

ADVFN PLC
(“ADVFN” or the “Group”)
Unaudited Interim Results for the Six Months Ended 31 December 2022

ADVFN today announces its unaudited interim results for the six months ended 31 December 2022 (the “Period”).

Chief Executive’s Statement

On behalf of the board of Directors, I am delighted to report that our recent fundraising has been a success. As announced in January, we raised £4.52 million through the Open Offer and which will provide us with the necessary resources to pursue our strategic objectives and drive growth.

We are grateful to our investors for their confidence in our ability to execute on our mission and deliver value to our customers. With this infusion of capital, we can invest in our business to drive growth and scale our operations to meet the demand for our product offerings.

Looking ahead, we have a positive outlook for the future. Our roadmap includes expanding our product portfolio, entering new geographic markets, and strengthening our partnerships with our key stakeholders. We are confident that these initiatives will drive further growth and establish our position as a leader in our industry.

Financial performance

The half-year financial report for the Period is in line with the statements made in the Open Offer document and our trading update. The changes in management, structure and employees disrupted our normal workflow during the Period and made it a challenge for the Company to meet its financial targets. However, the Company remains optimistic and with the Open Offer completed and the changes we are working on, we have confidence in our new team. The Company acknowledges that changes take time and appreciates the efforts being made by the team.

The key financial performance for the Period is summarised in the table below:

	Six Months ended 31 December 2022	Six Months ended 31 December 2021
	£'000	£'000
Revenue	3,061	4,228
Profit / (loss) for the period	(616)	202
Operating profit / (loss)	(622)	229
Profit per share – basic (see note 3)	(2.36) p	0.77p

The Board is not recommending a dividend.

Outlook

As we move forward into 2023, I am excited to share with you our plans to build new products and invest in our operations to drive growth and deliver value to our users and shareholders.

With the proceeds from our recent fundraising efforts, we will be able to accelerate our product development efforts and plan to bring innovative new solutions to market. Our R&D team is working tirelessly to identify emerging trends and technologies that will enable us to stay ahead of the curve and deliver the next generation of products and services.

We also plan to invest in our operations to improve our efficiency and scalability. This will involve upgrading our infrastructure, streamlining our processes, and investing in our people to ensure that we have the talent and capabilities to support our growth ambitions.

As we pursue these initiatives, we remain committed to maintaining a disciplined approach to capital allocation and managing our resources in a way that delivers the best returns for our shareholders. We will closely monitor our progress and adjust our strategy as necessary to ensure that we achieve good results.

In summary, we are confident that our focus on product innovation, operational excellence, and disciplined capital allocation will enable us to achieve our growth objectives and create long-term value for all our stakeholders.

We thank our shareholders for their continued support, and we look forward to providing further updates on our progress in the months ahead.

Amit Tauman

CEO

6 March 2023

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018. The person who arranged for the release of this announcement on behalf of the Company was Amit Tauman, Director.

A copy of this announcement will be available on the Group's website:

www.advfnplc.com

Condensed interim consolidated income statement

	6 months to 31 Dec 2022 £'000 unaudited	6 months to 31 Dec 2021 £'000 unaudited	12 months to 30 June 2022 £'000 audited
Notes			
Revenue	3,061	4,228	7,848
Cost of sales	(196)	(162)	(374)
Gross profit	2,865	4,066	7,474
Amortisation of intangible assets	(91)	(138)	(256)
Administrative expenses	(3,390)	(3,699)	(7,176)
Administrative expenses – non-recurring items	-		(1,420)
Total administrative expense	(3,481)	(3,837)	(8,852)
Operating (loss)/profit	(616)	229	(1,378)
Finance expense	(6)	(27)	(14)
(Loss)/profit before tax	(622)	202	(1,392)
Taxation		-	24
(Loss)/profit for the period attributable to shareholders of the parent	(622)	202	(1,368)
Earnings per share			
Basic	3 (2.36p)	0.77p	(5.22p)
Diluted	(2.36p)	0.74p	(5.22p)

