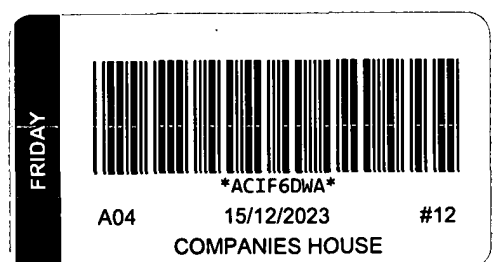


Time Out Group plc

Annual Report & Accounts 2023
For 12 months ended 30 June 2023



THE BEST OF THE CITY

We are a global media and hospitality business – our purpose is to inspire and enable people to experience the best of the city.

For more information visit timeout.com

In this report

At a glance

Page 03

Strategy

Page 11

Markets

Page 21

Media

Page 23

Overview

Highlights	01
At a glance	03
Chair's statement	06
Q&A with the CEO	08

Strategic Report

Our business model	11
Chief Executive's review	13
Financial review	17
Markets & Media growth drivers	19
Strategy update	21
Media & Markets synergies	25
Responsible business	27
Section 172 statement	32
Principal risks and uncertainties	35

Governance

Board of Directors	38
Corporate Governance report	39
QCA Code principles and disclosures	41
Audit Committee report	43
Directors' remuneration report	45
Directors' report	48
Independent auditors' report	52

Financial Report

Consolidated income statement	58
Consolidated statement of comprehensive income	58
Consolidated statement of financial position	59
Company statement of financial position	60
Consolidated statement of changes in equity	61
Company statement of changes in equity	62
Consolidated statement of cash flows	63
Notes to the financial statements	63
Alternative performance measures	93
Company information	96

Highlights

FY23 financial & operating summary

Financial highlights*

£76.0m

Net revenue¹ up by 37% Gross revenue £104.6m (2022: £72.9m)

£5.3m

Group adjusted EBITDA² up 4.4x

81%

Gross margin increased

(£17.5m)

Operating loss (FY22 £14.1m loss)

£3m movement comprising +£4.2m improvement in adjusted EBITDA² and £7.7m increase in exceptional costs

£49.7m

Net debt (FY22 £44.5m)

Including £24.9m of IFRS16 lease liabilities (FY22 £27.4m) Completed new 4-year €35m loan facility

Divisional highlights

Market net revenue¹

£42.8m

up 48%. Market gross revenue £71.5m (2022: £46.5m)

Market portfolio

15 sites

6 open and 9 contracted with 5 of them signed in the year; closed Miami and concluded negotiations on Spitalfields

Media gross revenue

£33.1m

up 25%, with digital revenue up 44%

Global monthly brand audience

83m

up 16% (see page 16 for definition)

* 2021 exceptional 18 month financial year.

1 Net revenue is calculated as gross revenue less the concessionaires' share of revenue. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

2 Adjusted EBITDA is operating loss stated before interest, taxation, depreciation, amortisation, share-based payments, exceptional items and profit/(loss) on the disposal of fixed assets. This is a non-GAAP alternative performance measure ("APM") that management uses to aid understanding of the underlying business performance. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

Operational highlights

Markets

Strong revenue growth and expanding global footprint

See page 21

- Gross revenue growth of +54% YoY and net revenue growth of 48% to £42.8m (2022: £28.9m)
- Adjusted EBITDA up significantly to £4.3m (2022: £2.2m) and adjusted EBITDA margin up by 94 basis points as a result of increasing footfall and ongoing operational improvements
- Operating loss was £13.0m (2022: £5.8m)
- Growing portfolio of 15 Markets includes six open and nine contracted sites with Cape Town, Vancouver, Riyadh, Barcelona and Bahrain signed in the year and a pipeline of new Management Agreements in advanced negotiations on the back of continued interest from real estate developers
- Exit from Miami Market (opened 2019) to focus on profitable locations, Miami trading loss of (£2.7m) in FY23 with exceptional costs of £7.1m comprising £6.7m of non-cash impairments of assets, and £0.4m of provisions for future cash costs of exit. Also withdrew from concluded negotiations on potential Market in Spitalfields resulting in impairment charges of £1.0m
- Cape Town Market opening on 17 November 2023 and construction in Porto well advanced with expected opening date in FY24 – for both sites the city's top chefs have been curated

Media

Digital focus drives improved economics and growing audience

See page 23

- Gross revenue growth of +25% YoY underpinned by digital revenue growth of 44%
- Improved adjusted EBITDA of £3.1m (2022: £1.7m) with gross margin up by 300 basis points to 80% (2022: 77%)
- Operating profit was £0.3m (2022: Operating loss £2.2m)
- Global monthly brand audience grew by 16% to 83m (2022: 72m) as a result of a consistent strategy to bring Time Out content to digital channels
- Winning big-ticket campaigns from an expanding client roster via relationships with agency partners and brand owners, in both existing and new sectors, with continued demand from blue-chip brands for our unique campaign solutions
- Time Out Creative Solutions team delivered bespoke multi-channel campaigns leveraging the entire Time Out platform, combining digital channels with live events in Markets

At a glance

We have delivered important milestones and strong revenue growth, further building on our recent progress and momentum. We are now positioned for sustained growth and to realise the true potential of Time Out.

Time Out Group is a global media and hospitality business that inspires and enables people to experience the best of the city. It is the world's only global brand dedicated to city life.

Through two highly synergistic business divisions – Time Out Media and Time Out Market – we help our large global audience go out better in the world's greatest cities. Thanks to our unmatched city expertise, connections and authority, Time Out is a globally recognised and trusted brand – a go-to hub for people exploring their own city or the cities they visit.

A global media & hospitality brand

Time Out started in 1968 in London as a print magazine and has transformed into a multi-platform global brand with a digital Media business and an expanding Markets footprint

Curated content on 333 cities

In a world with potential information overload, our inspiring “best of the city” content – curated and created by local expert journalists – provides authentic, trusted and useful insights, stories and recommendations

A unique digi-physical model

Our platform spans digital and physical channels – all dedicated to the best of the city – to ensure we are where our audience is, so they turn to us when they want to have a good time out

83m global monthly brand audience

From readers and users to followers and guests: our audience of urban experience seekers is very active – every month, we influence how millions of people go out in cities around the world

B2C & B2B high-margin revenues

We connect advertisers, real estate companies and local talents with our iconic brand, unique content and valuable audience of consumers to drive diverse revenues and profitable growth

Time out Media

A leading digital media brand

Unique, relevant and trusted content

Our global team of local expert journalists – who know the city like nobody else – curate and create high-quality content about the best of the city: the best food, drinks, culture, travel and things to do in 333 cities in 59 countries.

A portfolio of digital channels aligned with consumer needs

Following a successful print to digital transformation, we distribute our content through multiple digital channels where our audience takes inspiration and makes decisions: on the web and mobile, in their social feeds, the videos they watch and their inbox – complemented by “real life” experiences via live events.

A growing and valuable global audience

Our global monthly brand audience of over 83m grew by 16% year-on-year – these are experience-hungry people with a high intention to go out and they take action when engaging with our content.

Revenue model: connecting advertisers with our audience

We generate revenue by offering advertising solutions spanning bespoke 360-degree multi-channel campaigns, programmatic and live events (including in our Markets). Our clients are international, national and local advertisers from various sectors which we connect with our brand, storytelling and audience within our brand-safe environment.

WHAT SETS TIME OUT MEDIA APART

- a global brand with a local voice
- a household name since 1968
- trusted “best of the city” content
- a growing, engaged audience
- completed digital transformation
- operating in the digital advertising space means higher margins
- attracts blue-chip advertising clients across diverse sectors
- bespoke advertising solutions across multiple digital channels with opportunity to extend into real life via live events including in our Markets

**Time Out content covers
333 cities**

**Global monthly brand audience
83m+**

Time out Market

A leading food & cultural market

Time Out’s ethos brought to life in a physical space

Time Out Market brings the best of the city together under one roof: the best chefs, drinks and cultural experiences – all based on Time Out’s editorial curation. Time Out Market is rooted in the authority of Time Out, bringing our best of the city curation to life in a physical space.

Two operating & revenue models

Owned & Operated Markets

- The first Time Out Market opened in Lisbon in 2014 as an Owned & Operated model; following the success of this flagship, we kicked off our global expansion
- Our team is responsible for design, curation, brand and day-to-day management of our Markets
- We generate revenue from a share of food and bar sales

6 locations*

- 4 open: Lisbon (2014), New York (2019), Boston (2019), Chicago (2019)
- 2 in development: Porto (2024), Barcelona (2024)

Management Agreement Markets

- Our focus is now on expansion via Management Agreements – the first opened in 2019 in Montreal
- A capex-tight growth engine to expand our global footprint and drive recurring revenues without the need for further capital and operational expenditure which is funded by a real estate partner
- We receive a pre-development fee and, once the Market is open, a share of revenue and profit (subject to a minimum guarantee)

9 locations* (with more in negotiations)

- 2 open: Montreal (2019), Dubai (2021)
- 7 in development: Cape Town (2023), Bahrain (2024), Vancouver (2024), Abu Dhabi (2025), Osaka (2025), Prague (2027), Riyadh (2027)

* Opening years provided are calendar years

WHAT SETS TIME OUT MARKET APART

- the world’s first editorially curated food and cultural market
- attracts consumer footfall which appeals to vendors as well as to landlords and real estate developers
- a Market as anchor transforms properties into destinations
- focus on asset-light Management Agreements with significant recurring revenue base
- enables us to extend Media brand visibility and client campaigns
- opportunity to grow Time Out’s brand equity and further cement “best of the city” positioning

6

Markets open

9

Markets currently in development

Chair's statement

Confidence in future growth

Peter Dubens

13 years ago, in collaboration with its founder Tony Elliott, we first sought to unlock the potential of a listings magazine that had built a loyal global fan base with its unrivalled city insights and reporting integrity. Digitising and commercialising a traditional offline media group has proven to be a significant challenge – but in 2023 we saw the beginning of our vision being realised. Driven by a new and exceptional senior management and the passionate team they lead, Time Out is now adjusted EBITDA positive and a proven “digi-physical” business model; its digital first and creative advertising solutions are attracting larger campaigns from leading brands. Our food and cultural markets now have an open and signed footprint of 15 sites with a global pipeline of new locations. Time Out's success has been built on the foundation that hasn't changed, engaging content that has continued to attract a growing and highly desirable audience, which has once again reached record levels.

Results

The rate of performance improvement in the year has been encouraging, with many important milestones being met. Most notable however is that the strong gross revenue growth and a further improved adjusted EBITDA was achieved during a time of challenging macroeconomic conditions, which gives increased confidence in future growth. Group gross revenue grew by 43% to £104.6m year-on-year and adjusted EBITDA increased by 336%. Markets net revenue grew 48% to £42.8m as a result of growing footfall and optimised operations while expanding the global footprint – which almost doubled Markets' adjusted EBITDA to £4.3m. Media's digital focus drove improved economics: gross revenue grew by 25% to £33.1m (within that, digital revenue grew 44%) and adjusted EBITDA increased by 81% to £3.1m. Digital advertising offers higher margins and Media's gross margin increased by 3 percentage points to 80%. Testament to the authoritative content we produce and the varied digital channels we publish on, is the growth in global monthly brand audience from 72 million to 83 million year-on-year and significantly above pre-pandemic levels (57 million in 2019). In line with our expectations, and as part of our continued growth strategy, we reported a statutory loss before tax of £25.0m, which increased £5.5m year-on-year, due to £8.1m of exceptional charges following decisions to exit from the Miami Market and to withdraw from negotiations for a potential Market in Spitalfields. Looking ahead, we have significant opportunities to grow high quality, high margin recurring revenue streams. This is in part evidenced by the growing pool of signed Market Management Agreements, which, once all open, will contribute a combined c.£14m to adjusted EBITDA every year, with agreements based on a minimum 10-year term.

Markets

The signing of new Markets has accelerated on the back of a greater focus on identifying and securing the highest-quality leads, in conjunction with undiminished interest from landlords and real estate developers who recognise that our concept can turn their property into a destination. In the year we signed Cape Town, Vancouver, Riyadh, Barcelona and Bahrain. In addition to six open Markets, we currently have nine contracted sites (seven of which are Management Agreements). As a consequence, the estate will more than double in the years ahead, spanning over 600,000 sq ft. More locations around the world are being evaluated with several negotiations in advanced stages. As we continue to grow our portfolio with a focus on profitable locations, we made the commercial decision to exit from our Miami site, which opened in 2019, and conclude negotiations on a site in Spitalfields. The coming months will see several Market openings and by the end of calendar year 2024, our operating portfolio will grow from six to eleven sites, supporting future revenue growth and making Time Out Market a truly global brand with sites across four continents.

Media

Time Out Media demonstrated that its digital transformation is working, attracting larger campaigns from blue-chip brands and increasing its audience to record levels – every month, millions of people come to our portfolio of digital channels when they are looking for trusted and inspiring content about the best of the city. Revenues and importantly margins are being driven by a focus on increasing sales to key advertising clients. We are creating impactful bespoke campaigns that can span digital and “in real life” events in our Markets, demonstrating the unique proposition and differentiation that Time Out Group's Media and Markets operations offer.

Team

On behalf of our Board and our shareholders I would like to thank everyone at Time Out Group for their passion and hard work to grow the Time Out brand and business. This team is dedicated to our brand mission of inspiring and enabling people to experience the best of the city – whether that's the content or client campaigns we deliver, or the experience we offer our guests in our Markets. In an era when so much happens virtually, socialising over great food, drink, culture and entertainment has never been more important.

Outlook

2023 is the launch pad, we now have a platform from which we can scale a global business based on replicating this financial year's success across more regions. And the forces which propel us grow ever stronger. As a board we have never been more optimistic in 13 years about the prospects of Time Out Group Plc.

Peter Dubens

Non-Executive Chairman

Q&A with the CEO

Chris Ohlund has been Time Out Group's CEO since October 2021; he joined the company in July 2021 as Executive Vice Chairman.

Q&A

Chris Ohlund

How would you summarise the 2023 financial year?

This year, whilst we reported a statutory loss, we achieved important milestones in delivering a further improved adjusted EBITDA with positive contributions from both Time Out Market and Time Out Media – further building on our recent progress and momentum. While this is only the beginning and there is still much to do, we are now positioned for sustained growth and have an ambitious strategy to realise the true potential of Time Out. Our digital strategy for Time Out Media is working, driving significant revenue and adjusted EBITDA growth. Our open Time Out Markets continue to grow and our Management Agreements offer us and our shareholders long-term opportunities which not many companies can offer. Once all currently contracted sites are open, and with a term of at least ten years, they will deliver a recurring minimum earnings stream contributing c.£14m to EBITDA every year. This year's progress is a result of the strategy we have invested in and our excellent team delivering consistently – I want to thank them for their fantastic work and dedication and look forward to achieving our next milestones together.

Time Out Media has continued to grow – where do you see further growth opportunities?

Time Out Media has seen a step-change in performance in a competitive sector: our brand continues to be strong and relevant; our content is trusted by tens of millions of people every month around the world; we have a growing audience; and advertisers seek our bespoke solutions. We will continue to bring our expert journalists' best of the city content to life across digital channels, evolving our strategy and adapting to ever-changing and new consumer behaviours. We will focus on higher value campaigns for our clients in various sectors who seek access to our desirable audience and our brand-safe environment. This includes digitally focused campaigns as well as synergistic digi-physical campaigns which combine the power of Time Out Media (high-quality content) and Time Out Market (real-life experiences). This is something only we can offer and a growing Market footprint will mean higher ticket sizes and future growth opportunities. Finally, we have many untapped opportunities such as driving growth in Europe and APAC. We are excited about what's next!

One year after closing print – how do you look back on this step?

We knew back then it would be the right decision to go fully digital and one year in, our numbers show it. Our global monthly brand audience grew to 83m (up 16% year-on-year). Our audience is now digital all day, every day and that is where Time Out is – many more people engage with our digital channels than they did through the print magazine. This has enabled us to grow our digital revenue (up 44%) which comes with higher gross margins (up from 77% to 80%). We won more advertisers who come to us for our bespoke multi-channel campaigns and added clients in new sectors to our roster as well as repeat and long-term clients.

What were the key achievements for Time Out Market in 2023?

Time Out Market is a much younger business which, after enjoying a full year of uninterrupted trading, demonstrated the unique opportunity it presents. Our open Markets continue to grow and we contracted five new sites in the year and interest from real estate developers remains strong. The portfolio includes six open and nine contracted sites, with more in advanced negotiations – in a few years, our estate will more than double in size. Key to each Market is the curation of the city's best chefs which we regularly update to keep our offering fresh – I am pleased to say that 2023 saw great additions. Complementing the city's best food are our cultural events and each Market has a packed calendar throughout the year which helps us differentiate further and attract footfall. We also have improved our operations in our existing Markets based on customer insights with a focus on increasing return per sq ft and have implemented processes to accelerate the pace of new openings.

How do you see Time Out Market evolving and what are the challenges?

Landlords and real estate developers around the world continue to be interested in bringing a Time Out Market to their cities and their properties. With many opportunities available to us, it is key to identify the right location for which we have evolved our systematic approach based on data. We are proud of our Time Out Market flagship format for iconic cities and iconic spaces – Lisbon is one example – and we work hard every day to ensure we evolve to keep this proposition fresh and exciting. In addition, we want to target more opportunities and meet continued demand such as in up-and-coming areas and high-traffic sites including transport hubs, so we are developing new commercial formats to expand further and reach new segments.

How do Media and Market complement each other?

Time Out Market is rooted in Time Out's editorial curation – our authority for the best of the city sets us apart. This attracts chefs, restaurateurs and local cultural talent who get the kudos of being the best of the city when they are invited to join our Markets. Time Out's well-known brand and global audience reach helps drive footfall to the Markets – this power of our Media brand combined with our stand-out Market concept appeals to commercial landlords and real estate developers who value an anchor that can transform their property into a destination for a valuable audience. Media also plays a key role in our Markets: we extend digital campaigns for clients with experiences in our Markets which is unique – leveraging these synergies is a great opportunity for us. All this combined strengthens our overall brand equity and our "best of the city" proposition.

What is your focus in the 2024 financial year?

We have seen continued momentum and a sustainable path to increasing growth – there are many opportunities to drive this further. There are several new Time Out Markets opening soon and we aim to sign additional Management Agreements as well as launching new formats. For Time Out Media, our focus will be to further optimise our digital presence and drive the success we have seen in the US, followed recently in our revitalised UK Media business and now gathering pace across Europe and APAC; this also includes expanding and growing our franchise business.

In 2023, Time Out turned 55 – what do you think the brand will stand for in the future?

Time Out's mission has always been to inspire and enable people to experience the best of the city and our vision is to be the world's number one hub for city discovery. We are uniquely positioned as our brand doesn't represent simply one product you can buy, but something much more valuable and intangible which can't be replicated by others: Time Out is the only global brand helping people go out in cities around the world and that's something people will always want to do. Our Media brand is digital and people spend more and more time on digital channels. But they also want to socialise and get together over food and drinks which they can do in our Markets. Having a good time out is synonymous with our brand and that is our strength – that is why the combination of Media and Market is powerful.

STRATEGIC REPORT

Our business model	11
Chief Executive's review	13
Financial review	17
Markets & Media growth drivers	19
Strategy update	21
Media & Markets synergies	25
Responsible business	27
Section 172 statement	32
Principal risks and uncertainties	35

Our business model

Time Out Group is involved in every step when people go out in cities around the world – from inspiration and planning to doing. This allows us to engage with a variety of audiences to drive diversified revenues and sustainable returns.

