

Webis Holdings plc

Global Gaming Group

**Unaudited Interim Report and Consolidated Financial Statements
for the period ended 30 November 2023**

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 several 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, and Kentucky. The business provides wagering opportunities predominantly on horse racing and is contracted with a significant number of prestigious racetrack partners within the United States, namely Churchill Downs Inc, Monarch Content Management, the New York Racing Association, Penn Gaming and all other major track operators in the USA. Internationally, the company has contracts with Hong Kong, France, Canada, United Kingdom, Ireland, Australia, and South Africa amongst many others. The service 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. The current lease at Cal Expo extends to 2030.

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.

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Chairperson's Statement

Introduction

Our principal subsidiary, WatchandWager.com LLC ("WatchandWager"), has had a difficult start to the period reported and that has continued in the last few months. There continue to be many encouraging signs for the business, both in terms of future performance, and our strategic options in the USA, which remains the biggest growth market globally for licensed land based and on-line gaming operators, such as WatchandWager.

Trading was in line with expectations during the first quarter of the financial year, but the second quarter did not perform to expectations, largely due to adverse weather conditions. This is not abnormal, but again reflects the cyclical nature of the business.

Despite these difficult trading conditions, we remain optimistic about the future of the operation. We are particularly pleased by the performance of our Business-to-Consumer sector, namely the on-line wagering from our client base on our key website, www.watchandwager.com. This sector is performing above general market trends and is a key focus for the future, both in terms of trading and strategic opportunities for the Group.

As fixed odds sports betting spreads throughout the USA at an impressive rate, there is a growing demand by the larger operators to partner, merge or even acquire licensed pari-mutuel operators. Our market analysis suggests WatchandWager has a unique position in the USA as one of the top five licensed operators in our sector. Our stable platform of technology, payments, licenses, and most importantly content, is of interest to the larger sports betting operators, who are looking to augment their gross margins, which are under increasing pressure. Our licensed operation at Cal Expo with its "bricks and mortar" presence in California, enhances that position, especially in relation to leverage in California and the USA generally.

Half Year Results Review

Group amounts wagered were US\$ 37.4 million, down 2% on prior year (2022: US\$ 38.2 million). Turnover reported was US\$ 5.90 million (2022: US\$ 6.23 million), with gross profit achieved of US\$ 1.80 million (2022: US\$ 1.99 million). This resulted in a loss on the period of US\$ 0.54 million (2022: loss of US\$ 0.33 million).

Operating costs showed a small decrease to US\$ 2.30 million (2022: US\$ 2.31 million). Cash and cash equivalents stand at US\$ 1.82 million (31 May 2023: US\$ 2.15 million).

Operations Update

Business-to-Consumer (B2C)

This division performed above market expectations over the period reported. On known statistics and at time of writing, the overall advanced deposit wagering market in the USA is showing a decline of an estimated 10.8% in handle versus prior year comparisons. The key reasons for this being the cost-of-living crisis, and the proliferation of other forms of gaming, particularly on-line sports betting, which has grown exponentially for operators from a handle point of view, if not necessarily in terms of profitability.

Against these downward market trends, I am pleased to report that handle and active players on the platform has remained steady against the same period last year and continues to do so to time of writing. Most importantly, this sector now contributes over 80% of our ADW gross margin as compared to the lower margin Business-to-Business division. The Board is encouraged by this performance given a relatively low expenditure on development and marketing.

Related to that, the Executive have rolled out a development plan to improve user experience on our main site, which is almost complete at time of writing. Based on previous successful campaigns, we will also be rolling out our targeted social media campaign, aimed at acquiring customers (at a sensible cost), and also retention and reactivation. This will start in April and carry on through the key summer months. The Executive will be monitoring the key performance indicators of this campaign on an ongoing basis. The campaign is designed to be flexible and adjustable dependent on performance.

Business-to-Business (B2B)

This sector remains important to the overall business, providing an important contribution to the bottom line. That said, whilst we do not turn down properly regulated business and we continue to service an elite group of players; this market is increasingly competitive,

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Chairperson's Statement continued

and the margin derived is significantly lower than B2C. We continue to provide "niche" opportunities to important creative player groups who see market opportunities using our services and wide range of content, but are aware that this sector has become mature. We will continue to service this sector, not least as the volumes wagered are important to the business.