Condensed interim consolidated statement of comprehensive income

	6 months to 31 Dec 2022 £'000 unaudited	6 months to 31 Dec 2021 £'000 unaudited	12 months to 30 June 2022 £'000 audited
(Loss)/profit for the period	(622)	202	(1,368)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	41	50	73
Total other comprehensive income	41	50	73
Total comprehensive (loss)/income for the year attributable to shareholders of the parent	(581)	252	(1,295)

Condensed interim consolidated balance sheet

	31 Dec 2022 £'000 unaudited	31 Dec 2021 £'000 unaudited	30 June 2022 £'000 audited
Assets			
Non-current assets			
Property, plant and equipment (including right of use assets)	51	180	98
Goodwill and intangible assets	2,054	2,513	2,112
Other receivables	26	25	26
	<hr/>	<hr/>	<hr/>
	2,131	2,718	2,236
Current assets			
Trade and other receivables	368	725	460
Cash and cash equivalents	647	2,032	915
	<hr/>	<hr/>	<hr/>
	1,015	2,757	1,375
Total assets	<hr/>	<hr/>	<hr/>
	3,146	5,475	3,611
Equity and liabilities			
Equity			
Issued capital	53	52	53
Share premium	305	223	305
Share based payments reserve	341	343	341
Foreign exchange translation reserve	324	260	283
Retained earnings	(282)	2,497	340
	<hr/>	<hr/>	<hr/>
	741	3,375	1,322
Non-current liabilities			
Borrowing – bank loans	34	47	41
Lease liabilities	-	37	-
	<hr/>	<hr/>	<hr/>
	34	84	41
Current liabilities			
Trade and other payables	2,314	1,902	2,148
Borrowing – bank loans	13	13	13
Lease liabilities	44	101	87
	<hr/>	<hr/>	<hr/>
	2,371	2,016	2,248
Total liabilities	<hr/>	<hr/>	<hr/>
	2,405	2,100	2,289
Total equity and liabilities	<hr/>	<hr/>	<hr/>
	3,146	5,475	3,611

Condensed interim consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Foreign exchange translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2021	52	223	343	210	2,295	3,123
Profit for the period after tax	-	-	-	-	202	202
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	50	-	50
Total comprehensive income	-	-	-	50	202	252
At 31 December 2021	52	223	343	260	2,497	3,375
Transactions with equity shareholders:						
Shares issued	1	82	-	-	-	83
Transfer on exercise	-	-	(2)	-	2	-
	1	82	(2)	-	2	83
Distribution to owners						
Dividends	-	-	-	-	(589)	(589)
Loss for the period after tax	-	-	-	-	(1,570)	(1,570)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	23	-	23
Total comprehensive (loss)/income	-	-	-	23	(2,159)	(2,136)
At 30 June 2022	53	305	341	283	340	1,322
Loss for the period after tax	-	-	-	-	(622)	(622)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	41	-	41
Total comprehensive (loss)/income	-	-	-	41	(622)	(581)
At 31 December 2022	53	305	341	324	(282)	741

Condensed interim consolidated cash flow statement

	6 months to 31 Dec 2022 £'000 unaudited	6 months to 31 Dec 2021 £'000 unaudited	12 months to 30 June 2022 £'000 audited
Cash flows from operating activities			
(Loss)/profit for the year	(622)	202	(1,368)
Net finance expense in the income statement	6	27	14
Depreciation of property, plant and equipment	53	110	181
Amortisation of intangible assets	91	138	256
Write off of intangible asset	-	-	296
Decrease / (Increase) in trade and other receivables	92	(94)	170
Increase in trade and other payables	167	16	262
Net cash (used) / generated by operating activities	(213)	399	(189)
Cash flows from financing activities			
Issue of share capital	-	-	83
Dividend payments	-	-	(589)
Repayment of loans	(7)	(59)	(13)
Repayments of lease liabilities	(44)	-	(103)
Lease interest paid	(3)	(6)	(10)
Other interest paid	(3)	(21)	(4)
Net cash (used)/generated by financing activities	(57)	(86)	(636)
Cash flows from investing activities			
Payments for property, plant and equipment	(6)	(51)	(39)
Purchase of intangibles	-	(160)	(114)
Net cash used by investing activities	(6)	(211)	(153)
Net (decrease)/increase in cash and cash equivalents	(276)	102	(978)
Gain / (loss) on foreign exchange	8	(9)	(46)
Net increase/(decrease) in cash and cash equivalents	(268)	93	(1,024)
Cash and cash equivalents at the start of the period	915	1,939	1,939
Cash and cash equivalents at the end of the period	647	2,032	915

