

Webis Holdings plc

Global Gaming Group

**Unaudited Interim Report and Consolidated Financial Statements
for the period ended 30 November 2021**

London AIM Stock Code: WEB

Webis Holdings plc

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Webis Holdings plc

Group at a Glance

Webis Holdings plc (the “Company”) and its subsidiary companies (together the “Group”) operates two primary segments: -

WatchandWager.com Ltd and WatchandWager.com LLC – Advanced Deposit Wagering (“ADW”)

WatchandWager.com LLC – Cal Expo Harness Racetrack

WatchandWager.com Ltd is regulated in the Isle of Man and operates a totalisator wagering hub through its United States Tote supplier, which enables it to conduct its ADW business by passing wagers directly into global racetrack betting pools in real time.

WatchandWager.com LLC has its operational base in Lexington, Kentucky, with its head office in Larkspur, California, and provides pari-mutuel wagering, or pool-betting, services through a number of distribution channels to a global client base. The company holds United States pari-mutuel licences for its ADW business in the USA, including a multi-jurisdictional licence issued by the States of North Dakota, and individual licences for the States of California, Maryland, Colorado, Minnesota, New York, Washington, West Virginia and Kentucky. The business provides wagering opportunities predominantly on horse and greyhound racing and has contracted with a significant number of prestigious racetrack partners within the United States, Hong Kong, France, Canada, United Kingdom, Ireland, and Australia amongst others. It provides wagering facilities to customers through its interactive website, *watchandwager.com*, as well as offering a business-to-business wagering product.

WatchandWager.com LLC also operates Cal Expo Harness Racetrack in Sacramento, California, under a licence issued by the California Horse Racing Board. This ‘bricks and mortar’ presence in the largest State economy in the USA continues to provide leverage for our related global pari-mutuel operations.

As part of the requirements for the Isle of Man licence, client funds for the Isle of Man licensed companies are held in fully protected segregated client accounts within an Isle of Man regulated bank.

Webis Holdings plc

Chairman's Statement

Introduction

Our principal subsidiary, WatchandWager.com ("WatchandWager"), experienced a slight reduction in performance versus the same period last year. That said, it should be noted that we continue to trade well above our previous performance levels, with our handle up by 52% versus the same period in 2018/19. In addition, the business has a much wider scope both in terms of revenue levels and strategic opportunities - more of below.

There are some key reasons for this minor downturn: mainly that 2020 and early 2021 months were a unique period for the Company and indeed many online gaming operations. For almost the entire period, we operated with either zero or highly restricted attendance at the key racetracks with which we do business. Whilst this made our own track somewhat harder to operate, it did assist our online and mobile platforms as players continued to wager, albeit on a more interactive basis. For the six months reported, these trends have changed slightly, with increased competition for the leisure dollar and certain increases in our cost base.

More positively, the Board is pleased with our continued licensed position in the USA and California. During the period, we continued to strengthen this for the benefit of shareholders. Shareholders will note some very exciting developments in the legislation of sports wagering in the United States and the potential for that to be approved in California towards the end of this year. This is a complex business and is commented upon in more detail below. However, we do believe that WatchandWager remains well positioned in California and indeed other States to maximize our competitive advantage. As a result of this we continue to review our strategic opportunities in the USA and California in particular.

Half Year Results Review

Group amounts wagered were US\$ 39.9 million, down 12% on prior year (2020: US\$ 45.4 million). Turnover reported was US\$ 6.80 million (2020: US\$ 7.43 million), with gross profit achieved of US\$ 2.18 million (2020: US\$ 2.66 million). This resulted in a small loss on the period of US\$ 0.07 million (2020: profit of US\$ 0.72 million).

Operating costs showed a small increase to US\$ 2.22 million (2020: US\$ 2.17 million), arising from a general increase in operating costs. Cash and cash equivalents stand at US\$ 3.10 million (31 May 2021: US\$ 3.24 million).