Cal Expo

Following the end of Racing in May 2023, we had a solid "dark money" performance (the revenues we receive in the summer months when the track is not operating), although it was somewhat impacted by the economic headwinds. We recommenced live racing operations in November 2023, with initial performance being steady. We expect a better performance in March to May 2024, which have traditionally been our strongest months, both in terms of horse population and the level of wagers placed. We also have some opportunities in relation to our lease at Cal Expo and our unique positioning in Northern California which we will keep shareholders updated upon.

Licenses

USA and Isle of Man

I am pleased to report that we have successfully renewed and retained our entire portfolio of licenses in the USA and also the Isle of Man with no regulatory issues. We consider our array of licenses to continue to be a key asset to the Group, in addition to content rights.

Content Rights

Based on competitor research, we know that we offer the widest range of live content of any tote (pari-mutuel) website in the world, both within the USA and internationally. In total, we take wagers from over twenty-four key licensed jurisdictions. These cover all the major horseracing centres, notably in the USA, Canada, UK, Ireland, France, Australia, Hong Kong, South Africa and multiple other countries.

In the USA, we accept wagers on thoroughbred, harness (standard bred), greyhound and jai alai content. Most importantly, we enjoy contracts with all the major key content providers in the USA, notably Churchill Downs, Monarch Content Management (Stronach Group), the New York Racing Association, and Penn National. These contractual relationships give us access to all the major races conducted in the USA. They have been built up over many years of operational reliability, as well as of course the leverage of our Cal Expo licence.

Alongside our licenses and our proven wagering platform operations, we consider our range of content agreements to be key asset to the Group, and we will seek to further emphasise this to the outer industry.

We are, however, very conscious of the growth in wagering on other sports outside horseracing in the USA. Whilst sports wagering is still not licensed in California, we are looking at new and innovative products to add to the website offering, alongside our core offering. We will keep shareholders fully informed in relation to progress in this area.

Compliance and Health & Safety

There were no compliance issues reported to our various regulators during the period. In addition, there were no health and safety issues to report across the entire Cal Expo operation, where equine and participant welfare remain our highest priority. We consider both these points to be integral to our reputation as an operation.

Outlook

Short term trading

As stated, we have had a difficult trading period post November 2023. Despite that, I remain confident that, as we approach the spring months, trading will improve in line with expectations. We see the ability to continue to grow B2C trading further with the implementation of the web development work, and the subsequent marketing plan, as key performance indicators. In addition, we expect to see a stronger performance from our Cal Expo retail operations over the next few months, which is traditionally our strongest period of the financial year.

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Chairperson's Statement continued

Strategic Outlook

The Board agree that we must focus on four key areas to achieve growth, and a return to profitability and advance our known licensed position in the USA for the benefit of shareholders. These four initiatives are as follows:

- To grow the B2C business platform in terms of player numbers and handle, and therefore improve margin for the business. We have proven that there is consistent growth in this sector and the next six months will be very important in this area.
- To continue to grow our land-based licenses at Cal Expo and potentially in other States. There are some very interesting developments in this area at time of writing, and we will update shareholders as soon as there is more tangible news.
- To utilise our key assets to provide third party services to existing or new entrants into the US market. Evidence suggests there is a good market for these services as stated above. These are the potential to share our US and international content rights, our licenses especially in California, our US based banking and payment methods, and our technology.
- Finally, and related to point three, we are very aware that strategic interest in USA regulated gaming, including horseracing, is very strong at present and will continue to be for several years. The larger operators, and also new entrants to the market, are looking for stable operations to either merge with or to acquire outright. This is exactly what WatchandWager offers, and the key Executive has been instructed by the Board to pursue these opportunities, if they are of benefit to shareholders. We will keep shareholders fully informed of any developments in this area.

Finally, I would like to thank all our shareholders, customers, and our staff in the various jurisdictions for their loyalty and support of the business.

Denham Eke
Non-executive Chair
26 February 2024

Webis Holdings plc

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 November 2023

	Note	Period to 30 November 2023 (unaudited) US\$000	Period to 30 November 2022 (unaudited) US\$000
Amounts wagered		37,415	38,241
Turnover	3	5,903	6,226
Cost of sales		(4,059)	(4,185)
Betting duty paid		(48)	(52)
Gross profit		1,796	1,989
Operating costs		(2,298)	(2,307)
Other gains		13	12
Other income		25	62
Operating loss		(464)	(244)
Finance costs	4	(77)	(81)
Loss before income tax		(541)	(325)
Income tax expense	5	—	—
Loss for the period		(541)	(325)
Other comprehensive income for the period		—	—
Total comprehensive loss for the period		(541)	(325)
Basic and diluted earnings per share for loss attributable to the equity holders of the Company during the period (cents)	6	(0.14)	(0.08)

The notes on pages 10 to 17 are an integral part of these condensed consolidated interim financial statements.