Competitive advantage

A strong brand & trusted authority

Time Out is associated with going out and having a good time out in cities around the world

Expert curation

A global team of local expert journalists curate and create the best of the city

Our digital editorial Time Out content covers 333 cities in 59 countries in 14 languages

Our in real life content covers a growing portfolio of 15 Time Out Markets globally (6 open, 9 currently contracted)

Multiple channels

Our best of the city content and experiences are distributed across digital and physical channels to meet our audience where they take inspiration and make decisions, wherever they are and go out

Digital

Website

Mobile

CRM

Video

Social

Physical

Live Events

Time Out Market

Leveraging the complete Time Out platform to create high-value advertising solutions and Market success

This attracts & we engage with

A large global audience

Brand owners and media agencies

Global, national and local businesses

Cultural institutions

A city's best chefs and local talents

Landlords and real estate developers

Our revenue sources

Food & beverage

Advertising & Live Events

E-commerce

Franchises

These drive

Brand equity

Diversified high-margin B2C & B2B revenues

Sustainable returns

Continued profitable growth

We generate revenue by connecting various stakeholders with our valueable brand, curated content and desirable audience.

What this means for our stakeholders

Our customers

Access to the best of the city through trusted high-quality content, recommendations and experiences

Our cities & communities

Our content celebrates and supports a city's culture and businesses; each Time Out Market means a significant contribution to the local economy, employment and opportunities for a variety of talents

Our colleagues

A diverse and inclusive workplace offering a rewarding career and to be part of the evolution of a well-known, much-loved and respected brand

Our investors

As a result of further profitable growth, Time Out Group's valuation and share price will grow

Read more about our Market vendors on page 22

Our Media clients

Bespoke advertising solutions to connect with our content and audience in new ways within a positive brand-safe environment

Our Market vendors

Each Time Out Market offers a platform for local culinary and cultural talents to drive revenue and reach a new audience within a structure that drives success and is cost-effective for them

Landlords & real estate developers

Time Out Market as an anchor has the ability to drive footfall and transform a space into a destination

Read more about our solutions for clients on page 26

Chief Executive's review

CEO'S Review

"This year we achieved important milestones in delivering a further improved adjusted EBITDA – despite the challenging macroeconomic conditions – building on our recent progress and momentum. While this is only the beginning and there is still much to do, we are now positioned for sustained growth and have an ambitious strategy to realise Time Out's potential.

"Our digital strategy for Time Out Media is working, driving significant gross revenue and adjusted EBITDA growth that has exceeded our expectations. Our expanding audience values our "best of the city content" and we are winning high-value campaigns with leading brands. Time Out Market is a much younger business which, now that we have enjoyed a year of uninterrupted trading, demonstrates the unique opportunity it presents: our open Markets continue to grow, and we contracted five new sites in the year as interest from real estate developers remains strong. The portfolio includes six open and nine contracted sites, with more in the pipeline – in a few years, it will more than double in size.

"Synonymous with going out and having a good time, Time Out continues to be trusted and relevant as we inspire and enable millions of people every month to experience the best of the city. Consumers are increasingly spending time on digital channels but still want to socialise in real life – capturing these trends through the combination of Media and Market is powerful."

Chris Ohlund, CEO of Time Out Group plc

Group overview Financial summary

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000	Change %
<i>Market</i>	42,848	28,924	48%
<i>Media</i>	33,130	26,479	25%
Group net revenue¹	75,978	55,403	37%
Gross profit	61,889	44,583	39%
<i>Gross margin %²</i>	<i>81%</i>	<i>80%</i>	<i>1%</i>
Divisional Adjusted operating expenses³	(54,486)	(40,654)	34%
Divisional Adjusted EBITDA³	7,403	3,929	88%
<i>Market</i>	4,311	2,225	94%
<i>Media</i>	3,092	1,704	81%
Corporate costs	(2,088)	(2,710)	23%
Group Adjusted EBITDA³	5,315	1,219	336%
Loss before tax	(24,991)	(19,462)	28%

1 Net revenue is calculated as gross revenue less the concessionaires' share of revenue. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

2 Gross margin calculated as gross profit as a percentage of net revenue.

3 Adjusted measures are stated before interest, taxation, depreciation, amortisation, share-based payments, exceptional items and profit/(loss) on the disposal of fixed assets. These are APMs that management uses to aid understanding of the underlying business performance. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

Group overview

The financial year – the first full reporting period of uninterrupted trading since 2019 – saw continued progress across both the Markets and the Media divisions, positioning the Group for a transition to sustained growth. With its curation of the best of the city combined with ongoing operational improvements, Time Out Market delivered strong revenue growth and increased profitability in addition to a growing pipeline of contracted sites. Time Out Media – following its completed print to digital transformation – achieved significant digital revenue growth and higher EBITDA margin as we attract an increasing audience as well as blue-chip clients seeking our bespoke advertising solutions.

- Group net revenue increased by 37% to £76.0m (2022: £55.4m) and gross margin increased by 100 basis points to 81% (2022: 80%)
- Divisional Operating expenses increased by 34%, 3% slower than net revenue sales as a result of reductions in fixed costs and focus on operational efficiency, partly offset by additional variable costs as sales grew; continued growth offers the scope to further dilute fixed costs as a % of sales

- Improvement in Divisional Adjusted EBITDA of £7.4m (2022: £3.9m) with corporate costs decreased by 23% to £2.1m (2022: £2.7m) following a focus on cost reduction and efficiency, delivering benefits now and in future years; this resulted in a positive Group Adjusted EBITDA of £5.3m (2022: £1.2m)

Time Out Market

Time Out Market net revenue increased by 48% to £42.8m (2022: £28.9m) and Adjusted EBITDA of £4.3m nearly doubled year-on-year (2022: £2.2m Adjusted EBITDA) in the first full financial year of uninterrupted trading and with some restrictions still in place in the comparative year. The year saw travel rebound and across our open sites footfall from tourists continued to recover at a faster rate than footfall from office workers. We continue to carefully manage operating expenses to drive greater profitability, alongside implementing operational improvements and optimisations of our commercial model. Central costs increased as a strengthened team is working on growing the Markets business, preparing for several upcoming openings and negotiating further new sites.

Sandy Hayek – who joined in 2021 as Time Out Market Dubai General Manager and then became Time Out Market Co-CEO Operations – was promoted to Time Out Market CEO in July 2023 to oversee both the operations of existing and the development of new Markets, reporting into Group CEO Chris Ohlund.

As a food and cultural market bringing the best of the city together under one roof, the ongoing curation of top culinary talents is key to keeping the offering fresh and reflective of the cities we are in. Examples of concessions added in the year include in Lisbon MICHELIN Bib Gourmand awarded O Frade and in New York Bark Barbecue which has a cult following. Furthermore, each Market has an ongoing cultural programme to drive additional high-value footfall, differentiation and engaging content for social media and Time Out channels. Throughout the year, many events took place from live bands and artist performances to DJs and comedy nights.

Across our open Markets, the teams worked on operational efficiencies to improve revenue per sq ft and thereby profitability. As part of our focus to build a profitable portfolio, it was decided that the Miami site would close on 30 June 2023. Following the launch of the first Market in Lisbon in 2014, the Miami site was the first to open as part of the global expansion in 2019 and underperformed post-pandemic, contributing a reported operating loss of £2.7m to the Group result in FY23. The decision to exit resulted in exceptional costs of £7.1m comprising £6.7m of non cash asset impairments, and £0.4m of provisions for future cash liabilities.

In addition to our six existing Markets (Lisbon, New York, Boston, Chicago, Montreal and Dubai – the latter two being Management Agreements), new sites are set to open in Cape Town on 17 November 2023 and in Porto in FY24 – in both sites top local chefs have been curated.

Time Out Market trading overview

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000	Change %
Gross revenue	71,511	46,454	54%
Owned operations	38,509	24,734	56%
Management fees	4,339	4,190	4%
Net revenue¹	42,848	28,924	48%
Gross profit	35,535	24,081	48%
Gross margin % ²	83%	83%	–
Adjusted operating expenditure (trading) ³	(22,968)	(17,320)	33%
Trading EBITDA³	12,567	6,761	86%
Market central costs	(8,256)	(4,536)	82%
Adjusted EBITDA³	4,311	2,225	94%

1 Net revenue is calculated as gross revenue less the concessionaires' share of revenue. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

2 Gross margin calculated as gross profit as a percentage of net revenue.

3 Adjusted measures are stated before interest, taxation, depreciation, amortisation, share-based payments, exceptional items and profit/(loss) on the disposal of fixed assets. These are APMs that management uses to aid understanding of the underlying business performance. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

In the year, we accelerated the signing of new Markets and contracted five sites including in Cape Town, Vancouver, Riyadh, Barcelona and Bahrain. This takes the pipeline of new sites in development to nine and the expected opening schedule based on calendar year is structured as follows:

- 2023: **Cape Town** (Management Agreement)
- 2024: **Porto** (Owned & Operated)
- 2024: **Barcelona** (Owned & Operated)
- 2024: **Bahrain** (Management Agreement)
- 2024: **Vancouver** (Management Agreement)
- 2025: **Abu Dhabi** (Management Agreement)
- 2025: **Osaka** (Management Agreement)
- 2027: **Prague** (Management Agreement)
- 2027: **Riyadh** (Management Agreement)

As growth engine for the continued expansion, we are focused on Management Agreements under which we receive a share of revenues and profits (subject to a minimum guaranteed fee) which increases our recurring revenue stream without capital expenditure. We will consider lease agreements for Owned & Operated sites, where we receive 100% of site profits, when the majority of capex is contributed by the landlord.

We have a pipeline of Management Agreements in advanced negotiations and expect to sign more in the year ahead as we continue to optimise our systematic approach to sourcing high-quality leads. As we grow our portfolio of open Markets we continue to refine selection criteria based on the critical success factors, with the objective of improving return on investment and reducing time to completion. Furthermore, we are developing wider flexibility in formats to best match our Markets proposition to the locality.

In February 2023, we confirmed that we will not proceed with the development of the site at 106 Commercial Street in London – although recommended for approval by planning officers, the Tower Hamlets Development Committee chose to defer its decision on our application in 2022 after a process which had already taken several years. With an expectation of the process being drawn out by further delays we decided to no longer proceed with our application – which resulted in exceptional costs of £1.0m arising from the write-off of sunk pre-development costs – in order to focus our resources on other opportunities.

Time Out Media trading overview

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000	Change %
Gross revenue	33,130	26,479	25%
Gross profit	26,354	20,502	29%
Gross margin % ¹	80%	77%	3%
Adjusted operating expenditure ²	(23,262)	(18,798)	24%
Adjusted EBITDA²	3,092	1,704	81%

1 Gross margin calculated as gross profit as a percentage of gross revenue.

2 Adjusted measures are stated before interest, taxation, depreciation, amortisation, share-based payments, exceptional items and profit/(loss) on the disposal of fixed assets. These are APMs that management use to aid understanding of the underlying business performance. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

Time Out Media

Time Out Media trading was encouraging with gross revenue growth of 25% to £33.1m (2022: £26.5m) generating Adjusted EBITDA of £3.1m (2022: £1.7m).

Having exited print media in FY22, in our first year as a fully digital media division we successfully tapped into the growing digital advertising space, replacing print with digital revenue:

- Digital gross revenue grew by 44% to £25.8m (2022: £17.9m)
- As a result of the removal of print revenues (2022: £8m) total media net revenue grew 25%

Gross margin increased by 300 basis points to 80% (2022: 77%). We continue to tightly manage the operating expenditure which increased slower than sales by 23% as we invested in talent with digital expertise and expanded our sales team tasked with growing our client base and winning high-value campaign deals.

The digital growth was driven primarily by the UK and US business. Time Out Media CEO Stacy Bettman – reporting into Group CEO Chris Ohlund – is now applying the same business model to the European and APAC Media business.

A key growth driver and focus going forward are high-value campaigns for an expanding roster of advertising clients including in new sectors. Time Out appeals to advertisers as our Creative Solutions team develops bespoke campaigns to connect them with our brand, content and audience in a brand-safe and positive environment across a 360-degree platform spanning website, mobile, social media, videos, newsletter and live events. In the year we saw increased demand for these multi-channels campaigns from clients such as Diageo, Estrella Damm, TAP Portugal, FREENOW and Uber Eats.

We saw success with campaigns which leverage the synergies between Media (digital high-quality content) and Market (real-life experiences). Examples include campaigns for Mastercard, Maybelline, BATISTE™ and P&O Cruises which spanned custom digital content as well as videos and expanded to live events in our Markets. With an expanding global Market footprint, this presents future growth opportunities.

Time Out's global monthly brand audience⁽¹⁾ grew by 16% to 83m (2022: 72m) and by 46% compared to 2019 when it stood at 57m. This is the result of a consistent strategy to bring our content – previously distributed via print – to digital channels to attract and engage a valuable audience. The audience growth demonstrates how the Time Out brand and its “best of the city” content remain relevant. In particular short-form videos continue to be a medium our audience engages with and in which we invest. The year saw an ongoing push of video content on social media (Instagram and TikTok) and our site to drive both direct and programmatic revenue with sponsored video series now often key elements of client campaigns.

Our “best of the city” content spanning 333 cities in 59 countries is curated and created by a global network of local expert journalists. Successful content which drove record traffic numbers in the year included annual global tent poles such as The World's Best Cities and The Coolest Neighbourhoods as well as Halloween coverage which contributed to October being Time Out USA's biggest traffic month of the year. Time Out delivered the 3rd biggest growth of UK news publishers in September 2022 and in March 2023 topped that ranking⁽²⁾.

Whilst we are using generative AI to support operational efficiency and insights, all of our content creation and editorial curation is performed by expert local writers and editors.

Chris Ohlund

Group Chief Executive

8 November 2023

(1) Global brand audience is the estimated monthly average in the year including all Owned & Operated cities and franchises. It includes print circulation and unique website visitors (Owned & Operated), unique social users (as reported by Facebook and Instagram with social followers on other platforms used as a proxy for unique users), social followers (for other social media platforms), opted-in members and Market visitors.

(2) Source: Press Gazette using data from © Ipsos, Ipsos iris, 1-30 September 2022 and 1-31 March 2023.

Financial review

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000	Change %
Gross revenue	104,640	72,933	43%
Concessionaire share	(28,662)	(17,530)	64%
Net revenue	75,978	55,403	37%
Gross profit	61,889	44,583	39%
	81%	80%	1%
Administrative expenses	(79,383)	(58,724)	35%
Operating loss	(17,494)	(14,141)	24%
Operating loss	(17,494)	(14,141)	24%
Depreciation & amortisation			
– Intangible assets	2,163	2,540	(15)%
– Property, plant and equipment	6,544	6,575	–
– Right-of-use assets	2,367	2,065	15%
Share-based payments	1,701	1,817	(6)%
Exceptional items	10,029	2,316	333%
Loss on disposal of property, plant and equipment	5	47	(89)%
Adjusted EBITDA¹	5,315	1,219	336%
Finance income	167	8	1988%
Finance costs	(7,664)	(5,329)	44%
Loss before tax	(24,991)	(19,462)	28%

¹ Adjusted EBITDA is operating loss stated before interest, taxation, depreciation, amortisation, share-based payments, exceptional items and profit/(loss) on the disposal of fixed assets. This is an APM that management uses to aid understanding of the underlying business performance. See appendix Alternative Performance Measures for a reconciliation to statutory numbers on page 93.

Revenue and gross profit

Group gross revenue for the year increased by 43% to £104.6m (2022: £72.9m) with both Markets and Media delivering gross revenue growth.

Markets gross revenues increased with both growth in existing sites and revenues associated with signing new Management Agreements. Media revenue growth was driven by digital sales growth which more than offset loss in revenues from the exit from print in FY22.

Gross margins increased by 1 percentage point to 81%.

Operating expenses

Administrative expenses of £79.4m grew more slowly than sales, increasing by 35% year-on-year.

Adjusted EBITDA

Group adjusted EBITDA is a non-GAAP Alternative Performance Measure, which is used by the Board to manage business performance and to allocate resources across the Group. Group adjusted EBITDA of £5.3m (FY22 £1.2m) is stated before interest, taxation, depreciation and amortisation, share-based payment charges, exceptional items, and loss on disposal of fixed assets. The material improvement is a result of increased revenues and improved operational efficiency. The £5.3m figure is inclusive of £2.7m of operating losses from the Miami Market, which will not recur.

Operating loss

The reported operating loss was £17.5m (2022: £14.1m loss).

The net exceptional costs of £10.0m (2022: £2.3m) includes costs related to a closure and exit of the Miami Market which ceased trading on 30 June 2023 (£7.1m), staff redundancy costs of staff who left the Group following restructuring (£1.9m). The majority of the prior year exceptional costs of £2.3m related mainly to redundancy and restructuring costs.

The depreciation charge of £8.9m (2022: £8.6m) had minimal change with an increase of £0.3m. The amortisation of intangible assets of £2.2m (2022: £2.52m) decreased by £0.3m. Overall, on a combined basis there was no change to the charge for depreciation and amortisation.

Net finance costs

Net finance costs of £7.5m (2022: £5.3m) primarily relates to interest on debt of £3.8m (2022: £2.4m), amortisation of deferred financing costs of £0.5m (2022: £0.2m) and interest cost in respect of lease liabilities of £3.0m (2022: £2.6m).

Foreign exchange

The revenue and costs of Group entities reporting in dollars and euros have been consolidated in these financial statements at an average exchange rate of \$1.21 (2022 \$1.34) and €1.15 (2022: €1.18) respectively. See notes 3 and 22 for further details.

Cash and debt

	30 June 2023 £'000	30 June 2022 £'000
Cash and cash equivalents	5,094	4,849
Borrowings	(29,883)	(21,978)
Adjusted net debt	(24,789)	(17,129)
IFRS 16 Lease liabilities	(24,863)	(27,420)
Net debt	(49,652)	(44,549)

Cash and cash equivalents increased by £0.3m since 30 June 2022 to £5.1m (2022: £4.8m). This was driven primarily by the Group Adjusted EBITDA of £5.3m (2022: £1.2m Group Adjusted EBITDA), exceptional costs cash outflow of £1.9m (2022: £2.8m), net working capital outflow of £1.3m (2022: £2.6m), capital expenditure of £2.9m (2022: £1.8m), net proceeds of financing of £5.0m (2022: £3.7m net financing outflow) and the repayment of lease liabilities of £5.1m (2022: £4.0m).

On 24 November 2022, the Group entered into a new €35.0m secured four-year term loan facility with Crestline Europe LLP ("Crestline facility"). The facility has a term of four years, with the right to settle in full after two years. Interest may be capitalised or paid in cash, at the election of the Company, during the first year at a rate of 9.5% plus 3-month EURIBOR and from the second year onwards interest will be paid in cash at a rate of 8.5% plus 3-month EURIBOR. An exit premium, payable upon full repayment, is amortised over the duration of the facility with reference to the principle amount drawn. The facility is subject to quarterly financial covenants based on minimum liquidity levels (quarterly testing commenced on 31 December 2022) and target leverage ratio (quarterly testing commenced on 30 June 2023).

The Company has also executed an equity warrant instrument and agreed to issue 11,400,423 equity warrants on 30 November 2022 and a further 2,264,468 at full drawdown of the Loan Note Facility (in total representing approximately 3.6% of its fully diluted share capital) to the Crestline subscribers. The five-year equity warrants, which have customary anti-dilution protections, have an exercise price of 39 pence per ordinary share.

At 30 June borrowings principally comprised the partially drawn Crestline facility of €31.1m (€29.2m plus capitalised interest), €5m of the original €35m commitment remains undrawn. At 30 June 2022 the borrowings principally comprised the Incus Capital Facility £20.9m, which was fully repaid on 30 November 2022.

On 7 November 2023, the Group agreed to an amendment of the £5.2m loan note ("OCI Loan Note") to extend the repayment date to 30 June 2025. The terms remain the same with Interest charged at a 90 day average SONIA rate plus 10% per annum, with an exit premium.

Going concern

The financial statements have been prepared under the going concern basis of accounting as the Directors have a reasonable expectation that the Group and Company will continue in operational existence and be able to settle their liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements ("forecast period"). In making this determination, the Directors have considered the financial position of the Group, projections of its future performance and the financing facilities that are in place.

In making this assessment the Directors have considered two scenarios over the forecast period: The base case assumes a slow but steady period of growth across both Market and Media. Owned and Operated Market revenues are assumed to see steady growth over the forecast period. Media revenue continues to grow as the Group focuses on high-margin digital-first offerings complemented by the return of Live Events, Affiliate and Offers revenue. This scenario does assume an appropriate element of cost inflation.

