

RNS Half-year/Interim Report

Interim Results

4GLOBAL PLC

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21 December 2021

4GLOBAL PLC

("4GLOBAL" or the "Company")

Interim Results

4GLOBAL, a UK-based data, services and software company focused on major sporting events and the promotion and measurement of physical activity, is pleased to announce its unaudited interim results for the six month period ended 30 September 2021.

Financial Highlights

- Revenue for the six months was £1.3 million (Six months to 30 September 2020: £0.9 million) an increase of 36.2%
- Gross profit margin improved from 62.7% to 71.9% reflecting an increase in the proportion of subscription revenues which now represent 34.2% (six months to 30 September 2020: 30.6%) of the Group's revenue
- Operating profit of £0.1 million compared to a small loss for the comparable period last year
- Earnings per share has increased from 0.14p to 0.57p
- Strong balance sheet and cash position after being strengthened by the IPO fundraising

Operational Highlights

- £4 million contract with Sport England to license 4Global's platform to evaluate, channel and manage funding into sport in the whole of England through its local and city authorities.

\$0.5 million contract with the Peruvian government with approximately 20% to be delivered within this financial year.
- 4GLOBAL has secured contracts with:
 - Europe Active** - which will allow us to farm data from activity providers in Europe increasing further our already incredibly large database
 - DCMS** - focusing on the social impact from the Birmingham 2022 Commonwealth Games, jointly with KPMG, this involves the use of our platform to provide on-going advice to DCMS over the next two years
 - Neom Project** - in Saudi Arabia we have secured four additional contracts providing the on-going use of our platform to assist in building the most active and healthiest city in the world.
 - Multiple contracts with activity providers** - to advise them on the recovery of the sector and inform their re-opening strategy
- The Group has been retained by the **City of Los Angeles** to help understand how to maximise the transformational power of the LA2028 games & **Euros 2020** to assist the Football Association ("FA")

in maximising the impact and success of the European Championships

- Through the use of 4GLOBAL's platform, data and know-how, the Group have been assisting **Tokyo 2020** (ensuring their readiness to maximise the impact and success of the delayed games) and **ARCC G2G** (aided the Peruvian Government on the reconstruction of Northern Peru arising from El Niño to create active communities)
- Increased headcount to support delivery of all client work and sales efforts

Eloy Mazon, Chief Executive Officer of 4GLOBAL, commented:

"I am delighted to present our first set of interim results since we joined AIM at the beginning of December 2021, and I would like to welcome our new shareholders and thank my colleagues and our advisers who have worked tirelessly to successfully transition 4GLOBAL into a quoted Company.

"Our strong project pipeline provides us with good visibility on subscription revenues and together with our existing opportunities, we are optimistic about the Company's prospects. We view the future for 4GLOBAL with increasing optimism. We are operating in an exciting high growth market where there is increasing activity, and we look forward to updating shareholders with our progress over the next few months."

For further information please contact:

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A copy of the interim accounts is available from the Company's website www.4global.com.

CHIEF EXECUTIVE STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

I am delighted to present the Company's interim results for the Group for the six months ended 30 September 2021. This is our first set of interim results since we joined AIM at the beginning of December 2021 and I would like to welcome our new shareholders and also to thank my colleagues and our advisers who have worked tirelessly to successfully transition 4GLOBAL into a listed company. The IPO was completed on 7 December when we were admitted to AIM alongside a £4 million fundraising.

Revenue for the six months was £1.3 million (Six months to 30 September 2020: £0.9 million) an increase of 36.2%. Although we split our revenue between consultancy and subscription revenues we see these revenues as complementary. We have shown growth in both our revenue streams, with consultancy up 29.1% to £0.83 million and subscription revenues up 52.4% at £0.43 million for the six months ended 30 September 2021.

In addition, our gross profit margin improved from 62.7% to 71.9% reflecting an increase in the proportion of subscription revenues which now represent 34.2% (six months to 30 September 2020: 30.6%) of the Group's revenue. This is also in line with our strategy to migrate to a more balanced split between consulting and subscription revenues, the latter commanding higher margins.

Operating profit was £0.1 million compared to a small loss for the comparable period last year. Earnings per share increased from 0.14p to 0.57p.