Operations Update

Business-to-consumer (B2C) – this division performed well over the period and continues to do so. Most importantly, it now contributes the majority of our gross margin as compared to the more volatile business-to-business division. This is significant because, as the Board is aware, there is no doubt that having a strong B2C operation is our key to success and is also attractive to other potential partners in the USA.

Comparing our key metrics versus the same period in 2020: handle slightly reduced but active player numbers across the platform remain stable versus prior year, and we were successful in retaining many of our clients who were recruited during 2020. This was achieved with a low-cost marketing budget which we deliberately controlled in order to manage our cash flows.

We do believe that there is further scope for growth in this sector, and this is commented on more under Outlook.

Business-to-business (B2B) – trading for this division performed as expected. Over the past few years, this area has become increasingly competitive in nature, and this continues to be the case. Whilst we managed our high roller customer base effectively with a view to maximizing our margin return, new business has been hard to come by. This sector is very much a relationship business where one-to-one contact with existing and new clients is very important. This has obviously been impossible to achieve during the COVID-19 pandemic. On top of that, we are seeing increased competition in this sector with clients constantly attempting to improve their margins at our expense and our content suppliers, and indeed regulators, looking to improve their own revenue. Thus, WatchandWager is effectively squeezed on both sides of the equation, hence impacting our profitability. That said, we believe there are still opportunities, especially within some of the more niche markets that we offer. Assuming a more normal 2022 in terms of relaxation of travel restrictions and industry events, the Executive plan to use this opportunity to revitalize existing business and search proactively for new business.

Webis Holdings plc

Chairman's Statement continued

Cal Expo

During the period, we were forced to remain closed for live operations as planned through the summer months. We again benefitted from good levels of commissions from other existing operations in California both on a land based and interactive basis, and this remains a key part of the model.

In mid-November, we recommenced harness racing at Cal Expo in Sacramento for our tenth season in a row, and we intend to race until the end of April 2022. It has been a very difficult time to run a live racing operation, and whilst we are now accepting spectators at the track, unsurprisingly attendances have been low due to concerns regarding the Omicron variant of COVID-19, which will probably impact us through the rest of the season.

On a more positive note, the Board is pleased with the quality of product being presented at Cal Expo, and we see no reason why we cannot perform strongly to year end. Of course, our license in California, both land-based and interactive, remain the key asset to the company, and this is commented in more detail under Strategy.

Licenses

During the period, we have concentrated on obtaining important license applications and renewals. I am pleased to report that all license applications were successfully renewed, and include the key strategic states of California, New York and Kentucky, amongst others. These licenses are all in good standing through the entirety of 2022 and, in certain cases, beyond.

Compliance

There were no compliance issues reported to our various regulators during the period.

Health & Safety

There were no health and safety issues to report across the entire Cal Expo operation, where equine and participant welfare remain our highest priority.

Outlook

Short term

Performance in the last two months has been steady. However, seasonality impacts our content over the winter months with key tracks closed and other tracks being abandoned due to unfavourable weather conditions. This particularly affects our East Coast of the USA business. Notwithstanding, we continue to trade well, and our numbers track above our 2019/20 performance to date.

Initial performance at Cal Expo was hampered by poor weather and an outbreak of equine flu on the facility. This impacts field sizes and numbers of races which will transfer to lower handle. At time of writing, I am pleased to say that equine illnesses have been minimized and that we fully expect performance to improve into the spring months as per previous year trends.

Overall, across all divisions, we expect an upturn in performance in the spring of 2022, and we are very focused on improving our handle and most importantly, our margin derived from our activities and at the same time continuing to manage our cost base.

Longer term

Existing operations

The Board remains optimistic regarding the current state of our business. Most importantly, our B2C operations are now contributing the vast majority of the margin derived from the business and we see that area as our focus for existing operations. On that note, the Executive are currently preparing detailed software development, payment processing, marketing and regulatory expansion plans for our core website. These four factors underpin a successful USA licensed online wagering site. There is, however, an obvious cost to all four of these items, some of which can be financed through existing cash flows. This investment is critical to the future growth of the business and indeed our market valuation. The Board will keep shareholders fully informed of any decisions to invest in the current wagering platform.