The downside case sensitises the base case to assume that the Market Owned & Operated and Media revenues underperform the base case by 10% while maintaining the base case gross margin, with actionable cost mitigation over the forecast period. Consistent with the base case, the sensitised case also assumes an appropriate element of cost inflation.

The Directors consider the downside case reduction in revenue for each division to be unlikely given recent performance, however with the uncertainty created by inflationary and recessionary factors this scenario is considered severe but plausible.

The Board is satisfied that under both scenarios the Group will be able to operate within the level of its current debt and financial covenants and will have sufficient liquidity to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. For this reason, the Group and Company continue to adopt the going concern basis in preparing its financial statements.

Outlook

The 2023 financial year provides us with the foundations for continued growth which, combined with ongoing rigorous management of the cost base, can significantly improve future cash flows and profitability. In contrast to most media and hospitality businesses, Time Out Group now has multiple avenues for sustained growth and is building a valuable long term recurring earnings stream.

We expect the step-change in Media performance to continue as demand from blue-chip brands for our unique campaign solutions grows. Over the next 18 months, we are set to open five new Markets which will increase revenues and the signing of new locations globally is expected to continue, supported by a strategy to focus on the highest quality leads. In time, the nine Management Agreements (two open and seven contracted), each with a term of at least 10 years, will generate a contracted minimum aggregate contribution to EBITDA of c.£14m per annum when all are operational.

Despite macroeconomic headwinds, we have increased confidence in future growth and further traction as we continue to deliver against our ambitious plans, with Q1 FY24 performance in line with management expectations.

Chris Ohlund

Group Chief Executive

8 November 2023

Time Out Market growth drivers

Through spearheading the global food hall trend

The popularity of food halls continues to grow as consumers are looking for community and places to get together and socialise – this combined with a rise of “foodie culture” and a growing global dining out market (source: Global Dining Out Market 2023-27) gives us the opportunity to continue to spearhead the food hall trend.

Through optimising operations and profitability in existing Markets

Most of our open Markets are not mature yet as they have had only one year of uninterrupted trading, which means there is room to optimise operations and grow revenue per sq ft.

Through continuing to build our engagement with landlords

At a time when landlords and developers are seeking concepts that attract a valuable audience and differentiate commercial buildings, Time Out Market has proven its strengths as an anchor. Experts considering food halls as “the safest investment in restaurant real estate” (source: Bisnow, 2023) paired with the ongoing interest in our concept gives us confidence.

Through new Market openings grow our global footprint

Our focus is on Management Agreements which drive our global footprint and multi-year recurring revenues without the need for further capital and operational expenditure. In addition to our six open sites, we have nine sites in development of which seven are Management Agreements.

Through new formats

In order to widen our location opportunities, we are evolving our formats. This includes developing endorsed models and a bespoke travel hub model suitable for airports.

Lisbon
New York
Boston
Montreal
Chicago
Dubai

Global expansion of Time Out Market

Continued interest from and high engagement with global real estate companies drives a growing pipeline

[Map]

Portfolio will more than double based on currently signed sites

NOW

6
Markets

215k
sq ft

4k
seats

120
kitchens

24
bars

2027

15
Markets

610k
sq ft

13k
seats

256
kitchens

51
bars

Time Out Media growth drivers

Through being the world's number one hub for city discovery

Time Out's trust and authority is unmatched and 55+ years of expertise can't be replicated. We inspire and influence millions of people every month when they go out – these are experience-hungry consumers taking action after engaging with our content. From a macro perspective, city life continues to grow as 56% of the world's population is living in cities, with 70% expected by 2050 (source: World Bank). City travel is also trending upward and arrivals to cities have risen (source: WTTC Cities Economic Impact, 2022).

Through evolving our digital capabilities

We are constantly expanding our digital capabilities, evolving our tactics and growing existing as well as new digital channels. This includes delivering our content as videos; hiring talents with digital skills; the bespoke, creative digital advertising we offer our clients; or the optimisation of our digital platform.

Through tapping into the growing digital advertising space

We operate within a growing digital advertising space which comes with higher margins. Global advertising is set to grow by 5.9% in calendar 2023 whereas the global digital media market is forecast to grow by 8.4% (source: Group M). Social media, video, programmatic and content marketing are amongst the fastest growing segments – areas we have seen consistent growth in and continue to invest in.

Through applying our US & UK success formula to other regions

Building on the success we have seen in North America and followed more recently in our revitalised UK Media business, we are focused on gathering pace across Europe and in APAC where we have untapped opportunities.

Through growing our digi-physical campaign opportunities

Our Media team extends bespoke digital client campaigns with activations in our Markets which offers us higher revenue and a unique proposition – our expanding Market footprint will offer further growth opportunities.

Through leveraging our franchise business

Our franchise business gives us the opportunity to grow our Time Out footprint in new cities by working with trusted local media partners. There are many places where we are not yet present and which we will explore to further increase revenues.

Through growing and diversifying our client roster

We have strong relationships with media agencies and brand owners which we deliver our Creative Solutions for. Our goal is to win more campaigns spanning multiple geographies by continuing to extend our client base and targeting new sectors.

Time Out Media's growing audience & traffic across key channels

83m

Global monthly brand audience

+16%

27.4m

Unique monthly site visitors

10.5m

Instagram unique monthly users

35.1m

Facebook unique monthly users

6.8m

X (Twitter) followers

We create campaigns for a diverse client base

Beverage

Travel & transport

Entertainment & others

Retail, food & beauty

Strategy update

Time Out Market

Our progress in the year

Grow and optimise our existing Markets business to drive revenue and profitability

- Strong gross revenue in the year as a result of increased footfall and an ongoing focus on operational improvements
- Key to the Markets' success is our curation of the city's best chefs which we regularly update to keep the offering fresh; in the year, each Market continued to demonstrate its ability to attract high-calibre talent with new vendors joining including in New York local favourite Bark Barbeque and in Lisbon, Michelin Bib Gourmand awarded O Frade – to name a few
- A number of initiatives were delivered to drive return per sq ft and profitability: improved vendor agreements; a mobile ordering pilot in Boston so guests can order online from a variety of vendors; more corporate and group events; we expanded our drinks proposition with a new wine bar in New York, and in Montreal, where our alcohol licence was limited to one area of the Market, we received a licence for the entire space which will help increase bar sales
- As a food and cultural market we not only offer the city's best food and drinks but also a year-around programme of events and activations to differentiate and attract high-value footfall – throughout the year we delivered regular cultural experiences across all Markets
- To diversify the Market experience, increase customer engagement and vendor retention, we delivered our first Chefs on Tour initiative
- The Media team continued to deliver Creative Solutions client campaigns combining digital Media channels plus live event elements in the Markets with the Markets team supporting the execution and delivery
- We have worked on our sustainability strategy for the Markets together with The Sustainable Restaurant Association which is now being implemented

Accelerate global expansion through new Management Agreements to drive increased recurring revenue without the need for further capital expenditure

- New sites signed in the year: Cape Town, Vancouver, Riyadh, Bahrain (Management Agreements), Barcelona (Owned & Operated)
- Robust pipeline of further Management Agreements in advanced negotiations
- To broaden our expansion opportunities going forward, we are evolving our commercial formats including developing a travel hub model for airports
- Ongoing engagement with real estate partners and landlords who wish to introduce our concept in their properties
- We continue to evolve our systematic approach to sourcing and identifying high-quality leads
- Processes, infrastructure and teams put in place as we get ready for upcoming openings of new Markets in Cape Town, Porto, Barcelona, Bahrain and Vancouver with more to follow

Time out Market

Strategy in action

Diversifying the experience

We launched Chefs on Tour – a new initiative for which we brought together chefs from different Markets to create an exclusive collaborative fine-dining experience, for one night in two cities. Chef Stephen Gillanders (Chicago) travelled the world to work with Time Out Market Lisbon Chef Susana Felicidade and Time Out Market Dubai Chef Reif Othman. The event demonstrated the high calibre of talents in our Markets, introduced our guests to award-winning chefs from across the globe and ticketed events as well as sponsorships generated additional revenue. More Chefs on Tour events are in the pipeline going forward.

Differentiation through culture

Our programme of cultural experiences included local live bands, DJs and comedy nights; in Dubai we hosted for the second time our annual Wine Market and our first Beer Market; Boston's Got Talent returned to the Market; in Lisbon, to ensure relevance for our local audience we delivered another season of the theatre Play Todas As Coisas Maravilhosas, attracting several hundred locals every night; a mural was created by Brooklyn artist Zeph Farmby in New York; in Chicago, our Octoberfest attracted a crowd and we hosted art exhibitions.

Top curation for new Markets

For our soon to open Markets we already have contracted the cities' top chefs and restaurateurs. In Cape Town, we curated Chef Peter Tempelhoff's Ramenhead (by the team behind The World's 50 Best nominated restaurant, FYN); Restaurateur and Chef Bertus Basson; Chef Vusi Ndlovu; and Chefs Anwar Abdullatief and Yolani Abrahams. In Porto Chef Inês Diniz will join as will Chef Vasco Coelho Santos (one Michelin star), Chef Rui Paula (two Michelin stars) and Chef Ricardo Costa (also two Michelin stars).

Time Out Media

Our progress in the year

Grow higher-margin digital and multi-channel big ticket campaigns

- Our digital strategy drove improved economics with growing revenues and higher-margins
- In our first year as a digital media company we delivered bespoke multi-channel Creative Solutions for clients and successfully replaced print with digital advertising revenue
- We upskilled our teams with digital capabilities and grew our sales team to leverage growing demand
- We further developed strong client relationships with brand owners, media agencies and programmatic partners
- Success with a growing, diverse client base including blue-chip brands across a variety of sectors and repeat as well as long-term clients
- Delivery of bespoke Creative Solutions for clients including Häagen-Dazs; UberEats; FREENOW; P&O Cruises; Mastercard; Maybelline; Hong Kong Tourism Board; Visit Victoria; Destination NSW; Singapore Tourism Board; Asahi Beer and Diageo – to name a few
- We combined our digital with physical channels to deliver campaigns for clients, leveraging Media and Market synergies (examples included Mastercard, Maybelline and P&O Cruises)
- We have put a concerted effort behind programmatic advertising to drive high-value deals
- We are implementing an improved growth strategy for our international franchise model
- Investment in our Affiliates & Offers team paid off with a 35% increase in revenue year-on-year

Deliver world-class content to enable and inspire people to experience the best of the city

- "Best of the city" content on 333 cities in 59 countries; while our content continues to be focused on cities, we also produced travel content to expand our reach
- Continued investment in video production and storytelling capabilities e.g. for Instagram Reels and TikTok as well as our on-site video player
- Trial of new channels such as Meta's app Threads; and whilst we are using generative AI to support operational efficiency and insights, all of our content creation and editorial curation is performed by expert local writers and editors
- As part of our new Markets launch strategy, we have created content in the lead up to the upcoming openings and continue to feature Markets across global content channels

Grow our global audience across a variety of channels and engage new consumers

- Global monthly brand audience grew by 16% to 83m year-on-year (2019: 57m), unique monthly site visitors increased to over 27m and social metrics almost 15% – more people now engage with Time Out than did through the print magazine which demonstrates the success of our print to digital transformation
- Time Out was ranked repeatedly as one of the UK's fastest-growing news brands after going digital-only (Source: PressGazette)
- To reach new audiences, the Time Out London podcast launched, sponsored by FREENOW
- Our annual global "Time Out Index" delivered authoritative stories such as the "Best Cities Right Now" and "The World's Coolest Neighbourhoods"
- To drive audience engagement, Time Out Paris hosted the Food & Drink Awards and the Time Out Fest Barcelona showcased local restaurants, resulting in ticket sales as well as sponsorship revenues

Time Out Media

Strategy in action

Bringing our editorial voice and content to video formats and new channels

We use our videos across TikTok and Instagram where in the year across our key regions US and UK we generated a total of 43m video views; we also launched Time Out Travel on TikTok which has seen steady growth and its first 1m+ post. As we produce more original Time Out videos, we have upgraded our onsite video capabilities via a partnership with JW Player which enables us to use our videos across our own website (not only across social media) and to leverage our video content strategy in line with client demands, both in terms of direct and programmatic revenue.

Time Out experts driving brand awareness

Many of our Time Out editors make regular TV appearances to talk about the best things to do from New York and London to Los Angeles – this is testament to their expertise and the trust their recommendations enjoy, and helps us expand our reach and drive brand visibility.

Influential editorial stories

We have continued to see significant viewing numbers for editorial campaigns such as The World's Coolest Neighbourhoods, Best Cities Right Now and Coolest Streets To Visit – these annual stories have built significant authority and interest, driving spikes in traffic as well as hundreds of pieces of press coverage including TV features and thereby earned media globally.

Driving audience engagement

We regularly host events to drive ticket and sponsorship revenue. For example the Time Out Fest Barcelona showcased 16 local restaurants, attracting thousands of visitors and the highest ticket sales in its third year as well as sponsorship revenues (with Chef Carme Ruscalleda, the first woman with 7 Michelin Stars during her career, helping us promote the event with a social video). Time Out Paris hosted the Food & Drink Awards, sponsored by Pernod Ricard and attended by some of the city's top chefs (including Chef Alain Ducasse, one of the most decorated chefs with a total of 21 Michelin stars).

Media & Markets synergies

Q&A with Media and Markets CEOs

Stacy Bettman is leading the global Media division as Time Out Media CEO. She joined the company in 2018 as MD Sales North America before becoming President Americas, then President North America & UK and in 2023 Media CEO.

Sandy Hayek oversees Time Out Market including operations of existing and development of new sites. She joined the Markets team in Dubai in 2021, in 2022 was promoted to Co-CEO of Time Out Market (Operations) and in 2023 to Markets CEO.

Stacy – you grew Time Out Media gross revenues in North America, revitalised sales in the UK Media business and have recently added Europe and APAC as well as global franchises to your responsibilities. What is your focus in the 2024 financial year?

Stacy: At the heart of what we do is our curation of the best of the city and key focus areas are audience growth and our digital evolution which allows us to use data better than before which in return enables us to understand our audience better. All this benefits our advertising clients who we deliver impactful campaigns for. Leading the Media business globally, I am committed to uniting our hugely talented team to drive creativity and collaboration, and to apply the success formula that has worked so well in North America and the UK to accelerate revenue growth in other regions too.

What attracts advertising clients to work with Time Out? **Stacy:** Our advertising clients – who we build strong relationships with – get to connect with our iconic brand, positive content and highly-responsive audience. We give them a credible, less intrusive and authentic route into the passions of our audience with campaigns that go above and beyond standard advertising opportunities. Time Out has personality and a unique tone of voice – something not many digital media brands can offer.

In Media, eyeballs are key – how do you continue to drive audience growth? **Stacy:** Our global monthly brand audience stands at 83m – up 16% year-on-year and 46% compared to 2019. The 2023 financial year was our first fully digital year in which we moved content from print to digital channels in a way that is relevant for our audience. A key element remains our focus on and investment in video which our audience loves to engage with. We also expanded our content beyond core cities to increase our national reach.

How do you adjust to the constant change in the digital world? **Stacy:** Time Out is a 55-year-old startup combining legacy with agility. We excel at adjusting to change while staying true to our “best of the city” DNA – it’s one reason why our brand continues to be relevant. We closely monitor and trial new channels that might be relevant for our goals. Whether that’s TikTok videos or exploring the opportunities of AI which is part of the future. However, Time Out has always been about more than simply creating lots of content – our USP is the curation of the best of the city which needs expert insight and a human touch.

Sandy – how do Markets and Media integrate? **Sandy:** There is a very close connection. To start with, Time Out Market is rooted in Time Out’s ethos to inspire and enable people to experience the best of the city. At Time Out Market, we bring this to life in a physical space. Time Out is weaved into the fabric of urban cultures, there is so much expertise and strong connection in cities around the world – this reputation and trust is key as it attracts guests, vendors and real estate partners. The Media and Markets teams work closely on the curation of everything in the Markets, in the Markets we show on screens Media content, and we offer a platform to extend advertising campaigns into real life. These are some examples for the logic of combining Markets and Media in one business.

What makes Time Out Market attractive for landlords and real estate partners? **Sandy:** We have a strong brand, expertise and authority which positions us as the leading food and cultural market. This appeals to landlords and developers seeking stand-out concepts that attract footfall. Time Out Market has the ability to transform spaces and drive a desirable audience as well as brand awareness through our huge global reach via Time Out Media which is something other food hall operators simply can’t offer.

What are you focused on within Time Out Market in the 2024 financial year? **Sandy:** Making sure we have the best curation in each Market – we are pleased that top local talents accept our invitation to join as they know how their presence adds to their success and they value the kudos that comes with being part of “the best of the city”. We are working hard on optimising our operations to increase revenue per sq ft for example by using more data than ever before to understand our customers better – that’s just one example, we never stand still. When it comes to new Markets our focus is to deliver successful openings – we have nine Markets currently in development with some openings imminent and we can’t wait to welcome our guests. Finally, we are also in advanced negotiations and in constant conversations for new Management Agreements which we are looking forward to converting and adding to our portfolio.

What is your focus when it comes to growing the global Markets footprint? Sandy: Digital is the future of media, but people still want to socialise over food and drinks – with our two business divisions, we cater to these key consumer trends and the entire going out experience from inspire, consider to enable. It's a proposition which is attractive for real estate developers and we have many requests for a variety of spaces which we evaluate to ensure we focus on high-quality leads. There are many cities and locations in which we would love to open a Time Out Market flagship but we are also working on expanding our formats because we want to explore more opportunities that might not be the right fit for a flagship but are fantastic locations for equally exciting new formats. We are open to more opportunities to drive our global expansion and continued profitable growth.

How Media and Markets work together

With our two synergistic business divisions – Time Out Media and Time Out Market – we are uniquely positioned to be the go-to-brand for people going out in cities around the world.

Across our digital-physical platform, we attract a global audience which we connect with advertisers (Media) as well as with local culinary and cultural talents and with real estate partners (Markets).

TIME OUT MEDIA A TRUSTED BRAND

Time Out has been trusted for its independent reviews and expert insights since 1968

1

CURATION OF THE BEST OF THE CITY

Our content helps people go out better in 333 cities in 59 countries

2

83M+ GLOBAL MONTHLY BRAND AUDIENCE

Across multiple platforms: site, mobile, social, video, CRM to live events

3

BOOSTING DIGITAL ADVERTISING REVENUE

We create bespoke advertising solutions to connect clients with our brand, content and audience

TIME OUT MARKET

A PHYSICAL BRAND EXTENSION

Time Out Market is rooted in Time Out's authority, reach and brand reputation

4

THE KUDOS OF BEING THE BEST OF THE CITY

Our brand attracts landlords as well as the best culinary and cultural talents which we curate

5

GLOBAL MEDIA REACH DRIVES MARKET FOOTFALL

Our Media power drives the global profiles of our vendors and footfall to our Markets as well as new advertising opportunities

6

MARKET EXPANSION STRENGTHENS BRAND

15 open and contracted Markets in prime city locations – with more to come – drive brand awareness

Our digi-physical platform allows us to create powerful advertising solutions for our clients

The combined power of Time Out Media (high-quality content across digital channels) plus Time Out Market (real-life experiences in a physical space) allows us to elevate digital campaigns through memorable and impactful in-person events. This provides us with the opportunity to offer high-revenue campaigns and our advertising clients enjoy greater storytelling and audience engagement. It is a digi-physical proposition only we can offer thus giving us differentiation and pricing authority.

Media + Markets campaign examples

P&O Cruises

Time Out is P&O Cruises' exclusive exploration partner – as part of this long-term partnership, we created travel content and for passengers an experience at Time Out Market Lisbon

Mastercard

We delivered a weekly "Talk to the Chef" series including expert panels for a live audience at various Time Out Markets as part of a wider campaign for Mastercard

Batiste

Our campaign for Batiste in the US comprised of editorial sponsorship of our Time Out feature "Future Seekers" and a live event at Time Out Market New York

Maybelline

For Maybelline, the world's #1 cosmetic brand, we delivered the "Undateables" campaign spanning our digital channels and live events at several Time Out Markets

Responsible business

Championing diversity, supporting local communities, evolving sustainable processes.

