk, 4D AI now benefits from seven significant global data integrations, providing brands and agencies with seamless access to 4D's AI-driven context-building and optimisation engine. These integrations remove friction from campaign planning and execution while expanding high-margin, self-service revenues without significant increases in sales and marketing spend.

Innovation is central to the Group strategy. In September, the Company launched three new GenAI upgrades for 4D AI to simplify the process for clients and agencies to plan, optimise and measure contextual ad campaigns. Further AI initiatives are expected to roll out in Q4 2025 across Codec, 4D and our professional services to enhance internal efficiency and improve the effectiveness of our offering.

We have also launched new AI products and are witnessing a broader acceleration in AI's impact on both current operations and future client growth opportunities. In response, we are reviewing our cost base against AI-driven efficiency opportunities to enhance EBITDA, while simultaneously expanding our product and service offerings to meet increasing client demand.

Convertible Loan Notes

In June 2025, the Group successfully raised £3.3 million through the issue of new CLNs, loan notes, a subscription and a WRAP Retail Offer. As part of this process, the Group also restructured and consolidated its existing CLNs into new three-year instruments, simplifying the capital structure and better aligning financing with the Group's growth strategy. This

Statement from the Chief Executive Officer

strengthened balance sheet provides the Group with enhanced financial flexibility to capitalise on the strong demand for its AI-driven products and services.

Board Changes

After the period end, the Group strengthened its leadership capabilities with considerable industry acumen and welcomed Dara Nasr to the Board as a Non-Executive Director. Dara's extensive experience at WeTransfer, Twitter and Google/YouTube brings significant expertise in scaling revenue, forging global partnerships and navigating regulated sectors.

The appointment of Dara will enable management to concentrate on driving sales growth, with a particular focus on 4D data partnerships and strategic commercial deals.

M&A Activity

The Company explored a potential acquisition that looked to present strategic opportunities to accelerate growth. After careful consideration, the Board concluded that the proposal was not sufficiently compelling to proceed and decided not to proceed with the transaction. The Company continues to assess strategic opportunities on an ongoing basis.

Outlook

The Board is encouraged by the progress and positioning of the Company and by its strengthened presence in the AI space. Mindful of ongoing macroeconomic headwinds and reduced visibility on client spending patterns, the Group's continued new business wins and clear focus on AI demonstrate the resilience of its business model.

Whilst Silverbullet continues to deliver world-class value to both current and new clients through data-driven business transformation, innovation remains at the heart of the Group's strategy. The Company continues to be excited by the opportunities of its 4D AI product offering, successfully pivoting towards GenAI-led opportunities and positioning the business to capture growth in this rapidly developing area.

With total bookings secured by the end August almost surpassing last year's total, combined with effective cost management, the Board is confident in its full year performance.

Ian James
Chief Executive Officer and Director

Consolidated Statement of Comprehensive Income

	Note	Six months ended 30 June 2025 £	Six months ended 30 June 2024 £
Revenue	3	4,823,044	4,373,521
Cost of sales		(1,033,307)	(1,027,854)
Gross profit		3,789,737	3,345,667
Personnel costs		(3,172,890)	(2,793,256)
Depreciation and amortisation		(401,479)	(380,664)
Other operating expenditure		(1,506,241)	(1,443,671)
Exceptional items	4	(168,474)	-
Operating loss		(1,459,347)	(1,271,924)
Finance expense		(671,428)	(288,854)
Loss before taxation		(2,130,775)	(1,560,778)
Taxation	5	245,657	126,991
Loss after taxation attributable to the equity shareholders of the company		(1,885,119)	(1,433,787)
Other comprehensive (loss) net of taxation			
Currency translation differences		(24,379)	51,200
Total comprehensive loss for the year		(1,909,498)	(1,382,587)
Total comprehensive loss attributable to:			
Shareholders of the company		(1,909,498)	(1,381,306)
Non-controlling interest		-	(1,281)
		(1,909,498)	(1,382,587)
Earnings per share			
Basic earnings	6	(0.11)	(0.08)
Diluted earnings	6	(0.11)	(0.08)