In relation to Cal Expo, shareholders are aware that we hold the exclusive lease to the racetrack until May 2025. We have also an option to extend that lease for another five years until May 2030. Our Executive are currently in negotiations with the Cal Expo Board who represent the State of California to further extend this option. As noted, we see our extended lease as a key asset to the company and will be making an announcement in due course.

Webis Holdings plc

Chairman's Statement continued

USA Expanded Gaming California

At time of writing, there are at least four different draft bills that could go in front of Californian voters during the Ballot season in November of 2022. Two are draft Native American sponsored bills which are, unfortunately, protective in nature. On a more positive note, the other two potential bills are being worked on by key participants of the gaming industry of California. These bills are much more progressive in nature and will allow for the ability to offer mobile wagering as well as land-based facilities. These will dramatically increase revenues back to the State of California and, of course, provide equally important land-based and remote-based job opportunities in the State. Figures coming out of New Jersey and New York, which recently legalized mobile wagering, confirm our projections for rapid growth in this area. At present, we are fully engaged with our lobbyists in Sacramento to make legislatures understand the benefits of a truly democratic and competitive marketplace for sports wagering in California to the benefit of all stakeholders.

Strategic options

Observers will be aware that the USA continues to be the land of opportunity in our sector, particularly as other markets suffer from oversaturation and legislative problems, particularly in the UK and Europe. The level of expenditure from existing and new operators in the USA has hit unprecedented heights as they all fight for customer acquisition and dominant market share. This strategy is risky and, for us, above our available cash flows. We are, however, fully aware of our unique position, and we continue to be in discussions with potential partners in order for us to leverage the kind of scalability required to succeed in the core USA markets.

Having sought external advice from venture capital firms and indeed specialty gaming advisers, we continue to consider ourselves to be undervalued on our metrics and, indeed, our potential growth opportunity in the USA. We remain open to discussion with potential partners and will keep shareholders fully informed of developments in this matter.

In the meantime, we would continue to thank our staff, participants and shareholders for their on-going support for our business.

Denham Eke
Non-executive Chairman
21 February 2022

Webis Holdings plc

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 November 2021

	Note	Period to 30 November 2021 (unaudited) US\$000	Period to 30 November 2020 (unaudited) US\$000
Amounts wagered		39,849	45,391
Turnover	3	6,795	7,430
Cost of sales		(4,566)	(4,713)
Betting duty paid		(53)	(60)
Gross profit		2,176	2,657
Operating costs		(2,220)	(2,172)
Other losses		(3)	(7)
Government grants	1.5	—	272
Other income		39	34
Operating (loss) / profit		(8)	784
Finance costs	4	(62)	(63)
(Loss) / profit before income tax		(70)	721
Income tax expense	5	—	—
(Loss) / profit for the period		(70)	721
Other comprehensive income for the period		—	—
Total comprehensive (loss) / profit for the period		(70)	721
Basic and diluted earnings per share for (loss) / profit attributable to the equity holders of the Company during the period (cents)	6	(0.02)	0.18

The notes on pages 10 to 16 are an integral part of these condensed consolidated interim financial statements.

Webis Holdings plc

Condensed Consolidated Statement of Financial Position

As at 30 November 2021

	Note	As at 30 November 2021 (unaudited) US\$000	Year ended 31 May 2021 (audited) US\$000
Non-current assets			
Intangible assets	7	8	12
Property, equipment and motor vehicles		392	380
Bonds and deposits		101	101
Total non-current assets		501	493
Current assets			
Bonds and deposits		882	882
Trade and other receivables		1,420	1,896
Cash, cash equivalents and restricted cash	8	4,193	5,083
Total current assets		6,495	7,861
Total assets		6,996	8,354
Equity			
Called up share capital		6,334	6,334
Share option reserve		42	42
Retained losses		(4,754)	(4,684)
Total equity		1,622	1,692
Current liabilities			
Trade and other payables		3,659	4,995
Loans, borrowings and lease liabilities	9	611	572
Total current liabilities		4,270	5,567
Non-current liabilities			
Loans, borrowings and lease liabilities	9	1,104	1,095
Total non-current liabilities		1,104	1,095
Total liabilities		5,374	6,662
Total equity and liabilities		6,996	8,354