Time Out is closely connected to the cities we are in and is committed to engaging with and supporting local communities and causes in cities around the world. This includes highlighting green issues to raise awareness amongst our audience, championing diversity and inclusion, or developing further sustainable processes across our business. We have evolved our ESG activities and strategy over the past year, with a first focus on our Markets and are currently developing our Group-wide global Sustainability Strategy for implementation during the next 12 months.

Time Out recognises the integration of sustainability into relevant aspects of our business strategy and operations is important to build value and help future-proof the business.

Every member of the Executive team has a role to play in sustainability and we have given our General Counsel executive responsibility for developing our Sustainability Strategy. To support the development of this strategy, we are working with external experts who have a wealth of experience in media, retail, FMCG, and private equity businesses. They are currently undertaking a discovery exercise to validate the environmental impacts that Time Out Group already has, any gaps for us to address and the opportunities for us to further develop. Upon completing this initial phase of work, we will have developed an updated Sustainability Strategy which meets the needs of our key stakeholders: our customers, clients, partners, vendors, investors, employees and communities.

In the last year we have:

Focused on our Market business and invested in a partnership with The Sustainable Restaurant Association

We completed a year-long project with The Sustainable Restaurant Association to understand the sustainable practices already adopted by our Markets and to identify where we can support our vendors with local food sourcing, supporting the plant-based diets of our customers and providing the Markets with a better infrastructure for waste sorting (further details of this project can be found on page 30).

We are continuing to:

Develop a global Sustainability Strategy which recognises the rich track record that Time Out has and articulates our ambition to have a positive impact on both society and the environment

In August 2023 we appointed experienced external experts to focus on a discovery exercise and to build out a Sustainability Strategy for the global Time Out Group business. We are also taking steps to horizon scan for future reporting obligations, including TCFD, the Corporate Sustainable Reporting Directive (CSRD) and the Taskforce on Nature-related Financial Disclosures (TNFD). Furthermore, we are completing our first Scope 1-2 Carbon Footprint so that we can identify carbon reduction opportunities.

In the future we will:

Build on the work we are currently doing, roll out our Sustainability Strategy and publish our net zero target date

We will continue to develop our strategy, ensuring alignment with evolving sustainability regulations and reporting standards.

Editorial Content

Time Out has a global audience which is interested in sustainability – we are dedicated to raising awareness amongst our readers around sustainability through regular editorial features and campaigns.

The goal is to highlight initiatives across the cities we are in and inspire our audience to experience these cities more responsibly as well as travel with care for the environment.

As New York deals with the impact of climate change, Time Out New York put a spotlight on the city's sustainable artists transforming found objects into art. Their work, piece by piece, aimed to show the imbalance in our ecosystem and the effects of overconsumption. As part of this feature, artist Thomas McKean – who creates mosaic and 3D sculptures using MetroCards – was commissioned to do an artwork for a Time Out New York digital cover, using thousands of discarded items.

Diversity & inclusion

We believe the richness of the world is in its diversity. The cities we represent are melting pots of different people, ideas, experiences and beliefs.

To champion cities, Time Out must reflect them and we have advocated for diversity and inclusion since 1968: our founder, Tony Elliott, was passionate about these topics. Diversity develops creativity and enables personal and professional growth. We are committed to creating an open culture, supporting and celebrating diversity and equality in our organisation. Steps include:

- Our editorial ethos reflects the cities we serve. Our hiring and commissioning of employees, freelancers and other creatives reflect diverse backgrounds, perspectives and voices.
- We support women leaders by ensuring gender equality within our senior leadership team and at all levels of the organisation. Our two CEOs for Media and Markets are female and we have a 50:50 gender divide in our executive committee.
- Employees completing – if they wish so – an ethnicity census, so that we have a baseline to measure and improve upon.
- We believe that everyone has the right to express themselves and empower everyone to bring their full authentic selves to work. A diverse and inclusive workforce is creative and enables us to learn from each other.
- As part of our training opportunities we have hosted sessions targeted at supporting the mental health of our colleagues.

Initiatives to support local communities

Time Out team members around the world regularly organise and participate in local charity initiatives.

This includes Payroll Giving, staff joining marathons and other charity support; environmental initiatives have also been embraced by our Markets including highlighting World Environment Day and Plastic Free July. Furthermore, our Markets regularly host events to raise money for local charities and to support local talent – for example, Cocktails for a Cause are held in our Markets, Fenway's Got Talent is an event supporting local talent in Boston. Other activities include Juneteenth Wine Tasting, Drag Brunches and Let's Not Waste Tuesday which is a project as part of which we created a cocktail out of leftover produce and spirits in our Dubai Market. In our Lisbon Market we held numerous events throughout the year such as "Colectivo Gira" – a live performance supporting a group created by immigrant women in Portugal which aims to promote Afro-Brazilian culture and gender equality through samba. Furthermore, CORDAO took over the Lisbon Market to pilot a project which aims to create a network of professional support and free information for pregnant women and new mothers.

More sustainable time out markets

The Sustainable Restaurant Association (SRA) has a wealth of experience in working with a range of well-known hospitality brands to apply their “Food Made Good Standards”.

These standards focus on ten key impact areas ranging from food sourcing to society and environmental impact. After kicking off our project, we completed our initial research phase in October 2022 and started to refine and select our initial draft sustainability standards. Working closely with the operational teams in our Markets we agreed our Foundation Standards in May 2023 and started the training and implementation process in July 2023. We shall start measuring our progress calendar year 2024.

Fair Terms of Trade

We will support our vendors to commit towards fair terms of trade with their suppliers

Reduce, Reuse, Recycle

Vendors will eliminate the use of single-use plastic consumables for dine-in customers

Vendors will continue to use reusable crockery and glassware for all in-market dining

Vendors will segregate waste streams for recycling

Supporting Veg-Led Choices

Our chefs (with only very limited exceptions) will offer at least one vegetarian or vegan main dish

All chefs will highlight their vegetarian and vegan dishes on their menu

Drinks-based vendors will all offer dairy alternatives

Champion Local Produce

Every chef will work with local food suppliers

Local suppliers will be highlighted to customers on Market menus

No Endangered Species

No species rated as endangered or critically endangered are served at the Markets

Mandatory adherence to Time Out Market policy will be communicated to all vendors who procure ingredients

Case study

Food for Thought

At Time Out Market Lisbon, the team delivered a holiday campaign called "Food for Thought". Six Market chefs were brought together with people who have found a new home in Lisbon as they were forced to flee their countries of origin such as Afghanistan, Libya, Zimbabwe and Ukraine. They shared their stories about their lives and the ingredients that formed part of happy memories of their childhood in their home country – the chefs took all of this as an inspiration to create special dishes. Throughout the holiday season, guests were able to purchase these dishes at the Market with part of the proceeds going to Portugal com ACNUR, the local partner of the UN refugee agency. The campaign was accompanied by a video series which captured the stories and interaction with the chefs in the creation of these dishes.

Section 172 statement

Maximising value and ensuring long-term success includes taking account of what is important to our key stakeholders.

Our stakeholders	Why we engage	What matters to this group	How we engage
Shareholders and debt providers	<p>Continued access to capital is important for our business as we continue to grow. Whilst we focus on expanding through Management Agreements, we will be developing Owned & Operated Time Out Markets.</p> <p>We work to ensure that our shareholders and key debt providers have a good understanding of our strategy and business model, growth opportunities and performance.</p>	<ul style="list-style-type: none"> • Strategy and business model, incorporating responses to possible impacts of a global recession • Demonstrating flexibility and maximising resilience against the impacts of a global recession • Long-term growth potential • Financial performance • Capital expenditure requirements and liquidity 	<ul style="list-style-type: none"> • The Group CEO, CFO and Investor Relations Director conduct an ongoing investor relations programme which includes individual meetings with institutional shareholders following the interim and full-year results • Copies of the Annual Report are sent to all shareholders and can be downloaded from the Investors section on www.timeout.com, which also contains other information relevant to our investors • Shareholders have the opportunity to ask the Board questions during each Annual General Meeting • The Group CFO meets monthly with the Group's key debt provider and the Group CEO, Time Out Media CEO and Time Out Market CEO hold an annual meeting with them
Employees	<p>Our experienced and diverse workforce is our key asset, and attracting and retaining this talent is critical to our success.</p>	<ul style="list-style-type: none"> • Business strategy and financial stability, including resilience against possible impacts of a global recession • Opportunities for development and progression • Key values such as diversity and inclusion • Fair pay and benefits • Job satisfaction • Working for an innovative company rooted in an iconic brand, with a strong sense of our values 	<ul style="list-style-type: none"> • The Group CEO conducts regular inductions for all new starters globally to ensure understanding of the brand, our Company values and business objectives • The Group CEO shares regular updates with all global staff, covering key recent developments in the business • Executive management team makes presentations to all global staff providing an update on financial performance, business strategy and key progress • Employee engagement and exit surveys provide employees a chance to provide anonymous feedback which is shared with management and used to develop strategies to increase employee satisfaction • Annual performance reviews (with mid-year check-ins) engage staff about their contribution, development and career aspirations, as well as their alignment with the Company's values. There is also a Company-wide culture of weekly one-to-ones with line managers, team meetings and regular functional "stand-ups"

		<ul style="list-style-type: none"> • Appropriate adjustments to office working and home working opportunities, originally in place due to Covid-19 pandemic but now valued by our colleagues 	<ul style="list-style-type: none"> • Social events are organised by local social committees • A diversity & inclusion framework is in place and will be evolved as regular engagement surveys will provide us with the opportunity to capture the ethnicity data that makes up our workforce to better understand the diversity within our global teams • The Group makes financial contributions to professional training for relevant employees, and offers a variety of relevant vocational training; other training opportunities emphasise diversity & inclusion and mental health • Environment initiatives are led by cross-functional teams across our regional offices and these teams are collaborating with our executive management team on a comprehensive sustainability strategy
Global audience	Time Out's brand and curated content, and the audience that engages with it, is at the heart of everything we do; online and in real life.	<ul style="list-style-type: none"> • High-quality, independent and professionally generated content which helps our audience discover and experience the best things to do in a city • The confidence that they can trust Time Out's curation and recommendations • A consistent, authentic brand experience across all our digital and physical channel including our Markets • The ability to experience the best food, drink and cultural experiences in a unique single location at all Time Out Markets • Insightful thought leadership content on issues which matter to our audience 	<ul style="list-style-type: none"> • Time Out's interactions with our audience are tracked in real time through multiple analytics platforms • We also engage with our audience via large-scale surveys, panels, user-generated content, voting and via content which inspires direct consumer action – as well as through Markets and Live Events • Time Out works with professional journalists to ensure expertise, experience, independence and local knowledge • Time Out ensures that the issues which matter most to our audience are properly represented in our content, with content also dedicated to sustainability and sustainable travel • In our Time Out Markets, we regularly refresh the curation and proposition to ensure the culinary mix is up to date and the experience is as frictionless as possible • We implemented a trial of a mobile app to enable pre or at-table ordering for visitors and are monitoring customer impact
Advertising clients	Agency and direct client relationships are critical to generation and growth of advertising revenues.	<ul style="list-style-type: none"> • Brands are seeking innovative, integrated and bespoke advertising solutions from a trusted media partner which can reach a highly desirable audience • Advertising clients seek a positive, brand-safe environment for their campaigns which Time Out's trusted high-quality content and global brand can offer 	<ul style="list-style-type: none"> • Regular communication drives deep, long-term relationships and immersion into the brand including meetings at Time Out Markets • Senior management hold a series of meetings with agency investment teams to update them on our business proposition • Agency-wide presentations and "lunch & learn" events, to strengthen mutual understanding and build awareness of our brand • Attendance at industry events, conferences and networking groups to grow and enrich client relationships, whilst widening our footprint in the market • C-level introductions elevate Time Out's relationships with key advertising clients, so we better understand their business needs • Integrated campaigns bringing Media and Market together generating larger revenue, long-term deals, offering multi-platform and on-site activations

			<ul style="list-style-type: none"> We leverage our editorial voice to create bespoke branded content solutions to offer our clients 360-degree platform campaigns
Concessionaires	Time Out Market's proposition depends on attracting and retaining the best chefs and restaurateurs of a city – it is crucial that we build strong partnerships that create long-term value for both parties.	<ul style="list-style-type: none"> Visitor volumes and consistent footfall Revenue and margin potential The accolade of being the "best of the city" Access to a Commercial Manager who holds quarterly meetings (in person or via video conference) providing advice and insights Building a profile with an international customer base 	<ul style="list-style-type: none"> Regular operational communication by Time Out Market General Managers with each concessionaire Marketing teams deliver marketing plans, including summaries of recent activity and planned upcoming activity One to two meetings every year with Time Out Market CEO Commercial Manager, assisted by the General Managers, completes a performance review, which includes a deep dive on menu, pricing, sales, average spend and customer service
Landlords	Strong, long-term relationships with landlords – whether Owned & Operated or Management Agreements – in a unique location are key to creating long-term value for both parties.	<ul style="list-style-type: none"> Visitor footfall to drive site appeal to other potential tenants Real estate value growth Long-term partnership The addition of a new destination to their site, neighbourhood and city The value of working with a highly recognised, global brand Positive contribution of the Market to the sustainability credentials of the building 	<ul style="list-style-type: none"> Time Out Market CEO maintains regular contact with all landlords and meet with them in person, quarterly or half-yearly Time Out Market General Managers interact with landlords and/or the landlord's representative(s) on a monthly basis General Managers hold regular meetings with Management Agreement partners for operational reviews Time Out Market Finance conducts regular meetings with each Management Agreement partner's Finance team to review results Time Out Market CEO and key staff hold quarterly meetings with Management Agreement partners to review operations, financial performance and relationships
Community and environment	We are committed to engaging with and supporting the communities we operate in and minimising the impact of our business operations on the environment.	<ul style="list-style-type: none"> Time Out readers are interested in sustainability Time Out Market being a responsible neighbour and minimising disruption Waste management working with local recycling Sustainable sourcing Charitable donations 	<ul style="list-style-type: none"> Time Out is dedicated to raising awareness amongst its readers around green issues and sustainability through regular editorial features and campaigns. Sustainability issues (in particular sustainable travel) feature regularly in Time Out's content Time Out Market is dedicated to companies and suppliers, and part of this is to engage with the local community; for example, top chefs host charity events in the markets, supporting local organisations and causes, promoting local food sourcing and supporting the wider community around each Market Time Out members of staff in offices around the world organise and participate in charity initiatives Work is under way on a Sustainability Strategy across the business; in the meantime Time Out Market has undertaken a year-long project with The Sustainable Restaurant Association to identify meaningful changes, which are in the process of being implemented

Principal risks and uncertainties

The Board continually reviews the potential risks facing the Group and the controls in place to mitigate any potential adverse impacts.

The Board also recognises that the nature and scope of risks can change and that there may be other risks to which the Group is exposed. The list is therefore not intended to be exhaustive.

Regulatory Risks

Risk	Mitigation Action/Control
Privacy and data protection risk	The Group has developed and implemented information security policies and procedures (for example, password policies and remote access policies), security monitoring software, physical access limitations and detection and monitoring of fraud from internal staff. Access to the network is protected by a firewall system supplied by specialist third parties. The Group also operates fraud detection systems which use various industry standard anti-fraud rules to prevent fraudulent transactions in real time. The Group encrypts sensitive data such as passwords and other certain information to ensure there is an additional layer of security.
Health and safety	<p>The health and safety of the Group's employees and customers is a key priority. We are required to comply with local health and safety legislation, including fire safety, food hygiene and allergens in our Markets.</p> <p>Each Time Out Market location completes site-specific risk assessments and General Managers are required to undertake regular compliance inspections. Furthermore, third-party consultants conduct bi-monthly "mock" inspections at each Market and any action points are addressed by the General Manager.</p> <p>Each Time Out Media location has a nominated health and safety co-ordinator to ensure that local health and safety requirements are fully assessed, and the required actions are implemented to ensure compliance.</p>

Operational Risks

Risk	Mitigation Action/Control
Technological risk IT systems	<p>The Group is dependent on its IT infrastructure, and any system performance issues or shortcomings, such as system, software or infrastructure failure, damage or denial of access, could cause significant business interruption. The efficient and uninterrupted operation of the systems, technology and networks on which the Group relies and its ability to provide consumers with reliable, real-time access to its products and services is fundamental to the success of the Group's business.</p> <p>The Group continues to partner with specialist third-party solution providers to review and maintain our business continuity and disaster recovery plans, to ensure these can be effectively delivered if required.</p>
Technological risk Technological advancements	<p>Time Out's continued growth is dependent on up-to-date and effective technological systems. Any failure to ensure that IT capacity and capability keep pace with the business could impair the Group's ability to grow.</p> <p>The Group makes ongoing investments in IT systems, security and people to ensure that systems keep pace with the development of the business. Key investment areas are identified annually, and progress tracked regularly to ensure that the objectives are being met.</p>
Treasury risk	The Group undertakes daily, weekly, monthly and multi year cashflow forecasting on a continuous basis. Delegated authority limits are in place to ensure that only those with appropriate knowledge can enter into material commitments. Budgets and rolling forecasts, and other scenario tests are updated regularly to ensure that covenants can be satisfied under various scenarios.
Location selection risk	The Group undertakes detailed post-completion reviews of each new market opening to understand the drivers of performance to inform selection of future sites. The Group undertakes data-led validation of any potential new site opportunity in order to ensure that any

	potential site meets the know success criteria, including both an analysis of third-party data, and multiple visits to the proposed new location.
Key management	<p>The Group's success depends on its key personnel, particularly its senior management team, and its ability to retain them and hire other qualified employees. The loss of a significant number of key personnel may have a negative effect on the Group's ability to deliver its products in a timely manner and would, amongst other things, require the remaining key personnel to divert immediate and substantial attention to seeking a replacement.</p> <p>The HR department monitors employee satisfaction through employee surveys and forums and uses the information to develop staff retention programmes. The Remuneration Committee also seeks to ensure that rewards correspond with performance and retention, and key individuals are incentivised through the Group's LTIP scheme.</p>
Potential security incidents	Each Time Out Market is exposed to the potential risk of terrorist and/or other visitor incidents. These incidents would have an immediate impact on the Group's revenue and a longer-term impact on the Group's reputation. Each Market engages third-party security specialists to provide a visible security presence throughout, in addition to Market-wide CCTV monitoring. Each Market has a General Manager responsible for ongoing monitoring of physical security and regular testing of evacuation plans. This is supplemented by appropriate training to ensure that local teams react appropriately. General Managers regularly meet with local police to understand and address any additional threats and provide regular communication to concessionaires about relevant government policies.
Brand protection	<p>The Group depends on its brand name and any damage to its brand or reputation could impact the ability to attract and retain customers with a resultant impact on revenue, as well as its ability to attract high-calibre employees.</p> <p>The Group has brand guidelines in place which are regularly communicated to all employees and key third parties to ensure consistency of voice and approach throughout all marketing activities. There is also a robust strategy in place for actively pursuing and defending the Time Out brand name and all supporting trademarks, domain names and other intellectual property in all key markets in all relevant classes. Furthermore, the Group employs internal and external legal personnel who are experts in intellectual property to manage the trademark and domain name portfolios and there is an ever-increasing number of trademarks and domain names applied for and registered across the world.</p>

Economic Risks

Risk	Mitigation Action/Control
Macroeconomic uncertainty	The Group aims to minimise the possible effects of macroeconomic uncertainty through diversification. The Group continuously reviews inflation and adjusts its plans accordingly. The Group's Media business is digitally led across a diverse range of customers globally. The Group's Markets business is globally diversifying and focusing on capex-free Management Agreements. The impact of the Russo-Ukrainian war has not had, and is not expected to have, a significant impact on the Group.
Competition	<p>The Group operates in a competitive industry and the advent of new technologies and industry practices may adversely affect the Group's business, results of operations and financial condition. The Group is subject to several risk factors relating to product demand, prices, recognition of the Time Out brand and the ability to attract and retain new customers.</p> <p>The Group continues to invest in the development of its digital offering to ensure that it remains innovative, competitive and attractive in the markets in which it operates. The focus on the quality of offerings means that the Group can respond to changes in the competitive landscape and to the needs of its readership audience, market customers and the requirements of commercial partners.</p>

GOVERNANCE

Board of Directors	38
Corporate Governance report	39
QCA Code principles and disclosures	41
Audit Committee report	43
Directors' remuneration report	45
Directors' report	48
Independent auditors' report	52

Board of Directors

Peter Dubens

Non-Executive Chairman

Date joined

Mr Dubens joined the Group in November 2010 as a Non-Executive Director and was appointed Non-Executive Chairman in May 2016.