In line with our stated dividend policy of retaining earnings for capital growth no dividend has been declared.

Operational Review

We are delighted with the performance of the Group during the first half of the financial year. During the period we acquired a number of new clients and also secured new contracts with existing clients for which we will continue to deliver our services in the second half of this financial year and in some cases into next financial year and beyond. Key highlights include:

Europe Active - we have secured a contract with Europe Active which will allow us to farm data from activity providers in Europe further enhancing our large database.

Department of Culture, Media & Sport ("DCMS")- 4GLOBAL was awarded a contract to support DCMS jointly with KPMG. The contract involves the use of our technology platform, data and know-how to provide on-going advice to DCMS over the next two years. Our work focuses on the social impact from the Birmingham 2022 Commonwealth Games.

Multiple contracts with activity providers to advise them, using our platform, on the recovery of the sector and inform their re-opening strategy. This was only possible due to the huge amount of data we have. 4GLOBAL is the only provider - to our knowledge - of this type of analysis worldwide.

Neom Project - Our relationship with the City of Neom in Saudi Arabia goes from strength to strength and this year we have secured four additional contracts which see 4GLOBAL providing the on-going use of our platform, data and know how to assist in building the most active and healthiest city in the world.

City of Los Angeles - 4GLOBAL has been retained to support the City Mayor's office to help them understand how to maximise the transformational power of the LA2028 games, as informed by our platform, data and know-how.

Lima Legacy Company - the Lima Legacy Company has licensed our platform to help them maximise the social value generated from the 2019 PanAm games and improve the return on investment from the Games.

Euros 2020 (took place in 2021) - 4GLOBAL has been retained to assist the FA in maximising the impact and success of the Euros.

Tokyo 2020 (took place in 2021) - We assisted the City of Tokyo and the Organising Committee in ensuring their readiness to maximise the impact and success of the delayed games.

ARCC Government to Government - 4GLOBAL provided assistance to the Peruvian Government through our platform, data and know-how on the reconstruction of Northern Peru arising from El Niño to create active communities.

In addition to these contract wins we have strengthened our team increasing headcount to support delivery of all client work and sales efforts.

As well as completing the IPO in the second half of the year, we have signed two additional significant contracts since the half year end. Our initial work with Sport England has enabled us to secure a £4 million contract over four years to license our platform to evaluate, channel and manage funding into sport in the whole of England through its local and city authorities. The second contract, recently announced, is with the Peruvian government for approximately \$0.5 million with 20% to be delivered within this financial year.

Outlook

The second six months have begun favourably and we are trading in line with management expectations.

Our strong project pipeline provides us with good visibility on subscription revenues and together with our existing opportunities we are optimistic about the Company's future prospects.

Eloy Mazon

Chief Executive

21 December 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Note	Period to 30 September 2021 (unaudited) £	Year to 31 March 2021 (audited) £	Period to 30 September 2020 (unaudited) £
Revenue		1,262,032	2,678,774	926,357
Cost of sales		(354,154)	(851,346)	(346,183)
Gross profit		907,878	1,827,428	580,174
Administrative expenses		(805,588)	(1,498,579)	(636,554)
Other operating income		647	54,959	47,643
Operating profit/(loss)		102,937	383,808	(8,737)
Finance income		51	41	28
Finance cost		(11,947)	(27,323)	(12,319)
Profit/(loss) before tax		91,041	356,526	(21,028)
Tax credit		34,195	39,525	50,806
Profit for the period		125,236	396,051	29,778
Other comprehensive income				
Exchange differences on translation of foreign operations		(796)	(16,277)	(4,036)
Other comprehensive income for the period		(796)	(16,277)	(4,036)
Total comprehensive income for the period		124,440	379,774	25,742
Total comprehensive income attributable to the equity holders of the company		124,440	379,774	25,742
Basic profit - pence per share		0.57	1.81	0.14
Diluted profit - pence per share		0.57	1.81	0.14