The notes on pages 10 to 16 are an integral part of these condensed consolidated interim financial statements.

Webis Holdings plc

Condensed Consolidated Statement of Changes in Equity

For the period ended 30 November 2021

	Called up share capital US\$000	Share option reserve US\$000	Retained earnings US\$000	Total equity US\$000
Balance as at 31 May 2020 (audited)	6,334	42	(5,508)	868
Total comprehensive income for the period:				
Profit for the period	—	—	721	721
Transactions with owners:				
Share-based payment expense	—	—	—	—
Balance as at 30 November 2020 (unaudited)	6,334	42	(4,787)	1,589

Balance as at 31 May 2021 (audited)	6,334	42	(4,684)	1,692
Total comprehensive income for the period:				
Loss for the period	—	—	(70)	(70)
Transactions with owners:				
Share-based payment expense	—	—	—	—
Balance as at 30 November 2021 (unaudited)	6,334	42	(4,754)	1,622

The notes on pages 10 to 16 are an integral part of these condensed consolidated interim financial statements.

Webis Holdings plc

Condensed Consolidated Statement of Cash Flows

For the period ended 30 November 2021

	Note	Period to 30 November 2021 (unaudited) US\$000	Period to 30 November 2020 (unaudited) US\$000
Cash flows from operating activities			
(Loss) / profit before income tax		(70)	721
Adjustments for:			
- Depreciation		49	40
- Amortisation of intangible assets		4	21
- Rent concession received		—	(5)
- Finance costs	4	62	63
- Government grant utilised		—	(272)
- Other foreign exchange movements		(5)	107
Changes in working capital:			
- Decrease in receivables		476	171
- Decrease in payables		(1,336)	(144)
Cash flows (used in) / generated from operations		(820)	702
Bonds and deposits utilised in the course of operations		—	—
Net cash (used in) / generated from operating activities		(820)	702
Cash flows from investing activities			
Purchase of intangible assets		—	—
Purchase of property, equipment and motor vehicles		—	—
Net cash used in investing activities		—	—
Cash flows from financing activities			
Interest paid	4	(62)	(63)
Payment of lease liabilities		(21)	(21)
Repayment of loans and borrowings		(3)	(3)
Increase in loans, borrowings and lease liabilities		13	13
Net cash used in financing activities		(73)	(74)
Net increase in cash and cash equivalents		(893)	628
Cash and cash equivalents at beginning of year		3,238	2,499
Exchange gains / (losses) on cash and cash equivalents		3	(107)
Change in restricted cash balances		752	(27)
Cash and cash equivalents at end of period		3,100	2,993

The notes on pages 10 to 16 are an integral part of these condensed consolidated interim financial statements.

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the period ended 30 November 2021

1 Reporting entity

Webis Holdings plc (the "Company") is a company domiciled in the Isle of Man. The address of the Company's registered office is Viking House, Nelson Street, Douglas, Isle of Man, IM1 2AH. The Webis Holdings plc unaudited condensed consolidated financial statements as at and for the period ended 30 November 2021 consolidate those of the Company and its subsidiaries (together referred to as the "Group").

1.1 Basis of accounting

The unaudited condensed consolidated financial statements of the Group (the "Financial Information") are prepared in accordance with Isle of Man law and International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") and adopted by the European Union ("EU"). The financial information in this report has been prepared in accordance with the Group's accounting policies. Full details of the accounting policies adopted by the Group are contained in the consolidated financial statements included in the Group's annual report for the year ended 31 May 2021 which is available on the Group's website: www.webisholdingsplc.com.