Experience

Mr Dubens is the founder and Managing Partner of the Oakley Capital Group, a privately-owned asset management group comprising Private Equity and Venture Capital operations. Mr Dubens founded Oakley Capital in 2002 to be a best-of-breed, entrepreneurially-driven investment house, creating an ecosystem that supports the companies the Oakley Group invests in, whether they are early-stage companies or established businesses.

Sven (Chris) Ohlund

Chief Executive Officer

Date joined

Mr Ohlund joined the Group in July 2021 as Executive Vice-Chairman, and was appointed CEO in October 2021.

Experience

Mr Ohlund has over 25 years of leadership experience in international digital businesses ranging from leading media brands, consumer platforms and film production. He has served on various boards including as Chairman of then-publicly listed Ricardo (part of Tradus) – which was eventually sold to Naspers for \$1.9bn. Mr Ohlund served as Non-Executive Director at Oscar-winning Condor Films in Switzerland, London-based internet start-up Shutl.com (until its sale to eBay), Facile and Casa in Italy and currently serves on the board of the UK's leading PropTech, Residently. As CEO of Germany's leading online comparison portal Verivox, he quadrupled annual revenue and increased enterprise value sixfold to over €500m. Previously he turned around the digital business unit of Blick, a daily Swiss newspaper, to become the number one digital news portal in Switzerland. Prior to that he served as CEO of logistics firm DPD.

Lord Rose Of Monewden

Independent Non-Executive Director

Date joined

Lord Rose joined the Group in December 2015 as Chairman of Time Out Market Limited and was appointed as a Non-Executive Director in June 2016.

Experience

Lord Rose has worked in the retail industry for over 40 years, including over 25 years' board-level experience. He has held Chief Executive Officer positions at Argos, Booker, Iceland, Arcadia Group and Marks & Spencer and Chair positions at EG Group, Marks & Spencer and Ocado Group. Lord Rose was knighted for services to the retail industry and corporate social responsibility in 2008 and was appointed to the House of Lords in 2014. He is the Chair of the Audit Committee and the Remuneration Committee.

Alexander Collins

Non-Executive Director

Date joined

Mr Collins joined the Group in November 2010 as a Non-Executive Director.

Experience

Mr Collins is a Partner at Oakley Capital where he joined in 2007 and has over 24 years of private equity investment and operational experience. His focus at Oakley is primarily on deal origination, execution, and investment advice. Mr Collins began his career at GE Capital in 1995 before being seconded to Advent International for two years as Associate Director. He subsequently joined Henderson Private Capital as Principal. Mr Collins joined Oakley in 2007 from Wharfedale Capital where he was a Partner involved in purchasing secondary assets. Mr Collins holds an MSc from the London School of Economics and a BA in Economic History from Union College, New York.

David Till

Non-Executive Director

Date joined

Mr Till joined the Group in October 2020 as a Non-Executive Director.

Experience

Mr Till co-founded the Oakley Capital Group in 2002 with Peter Dubens. He plays a key role within the Oakley Capital Group and has overall responsibility for operations, finance, due diligence, compliance and fund formation. Mr Till holds a BA (Hons) in Economics from Essex University. He started his career in the British Army, then later qualified as a chartered accountant with Coopers & Lybrand and worked in industry as a finance director, before returning to the profession holding senior M&A roles before co-founding Oakley Capital. Mr Till is a member of the Audit Committee and the Remuneration Committee.

Corporate Governance report

Composition of the Board

The Board is the link between the shareholders and executive management and is responsible for the successful stewardship of the Group. As such the Board plays a key role in the corporate governance process.

During the year 1 July 2022 to 30 June 2023, the Board comprised five Directors, one of whom was an Executive Director and four of whom were Non-Executive Directors. The composition of the Board throughout the year ended 30 June 2023 reflects a blend of different experiences and backgrounds. Biographical details of current Board members during the year ended 30 June 2023 are shown on page 38. The Board believes that the composition of the Board brings a desirable range of skills and experience in light of the Company's challenges and opportunities, while at the same time ensuring that no individual (or small group of individuals) can dominate the Board's decision-making. The Company regarded Lord Rose as an "Independent Non-Executive Director" within the meaning of the QCA Code and free from any business or other relationship that could materially interfere with the exercise of their judgement.

The Board's composition and skill set is considered appropriate for the Group's current stage of development. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance. As the Board is small, there is not a separate Nominations Committee and recommendations for appointments to the Board will be considered by the Board as a whole after due evaluation.

No single entity has control of the Group. The largest single shareholder of Time Out Group plc ("TOG") is Lombard Odier Asset Management (Europe) Limited (at 28.72%). Several shareholders, including Oakley Capital Investments Limited, TO (Bermuda) Limited and TONY (Bermuda) Limited (the "Oakley Concert Parties"), are presumed to be acting in concert for the purposes of The City Code on Takeovers and Mergers, but together such Oakley Concert Parties own less than 50% of the shares of the Group (43.79%). Whilst three of the Directors of TOG are associated with the Oakley Concert Parties and their advisers, they are appointed in a non-executive capacity as directors of TOG and are mindful of their statutory duties to TOG and its shareholders as a whole and of the QCA corporate governance code. In any scenario where there may be a conflict of interest any interested director will abstain from voting. In addition, TOG has appointed an executive director (Chris Ohlund) and an additional non-executive Director (Lord Rose of Mownewden), who is the Chair of the Audit Committee.

Board role and meetings

The Board is responsible for the Group's strategy and for its overall management, as well as setting the Group's values and standards. The operation of the Board is documented in a formal schedule of matters reserved for its approval which is reviewed annually. These matters relate to:

- all of the Group's strategic aims and objectives;
- the structure and capital of the Group;
- financial reporting, controls and policies including those around cyber protection;
- setting budgets and forecasts;
- internal controls;
- approval of any significant contracts, expenditure, partnerships and/or ventures;
- effective communication with shareholders;
- any changes to the Board membership or structure, including delegation of authority;
- approval of remuneration for Executive Directors; and
- approval of appointment of Key Management Personnel and Directors.

Non-Executive Directors communicate directly with Executive Directors and senior management in between formal Board meetings.

The Board met five times during the year ended 30 June 2023. Directors are expected to attend all meetings of the Board and committees on which they sit, and to devote sufficient time to their duties to the Group.

In the event that Directors are unable to attend a meeting, their comments on papers to be considered at the meeting will be discussed in advance with the Chairman so that their contribution can be included in the wider Board discussion.

The following table shows Directors' attendance at scheduled Board and Committee meetings for the year ended 30 June 2023:

	Board	Audit	Remuneration
Peter Dubens	5/5	–	–
David Till	5/5	3/3	2/2
Lord Rose	5/5	3/3	2/2
Alexander Collins	5/5	–	–
Chris Ohlund*	5/5	3/3	–

* These Directors are not members of the Audit Committee but were invited to be in attendance at some meetings.

Board Committees

The Board has delegated specific responsibilities to the Audit Committee and the Remuneration Committee, details of which are set out below. Each committee has written terms of reference setting out its duties, authorities and reporting responsibilities.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported. It receives and reviews reports from the Group's management relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. It meets with the external Auditors throughout the year to discuss their findings in relation to the annual accounts.

The Audit Committee aims to meet not less than two times in each financial year, and it has unrestricted access to the Group's external Auditors.

During the year ended 30 June 2023 the Audit Committee comprised of Lord Rose and David Till and is chaired by Lord Rose.

More information about this Board Committee can be found in the Audit Committee report on page 43

Remuneration Committee

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

The Remuneration Committee meets as and when necessary, but aims to meet at least twice each year.

During the year ended 30 June 2023 the Remuneration Committee comprised of Lord Rose and David Till and is chaired by Lord Rose.

More information about this Board Committee can be found in the Directors' remuneration report on page 45

Board effectiveness

All Directors take part in a thorough induction process on joining the Board, tailored to the existing knowledge and experience of the Director concerned.

The performance of the Board is fundamental to the Company's success. The performance of the Board and its Committees, including individual members, is evaluated regularly by the Chairman, with the aim of improving their effectiveness.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer.

Key management

The key management roles for the year ended 30 June 2023 that have been identified by the Board are as follows:

- Group Chief Executive Officer;
- Time Out Media CEO; and
- Time Out Market CEO.

Internal controls

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness.

However well the system is designed to manage risk, it cannot eliminate all risk, and therefore it provides reasonable, not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- close management of the day-to-day activities of the Group by the Executive Director;
- an organisational structure with defined levels of responsibility, which promotes entrepreneurial decision making and rapid implementation whilst minimising risks;
- a comprehensive annual budgeting process, producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board;
- detailed monthly reporting of performance against budget; and
- central control over key areas such as capital expenditure authorisation and banking facilities.

The Group continues to review its system of internal control to ensure compliance with best practice, whilst also having regard to its size and the resources available. The Board considers that the introduction of an internal audit function is not appropriate at the current time, however an internal review is completed by internal senior members of the finance function in order to ensure accuracy in the financial reporting.

The Group continues to refine its approach to business continuity and disaster recovery and further testing and risk assessments were carried out through the year ended 30 June 2023 for both head office and overseas locations. The Group continues to mitigate risks by moving critical systems to the cloud where possible. The Group uses the services of a specialised third-party solution provider, currently working on refining business continuity and disaster recovery plans, to ensure these shall be effectively delivered if needed.

The QCA Code

The Company continues to observe the QCA Code (the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies, published by the Quoted Companies Alliance). In accordance with the requirements of the QCA Code, the Board continues to set out its corporate governance statement on the Group's website, including clear signposting to the availability of corporate governance disclosures by the Group, which are also set out in the section following this one.

Relations with shareholders

Copies of the Annual Report are sent to all shareholders. Copies of the annual and interim reports can be downloaded from the investors section on www.timeout.com. Other information for shareholders and interested parties is also provided on that website. Written or emailed enquiries are handled by the Group's Investor Relations Director and/or the Company Secretary.

The Group has an ongoing programme of individual meetings with institutional shareholders and analysts following the preliminary and half-year results presentations to the City. These meetings allow the Group Chief Executive Officer and the Chief Financial Officer to update shareholders on strategy and the Group's performance. Additional meetings with institutional investors and/or analysts are arranged from time to time. All members of the Board receive copies of feedback reports from the City presentations and meetings, thus keeping them in touch with shareholder opinion.

Shareholders are given the opportunity to ask questions and raise issues at the Annual General Meeting ("AGM"); this can be done formally during the meeting or informally with the Directors after it. The Annual General Meeting will be held on Tuesday 12th December 2023 at 1st Floor, 172 Drury Lane, London, WC2B 5QR. The Notice of the Annual General Meeting accompanies this Annual Report and Accounts.

Approved by the Board and signed by order of the Board by

Emma Louise Humphrey
Company Secretary

QCA Code principles and disclosures

Principle	Disclosure
Establish a strategy and business model which promotes long-term value for shareholders	The Group's business model and strategy are set out on page 11 of the Annual Report and Accounts for the year ended 30 June 2023. The business model and strategy promote long-term value for our shareholders.
Seek to understand and meet shareholder needs and expectations	Both the Chairman and Executive Director engage frequently with shareholders. There is an ongoing programme of individual meetings with institutional shareholders following the preliminary and half-year results presentations, at which the Group CEO and CFO update shareholders on strategy and the Group's performance. Copies of the Annual Report and Accounts are sent to all shareholders and copies of the Annual and Interim reports can be downloaded from the investors section on www.timeout.com , where other information for investors and shareholders is also available. Shareholders have the opportunity to ask questions of the Board during each Annual General Meeting and to speak with Board members informally after the meeting. The Group has an Investor Relations Director, engaging with shareholders.
Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>The Group takes its impact on the environment seriously. Employees are required to use the organisation's equipment and materials wisely and reduce wastage where possible. In local offices there are initiatives seeking to limit environmental impacts, such as a group planning and implementing practical local initiatives and delivering reminders to all, in order to reduce environmental impact by staff and the Company. The Group is currently developing a comprehensive ESG strategy which recognises the positive impact that the Group has on the communities it serves and will provide a clear framework within which this positive societal impact will continue alongside a clear carbon reduction strategy.</p> <p>Staff members engage with charities in cities where the Company has a presence, by volunteering their time and through fundraising activities.</p> <p>The Group has a whistleblowing policy in place and arrangements for employees to report any concerning activity, so that appropriate action can be taken.</p>
Embed effective risk management, considering both opportunities and threats, throughout the organisation	<p>The Board and Group's approach to risk is set out in the Audit Committee report on page 44 in the Annual Report and Accounts for the year ended 30 June 2023 and Principal Risks and Uncertainties on pages 35 and 36.</p> <p>The Board has overall responsibility for the system of internal control and for reviewing its effectiveness in managing the risks we face. Such systems are designed to manage rather than eliminate risks and can provide only reasonable and not absolute assurance against material misstatement or loss.</p> <p>Each year on behalf of the Board the Audit committee reviews the effectiveness of the Group's risks, controls and systems, and considers whether any external testing or other validation is required.</p> <p>The Audit committee considers any relevant observations raised by the external auditors, but recognises it is not the responsibility of the auditors to either identify or suggest mitigation for any potential risks. The key risks of the Group are summarised in the Annual Report and Accounts for the year ended 30 June 2023 on pages 35 and 36.</p> <p>On the recommendation of the Audit Committee, the Board has determined that an internal audit function is not appropriate at the current time due to the small size of the Group administrative function and the high level of Director review and authorisation of transactions. The Board will keep this matter under review as the Group develops. A comprehensive budgeting process is completed once a year and is</p>

	reviewed and approved by the Board. In addition, the Group conducts regular re-forecasts. The Group's results, as compared against budget and the latest forecast, are reported to the Board on a monthly basis and discussed in detail at each meeting of the Board.
Maintain the board as a well- functioning, balanced team led by the chair	<p>The Board aims to meet at least four times a year. In addition to full Board meetings, there are regular discussions on various matters, including strategy, business updates and KPIs, between individual Board members and/or smaller group(s) from the Board. The Audit Committee and Remuneration Committee report to the Board.</p> <p>Each Director serves on the Board until the Annual General Meeting following his or her election or appointment. The Board is comprised of experienced individuals, with current skills and capabilities from a mix of global and local industries.</p> <p>Biographies for the Board Directors are on page 38 of the Annual Report and Accounts for the year ended 30 June 2023 and also on the Investor Relations area of www.timeout.com.</p>
Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	<p>The Board's members, between them, bring current experience and skills from a variety of business sectors and territories across the world. The Board is comprised of a Non-Executive Chairman, one Executive Director and three Non-Executive Directors. For the purposes of the QCA Code, the Company considers that from the four Non-Executive Directors (being the Non-Executive Chairman and three other Non-Executive Directors) Lord Rose of Monewden is an independent Director and he has been CEO of publicly listed companies.</p> <p>Biographies for the Board Directors are on page 38 of the Annual Report and Accounts for the year ended 30 June 2022 and also on the Investor Relations area of www.timeout.com.</p>
Evaluate all elements of board performance based on clear and relevant objectives, seeking continuous improvement.	The Board is relatively small, and has not at this time adopted a formal Board evaluation process/cycle. The Chairman regularly evaluates the Board, individual members and its committees, with the aim of improving their effectiveness. The Company considers this appropriate given the Company's size and current stage of development.
Promote a corporate culture that is based on sound ethical values and behaviours	<p>The Company has adopted the following policies:</p> <p>Anti-Bribery Policy; Anti-Fraud Policy; Business Ethics Policy; Code of Conduct; Communication Policy; Data Protection Policy; Employee Privacy Notice; IT Security Policy; Mental Health Policy; Risk Management and Identification Policy; Travel & Expense Policy; Whistleblowing Policy;</p> <p>So that all aspects of the Company are run in a robust and responsible way. The Company has adopted a share dealing code to ensure Directors and employees do not abuse, and do not place themselves under suspicion of abusing, inside information of which they are in possession, and to comply with its obligations under the Market Abuse Regulation, which applies to the Company by virtue of its shares being traded on AIM. Furthermore, the Company's share dealing code is compliant with the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time).</p> <p>The Company has a Human Resources team and resources available, including a Company HR Portal accessible by all, where a wide variety of resources can be accessed, including employee support services, all Company policies and an anonymous "suggestions box" with publicly posted responses. The Company encourages personal development, inter-departmental communication and team strategising and building through provision of training, department/team summits, and social events which are free to attend.</p>
Maintain governance structures and processes that are fit for purpose and	<p>The Group has established committees and policies, to ensure that:</p> <ul style="list-style-type: none"> it is led by an effective Board which is collectively responsible for the long-term success of the Group;

support good decision making by the board.	<ul style="list-style-type: none"> • the Board and the committees have the appropriate balance of skills, experience, independence, and knowledge of the Group to enable them to discharge their respective duties and responsibilities effectively; • the Board established a formal and transparent arrangement for considering how it applies the corporate reporting, risk management, and internal control principles and for maintaining an appropriate relationship with the Group's auditors; and • there is a dialogue with shareholders based on the mutual understanding of objectives. • In compliance with UK best practice, the Board has established an Audit Committee and Remuneration Committee.
Communicate how the company is governed by maintaining a dialogue with shareholders and other relevant stakeholders.	<p>There is an ongoing programme of meetings between Executive Directors with existing shareholders and also between Executive Directors with potential investors. The Annual Report and Accounts is sent to all shareholders and copies of both the Annual and Interim reports are available to the general public and can be downloaded from www.timeout.com. On the Investor Relations section of the website there is other information available for investors and shareholders, including on how the Company is governed and compliance with the QCA Code. Shareholders have the opportunity to ask questions of the Board during each Annual General Meeting and to speak with Board members informally after the meeting. Both the Chairman and Executive Directors engage frequently with shareholders, including via scheduled meetings following full-year and half-year results.</p>

Audit Committee report

Lord Rose Of Monewden

Chairman of the Audit Committee

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and reviewed.

Its role includes monitoring the integrity of the financial statements (including the Annual Report and Accounts and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by the external Auditors, and advising on the appointment of the external Auditors.

Composition and role of the Audit Committee

The Audit Committee's members for the year ended 30 June 2023 were David Till and Lord Rose of Monewden who is Chair of the Audit Committee. Neil Wood and Patrick Foley both attended Committee meetings in their capacity as interim Chief Financial Officer and Chief Financial Officer respectively. The Committee met three times in the year ended 30 June 2023. Details on attendance for these meetings can be found in the Corporate Governance report on page 39.

The Board is satisfied that the members of the Committee during the year ended 30 June 2023 have appropriate, recent and relevant financial experience. Lord Rose has experience as Chief Executive Officer in major listed companies, ultimately responsible for finance functions, and Mr Till is a qualified chartered accountant, with a wealth of experience in finance including ultimate responsibility for finance functions. More information on Lord Rose and Mr Till's backgrounds can be found in the Directors' biographies on page 38.

The main duties of the Audit Committee are set out in its Terms of Reference which are available on the Company's website www.timeout.com and are also available on request from the Company Secretary.

The main items of business to be considered by the Audit Committee include:

- review of the Annual Report and Accounts;
- consideration of the external audit report and management representation letter;
- going concern review;
- review of the audit plan and audit engagement letter;
- review of the suitability of the external Auditors;
- review of the risk management, risk registers and internal control systems;
- review of the interim results and dividend;
- assessment of the need for an internal audit function; and
- review of the whistleblowing reports.

Role of the external Auditors

The Audit Committee monitors the relationship with the external Auditors, PricewaterhouseCoopers LLP who were appointed in 2014, to ensure that auditor independence and objectivity are maintained. As part of its review the Committee monitors the provision of non-audit services by the external Auditors. The breakdown of fees between audit and non-audit services is provided in note 7 of the Group's accounts. No non-audit fees were incurred in the year ended 30 June 2023.