1. Legal status and activities

The principal activity of ADVFN PLC (“the Company”) and its subsidiaries (together “the Group”) is the development and provision of financial information, primarily via the internet, research services and the development and exploitation of ancillary internet sites.

The principal trading subsidiaries are All IPO Plc, InvestorsHub.com Inc, N A Data Inc, MJAC InvestorsHub International Conferences Ltd and Cupid Bay Limited.

The Company is a public limited company which is quoted on the AIM of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Suite 28, Essex Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The registered number of the company is 02374988.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”.

The financial information does not include all the information required for full annual financial statements. The same accounting policies and methods of computation have been followed in the interim financial statements as compared with the full audited financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022, which were prepared under applicable law and in accordance with UK-adopted international accounting standards.

The unaudited consolidated interim financial information is for the six-month period ended 31 December 2022.

The financial statements are presented in Sterling (£) rounded to the nearest thousand except where specified.

The interim financial information has been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future.

No material uncertainties that cast significant doubt about the ability of the Group to continue as a going concern have been identified by the directors. Accordingly, the directors believe it is appropriate for the interim financial statement to be prepared on the going concern basis.

The principle risks and uncertainties of the Company remain the same as those reported in the consolidated financial statements of the Group for the year ended 30 June 2022.

The interim financial information has not been audited nor has it been reviewed under ISRE 2410 of the Auditing Practices Board. The financial information presented does not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The Group’s statutory accounts for the year to 30 June 2022 have been filed with the Registrar of Companies. The auditors, Saffery Champness LLP reported on these accounts and their report was unqualified and did not contain a statement under section 498(2) or Section 498(3) of the Companies Act 2006.

3. Earnings per share

	6 months to 31 Dec 2022 £'000	6 months to 31 Dec 2021 £'000	12 months to 30 June 2022 £'000
(Loss) / profit for the year attributable to equity shareholders	(622)	202	(1,368)
	Shares	Shares	Shares
Weighted average number of shares in issue for the period	26,315,319	26,115,318	26,184,360
Dilutive effect of options	-	1,144,585	-
Weighted average shares for diluted earnings per share	26,316,319	27,259,903	26,184,360
(Loss) / earnings per share (pence)			
Basic	(2.36p)	0.77p	(5.22p)
Diluted	(2.36p)	0.74p	(5.22p)

Where a loss has been recorded for the year the diluted loss per share does not differ from the basic loss per share. Where a profit has been recorded but the average share price for the year remains under the exercise price the existence of options is not normally dilutive. However, whilst the average exercise price of all outstanding options is above the average share price there are a number of options which are not. Under these circumstances those options where the exercise price is below the average share price are treated as dilutive.

4. Dividends

The directors are not recommending payment of a dividend in the current financial year.

5. Events after the balance sheet date

On 6 January 2023, the company raised £4.523m by way of an open offer of shares to qualifying shareholders. A total of 20,676,322 shares were offered to existing shareholders at a price of 33 pence per share. 13,708,300 shares were taken up.

6. Financial statements

Copies of these accounts are available from ADVFN Plc's registered office at Suite 28, Ongar Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA or from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ, www.companieshouse.gov.uk and from the ADVFN plc website: www.ADVFNPLC.com

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