The accounting policies and methods of computation and presentation adopted in the preparation of the Financial Information are consistent with those described and applied in the consolidated financial statements for the year ended 31 May 2021.

The unaudited condensed consolidated financial statements do not constitute statutory financial statements. The statutory financial statements for the year ended 31 May 2021, extracts of which are included in these unaudited condensed consolidated financial statements, were prepared under IFRS as adopted by the EU and have been filed at Companies Registry.

1.2 Use of judgements and estimates

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ materially from these estimates. In preparing the Financial Information, the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 May 2021 as set out in those financial statements.

1.3 Functional and presentation currency

The Financial Information is presented in US Dollars, rounded to the nearest thousand, which is the functional currency and also the presentation currency of the Group.

1.4 Going Concern

As noted within the statutory financial statements for the year ended 31 May 2021, the Directors have continued to undertake several strategies to support and sustain the Group as a going concern. These include, seeking to broaden its client base and expand its business to customer base, renewing various US state licenses, along with continuing to develop and expand the Cal Expo racetrack operations, and monitoring the status of sports betting legislation within the State of California, all of which remain key priorities for the Group in achieving its goal of profitability and maintaining adequate liquidity in order to continue its operations. While the Directors continue to assess all strategic options in this regard, the ultimate success of strategies adopted remains difficult to predict.

In addition, as the horseracing industry continued to operate during the coronavirus pandemic, which assisted the Group in improving profitability in 2020/21, and not withstanding the losses incurred in the current interim period, this overall improved performance has led to a more positive cash flow position and has increased the Group operational cash.

Based on the above, along with the continued support of the Company's principal shareholder, via Galloway Limited, a related party, the Directors believe that the Group has adequate resources to meet its obligations as they fall due.

1.5 Government grants

The Group initially recognises government grants, that compensate for expenses incurred, as deferred income at fair value if there is a reasonable assurance that they will be received. They are then recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2021

2 Operating Segments

A. Basis for segmentation

The Group has the below two operating segments, which are its reportable segments. The segments offer different services in relation to various forms of pari-mutuel racing, which are managed separately due to the nature of their activities.

Reportable segments and operations provided

Racetrack operations – hosting of races through the management and operation of a racetrack facility, enabling patrons to attend and wager on horse racing, as well as utilise simulcast facilities.

ADW operations – provision of online ADW services to enable customers to wager into global racetrack betting pools.

The Group's Board of Directors review the internal management reports of the operating segments on a monthly basis.

B. Information about reportable segments

Information relating to the reportable segments is set out below. Segment revenue along with segment profit / (loss) before tax are used to measure performance as management considers this information to be a relevant indicator for evaluating the performance of the segments.

Period to 30 November 2021 (unaudited)	<u>Reportable segments</u>		Corporate operating costs US\$000	Total US\$000
	Racetrack US\$000	ADW US\$000		
External revenues	5,530	1,265	–	6,795
Segment revenue	5,530	1,265	–	6,795
Segment profit / (loss) before tax	155	(155)	(70)	(70)
Finance costs	(10)	(3)	(49)	(62)
Depreciation and amortisation	(29)	(22)	(2)	(53)
Period to 30 November 2021 (unaudited)				
Segment assets	2,005	3,553	1,438	6,996
Segment liabilities	1,106	2,833	1,435	5,374

Period to 30 November 2020 (unaudited)	<u>Reportable segments</u>		Corporate operating costs US\$000	Total US\$000
	Racetrack US\$000	ADW US\$000		
External revenues	5,874	1,556	–	7,430
Segment revenue	5,874	1,556	–	7,430
Segment profit before tax	282	385	54	721
Finance costs	(12)	(2)	(49)	(63)
Depreciation and amortisation	(20)	(41)	–	(61)
Period to 31 May 2021 (audited)				
Segment assets	2,138	3,915	2,301	8,354
Segment liabilities	1,409	3,812	1,441	6,662