The Audit Committee also assesses the Auditors' performance. Having reviewed the Auditors' independence and performance, the Audit Committee has recommended that PricewaterhouseCoopers LLP be reappointed as the Company's Auditors at the next Annual General Meeting.

Audit process

The Auditors prepare an audit plan for their review of the full-year financial statements. The audit plan sets out the scope of the audit, areas to be targeted and the audit timetable. This plan is reviewed and agreed in advance by the Audit Committee.

Following its audit, the Auditors present their findings to the Committee for discussion.

Areas of significant risk and other matters of audit relevance are regularly communicated.

Internal audit

At present, the Group does not have an internal audit function, and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one. The Committee will continue to review this decision.

Risk management and internal controls

As described on page 40 of the Corporate Governance report, the Group has established a framework of risk management and internal control systems, policies and procedures.

The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. During the year, the Committee has reviewed the framework and the Committee is satisfied that the internal control systems in place are currently operating effectively.

Whistleblowing

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. Whistleblowing is a standing item on the Committee's agenda and updates are provided at each meeting. During the year there were no incidents for consideration.

Approved by the Board and signed on behalf of the Board by

Lord Rose of Monewden

Chairman of the Audit Committee

Committee Members

Lord Rose of Monewden

(Chair)

David Till

(Member)

Meetings in the year

3

Activities for the year

The main activities for the year included:

- review of the FY22/23 audit plan and audit engagement letter;
- consideration of key audit matters and how they are addressed;
- review of the interim financial results and Annual Report and Accounts;
- consideration of the external audit report and management representation letter;
- going concern review;
- review of levels of financial processes and procedures;
- meeting with the external Auditors without management present;
- consideration of the external Auditors' lead Partner rotation, and alternative external Auditors service providers; and
- review of whistleblowing and anti-bribery arrangements.

Directors' remuneration report

The group is not required to prepare a directors' remuneration report. The following disclosures are unaudited unless otherwise stated and prepared on a voluntary basis.

Composition and role

The Remuneration Committee's members during the year ended 30 June 2023 were David Till and Lord Rose who was Chair of the Remuneration Committee. The Committee operated under the Terms of Reference and was responsible for reviewing the performance of the Executive Directors and for making recommendations to the Board on matters relating to their remuneration and terms of service. The Committee was also responsible for making recommendations to the Board on proposals for the granting of share options.

The Remuneration Committee met twice during the year ended 30 June 2023.

More information about the members of this Committee can be found on page 38 in the Directors' biographies.

Committee Members

Lord Rose of Monewden

(Chair)

David Till

(member)

Meetings in the year

2

Remuneration policy

The objective of the Group's remuneration policy is to attract, motivate and retain high-quality individuals who will contribute fully to the success of the Group. To achieve this objective, the Group provides competitive salaries and benefits to all employees. Executive Directors' remuneration is set to create an appropriate balance between both fixed and performance-related elements.

Remuneration is reviewed each year in light of the Group's business objectives. It is the Remuneration Committee's intention that remuneration should reward achievement of objectives and that these are aligned with shareholders' interests over the medium term.

No Director has any involvement in setting their own remuneration. Remuneration consists of the following elements:

- basic salary;
- performance-related annual bonus;
- share options;
- pensions; and
- benefits including insurance and allowances.

Share options

The Company operates a Long Term Incentive Plan ("LTIP") which is a discretionary share plan.

The LTIP is designed to encourage continual business performance improvement and to align the interests and objectives of senior management with those of shareholders in the medium term. More details of this scheme are in note 27 of the consolidated accounts. The Remuneration Committee supervises the operation of the LTIP and the grant of Awards to Executive Directors and the Board oversees the LTIP for employees.

Service contracts and letters of appointment

Executive Directors

The service agreement of the Group Chief Executive Officer is terminable by either party giving the other six months' notice in writing.

Non-Executive Directors

The Non-Executive Directors' letters of appointment may be terminated by either party giving three months' written notice.

Directors' remuneration

The following table summarises the actual total gross remuneration, for qualifying services, of the Directors who served during the year ended 30 June 2023 and the prior year. Peter Dubens, David Till and Alexander Collins are partners at Oakley Capital, a significant but non-controlling shareholder, and do not receive any remuneration for acting as Directors of the Group.

Year ended 30 June 2023 (Audited)	Salary £'000	Benefits £'000	Pension £'000	Share Options exercised £'000	Bonus £'000	Total £'000
EXECUTIVE						
Chris Ohlund	500	–	–	–	500	1,000
NON-EXECUTIVE						
Peter Dubens	–	–	–	–	–	–
Lord Rose of Monewden ¹	45	–	–	–	–	45
Alexander Collins	–	–	–	–	–	–
David Till	–	–	–	–	–	–
TOTAL	545	–	–	–	500	1,045

1 Lord Rose of Monewden receives £10,000 per annum in respect of his committee chair fees.

Year ended 30 June 2022 (audited)	Salary £'000	Benefits £'000	Pension £'000	Loss of office £'000	Share Options exercised £'000	Bonus £'000	Total £'000
EXECUTIVE							
Chris Ohlund (appointed 20 July 2021)	464	–	–	–	–	500	964
Julio Bruno (resigned 29 October 2021) ¹	100	3	9	369	2,055	–	2,536
NON-EXECUTIVE							
Peter Dubens	–	–	–	–	–	–	–
Lord Rose of Monewden ²	45	–	–	–	–	–	45
Alexander Collins	–	–	–	–	–	–	–
David Till	–	–	–	–	–	–	–
TOTAL	609	3	9	369	2,055	500	3,545

1 Julio Bruno received £6,000 in cash in lieu of pension contributions.

2 Lord Rose of Monewden receives £10,000 per annum in respect of his committee chair fees.

Directors' shareholdings

The Directors, who served in the year ended 30 June 2023 and who held an interest in the ordinary shares of the Company, were as follows:

	Shareholding at 30 June 2023	Shareholding at 30 June 2022
EXECUTIVE		
Chris Ohlund	–	–
NON-EXECUTIVE		
Peter Dubens	4,945,022	4,945,022
Lord Rose of Monewden	–	–
Alexander Collins	–	–
David Till	214,280	214,280

Directors' interests

Options granted to Directors in the year ended 30 June 2023, together with details of the share option schemes, are set out in note 27.

In the prior year ended 30 June 2022, Julio Bruno exercised 3,613,333 options on 19 November 2021. At 30 June 2022 the total number of shares Mr Bruno held in the Company was 1,791,276. As Mr Bruno was not an executive director during the year ended 30 June 2023, no disclosures are made for the current year.

Share price

The market price of the Company's ordinary shares at 30 June 2023 was 44p (30 June 2022: 49p) and the range during the year was 32p to 50p (Year ended 30 June 2022: 48p to 60p).

Approved by the Board and signed on behalf of the Board by

Lord Rose of Monewden

Chairman of the Remuneration Committee

Directors' report

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2023. The Corporate Governance report on pages 39 and 40 also forms part of the Directors' report.

General information

The Company referenced in the Annual Report and Accounts is Time Out Group plc, a company registered in England and Wales and located at 1st Floor, 172 Drury Lane, London WC2B 5QR. The Group referenced in the Annual Report and Accounts includes the Company as well as the subsidiaries listed in note 15 of the financial statements.

Principal activities

Time Out launched in London in 1968 as a magazine to help people discover the exciting new urban cultures that had started up all over the city. Today, the Group's digital and physical presence comprises websites, mobile, Live Events and Time Out Market. Across these platforms, Time Out distributes its curated content – written by professional journalists – around the best food, drink, culture, entertainment and travel across 333 cities in 59 countries. Time Out Market is a food and cultural market which brings the best of the city together under one roof: its best chefs, drinks and cultural experiences – based on editorial curation. The first Time Out Market opened in Lisbon in 2014, followed by New York, Boston, Montreal and Chicago in 2019, and Dubai in 2021. A pipeline of further global locations is in development, with markets in Cape Town and Porto both scheduled to open in calendar 2023.

Review of business

This Annual Report and Accounts has been prepared to provide shareholders with a fair and balanced review of the Group's business and the outlook for the future development of the Group as well as the principal risks and uncertainties which could affect the Group's performance.

The table below identifies where to find specific information related to the business review:

Content	Section	Pages
Key Performance Indicators ("KPIs")	Strategic section	1, 2 & 13 to 18
Business Review including Outlook	Strategic section	13 to 18
Principal Risks & Uncertainties	Strategic section	35 & 36
Corporate Governance	Governance section	39 & 40
Accounts and Note Disclosure	Financial statements	57

Branches outside the UK

The Group has no branches outside the UK. The Group has subsidiaries in the UK, France, Portugal, Spain, Australia, Hong Kong, Singapore, Canada, the Czech Republic and the United States of America.

Future developments

A review of the Group's outlook can be found in the Chief Executive's review on page 13.

Results and dividends

The Group has reported its audited accounts in accordance with UK adopted International Financial Reporting Standards. The Group's results are set out in the Consolidated Income Statement on page 58. The Company has prepared the individual Company accounts in accordance with UK GAAP, including The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 101).

The Group loss for the year after taxation was £26.1m (2022: £19.6m). The Directors do not recommend the payment of a dividend (2022: £nil).

Post balance sheet events

On 7th November 2023 the Directors agreed to enter into an extension of the £5.2m Oakley Capital loan facility to June 2025.

Directors

The Directors of the Company who were in office during the year ended 30 June 2023 and up to the date of this report, together with their biographical details, are shown on page 38.

Directors' interests

The Directors' interests in the Company's shares and options over ordinary shares are shown in the Directors' remuneration report on page 47.

Except for the amounts disclosed in the remuneration report, no Director has any beneficial interest in the share capital of any subsidiary or associate undertaking.

Directors' indemnity and liability insurance

The Company has purchased and maintained during the year ended 30 June 2023 Directors' and Officers' liability insurance in respect of itself and its Directors.

The Directors also have the benefit of the indemnity provision contained in the Company's Articles of Association which represents a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and at the date of approval of the financial statements.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Website publication

The Directors are responsible for ensuring the Annual Report and Accounts are made available on a website and are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of the Annual Report and Accounts, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Annual Report and Accounts contained therein.

Political donations

The Company made no political donations during the year ended 30 June 2023 (2022: £nil).

Financial instruments and related matters

The financial risk management objectives and policies of the Group, including credit risk, interest rate risk and currency risk are provided in note 22 of the accounts.

Share capital

The Company's share capital comprises one class of ordinary shares with a nominal value of £0.001 each. At 30 June 2023, 337,589,584 ordinary shares were in issue (2022: 335,870,417 ordinary shares).

Substantial shareholdings

In accordance with the Disclosure and Transparency Rules DTR 5, the Company as at 18th October 2023 (being the last practicable date before the publication of this report) has been notified of the following disclosable interests in its issued ordinary shares:

Shareholder	Ordinary shares held	% of ownership
Lombard Odier Asset Management	96,983,236	28.72%
Oakley Capital Private Equity Limited	80,461,015	23.82%
Oakley Capital Investment Limited	67,436,385	19.97%
Richard Caring	19,977,057	5.92%
Landsdowne Partners	11,729,197	3.47%

Relationships with major shareholders and associates

On admission of its shares following the IPO in June 2016, the Company entered into a relationship agreement with TO (Bermuda) Limited, TONY (Bermuda) Limited, Oakley Capital Investment Limited, Oakley Capital Private Equity Limited ("Oakley Entities"), the principal purpose of which is to ensure the Company is capable of carrying on, at all times, its business independently of them and their associates.

Under the relationship agreement, providing that the Oakley Entities' combined holdings are greater than 20%, they shall be entitled to appoint two Directors.

Share option schemes

Details of employee share option schemes are set out in note 27 of the accounts.

Going concern

The Directors' assessment of going concern is set out on page 18 of the Strategic Report.

The financial statements have been prepared under the going concern basis of accounting as the Directors have a reasonable expectation that the Group and Company will continue in operational existence and be able to settle their liabilities as they fall due for the foreseeable future, being a period of not less than one year from the date of approval of the financial statements ("forecast period").

Research and development

The Group undertakes activity which could be classified as research and development. This is further explained in note 2 of the accounts.

Conflicts of interest

Save as set out below, there are no actual or potential conflicts of interest between the duties of the Directors of the Company and the private interests or other duties that they may also have.

Peter Dubens is a managing partner of and founder of Oakley Capital and has direct involvement in that company, its subsidiaries and associated companies.

David Till is managing partner of and founder of Oakley Capital and has direct involvement in that company, its subsidiaries and associated companies.

Alexander Collins is also a partner of Oakley Capital. Further information is set out in note 28 of the accounts.

Employee involvement

The Group is committed to being an equal opportunities employer and opposes all forms of discrimination.

Applications from people with disabilities will be considered fairly and if existing employees become disabled, every effort is made to retain them within the workforce wherever reasonable and practicable. The Group also endeavours to provide equal opportunities in the training, promotion and general career development of disabled employees.

The Group regularly provides employees with information of concern to them, which incorporates the Group's current performance and its future aims and strategies. The Group has created an HR portal to ensure all employees have access to relevant policies and information. We also use it to encourage suggestions from employees in areas that are important to them.

Diversity

The Group is committed to reflecting diversity in its workforce and aims to improve this balance going forward. As of 30 June 2023, the Group had the following employees:

	Male	Female	Total
All employees	262	242	504
Senior managers	28	22	50
Board of Directors	5	–	5

Streamlined energy and carbon reporting

We are aware of the impact our business has on the environment and it is our aim to ensure that we minimise any adverse impacts from our operations.

Given the nature of its activities, the Group's direct impact on the environment is relatively modest. Nonetheless, policies and standards are in place which aim to minimise this impact wherever possible. These include:

- compliance with all relevant national legislation as a minimum standard;
- employment of practical energy efficiency and waste minimisation measures;
- use of technology to reduce the need for business travel.

Greenhouse gas emissions and kWh consumption data for the year ended 30 June 2023 for Time Out England Limited, the Group's UK trading subsidiary, is set out below:

		Tonnes		
		Activity	CO ₂ e	kWh
Scope 2	Grid-supplied electricity		22.18	107,128
Energy Intensity measure				
Tonnes CO ₂ e per £m gross revenue			0.2	

We have used the UK Government GHG Conversion Factors for Company Reporting 2023 to calculate our total CO₂ figures.

Human rights

The Group communicates its ethical standards to employees through the Group's Business Ethics Policy and our Code of Conduct, which includes bribery, competition, conflicts of interest, inside information, confidentiality, gifts and entertainment, discrimination, harassment and fair dealing with customers and suppliers. Information on the above as well as a statement of compliance with the Modern Slavery Act 2015 is contained on our website. In addition, the Group's whistleblowing policy and procedures means every employee can have a voice and a means to raise concerns to the Group.

Independent Auditors

PricewaterhouseCoopers LLP ("PwC") has expressed willingness to continue in office as Auditors and a resolution to reappoint them will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held on Tuesday 12th December 2023. The ordinary business comprises receipt of the Directors' report and the audited financial statements for the year ended 30 June 2023, the re-election of Directors, the reappointment of PwC as independent Auditors and authorisation of the Directors to determine the Auditors' remuneration.

The Notice of Annual General Meeting and ordinary and special resolutions to be put to the meeting are included at the end of this Annual Report and Accounts.

Other policies in place

The Group has policies in place to mitigate risk surrounding fraud, bribery, modern slavery and whistleblowing amongst other things. It operates a Code of Conduct.

Statement S172

The Directors are required by law to act in a way that promotes the success of the Company for the benefit of shareholders as a whole. In doing so, the Company must also give due consideration to the wider expectations of responsible business behaviour, having regard to the interests of its key stakeholders, as set out in the Strategic Report on page 32 to 34. The Board is conscious of its obligations under the Companies Act 2006, including S172 duties.

Duty to promote the success of the Company

As required by Section 172 of the UK's Companies Act 2006, a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of shareholders. In doing this, the director must have regard, amongst other matters, to the:

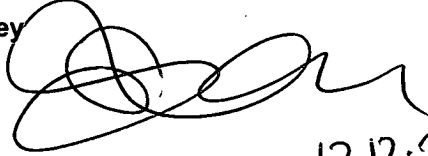
- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers, and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

By understanding our key stakeholder groups, we can factor their concerns and needs into boardroom discussions.

Board processes are reviewed and will be updated where necessary to ensure key stakeholders are considered in those discussions.

The Directors' report was approved by the Board on 7 November 2023 and signed by order of the Board.

Emma Louise Humphrey
Company Secretary



12.12.23

Independent auditors' report

to the members of Time Out Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Time Out Group plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2023 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Accounts 2023 (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 30 June 2023; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- The group is organised into 32 individual reporting components and the group financial statements are a consolidation of these reporting components;
- Of the 32 components we identified 8 which, in our view, required a full scope audit either due to their size or risk characteristics, 7 of these were audited by the group engagement team;
- There is one significant component based in Portugal which has been audited by PwC component auditors;
- Audit procedures were performed in three further reporting units due to their contributions to the financial statement line items in the group financial statements; and
- As a result of this scoping we obtained coverage over 77% of the consolidated revenues.

Key audit matters

Valuation and impairment of goodwill and intangible assets (group)

Valuation and impairment of investments and intercompany balances with subsidiaries (company)

Materiality

- Overall group materiality: £1,500,000 (2022: £1,400,000) based on 5% of loss before tax using a three year average.
- Overall company materiality: £1,100,000 (2022: £1,330,000) based on 1% of total assets.
- Performance materiality: £1,125,000 (2022: £1,000,000) (group) and £825,000 (2022: £997,500) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Going concern (group and company), which was a key audit matter last year, is no longer included because the key audit matter was to address the response to material uncertainty of going concern in the FY21 Annual Report & Accounts. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation and impairment of goodwill and intangible assets (group)</p> <p>At 30 June 2023, the group has goodwill and intangible assets as detailed in notes 11 and 12.</p> <p>The determination of whether an impairment exists can be judgemental. Goodwill requires management to undertake an annual impairment review. In addition management is required to determine the recoverable amount of intangible assets when impairment indicators are identified.</p> <p>The determination of recoverable amount, being the higher of value-in use ("VIU") and fair value less costs of disposal ("FVLCD"), requires judgement and estimation on the part of management in determining the recoverable amounts for the relevant cash generating units ("CGUs").</p> <p>The recoverable amounts are based on management's view of key assumptions which include:</p> <ul style="list-style-type: none">• Forecast cash flows for the next five years;• A long-term (terminal) growth rate applied beyond the end of the five year forecast period; and• A discount rate applied to the model.• Management consider there to be 2 CGUs in respect of goodwill. We have assessed each CGU separately to assess the future cash flows. <p>Refer to the accounting policies section within the financial statements for disclosure of the related accounting policies, judgements and estimates and notes 11 and 12 for detailed intangible asset disclosures within the consolidated financial statements.</p>	<p>We obtained management's impairment workings and performed the following testing:</p> <ul style="list-style-type: none">• We verified the integrity of formulae and the mathematical accuracy of management's valuation models; and• We traced the forecasts used within the model to the board approved budget.• We tested the key assumptions within management's impairment workings, including the following:• We evaluated and assessed the reasonableness of the group's future cash flow forecasts, and the process by which they were prepared, confirming that they were the forecasts approved by the board of directors, assessing the reasonableness of the budget, including the revenue and EBITDA included in those budgets based on our understanding of the group and the past performance of the group;• We performed look back procedures to assess the historical reasonableness and accuracy of managements forecasts and used this to inform our view of appropriate sensitivities to apply;• We tested the directors' key assumptions for long-term growth rates applied outside the budget period, by comparing them to forecast long-term growth rates;• With the support of our valuations experts, assessing the discount rate used in each model and whether it fell within a reasonable range taking account of external market data. Our assessment of discount rates also included consideration of country and asset specific risks and challenging management to ensure that these had been appropriately captured in either the discount rate or underlying cash flow forecasts; and• We performed our own sensitivities over the key drivers of the cash flow forecasts, being revenue, EBITDA, the long-term growth rate and the discount rate used including looking at the comparability of management's model to consistency with Q1 trading. <p>We have reviewed the financial statement disclosures made with respect to the sensitivity of the discount rate, cash flows and growth rates.</p>

	As a result of our work, we are satisfied that management's impairment assessment and disclosure of intangible assets is appropriate.
<p>Valuation and impairment of investments and intercompany balances with subsidiaries (company)</p> <p>At 30 June 2023, the company holds investments and intercompany balances in subsidiaries as detailed in notes 15 and 17. Investments in subsidiaries are accounted for at historical cost less accumulated impairment.</p> <p>Judgement is required to assess if an impairment exists and whether the investment carrying value is supported by the recoverable amount. In assessing for impairment, management considers if the underlying net assets of the investment support the carrying amount and whether other facts and circumstances, including impairments recorded in the group financial statements, would be indicative of further impairment.</p> <p>Based on management's assessment, no impairment in respect of the carrying value of investments in subsidiaries were identified at the balance sheet date.</p> <p>Refer to note 15 of the company's financial statements. Based on management's assessment, impairment in respect of the carrying value of intercompany balances with subsidiaries were identified at the balance sheet date and therefore an impairment was recognised during the year.</p>	<p>In respect of investments in subsidiaries in the company, we undertook the following to test management's assessment for indicators of impairment:</p> <ul style="list-style-type: none"> • Evaluated and challenged management's assessment and judgements, including ensuring that consideration had been given to the results of the group's impairment assessment in respect of intangible assets; • Verified the assumptions used are consistent with our findings from the group intangibles impairment work noted above and that the net assets of the subsidiaries being assessed agreed to the respective subsidiary balance sheet at 30 June 2023; and • Independently performed an assessment of other internal and external impairment triggers, including considering the market capitalisation of the group with reference to the carrying value of investments in subsidiaries in the company to identify other possible impairment indicators. <p>As a result of our work, we are satisfied that management's assessment for no impairment of the company's investments and that the impairment recognised within the company's intercompany balance are appropriate.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is organised into 32 reporting components and the group financial statements are a consolidation of these reporting components. The reporting components vary in size and we identified 8 components that required a full scope audit of their financial information due to either their size or risk characteristics, 7 of these were audited by the group engagement team. There is one significant component based overseas which has been audited by PwC component auditors.