Consolidated Statement of Financial Position

		At 30 June 2025	At 31 December 2024	At 30 June 2024
	Note	£	£	£
Non-current assets				
Goodwill	7	4,349,662	4,349,662	4,349,662
Intangible assets	7	1,078,561	1,425,837	1,681,416
Investments		4,999	4,999	4,999
Property, plant and equipment		25,858	32,049	36,242
Total non-current assets		5,459,080	5,812,547	6,072,319
Current assets				
Trade and other receivables		3,445,098	3,036,724	3,126,984
Cash and cash equivalents		1,112,819	275,491	803,014
Total current assets		4,557,917	3,312,215	3,929,998
Total Assets		10,016,997	9,124,762	10,002,317
Current liabilities				
Trade and other payables		4,384,220	2,905,945	3,489,126
Loans and other borrowings	8	1,099,503	3,621,400	390,563
Total current liabilities		5,483,723	6,527,345	3,879,689
Non-current liabilities				
Loans and borrowings	8	4,152,623	810,324	2,967,448
Deferred tax liability	5	247,480	335,324	420,353
Total non-current liabilities		4,400,103	1,145,648	3,387,801
Total liabilities		9,883,826	7,672,993	7,267,490
Net assets		133,171	1,451,769	2,734,828
Equity				
Share capital	9	189,604	174,649	174,754
Share premium		12,202,047	11,776,459	11,776,216
Share option reserve	10	2,305,309	2,305,268	2,405,747
Other reserves		150,316	575,146	454,246
Retained earnings		(14,647,914)	(13,337,941)	(11,988,204)
Capital redemption reserve		50	50	50
Foreign exchange reserve		(69,863)	(45,484)	(90,414)
Equity attributable to the equity shareholders of the company		129,549	1,448,147	2,732,395
Non-controlling interest		3,622	3,622	2,433
Total equity		133,171	1,451,769	2,734,828

Consolidated Statement of Cash Flows

	Six months ended 30 June 2025 £	Six months ended 30 June 2024 £
Cash flows from operating activities		
Total comprehensive loss for the year	(1,909,497)	(1,382,587)
<i>Adjustments for:</i>		
Depreciation	29,483	11,516
Amortisation	371,996	369,148
Net finance expense	671,428	288,855
Taxation expense	(245,657)	(126,991)
Currency translation differences	24,379	(51,200)
Increase in trade and other receivables	(162,717)	189,895
Increase in trade and other payables	1,453,895	706,468
Share option charge	41	84,066
(Decrease) in deferred tax liability	(87,844)	(67,638)
Cash generated from operations	145,507	21,532
Taxation refunded	-	143,675
Net cash used in operating activities	145,507	165,207
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,292)	(12,490)
Purchase of intangible assets	(24,720)	(87,220)
Net cash used in investing activities	(48,012)	(99,710)
Cash flows from financing activities		
Proceeds from issue of new shares	440,543	-
Proceeds from borrowings	2,625,179	110,937
Repayments of borrowings	(2,138,052)	(56,394)
Share options exercised	-	34,166
Equity in convertible loan notes issued	150,316	2,814
Interest paid	(338,153)	(31,861)
Net cash from financing activities	739,833	59,662
Net increase in cash and cash equivalents	837,328	125,159
Cash and cash equivalents at beginning of period	275,491	677,855
Cash and cash equivalents at end of period	1,112,819	803,014