Webis Holdings plc

Condensed Consolidated Statement of Financial Position

As at 30 November 2023

	Note	As at 30 November 2023 (unaudited) US\$000	Year ended 31 May 2023 (audited) US\$000
Non-current assets			
Intangible assets	7	14	19
Property, equipment, and motor vehicles		612	661
Bonds and deposits		100	100
Total non-current assets		726	780
Current assets			
Bonds and deposits		883	883
Trade and other receivables		1,234	1,378
Cash, cash equivalents and restricted cash	8	2,796	3,285
Total current assets		4,913	5,546
Total assets		5,639	6,326
Equity			
Called up share capital		6,334	6,334
Share option reserve		42	42
Retained losses		(6,344)	(5,803)
Total equity		32	573
Current liabilities			
Trade and other payables		3,278	3,712
Loans, borrowings, and lease liabilities	9	470	462
Total current liabilities		3,748	4,174
Non-current liabilities			
Loans, borrowings, and lease liabilities	9	1,859	1,579
Total non-current liabilities		1,859	1,579
Total liabilities		5,607	5,753
Total equity and liabilities		5,639	6,326

Denham Eke, Non-executive Chair, 26 February 2024

The notes on pages 10 to 17 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 2023

	Called up share capital US\$000	Share option reserve US\$000	Retained earnings US\$000	Total equity US\$000
Balance as at 31 May 2022 (audited)	6,334	42	(5,058)	1,318
Total comprehensive income for the period:				
Loss for the period	—	—	(325)	(325)
Balance as at 30 November 2022 (unaudited)	6,334	42	(5,383)	993

	Called up share capital US\$000	Share option reserve US\$000	Retained earnings US\$000	Total equity US\$000
Balance as at 31 May 2023 (audited)	6,334	42	(5,803)	573
Total comprehensive income for the period:				
Loss for the period	—	—	(541)	(541)
Balance as at 30 November 2023 (unaudited)	6,334	42	(6,344)	32

The notes on pages 10 to 17 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 2023

	Note	Period to 30 November 2023 (unaudited) US\$000	Period to 30 November 2022 (unaudited) US\$000
Cash flows from operating activities			
Loss before income tax		(541)	(325)
Adjustments for:			
- Depreciation		54	50
- Amortisation of intangible assets		3	3
- Loan interest paid	4	57	51
- Bank interest received	4	(10)	—
- Decrease / (increase) in movement of restricted cash		160	(27)
- Increase in lease liabilities		30	30
- Other foreign exchange movements		(14)	(168)
Changes in working capital:			
- Decrease in receivables		144	157
- Decrease in payables		(434)	(114)
Cash flows used in operations		(551)	(343)
Bonds and deposits utilised in the course of operations		—	—
Net cash used in operating activities		(551)	(343)
Cash flows from investing activities			
Purchase of intangible assets		—	(3)
Purchase of property, equipment and motor vehicles		(3)	—
Net cash used in investing activities		(3)	(3)
Cash flows from financing activities			
Loan interest paid	4	(57)	(51)
Bank interest received	4	10	—
Increase of lease liabilities – principal		6	7
Payment of lease liabilities – interest	4	(30)	(30)
Repayment of loans and borrowings		(510)	(10)
Loans and borrowings received		792	—
Net cash generated from / (used) in financing activities		211	(84)
Net decrease in cash and cash equivalents		(343)	(430)
Cash and cash equivalents at beginning of year		2,148	3,062
Exchange gains on cash and cash equivalents		14	168
Cash and cash equivalents at end of period		1,819	2,800

The notes on pages 10 to 17 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 2023

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 interim financial statements as at and for the period ended 30 November 2023 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 UK Adopted – International Accounting Standards. 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 2023 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 2023.

The unaudited condensed consolidated financial statements do not constitute statutory financial statements. The statutory financial statements for the year ended 31 May 2023, extracts of which are included in these unaudited condensed consolidated financial statements, were prepared under UK Adopted – International Accounting Standards 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 2023 as set out in those financial statements.

1.3 Functional and presentation currency

Items included in the unaudited condensed consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). As the primary activities of the Group and the primary transactional currency of the Group's customers are carried out in US Dollars, the unaudited condensed consolidated financial statements have been presented in US Dollars, which is the Company's presentational and functional currency.