Our audit scope was determined by considering the significance of each component's contribution to revenue, and individual financial statement line items, with specific consideration to obtaining sufficient coverage over significant risks. As a result of this scoping we obtained coverage over 77% of the consolidated revenues.

The group engagement team were significantly involved at all stages of the component audits by virtue of numerous communications throughout, including the issuance of detailed audit instructions and review and discussions of the audit approach and findings, in particular over our areas of focus. The group audit team met with local management and the component audit team.

In addition, we reviewed the component team reporting results and their supporting working papers, which together with the additional procedures performed at group level, gave us the evidence required for our opinion on the financial statements as a whole. Our audit procedures at the group level included the audit of the consolidation, goodwill and other intangible assets and taxes. The group engagement team also performed the audit of the company.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£1,500,000 (2022: £1,400,000).	£1,100,000 (2022: £1,330,000).
How we determined it	5% of loss before tax using a three year average	1% of total assets
Rationale for benchmark applied	Loss before tax is a standard measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is generally accepted auditing benchmark for non trading companies.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £1,000,000 and £1,125,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £1,125,000 (2022: £1,000,000) for the group financial statements and £825,000 (2022: £997,500) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £75,000 (group audit) (2022: £70,000) and £55,000 (company audit) (2022: £70,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecast and downside scenarios and checking that the forecasts have been subject to board review and approval;
- Considering the historical reliability of management forecasting for cash flow and net debt by comparing budgeted results to actual performance;
- Evaluating the key inputs into the models, to ensure that these were consistent with our understanding and the inputs used in other key accounting judgements in the financial statements;
- Performing our own independent sensitivity analysis to understand the impact of changes in cash flow and net debt on the resources available to the group; and
- Auditing the detail supporting the new financing facility and also evaluating management's assessment of their covenant compliance.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and relevant tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Understanding and evaluating the design and implementation of controls designed to prevent and detect irregularities and fraud;
- Inquiry of management and the Audit Committee regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Mark Jordan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

8 November 2023

FINANCIAL STATEMENTS

Consolidated income statement	58
Consolidated statement of comprehensive income	58
Consolidated statement of financial position	59
Company statement of financial position	60
Consolidated statement of changes in equity	61
Company statement of changes in equity	62
Consolidated statement of cash flows	63
Notes to the financial statements	63
Alternative performance measures	93
Company information	96

Consolidated income statement

for the year ended 30 June 2023

	Note	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Gross revenue	4	104,641	72,933
Cost of sales		(42,752)	(28,350)
Gross profit		61,889	44,583
Administrative expenses		(79,383)	(58,724)
Operating loss		(17,494)	(14,141)
Finance income	8	167	8
Finance costs	8	(7,664)	(5,329)
Loss before income tax		(24,991)	(19,462)
Income tax charge	9	(1,132)	(97)
Loss for the year		(26,123)	(19,559)
Loss for the year attributable to:			
Owners of the parent		(26,116)	(19,553)
Non-controlling interests		(7)	(6)
		(26,123)	(19,559)
Loss per share:			
Basic and diluted loss per share (pence)	10	(7.8)	(5.9)

All amounts relate to continuing operations.

The notes on pages 63 to 92 are an integral part of these consolidated accounts.

The Company has elected to take the exemption under section 408 of the Companies Act of 2006 from presenting the parent company profit and loss account.

Consolidated statement of comprehensive income

for the year ended 30 June 2023

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Loss for the year	(26,123)	(19,559)
Other comprehensive income:		
Items that may be subsequently reclassified to the profit or loss:		
Currency translation differences	(1,301)	4,803
Other comprehensive (loss)/income for the year, net of tax	(1,301)	4,803
Total comprehensive expense for the year	(27,424)	(14,756)
Total comprehensive expense for the year attributable to:		
Owners of the parent	(27,417)	(14,748)
Non-controlling interests	(7)	(8)
	(27,424)	(14,756)

Consolidated statement of financial position

As at 30 June 2023

	Note	30 June 2023 £'000	30 June 2022 £'000
Assets			
Non current assets			
Intangible assets – Goodwill	11	29,472	29,893
Intangible assets – Other	12	6,786	8,219
Property, plant and equipment	13	26,189	37,851
Right-of-use assets	14	17,843	20,490
Trade and other receivables – non current	17	4,016	3,554
		84,306	100,007
Current assets			
Inventories	16	774	986
Trade and other receivables	17	14,638	14,906
Cash and bank balances	18	5,094	4,849
		20,506	20,741
Total assets		104,812	120,748
Liabilities			
Current liabilities			
Trade and other payables	19	(17,967)	(14,872)
Borrowings	20	(5,878)	(21,131)
Lease liabilities	21	(4,581)	(5,056)
		(28,426)	(41,059)
Non-current liabilities			
Trade and other payables	19	–	–
Deferred tax liability	9	(957)	(1,158)
Borrowings	20	(24,005)	(847)
Lease liabilities	21	(20,282)	(22,364)
		(45,244)	(24,369)
Total liabilities		(73,670)	(65,428)
Net assets		31,142	55,320
Equity			
Called up share capital	24	338	336
Share premium		185,563	185,563
Translation reserve		6,561	7,862
Capital redemption reserve		1,105	1,105

Accumulated losses		(162,420)	(139,522)
Total parent shareholders' equity		31,147	55,344
Non-controlling interest		(5)	(24)
Total equity		31,142	55,320

The notes on pages 63 to 92 are an integral part of these financial statements.

The financial statements on pages 58 to 92 were authorised for issue by the Board of Directors on 7 November 2023 and were signed on its behalf.

Chris Ohlund
Chief Executive



Time Out Group plc
Registered No: 074401711

12/12/23

Company statement of financial position

As at 30 June 2023

	Note	30 June 2023 £'000	30 June 2022 £'000
Assets			
Non-current assets			
Investments	15	86,926	86,926
		86,926	86,926
Current assets			
Trade and other receivables	17	24,655	30,954
		24,655	30,954
Total assets		111,581	117,880
Current Liabilities			
Borrowings	20	(5,750)	–
		(5,750)	–
Net assets		105,831	117,880
Equity			
Called up share capital	24	338	336
Share premium		185,563	185,563
Capital redemption reserve		1,105	1,105
Accumulated losses		(81,175)	(69,124)
Total equity		105,831	117,880

The notes on pages 63 to 92 are an integral part of these financial statements.

The Company loss for the year ended 30 June 2023 was £13.8m (Year ended 30 June 2022: loss of £82.7m).

The financial statements on pages 58 to 92 were authorised for issue by the Board of Directors on 7 November 2023 and were signed on its behalf.

Chris Ohlund
Chief Executive

Time Out Group plc
Registered NO: 07440171

Consolidated statement of changes in equity

Year ended 30 June 2023

	Note	Called up share capital £'000	Share premium £'000	Translation reserve £'000	Capital redemption reserve £'000	Retained earnings/ (Accumulated losses) £'000	Total parent Shareholders' equity £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 July 2021		332	185,563	3,057	1,105	(121,182)	68,875	(48)	68,827
Changes in equity									
Loss for the year		–	–	–	–	(19,553)	(19,553)	(6)	(19,559)
Other comprehensive income/(expense)		–	–	4,805	–	–	4,805	(2)	4,803
Other Comprehensive Income/(expense)		–	–	4,805	–	(19,553)	(14,748)	(8)	(14,756)
Share based payments	27	–	–	–	–	1,817	1,817	–	1,817
Adjustment arising on change in non-controlling interest		–	–	–	–	(604)	(604)	32	(572)
Issue of shares		4	–	–	–	–	4	–	4
Balance at 30 June 2022		336	185,563	7,862	1,105	(139,522)	55,344	(24)	55,320
Changes in equity									
Loss for the year		–	–	–	–	(26,116)	(26,116)	(7)	(26,123)
Other comprehensive expense		–	–	(1,301)	–	–	(1,301)	–	(1,301)
Total Comprehensive income/(expense)		–	–	(1,301)	–	(26,116)	(27,417)	(7)	(27,424)
Warrant derivative	20	–	–	–	–	1,543	1,543	–	1,543
Share based payments	27	–	–	–	–	1,701	1,701	–	1,701
Adjustment arising on change in non-controlling interest		–	–	–	–	(26)	(26)	26	–
Issue of shares		2	–	–	–	–	2	–	2
As at 30 June 2023		338	185,563	6,561	1,105	(162,420)	31,147	(5)	31,142

The notes on pages 63 to 92 are an integral part of these financial statements.

Company statement of changes in equity

Year ended 30 June 2023

	Note	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings/ (Accumulated losses) £'000	Total equity £'000
Balance at 1 July 2021		332	185,563	1,105	11,728	198,728
Changes in equity						
Loss for the year		–	–	–	(82,669)	(82,669)
Total comprehensive expense		–	–	–	(82,669)	(82,669)
Share-based payments	27	–	–	–	1,817	1,817
Issue of shares		4	–	–	–	4
Balance at 30 June 2022		336	185,563	1,105	(69,124)	117,880
Changes in equity						
Loss for the year		–	–	–	(13,752)	(13,752)
Total comprehensive expense		–	–	–	(13,752)	(13,752)
Share-based payments	27	–	–	–	1,701	1,701
Issue of shares		2	–	–	–	2
Balance at 30 June 2023		338	185,563	1,105	(81,175)	105,831

The notes on pages 63 to 92 are an integral part of these financial statements.

Consolidated statement of cash flows

Year ended 30 June 2023

	Note	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Cash flows from operating activities			
Cash generated from/ (used in) operations	25	4,735	(4,544)
Interest paid		(1,033)	(2,497)
Tax paid		(431)	–
Net cash generated from/ (used in) operating activities		3,271	(7,041)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,950)	(1,173)
Purchase of intangible assets		(918)	(740)
Interest received		72	2
Net cash used in investing activities		(2,796)	(1,911)
Cash flows from financing activities			
Proceeds from borrowings		30,220	254
Costs related to borrowing		(2,499)	–
Repayment of borrowings		(22,745)	(1,505)
Repayment of lease liabilities		(5,087)	(4,035)
Proceeds from issue of shares		2	–
Acquisition of minority interest		–	(203)
Net cash from financing activities		(109)	(5,489)
Increase/(Decrease) in cash and cash equivalents		366	(14,441)
Cash and cash equivalents at beginning of year		4,849	19,070
Effect of foreign exchange rate change		(121)	220
Cash and cash equivalents at end of year		5,094	4,849

The notes on pages 63 to 92 are an integral part of these financial statements.

Notes to the financial statements

1. CORPORATE INFORMATION

The consolidated financial statements of Time Out Group plc and its subsidiaries (the "Group") for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 7 November 2023. Time Out Group plc (the "Company") is a public limited company incorporated and domiciled in England and Wales whose shares are publicly traded on the Alternative Investment Market. The registered office is located at 1st Floor 172 Drury Lane, London WC2B 5QR.

The Company has taken advantage of the exemption from preparing a cash flow statement under paragraph 8(g) of the disclosure exemptions for qualifying entities included in Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The Time Out Group plc consolidated financial statements for the year ended 30 June 2023 contain a consolidated statement of cash flows. The Company is exempt under paragraph 8(k) of the disclosure exemptions included in FRS 101 for qualifying entities from disclosing related party transactions with entities that form part of the Time Out Group plc group of which Time Out Group plc is the ultimate parent undertaking. The Company's financial statements are presented in pounds sterling (£), which is also the Company's functional currency, and all values are rounded to the nearest thousand (£'000) except when otherwise indicated. The Company's financial statements are individual entity financial statements.

The principal activities of the Group are described in the Strategic Report that accompanies these financial statements.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these company and consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of Time Out Group plc have been prepared under the historical cost convention except for certain financial liabilities measured at fair value and in accordance with the recognition and measurement criteria of UK-adopted International Accounting Standards ("IAS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Company financial statements were prepared in accordance with FRS 101 and the Companies Act 2006. The financial statements are prepared on a going concern basis under the historical cost convention except for certain financial liabilities measured at fair value. The accounting policies which follow in note 2 set out those policies which apply in preparing the financial statements for the year ended 30 June 2023 and have been applied consistently to all periods presented.

The Company has taken advantage of the disclosure exemptions under FRS 101 in respect of:

- a. IFRS 3 Business Combinations;
- b. IFRS 7 Financial Instruments: Disclosures;
- c. IFRS 13 Fair Value Measurement;
- d. Share-based payments;
- e. Intra-Group-related party transactions;
- f. Related party transactions; and
- g. IAS 7 Statement of cash flows.

Going concern

The financial statements have been prepared under the going concern basis of accounting as the Directors have a reasonable expectation that the Group and Company will continue in operational existence and be able to settle their liabilities as they fall due for the foreseeable future, being a year of at least 12 months from the date of approval of the financial statements ("forecast period"). In making this determination, the Directors have considered the financial position of the Group, projections of its future performance and the financing facilities that are in place.

In making this assessment the Directors have considered two scenarios over the forecast period: The base case assumes a slow but steady period of growth across both Market and Media. Owned and Operated Market revenues are assumed to see steady growth over the forecast period. Media revenue continues to grow as the Group focuses on high-margin digital-first offerings complemented by the return of Live Events, Affiliate and Offers revenue. This scenario does assume an appropriate element of cost inflation.

The downside case sensitises the base case to assume that the Market Owned & Operated and Media revenues underperform the base case by 10% while maintaining the base case gross margin, with actionable cost mitigation over the forecast period. Consistent with the base case, the sensitised case also assumes an appropriate element of cost inflation.

The Directors consider the downside case reduction in revenue for each division to be unlikely given recent performance, however with the uncertainty created by inflationary and recessionary factors this scenario is considered severe but plausible.

The Board is satisfied that under both scenarios the Group will be able to operate within the level of its current debt and financial covenants and will have sufficient liquidity to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. For this reason, the Group and Company continue to adopt the going concern basis in preparing its financial statements.

New and amended standards adopted by the Group

During the year ended 30 June 2023, the following standards and guidance were adopted by the Group and had no material impact on the financial statements:

- Amendments to IFRS 3 – Reference to the conceptual framework;
- Amendments to IAS 16 – Property, plant and equipment proceeds before intended use;
- Amendments to IAS 37 – Onerous contracts, cost of fulfilling a contract; and
- Annual improvements to IFRS Standards 2018-20.

Basis of consolidation

The Group financial statements consolidate the financial statements of Time Out Group plc and all its subsidiary undertakings drawn up to 30 June each year.

As permitted by S408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £13.8m (2022: £82.7m loss). The parent Company is primarily a holding company and had minimal cash flows during the year. It did not hold any cash or cash equivalents at the beginning or end of the year.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the Group financial statements the acquisition method is adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are consolidated for the periods from or to the date on which control is passed. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and presented as exceptional items.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated on consolidation. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Non-controlling interests

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of key management personnel, as identified in the Strategic Report, that makes strategic decisions.

Foreign currencies

The functional and presentational currency of the Group is pound sterling. Assets and liabilities of subsidiaries with a functional currency which is a foreign currency are translated into sterling at rates of exchange ruling at the end of the financial year and the result of foreign subsidiaries are translated at the average exchange rate for the year. All transactions denominated in foreign currency are translated at the rate of exchange ruling at the time of the transaction.

All foreign exchange differences are taken to the income statement in the year in which they arise. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate. Upon the translation of any subsidiary's results for the year and financial position at any given year end, the foreign exchange differences which may arise are recognised directly in other comprehensive income as currency translation differences.

Property, plant and equipment

The cost of property, plant and equipment includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Computer equipment – over three years on a straight-line basis

Fixtures and fittings – over five years on a straight-line basis

Leasehold improvements – over the lease term or useful life, whichever is shorter

The Group operates in jurisdictions which have set useful lives for certain types of assets, and where different, local guidelines override the Group policies mentioned above. However, the Group confirms that this treatment does not materially change the accounts.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Time Out Group plc's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each cash-generating unit ("CGU") that is expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

When the ownership of an acquired company is less than 100%, the non-controlling interest is measured at either the proportion of the recognised net assets attributable to the non-controlling interest or at the fair value of the acquired company at the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill.

Intangible assets Trademarks and copyrights

Trademark and copyright assets are amortised over a period of 15 years from the month of acquisition.

Development costs

Development costs comprising costs incurred relating to websites and other digital platform elements are amortised over a period of two, three or four years, depending on the relevant project. The cost of internally generated and acquired technology is recognised as an intangible asset providing it satisfies all of the conditions set out in the research and development policy below. Assets are subsequently measured and amortised on a straight-line basis over their useful economic lives, from the month in which the expenditure is incurred.

Customer relationships and other intangible assets

These intangible assets are comprised of customer and advertiser relationships and internally generated software related to the US business, acquired in 2014, reacquired trade-name rights and customer relationships relating to the Portuguese businesses acquired in 2015 and 2016 respectively, as well as those relating to the acquisition of Australia and Spain in 2018.

The fair value of these assets was determined by agreement between the Directors and an independent valuation consultant, and was conducted in order to comply with IFRS 3, "Business Combinations". These assets are amortised over five years (internally generated software and customer relationships), 15 years (advertiser relationships), or two years (reacquired trade-name rights).

Research and development

Expenditure on the research phase of an internal project is recognised as an expense in the period in which it is incurred. Development costs incurred on specific projects are capitalised when all of the following conditions are satisfied:

- completion of the asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the asset and use or sell it;
- the Group has the ability to use or sell the asset and it will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred.

The cost of an internally generated asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee (other than Director) costs incurred along with third-party costs.

Impairment of non-financial assets

Non-financial assets that are not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows ("CGUs"). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and that the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants, and they are credited to the income statement on a straight-line basis over the expected lives of the related assets.

In the prior year, the Group utilised the Coronavirus Job Retention Scheme, in which the Government reimbursed 80% of the wages of certain employees who were asked to stop working ("furloughed") during Covid-19, but who were retained as employees. These grants were credited against Staff Costs (note 5).