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2021

2 Operating Segments continued

C. Reconciliation of reportable segments profit or loss

	Period to 30 November 2021 (unaudited) US\$000	Period to 30 November 2020 (unaudited) US\$000
(Loss) / profit before tax		
Total (loss) / profit before tax for reportable segments	–	667
(Loss) / profit before tax for other segments	(70)	54
Consolidated (loss) / profit before tax	(70)	721

3. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

In the following tables, revenue is disaggregated by primary geographical market, major services lines and timing of revenue recognition. The tables also include a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 2).

Period to 30 November 2021 (unaudited)	<u>Reportable segments</u>		Total US\$000
	Racetrack US\$000	ADW US\$000	
Primary geographic markets			
North America	5,530	969	6,499
British Isles	–	296	296
Segment revenue	5,530	1,265	6,795
Major service lines			
ADW wagering	4,116	1,265	5,381
Race hosting	1,414	–	1,414
	5,530	1,265	6,795
Timing of revenue recognition			
Services transferred at a point in time	5,530	1,265	6,795
Revenue from contracts with customers	5,530	1,265	6,795
External revenue as reported in Note 2	5,530	1,265	6,795

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2021

3. Revenue continued

Period to 30 November 2020 (unaudited)	Reportable segments		Total US\$000
	Racetrack US\$000	ADW US\$000	
Primary geographic markets			
North America	5,874	1,146	7,020
British Isles	–	410	410
Segment revenue	5,874	1,556	7,430
Major service lines			
ADW wagering	4,772	1,556	6,328
Race hosting	1,102	–	1,102
	5,874	1,556	7,430
Timing of revenue recognition			
Services transferred at a point in time	5,874	1,556	7,430
Revenue from contracts with customers	5,874	1,556	7,430
External revenue as reported in Note 2	5,874	1,556	7,430

4 Finance costs

	Period to 30 November 2021 (unaudited) US\$000	Period to 30 November 2020 (unaudited) US\$000
Loan interest payable	(50)	(50)
Lease liability interest payable	(12)	(13)
Finance costs	(62)	(63)

5 Income tax expense

(a) Current and Deferred Tax Expenses

The current and deferred tax expenses for the period were US\$ Nil (2020: US\$ Nil). Despite having made losses in the past, no deferred tax was recognised as there is no reasonable expectation that the Group will recover the resultant deferred tax assets.

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2021

5 Income tax expense continued

(b) Tax Rate Reconciliation

	Period to 30 November 2021 (unaudited) US\$000	Period to 30 November 2020 (unaudited) US\$000
(Loss) / profit before tax	(70)	721
Tax charge at IOM standard rate (0%)	—	—
Adjusted for:		
Tax (credit) / debit for US tax (losses) / profits (at 15%)	(17)	80
Add back / (deduct) deferred tax losses not recognised	17	(80)
Tax charge for the period	—	—

The maximum deferred tax asset that could be recognised at period end is approximately US\$840,000 (2020: US\$827,000). The Group has not recognised any asset as it is not reasonably known when the Group will recover such deferred tax assets.

6 Earnings per ordinary share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive share options.

An adjustment for the dilutive effect of share options and convertible debt in the previous period has not been reflected in the calculation of the diluted loss per share, as the effect would have been anti-dilutive.

	Period to 30 November 2021 (unaudited) US\$000	Period to 30 November 2020 (unaudited) US\$000
(Loss) / profit for the period	(70)	721

	No.	No.
Weighted average number of ordinary shares in issue	393,338,310	393,338,310
Dilutive element of share options if exercised	14,000,000	14,000,000
Diluted number of ordinary shares	407,338,310	407,338,310
Basic earnings per share (cents)	(0.02)	0.18
Diluted earnings per share (cents)	(0.02)	0.18

The earnings applied are the same for both basic and diluted earnings calculations per share as there are no dilutive effects to be applied.