1.4 Going Concern

As noted within the statutory financial statements for the year ended 31 May 2023, the Directors have continued to undertake several strategies to support and sustain the Group as a going concern. These include, seeking to broadening 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.

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.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued.

For the period ended 30 November 2023

2 Operating Segments

A. Basis for segmentation

The Group has 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 on-line 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 2023 (unaudited)	<u>Reportable segments</u>		Corporate operating costs US\$000	Total US\$000
	Racetrack US\$000	ADW US\$000		
External revenues	4,887	1,016	–	5,903
Segment revenue	4,887	1,016	–	5,903
Segment loss before tax	(6)	(479)	(56)	(541)
Finance costs	(27)	(3)	(57)	(87)
Depreciation and amortisation	(33)	(23)	(1)	(57)
Period to 30 November 2023 (unaudited)				
Segment assets	1,687	2,749	1,203	5,639
Segment liabilities	1,265	2,553	1,789	5,607

Period to 30 November 2022 (unaudited)	<u>Reportable segments</u>		Corporate operating costs US\$000	Total US\$000
	Racetrack US\$000	ADW US\$000		
External revenues	5,101	1,125	–	6,226
Segment revenue	5,101	1,125	–	6,226
Segment profit / (loss) before tax	75	(315)	(85)	(325)
Finance costs	(30)	(1)	(50)	(81)
Depreciation and amortisation	(31)	(21)	(1)	(53)
Period to 31 May 2023 (audited)				
Segment assets	2,187	2,846	1,293	6,326
Segment liabilities	1,523	2,802	1,428	5,753

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued.

For the period ended 30 November 2023

2 Operating Segments continued

C. Reconciliation of reportable segments profit or loss

	Period to 30 November 2023 (unaudited) US\$000	Period to 30 November 2022 (unaudited) US\$000
Loss before tax		
Total loss before tax for reportable segments	(485)	(240)
Loss before tax for other segments	(56)	(85)
Consolidated loss before tax	(541)	(325)

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 2023 (unaudited)	Reportable segments		Total US\$000
	Racetrack US\$000	ADW US\$000	
Primary geographic markets			
North America	4,887	731	5,618
British Isles	–	243	243
Caribbean	–	42	42
Segment revenue	4,887	1,016	5,903
Major service lines			
ADW wagering	3,518	1,016	4,534
Race hosting	1,369	–	1,369
	4,887	1,016	5,903
Timing of revenue recognition			
Services transferred at a point in time	4,887	1,016	5,903
Revenue from contracts with customers	4,887	1,016	5,903
External revenue as reported in Note 2	4,887	1,016	5,903

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued.

For the period ended 30 November 2023

3. Revenue continued

Period to 30 November 2022 (unaudited)	Reportable segments		Total US\$000
	Racetrack US\$000	ADW US\$000	
Primary geographic markets			
North America	5,101	881	5,982
British Isles	–	243	243
Caribbean	–	1	1
Segment revenue	5,101	1,125	6,226
Major service lines			
ADW wagering	3,708	1,125	4,833
Race hosting	1,393	–	1,393
	5,101	1,125	6,226
Timing of revenue recognition			
Services transferred at a point in time	5,101	1,125	6,226
Revenue from contracts with customers	5,101	1,125	6,226
External revenue as reported in Note 2	5,101	1,125	6,226

4 Finance costs

	Period to 30 November 2023 (unaudited) US\$000	Period to 30 November 2022 (unaudited) US\$000
Bank interest receivable	10	–
Loan interest payable	(57)	(51)
Lease liability interest payable	(30)	(30)
Net finance costs	(77)	(81)

5 Income tax expense

(a) Current and Deferred Tax Expenses

The current and deferred tax expenses for the period were US\$ Nil (2022: 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.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued.

For the period ended 30 November 2023

5 Income tax expense continued

(b) Tax Rate Reconciliation

	Period to 30 November 2023 (unaudited) US\$000	Period to 30 November 2022 (unaudited) US\$000
Loss before tax	(541)	(325)
Tax charge at IOM standard rate (0%)	—	—
Adjusted for:		
Tax credit for US tax losses (at 21%)	(119)	(70)
Add back tax losses not recognised	119	70
Tax charge for the period	—	—

The maximum deferred tax asset that could be recognised at period end is approximately US\$ 1,256,000 (2022: US\$ 1,055,000). The Group has not recognised any asset as it might not be recoverable within the allowed period. The tax losses for tax years beginning in January 2018 are currently permitted to be carried forward indefinitely. Tax losses incurred prior to that period expire after 20 years.