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 2024	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
Total comprehensive loss for the year	-	-	-	-	(1,469,216)	-	44,931	(1,424,285)	1,189	(1,423,096)
Convertible loan notes issued	-	-	-	120,900	-	-	-	120,900	-	120,900
Share option charge	-	-	19,000	-	-	-	-	19,000	-	19,000
Share option exercised	(105)	242	(127,183)	-	127,183	-	-	137	-	137
Share options lapsed	-	-	7,704	-	(7,704)	-	-	-	-	-
As at 31 December 2024	174,649	11,776,459	2,305,268	575,146	(13,337,941)	50	(45,484)	1,448,147	3,622	1,451,769
Total comprehensive loss for the period	-	-	-	-	(1,885,119)	-	(24,379)	(1,909,498)	-	(1,909,498)
New shares issued	14,955	425,588	-	-	-	-	-	440,543	-	440,543
Settled convertible loan notes	-	-	-	(575,146)	575,146	-	-	-	-	-
Convertible loan notes issued	-	-	-	150,316	-	-	-	150,316	-	150,316
Share option charge	-	-	41	-	-	-	-	41	-	41
As at 30 June 2025	189,604	12,202,047	2,305,309	150,316	(14,647,914)	50	(69,863)	129,549	3,622	133,171

Notes to the interim accounts

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 54 Charlotte St, London, W1T 2NS.

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 2027 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.

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.

Notes to the interim accounts

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.

Notes to the interim accounts

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.

Notes to the interim accounts

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

Notes to the interim accounts

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.

Notes to the interim accounts

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.

EXCEPTIONAL ITEMS

Where items of income and expense included in the statement of comprehensive income are considered to be material and exceptional in nature, separate disclosure of their nature and amount is provided in the financial statements. These items are classified as exceptional items. The Group considers the size and nature of an item both individually and when aggregated with similar items when considering whether it is material, for example impairment of intangible assets or restructuring costs.

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:

Notes to the interim accounts

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. Impairments of intangible assets are explained in more detail at note 11.

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

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.

Notes to the interim accounts

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 2025		Six months ended 30 June 2024	
	Revenue	Gross profit	Revenue	Gross profit/(loss)
	£	£	£	£
Customer Experience Services	3,091,697	3,089,571	2,946,459	2,929,032
4D Platform	1,731,347	700,166	1,427,062	416,635
Total	4,823,044	3,789,737	4,373,521	3,345,667
Operating (loss)		(1,459,347)		(1,271,924)
Depreciation and amortisation		401,479		380,664
Total		(1,057,868)		(891,260)

4. Exceptional items

	30 June 2025	30 June 2024
	£	£
Potential costs in relation to business acquisitions	168,474	-
	168,474	-

5. 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 £nil (June 2024: £60,000) are held within other receivables.

Notes to the interim accounts

6. 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 2025	Six months ended 30 June 2024
	£	£
Loss after taxation attributable to the shareholders	(1,885,119)	(1,433,787)
Number of shares		
Weighted average number of ordinary shares	17,589,499	17,413,830
Dilutive effect of in-the-money share options	<u>523,626</u>	<u>547,654</u>
Diluted weighted average number of shares	<u>18,113,125</u>	<u>17,961,484</u>
Earnings per share		
Basic earnings per share	(0.11)	(0.08)
Diluted earnings per share	(0.11)	(0.08)

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

Notes to the interim accounts

7. Goodwill and intangible assets

	Customer lists	Development Costs	Goodwill	Total
	£	£	£	£
COST				
At 1 January 2024	595,708	3,823,957	4,349,662	8,769,327
Additions	-	87,221	-	87,221
At 30 June 2024	595,708	3,911,178	4,349,662	8,856,548
At 1 July 2024	595,708	3,934,173	4,349,662	8,879,543
Additions	-	98,515	-	98,515
At 31 December 2024	595,708	4,032,688	4,349,662	8,978,058
At 1 January 2025	595,708	4,032,688	4,349,662	8,978,058
Additions	-	24,720	-	24,720
At 30 June 2025	595,708	4,057,408	4,349,662	9,002,778
AMORTISATION				
At 1 January 2024	595,708	1,860,615	-	2,456,323
Amortisation charge	-	369,148	-	369,148
At 30 June 2024	595,708	2,229,763	-	2,825,471
At 1 July 2024	595,708	2,243,682	-	2,839,390
Amortisation charge	-	363,169	-	363,169
At 31 December 2024	595,708	2,606,851	-	3,202,559
At 1 January 2025	595,708	2,606,851	-	3,202,559
Amortisation charge	-	371,996	-	371,996
At 30 June 2025	595,708	2,978,847	-	3,574,555
NET BOOK VALUE				
At 30 June 2024	-	1,681,415	4,349,662	6,031,077
At 31 December 2024	-	1,425,837	4,349,662	5,775,499
At 30 June 2025	-	1,078,561	4,349,662	5,428,223