	30 September 2021 (unaudited) £	31 March 2021 (audited) £	30 September 2020 (unaudited) £
Cash flows from operating activities			
Profit/(loss) before income tax for period	91,041	356,526	(21,028)
<i>Adjustments to reconcile loss before tax to net cash flows:</i>			
Depreciation of tangible assets	71,059	142,127	72,745
Other income	(647)	(7,117)	(3,558)
Finance income	(51)	(41)	(28)
Finance cost	11,947	23,417	12,319
Equity-settled share-based payments	30,470	33,063	-
(Increase)/decrease in trade and other receivables	(545,947)	460,523	728,881
Increase/(decrease) in trade and other payables	192,280	(557,473)	(319,339)
Tax received	-	133,660	-
Net cash flows - operating activities	(149,848)	584,685	469,992
Cash flows from investing activities			
Purchase of intangible assets	(7,306)	(4,936)	(2,941)
Interest received	51	41	28
Net cash - investing activities	(7,255)	(4,895)	(2,913)
Cash flows from financing activities			
Issue of share capital	1,161,978	-	-
Share issuance costs	(268,625)	-	-
(Repayments of)/proceeds from borrowings	(16,666)	250,000	250,000
Payments for shares bought back	-	(50,000)	-
Lease liability principal payment	(66,527)	(129,895)	(64,296)
Interest elements of lease payments	(4,873)	(13,705)	(7,505)
Interest paid	(4,671)	(83)	-
Net cash flows - financing activities	800,616	56,317	178,199
Net increase in cash	643,513	636,107	645,278
Effects of exchange rate changes on cash	(1,015)	(15,930)	(3,775)
Cash at beginning of period	775,342	155,165	155,165
Cash at the end of period	1,417,840	775,342	796,668
Comprising:			
Cash and cash equivalents	1,417,840	775,342	796,668
Cash at end of period	1,417,840	775,342	796,668

The notes form an integral part of these Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Note	Share capital £	Capital redemption reserve £	Share premium £	Share- based payment reserve £	Currency translation reserve £	Retained earnings £	Total equity £
At 1 April 2021		1,097	105	894,491	31,773	(21,264)	513,662	1,419,864
Profit for the period		-	-	-	-	-	125,236	125,236
Other comprehensive income		-	-	-	-	(796)	-	(796)

Total comprehensive income for the period	-	-	-	-	(796)	125,236	124,440
Transactions with owners:							
Share-based payments	-	-	-	30,470	-	-	30,470
Total transactions with owners	-	-	-	30,470	-	-	30,470
At 30 September 2021	1,097	105	894,491	62,243	(22,060)	638,898	1,574,774

The notes form an integral part of these Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Share capital £	Capital redemption reserve £	Share premium £	Share-based payment reserve £	Currency translation reserve £	Retained earnings £	Total equity £
At 1 April 2020		1,050	-	-	-	(4,987)	167,611	163,674
Profit for the year		-	-	-	-	-	396,051	396,051
Other comprehensive income for the year		-	-	-	-	(16,277)	-	(16,277)
Total comprehensive income for the year		-	-	-	-	(16,277)	396,051	379,774
Transactions with owners:								
Repurchase of shares		(105)	105	-	-	-	(50,000)	(50,000)
Issue of shares, net of costs		135	-	885,192	-	-	-	885,327
Share-based payments		-	-	-	33,063	-	-	-
Exercise of share options		17	-	9,299	(1,290)	-	-	8,026
Total transactions with owners		47	105	894,491	31,773	-	(50,000)	876,416
At 31 March 2021		1,097	105	894,491	31,773	(21,264)	513,662	1,419,864

The notes form an integral part of these Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Note	Share capital £	Capital redemption reserve £	Share premium £	Share-based payment reserve £	Currency translation reserve £	Retained earnings £	Total equity £
At 1 April 2020	1,050	-	-	-	(4,987)	167,611	163,674
Profit for the period	-	-	-	-	-	29,778	29,778
Other comprehensive income	-	-	-	-	(4,036)	-	(4,036)
Total comprehensive income for the period	-	-	-	-	(4,036)	29,778	25,742
At 30 September 2020	1,050	-	-	-	(9,023)	197,389	189,416

The notes form an integral part of these Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1. General Information

4GLOBAL plc is a public limited company incorporated in England and Wales and was admitted to trading on the AIM Market of the London Stock Exchange, under the ticker symbol 4GBL on 7 December 2021.