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2021

7 Intangible assets

Intangible assets include goodwill which relates to the acquisition of the pari-mutuel business which is both a cash generating unit and a reportable segment, including goodwill arising on the acquisition in 2010 of WatchandWager.com LLC, a US registered entity licenced for pari-mutuel wagering in North Dakota.

The Group tests intangible assets annually for impairment, or more frequently if there are indicators that the intangible assets may be impaired. The goodwill balance was fully impaired in the financial year ended 31 May 2015.

8 Cash, cash equivalents and restricted cash

	Period to 30 November 2021 (unaudited) US\$000	Year ended 31 May 2021 (audited) US\$000
Cash and cash equivalents – company and other funds	3,100	3,238
Restricted cash – protected player funds	1,093	1,845
Total cash, cash equivalents and restricted cash	4,193	5,083

The Group holds funds for operational requirements and for its non-Isle of Man customers, shown as 'company and other funds' and on behalf of its Isle of Man regulated customers and certain USA state customers, shown as 'protected player funds'.

Protected player funds are held in fully protected client accounts within an Isle of Man regulated bank and in segregated accounts within a USA regulated bank.

9 Loans, borrowings and lease liabilities Current liabilities

	Period to 30 November 2021 (unaudited) US\$000	Year ended 31 May 2021 (audited) US\$000
Unsecured loan (current portion)	6	6
Lease liabilities (current portion)	105	66
Secured loans – Galloway Ltd	500	500
	611	572

Non-current liabilities

	Period to 30 November 2021 (unaudited) US\$000	Year ended 31 May 2021 (audited) US\$000
Unsecured loan (non-current portion)	16	19
Lease liabilities (non-current portion)	238	226
Secured loans – Galloway Ltd	850	850
	1,104	1,095

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2021

9 Loans, borrowings and lease liabilities continued

Terms and repayment schedule

	Nominal interest rate	Year of maturity	Period to 30 November 2021 (unaudited) US\$000	Year ended 31 May 2021 (audited) US\$000
Unsecured loan	8.90%	2025	22	25
Lease liabilities	6.00-7.00%	2023-25	343	292
Secured loan – Galloway Ltd	7.75%	2022	500	500
Secured loan – Galloway Ltd	7.00%	2024	350	350
Secured loan – Galloway Ltd	7.00%	2025	500	500
Total loans and borrowings			1,715	1,667

The secured loans from Galloway Ltd are secured over the unencumbered assets of the Group.

10 Related party transactions

Identity of related parties

The Group has a related party relationship with its subsidiaries, and with its Directors and executive officers and with Burnbrae Ltd (significant shareholder).

Transactions with and between subsidiaries

Transactions with and between the subsidiaries in the Group which have been eliminated on consolidation are considered to be related party transactions.

Transactions with entities with significant influence over the Group

Rental and service charges of US\$23,868 (2020: US\$22,041) and Directors' fees of US\$13,834 (2020: US\$12,775) were charged in the period by Burnbrae Ltd of which Denham Eke is a common Director. The Group also had a loan of US\$1,350,000 (31 May 2021: US\$1,350,000) from Galloway Ltd, a company related to Burnbrae Limited by common ownership and Directors (see note 9).

Transactions with other related parties

There were no transactions with other related parties during the period.

11 Subsequent events

There were no significant subsequent events identified after 30 November 2021.

12 Approval of interim statements

The interim statements were approved by the Board on 21 February 2022. The interim report is expected to be available for shareholders on 22 February 2022 and will be available from that date on the Group's website www.webisholdingsplc.com.

The Group's nominated adviser and broker is Beaumont Cornish Limited, Building 3, Chiswick Park, 566 Chiswick High Road, London W4 5YA.

Webis Holdings plc

Webis Holdings plc

Viking House, Nelson Street
Douglas, Isle of Man
IM1 2AH, British Isles

Email: ir@webisholdingsplc.com

Website: www.webisholdingsplc.com