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 in the current 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 2023 (unaudited) US\$000	Period to 30 November 2022 (unaudited) US\$000
Loss for the period	(541)	(325)

	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)	(0.14)	(0.08)
Diluted earnings per share (cents)	(0.14)	(0.08)

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

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued.

For the period ended 30 November 2023

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 2023 (unaudited) US\$000	Year ended. 31 May 2023 (audited) US\$000
Cash and cash equivalents – company and other funds	1,819	2,148
Restricted cash – protected player funds	977	1,137
Total cash, cash equivalents and restricted cash	2,796	3,285

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. These funds are segregated from operational funds of the Company and are held on trust for the customers entitled to them.

9 Loans, borrowings, and lease liabilities

Current liabilities

	Period to 30 November 2023 (unaudited) US\$000	Year ended. 31 May 2023 (audited) US\$000
Unsecured loans (current portion)	22	21
Lease liabilities (current portion)	98	91
Secured loans – Galloway Limited	350	350
	470	462

Non-current liabilities

	Period to 30 November 2023 (unaudited) US\$000	Year ended 31 May 2023 (audited) US\$000
Unsecured loans (non-current portion)	15	26
Lease liabilities (non-current portion)	552	553
Secured loans – Galloway Limited	1,292	1,000
	1,859	1,579

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2023

9 Loans, borrowings, and lease liabilities continued

Terms and repayment schedule

	Nominal interest rate	Year of maturity	Period to 30 November 2023 (unaudited) US\$000	Year ended 31 May 2023 (audited) US\$000
Unsecured loans	1.00-8.90%	2025	37	47
Lease liabilities	6.00-9.50%	2023-30	650	644
Secured loan – Galloway Ltd	7.75%	2027	—	500
Secured loan – Galloway Ltd	7.00%	2024	350	350
Secured loan – Galloway Ltd	7.00%	2025	500	500
Secured loan – Galloway Ltd	11.00%	2028	792	—
Total loans and borrowings			2,329	2,041

The secured loans from Galloway Ltd are secured over the unencumbered assets of the Group, which includes the Cash and cash equivalents – Company and other funds of US\$ 1,819,000 (31 May 2023: US\$ 2,148,000) and Cash bonds of US\$ 875,000 (31 May 2023: US\$ 875,000).

10 Related party transactions

Identity of related parties

The Parent Company has a related party relationship with its subsidiaries, and with its Directors and executive officers, and with Burnbrae Ltd (significant shareholder). During the period, Webis Holdings plc recharged head office costs to WatchandWager.com Ltd of US\$ 141,891 (2022: US\$ 118,717) and to WatchandWager.com LLC of US\$ 212,837 (2022: US\$ 178,075). WatchandWager.com LLC recharged support costs of US\$ 4,460 (2022: US\$ 4,041) to WatchandWager.com Ltd. At the period end, Webis Holdings plc had receivable balances with WatchandWager.com Ltd of US\$ 591,442 (31 May 2023: US\$ 168,575) and with WatchandWager.com LLC of US\$ 482,459 (31 May 2023: US\$ 511,166). WatchandWager.com Ltd had a receivable balance of US\$ 7,923,114 (31 May 2023: US\$ 7,656,283) with WatchandWager.com LLC. There were no impairments on these balances.

Transactions and balances 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 balances with entities with significant influence over the Group

Rental and service charges of US\$ 21,615 (2022: US\$ 16,883) and Directors' fees of US\$ 21,925 (2022: US\$ 17,230) were charged in the period by Burnbrae Ltd of which Denham Eke is a common Director and Katie Errock is an employee. Trade payables at the period end of US\$ 3,504 (31 May 2023: US\$ 3,580) related to rental and service charges. The Group also had loans of US\$ 1,642,220 (31 May 2023: US\$ 1,350,000) from Galloway Ltd, a company related to Burnbrae Limited by common ownership and Directors (see note 9). Interest expense of US\$ 56,239 (2022: US\$ 49,738) was paid on this loan.

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 2023.

Webis Holdings plc

Notes to the Unaudited Condensed Consolidated Interim Financial Statements continued

For the period ended 30 November 2023

12 Approval of interim statements

The interim statements were approved by the Board on 23 February 2024. The interim report is expected to be available for shareholders on 27 February 2024 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.

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