The Company was incorporated and registered in England and Wales on 22 July 2021 as a public company limited by shares, with the name 4GLOBAL plc and registered number 13523846.

On 11 November 2021 the Company allotted 21,938,300 ordinary shares, pursuant to a share sale and purchase agreement, to the shareholders of 4GLOBAL Consulting Limited and 4GLOBAL Consulting Limited became a wholly owned subsidiary undertaking of the Company.

This financial information, issued by 4GLOBAL plc in compliance with its reporting obligations under the AIM Rules for Companies, is financial information of 4GLOBAL Consulting Limited, its wholly owned subsidiary undertaking, which was acquired after the reporting date.

At 30 September 2021 the Company had issued share capital of 1 Ordinary Share of £1.

The address of its registered office is Venture X, 5th Floor Building 7 Chiswick Park, 566 Chiswick High Road, Chiswick, London, United Kingdom, W4 5YG. and the registered company number is 13523846. The principal activity of the Company is the provision of advisory services in the sporting sector at a local, national and international level.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of 4GLOBAL Consulting Limited, as included in the admission document at 31 March 2021 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom, IFRIC interpretations and the Companies Act 2006 applicable to companies applying IFRS. The interim report, including the interim financial information of 4Global Consulting Limited, has been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting). The information in this report has been drawn up using, in all material respects, the same accounting methods as those utilised in the admission document.

3. Revenue

Analysis of revenue by category	Period to 30 September 2021 (unaudited) £	Year to 31 March 2021 (audited) £	Period to 30 September 2020 (unaudited) £
Consultancy	830,040	1,919,719	658,669
Subscriptions	431,992	759,055	267,688
	1,262,032	2,678,774	926,357

Analysis of revenue by geography	Period to 30 September 2021 (unaudited) £	Year to 31 March 2021 (audited) £	Period to 30 September 2020 (unaudited) £
Europe	707,614	1,569,280	470,123
South America	442,745	358,413	116,985
Middle East	83,476	727,508	328,426
Other	28,197	23,573	10,823
	1,262,032	2,678,774	926,357

4. Pro forma earnings per share

As detailed in note 6, 21,938,300 shares in the Company were issued to the shareholders of 4GLOBAL Consulting Limited under a share purchase agreement. Information on earnings per share in the financial information of 4GLOBAL Consulting Limited is presented as if the share purchase agreement had taken place at the start of the reporting period and reflects, on a pro-forma basis, the number of shares in the Company issued to shareholders in 4GLOBAL Consulting Limited.

	Period to 30 September 2021 (unaudited) £	Year to 31 March 2021 (audited) £	Period to 30 September 2020 (unaudited) £
Basic earnings per Ordinary Share			
Profit for the period	125,236	396,051	29,778
Weighted average number of Ordinary Shares in issue	21,938,300	21,938,300	21,938,300
Basic earnings per share (pence)	0.57	1.81	0.14

It is considered that diluted earnings per share are equal to basic earnings per share.

5. Share-based payments

The following table shows the movements in the share-based payment reserve during the period:

	Number	WAEP £
Outstanding at 1 April 2021	44,268	
Granted during the period	-	
Exercised during the period	-	
At 30 September 2021	44,268	£8.98

Subsequent to the period end, 41,514 of the options were waived in exchange for £1,000,000 in consideration. The remaining 2,754 options were surrendered for nil consideration. On admission of the shares of Company to trading on AIM, 2,305,872 new share options in the Company were granted with a weighted average exercise price of 77.77 pence.

6. Events after the financial reporting date

On 11 November 2021 the Company allotted 21,938,300 ordinary shares, pursuant to a share sale and purchase agreement, to the shareholders of 4GLOBAL Consulting Limited and 4GLOBAL Consulting Limited became a wholly owned subsidiary undertaking of the Company.

On 7 December 2021 the Company allotted and issued 4,024,729 placing shares, 10,989 fee shares and 370,876 subscription shares to raise gross proceeds of £4 million and its issued share capital was admitted to trading on the AIM market under the ticker symbol 4GBL.

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