Notes to the interim accounts

8. Loans and other borrowings

	30 June 2025	31 December 2024	30 June 2024
	£	£	£
Current liabilities			
Convertible loan notes	217,876	2,366,679	-
Bank loans	781,627	1,054,721	40,563
Term loans	100,000	200,000	350,000
	1,099,503	3,621,400	390,563

	30 June 2025	31 December 2024	30 June 2024
	£	£	£
Non-current liabilities			
Convertible loan notes	3,399,126	786,511	2,922,603
Bank loans	3,497	23,813	44,845
Term loans	750,000	-	-
	4,152,623	810,324	2,967,448

At 30 June 2025 the Group had three bank loans totalling £785,124 (2024: one bank loan at £85,408). One loan accrues interest at 1.95% repayable over six years to 2026. Other loan balances represent invoice discounting facilities repayable monthly with effective annual interest accruing at a rate of 11.2%.

At 30 June 2025 the group had one short-term loan facilities totalling £100,000 (June 2024: two at £350,000). The loan is lent without security and accrues interest at a rate of 12%. One long-term loan facility was agreed during the period for £750,000 (June 2024: £nil), this loan runs until 22 June 2028 and attracts interest at a rate of 15%.

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 on 22 June 2028. Conversion prices are fixed at £0.30 per ordinary share.

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 the company at any point at a premium equal to 15% of the principal amount of the Notes.

The equity element of the convertible loan note is recognised within other reserves. Market interest rates of 14% have been applied to calculate the residual equity value of the financial instrument.

Notes to the interim accounts

9. Share capital

During the six months ended 30 June 2025 1,495,581 new shares were issued (six months to June 2024: 84,649). Share capital in issue during the current and comparative periods are listed below:

	30 June 2025		31 December 2024		30 June 2024	
	No.	£	No.	£	No.	£
Ordinary share capital issued and fully paid						
Ordinary	18,960,448	189,604	17,464,867	174,649	17,475,417	174,754
	18,960,448	189,604	17,464,867	174,649	17,475,417	174,754

10. Share Option Reserve

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 2025		31 December 2024		30 June 2024	
	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	1.48	1,394,816	1.56	1,349,710	1.49	1,458,484
Forfeited/expired during period	-	-	1.48	(65,444)	1.27	(24,125)
Granted during period	-	-	0.50	100,000	-	-
Exercised during period	-	-	0.27	10,550	0.41	(84,649)
Outstanding at end of period	1.48	1,394,816	1.48	1,394,816	1.56	1,349,710

Notes to the interim accounts

11. 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 £nil (June 2024: £50,038) are included in revenue for the six months ended 30 June 2025. Amounts outstanding at the period end included in trade receivables totals £171,188 (June 2024: £62,902).

Recharges for direct costs incurred were processed during the six months ended 30 June 2025 totalling £3,561 (June 2024: £42,550). Amounts outstanding at the period end totalled £105,995 (June 2024: £24,860).

Umberto Torrielli: A director of the Group relocated to the USA in 2020 in order to establish a new presence in this territory. Following this relocation, a loan of £150,000, plus accrued interest, was advanced. The outstanding balance, including accrued interest, of £164,047, is held within other debtors at the end of the reporting period (June 2024: £155,958). The loan is repayable within 12 months and attracts interest at the Bank of England interest rate. Loan interest of £3,589 accrued during the period (June 2024: £3,989).