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification of financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss; loans and receivables; and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise of "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item;
- for debt instruments measured at fair value through other comprehensive income ("FVTOCI") that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other gains and losses" line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at fair value through profit and loss ("FVTPL") that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in financial assets that are measured at amortised cost or at FVTOCI, trade receivables and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Financial liabilities and equity classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is: (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not: (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

Investments

Investments held as fixed assets are stated at cost less provision for impairment. The Company assesses these investments for impairment wherever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete items. Inventories are comprised of raw materials and goods held for resale. Cost is determined on a first-in, first-out ("FIFO") method. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and bank balances

Cash and bank balances comprises cash and cash equivalents, being cash at bank and in hand and short-term deposits with a maturity of three months or less, and monies held in restricted accounts and deposits which represent cash held by the Group in accounts with conditions that restrict the use of these monies by the Group and, as such, does not meet the definition of cash and cash equivalents.

Share capital and share premium

Ordinary shares are classified as equity, only to the extent that they do not meet the definition of a financial liability. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Amount subscribed for share capital in excess of nominal value. The share premium is net of costs directly relating to the issuance of shares.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Borrowings

All interest-bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period to which it relates.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Taxation

The charge for taxation is based on profits for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for any deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference is the deferred tax liability not recognised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is no intention to settle the balances on a net basis.

Tax grants related to research and development expenditure are recognised under IAS 12 against expenditure and are recognised when reasonably certain estimates can be made.

Employee benefit costs

The Group contributes to certain employees' personal pension plans on a defined contribution basis. A defined contribution plan is a pension plan under which the Group and employee pay fixed contributions, on a mandatory, contractual or voluntary basis depending on the location, to a third-party financial provider. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the income statement when due.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which employees receive equity instruments (options) of the Group for their services. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is recharged to that entity. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the intercompany balance in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognised as an interest expense.

Revenue recognition

Revenue, which is stated net of sales tax, represents the amounts derived from the sale of goods and services which fall within the Group's ordinary activities.

- Advertising revenue is recognised at the time the advertisement is published.
- Subscription and Premium Profiles revenue is recognised evenly over the length of each subscription.
- Circulation revenue is recognised at the time of sale. Provision is made for returns of distributor returns.
- Ticket revenues for Time Out events are recognised in the month of the event. Tickets for Time Out offers and commissions for sales of tickets to external events and experiences are recognised at the point of sale.
- Licence/royalty revenue is recognised over the contract period in accordance with the substance of the underlying agreement. Where these revenues are uncertain, they are recognised only on receipt.
- Market-related revenue is predominantly turnover-related rent from restaurants in the markets and is recognised as the turnover is earned by the sub-letting restaurants.

Interest income and expenses

Interest income and expenses are recognised using the effective interest method.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Exceptional items

Exceptional items are disclosed separately in the financial statements where, given their nature or size, it is necessary to do so to provide further understanding of the financial performance of the Group. Exceptional items mainly relate to costs associated with a material restructuring (including termination payments and associated legal fees), costs relating to acquisitions, including legal and consultancy fees and the revaluation of minority interests.

Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions and judgements concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions, estimates and judgements on parameters available when the consolidated statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group.

Such changes are reflected in the assumptions when they occur.

a) Impairment of goodwill and intangibles

The Group tests annually whether goodwill has suffered any impairment i.e. when the carrying value of a CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow model, where appropriate. The cash flows are derived from the business plan for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the long-term growth rate used. The estimation uncertainty exists here due to a number of estimation factors applied to any model used.

b) Valuation of warrants

When the Group entered into its senior loan facility, it was required to provide warrants to the loan note holders. The warrant instruments are mixture of equity instruments and derivative liabilities which require fair value measurement. The Group has sought the advice of expert professionals to assist it in the valuation of the warrants. As part of this the Group is required to make judgements in respect of the valuation inputs including the selection of relevant market data available.

c) Deferred tax

The Group has an unrecognised deferred tax asset approaching £60m in relation to losses available to offset future tax liabilities. The Group makes a judgement as to the recognition of a deferred tax asset in relation to these losses based on the expected medium-term profitability. The Group has historically been in a taxable loss position. The short to medium-term profitability is reviewed at each reporting period to assess the potential recognition of a deferred tax asset.

New standards and interpretations not yet adopted

The following new standards and amendments to standards and interpretations are effective for accounting periods beginning after 1 January 2023 and as such have not been adopted in these financial statements:

IFRS 17 – Insurance contracts;

Amendments to IAS 1 – Classification of liabilities as current or non current (including deferral of effective date);

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies;

Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;

Amendments to IAS 8 – Definition of accounting estimates; and

Amendments to IFRS 10 and IAS 28 – Sales or Contributions of Assets between an investor and its Associate or Joint Venture.

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

3. Exchange rates

The significant exchange rates to UK Sterling for the Group are as follows:

	2023		2022	
	Closing rate	Average rate	Closing rate	Average rate
US dollar	1.26	1.21	1.21	1.34
Euro	1.16	1.15	1.16	1.18
Hong Kong dollar	9.89	9.45	9.52	10.45
Singaporean dollar	1.71	1.65	1.69	1.82
Australian dollar	1.91	1.79	1.76	1.84
Canadian dollar	1.67	1.62	1.56	1.69

4. Segmental information

In accordance with IFRS 8, the Group's operating segments are based on the figures reviewed by the Board, which represents the chief operating decision maker. The Group comprises two operating segments:

- Time Out Market – this includes Time Out's share of concessionaires' sales, revenue from Time Out operated bars and other revenue which includes retail, events and sponsorship.
- Time Out Media – this includes the sale of digital and print advertising, local marketing solutions, live events tickets and sponsorship, commissions generated by e-commerce transactions, and fees from our franchise partners.

	Time Out Market £'000	Time Out Media £'000	Corporate costs £'000	Total £'000
Year ended 30 June 2023				
Gross revenue	71,511	33,130	–	104,641
Cost of sales	(35,976)	(6,776)	–	(42,752)
Gross Profit	35,535	26,354	–	61,889
Administrative expenses	(48,495)	(26,084)	(4,804)	(79,383)
Operating (loss)/profit	(12,960)	270	(4,084)	(17,494)
Finance income				167
Finance costs				(7,664)
Loss before income tax				(24,991)
Income tax charge				(1,132)
Loss for the year				(26,123)

Year ended 30 June 2022	Time Out Market £'000	Time Out Media £'000	Corporate costs £'000	Total £'000
Gross revenue	46,454	26,479	–	72,933
Cost of sales	(22,373)	(5,977)	–	(28,350)
Gross Profit	24,081	20,502	–	44,583
Administrative expenses	(29,921)	(22,728)	(6,075)	(58,724)
Operating loss	(5,840)	(2,226)	(6,075)	(14,141)
Finance income				8
Finance costs				(5,329)
Loss before income tax				(19,462)
Income tax charge				(97)
Loss for the year				(19,559)

Gross revenue is analysed geographically by origin as follows:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Europe	29,850	25,826
Americas	66,743	41,703
Rest of World	8,048	5,404
	104,641	72,933

There are no revenues from any single customer that exceed 10% of the Group's revenues.

Gross revenue represents the total value of all media sales revenue plus food, beverage and retail sales transactions in relation to the North American markets, the Group's share of sales transactions in relation to the Lisbon market and any management agreement fees.

A breakdown of Gross revenue is presented below:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Sale of goods – Owned Operations	64,550	41,092
Sale of services – Management fees	6,961	5,362
Time Out Market	71,511	46,454
Sale of services – Time Out Media	33,130	26,479
	104,641	72,933

5. Staff costs

Group	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Wages and salaries	25,995	20,066
Social security costs	3,376	2,625
Other pension costs	482	482
Share-based payments	1,701	1,817
	31,554	24,990

Included in the above are amounts credited to the related costs for grants received under the Coronavirus Job Retention Scheme of £nil (2022: £18k).

The average monthly number of employees, including Executive Directors, during the year was as follows:

	Year ended 30 June 2023	Year ended 30 June 2022
Market	221	191
Media	189	181
Support	82	64
Total	492	436

The remuneration of the Executive Director and Officers who are the key management personnel of the Group, is set out below in aggregate for each of the applicable categories specified in IAS 24 'Related Party Disclosures'. Key management personnel is defined as: the Group Chief Executive Officer; the Time Out Media Chief Executive Officer; the Chief Executive Officer, Time Out Market.

Further information about the remuneration of individual Executive Directors is provided in the Remuneration Report on page 47.

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Short-term employee benefits	2,129	1,425
Post-employment benefits	10	32
Termination benefits	–	369
Share-based payments exercised	366	2,055
	25,505	3,881

Information regarding the highest paid Director is below:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Short-term employee benefits	1,000	103
Post-employment benefits	–	9
Termination benefits	–	369
Share-based payments exercised	–	2,055
	1,000	2,536

6. Exceptional items

Costs/(income) are analysed as follows:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Restructuring costs	1,882	1,958
Time Out Market Miami exit costs	7,098	–
Time Out Market Spitalfields exit costs	1,049	–
Gain on recognition/derecognition of right-of-use and related lease liability	–	(475)
Discontinued corporate transaction costs	–	833
	10,029	2,316

The restructuring costs of £1.9m relates to the reorganisation of the group, principally redundancies, following the Group's decision to exit the Miami market. The prior year relates to redundancy costs following the discontinuation of print in the UK and the establishment of a new senior management team (2022: £2.0m).

Write-off of capitalised costs (£5.3m) and irrecoverable balances (£1.8m) relating to Time Out Market Miami have been recognised following the decision to close the market.

Write-off of capitalised costs relating to Time Out Market Spitalfields have been recognised following the decision to exit the process.

In the prior year discontinued corporate transaction costs of £0.8m related to an aborted corporate transaction.

In the prior year the gain on recognition of right-of-use asset and related lease liability arose on the modification of the Time Out Lisbon lease.

7. Operating costs

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Concessionaire share of revenue	28,663	17,530
Cost of inventories recognised as cost of sales	4,868	4,073
Staff costs	31,554	24,990
Depreciation of property, plant and machinery	6,544	6,575
Depreciation of right-of-use asset	2,367	2,065
Amortisation of intangible assets	2,163	2,540
Restructuring costs	1,882	1,958
Time Out market exit costs	8,147	–
Operating lease rentals – land and buildings	1,326	562
Loss/(Gain) on foreign exchange	2	(627)
Other expenses	34,619	27,408
	122,135	87,074
Analysed as:		
Charged to cost of sales	42,752	28,350
Administrative expenses	80,166	59,408
	122,918	87,758
Staff costs capitalised	(783)	(684)
	122,135	87,074

Time out Market exit costs relate to the losses incurred as a result of exiting Time Out Market Miami and Time Out Market Spitalfields.

An analysis of the fees paid to the Group's auditors is provided below:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Fees payable to the Company's auditors for the audit of the consolidated and parent Company financial statements	356	310
Fees payable to the Company's auditors for the audit of the Company's subsidiaries	30	26
	386	336
Fees payable to the Company's auditors for non-audit services		
Other services	–	–
	386	336

Audit fees of the Group and Company are borne by Time Out England Limited, a subsidiary company.

8. Finance income and costs

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Finance income		
Bank interest receivable	72	2
Foreign exchange gain on financing items	95	6
	167	8

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Finance costs		
Interest on loan stock and loan notes	3,769	2,405
Interest on sponsorship loans	10	68
Interest on bank loans	34	23
Interest on finance leases	3,023	2,605
Warrant	99	–
Amortisation of deferred financing costs	482	228
Foreign exchange loss on financing items	68	–
Other	181	–
	7,664	5,329

9. Taxation

Analysis of income tax

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Current tax		
Current tax charge	1,298	249
Adjustments in respect of prior years	–	–
Deferred tax		
Deferred tax credit	(166)	(152)
Origination and reversal of temporary differences	–	–
	1,132	97

Factors affecting the tax expense

The tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Loss on ordinary activities before income tax	(24,991)	(19,462)
Loss on ordinary activities multiplied by the domestic tax rates applicable to profits in the respective countries	(5,021)	(3,835)
Effects of:		
Expenses not deductible for tax purposes	3,617	1,569
Income not taxable	(2,571)	(1,576)
Unrecognised tax losses in the year	6,581	5,012
Other tax adjustments, reliefs and transfers	138	–
Utilisation of tax losses	(1,446)	(921)
Deferred tax movements	(166)	(152)
Total tax expense	1,132	97

Potential deferred tax assets are approaching £60m (2022: £45m) relating to timing differences on property, plant and equipment, short-term timing differences and losses carried forward have not been recognised as the Group does not have certainty of tax profits.

The Group has deferred tax liabilities relating to the acquired intangible assets as follows:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Carrying value at beginning of year	1,158	1,185
Change in rate	–	–
Income statement credit	(166)	(152)
Foreign exchange	(35)	125
	957	1,158

10. Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of shares during the year.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion for all dilutive potential shares. All potential ordinary shares including options and deferred shares are antidilutive as they would decrease the loss per share, and are therefore not considered. Diluted loss per share is equal to basic loss per share.

	Year ended 30 June 2023 Number	Year ended 30 June 2022 Number
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	336,648,648	334,198,517
	£'000	£'000
Loss from continuing operations for the purpose of loss per share	(26,116)	(19,553)
	Pence	Pence
Basic and diluted loss per share	(7.8)	(5.9)

11. Intangible Assets – Goodwill

Group	30 June 2023 £'000	30 June 2022 £'000
Cost		
At 1 July	29,893	28,911
Exchange differences	(421)	982
At 30 June	29,472	29,893

The carrying value of the goodwill is analysed by business cash generating unit as follows:

	30 June 2023 £'000	30 June 2022 £'000
Time Out Media	21,575	22,001
Time Out Market	7,897	7,892
	29,472	29,893

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired. Goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs) that is expected to benefit from the synergies of the combination. This represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

The recoverable amount of each CGU has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on a detailed bottom up budget for the initial 12 month period. A further four years are forecast using relevant growth rates and CGU specific operation and financial assumptions. Cash flows beyond the five year period are extrapolated into perpetuity using an estimated long term growth rate of 1.8% (2022: 1.8%). The cash flows are then discounted using a weighted average cost of capital of 14.5% (2022: 14.5%).

Using this methodology, the recoverable amount for Media and Market CGUs exceed the total carrying value by £11.2m and £61.9m respectively.

The Group has also made further disclosure, in accordance with paragraph 134 of IAS36, where a reasonably possible change in key assumptions may result in an impairment. If the pre-tax discount rate applied to cash flows for the Media and Market CGU were 1% higher than the current estimate of 14.5%, the Media and Market CGU headroom would reduce to £8.3m and £54.2m respectively, resulting in no impairment. For the recoverable amount to be equal to the carrying value of the CGUs the discount rate would need to be increased to 19.5% for Media and 31.5% for Market.

The Company has no goodwill (2022: £nil).

12. Intangible assets – other

Group	Trademarks and copyright £'000	Development costs £'000	Service concession arrangements £'000	Customer relationships £'000	Other intangible assets £'000	Total £'000
Cost						
At 1 July 2021	5,317	14,049	1,320	4,750	8,388	33,824
Transfer	–	–	(1,323)	–	(4)	(1,327)
Additions	19	714	–	–	7	740
Disposals	–	(9,450)	–	–	–	(9,450)
Exchange differences	541	35	3	30	818	1,427
At 30 June 2022	5,877	5,348	–	4,780	9,209	25,214
Additions	60	849	–	–	9	918
Disposals	–	–	–	–	–	–
Exchange differences	(170)	(11)	–	(42)	(254)	(477)
At 30 June 2023	5,767	6,186	–	4,738	8,964	25,655
Accumulated Amortisation						
At 1 July 2021	2,372	11,572	440	4,050	5,137	23,571
Charge for the year	348	1,662	–	119	411	2,540
Transfer	–	–	(439)	–	(4)	(443)
Disposals	–	(9,411)	–	–	–	(9,411)
Exchange differences	272	35	(1)	20	412	738
At 30 June 2022	2,992	3,858	–	4,189	5,956	16,995
Charge for the year	380	1,203	–	121	459	2,163
Disposals	–	–	–	–	–	–
Exchange differences	(101)	(11)	–	(26)	(151)	(289)
At 30 June 2023	3,271	5,050	–	4,284	6,264	18,869
Net book value						
At 30 June 2023	2,496	1,136	–	454	2,700	6,786
At 30 June 2022	2,885	1,490	–	591	3,253	8,219
At 1 July 2021	2,945	2,477	880	700	3,251	10,253

The Company has no intangible assets (2022: £nil).

13. Property, plant and equipment

Group	Fixtures and Fittings £'000	Computer equipment £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 July 2021	9,944	2,981	41,546	54,471
Additions	341	263	569	1,173
Disposals	(246)	(278)	–	(524)
Exchange differences	1,241	244	4,798	6,283
At 30 June 2022	11,280	3,210	46,913	61,403
Additions	176	281	1,493	1,950
Disposals	(2,438)	(959)	(9,831)	(13,228)
Exchange differences	107	(197)	(1,777)	(1,867)
At 30 June 2023	9,125	2,335	36,798	48,258
Accumulated Depreciation				
At 1 July 2021	4,311	2,195	8,928	15,434
Charge for the year	2,021	560	3,994	6,575
Eliminated on disposal	(229)	(273)	–	(502)
Exchange differences	693	208	1,144	2,045
At 30 June 2022	6,796	2,690	14,066	23,552
Charge for the year	2,216	327	4,001	6,544
Eliminated on disposal	(1,965)	(969)	(3,786)	(6,720)
Exchange differences	(192)	(85)	(1,030)	(1,307)
At 30 June 2023	6,855	1,963	13,251	22,069
Net book value				
At 30 June 2023	2,270	372	23,547	26,189
As at 30 June 2022	4,484	520	32,847	37,851
At 1 July 2021	5,633	786	32,618	39,037

14. Right-of-use assets

Group	Buildings	Total
Cost	£'000	£'000
At 1 July 2021	21,052	21,052
Additions	1,219	1,219
Transfers*	884	884
Modifications	1,170	1,170
Exchange differences	3,018	3,018
At 30 June 2022	27,343	27,343
Modifications	292	292
Exchange differences	(923)	(923)
At 30 June 2023	26,712	26,712
Accumulated Depreciation		
At 1 July 2021	4,021	4,021
Charge for the year	2,065	2,065
Transfers*	–	–
Exchange differences	767	767
At 30 June 2022	6,853	6,853
Charge for the year	2,367	2,367
Exchange differences	(351)	(351)
At 30 June 2023	8,869	8,869
Net book value		
At 30 June 2023	17,843	17,843
At 30 June 2022	20,490	20,490
As at 1 July 2021	17,031	17,031

* Transfers relate to the reclassification of the Lisbon Market Lease from Service concession arrangements (included within Intangible Assets – Other) to Right of Use Asset.

The maturity analysis of lease liabilities is presented in note 21.

Amounts recognised in profit and loss

	2023 £'000	2022 £'000
Interest expense on lease liabilities	3,072	2,605
Expense relating to short-term leases	1,164	562
Expense relating to leases of low value assets	143	116

The total cash outflow for leases amounts to £5.1m (2022: £4.0m).

15. Investments

Company	Shares in group undertakings	
	2023 £'000	2022 £'000
Cost and Net Book Value		
At 1 July	86,926	77,496
Disposals	–	(10,654)
Additions	–	122,911
Impairment	–	(102,827)
At 30 June	86,926	86,926

During the prior year the Group was reorganised, as a result of the reorganisation Time Out Digital Limited is now directly owned by Time Out Group PLC. Time Out New York Limited and Time Out Spain SL are now indirectly owned. Also in the prior year the Company impaired the carrying value of its investment in Time Out Group MC Limited to reflect the current recoverable amount.

As at 30 June 2023, the Company held direct and indirect investments in the following undertakings, all are accounted for using the acquisition method:

Name of company	Holding	Nature of business	Registered address	Country of registration (or incorporation)	Registered number
Direct subsidiaries:					
Time Out Group MC Limited*	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	07440310
Time Out Digital Limited*	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	02250222
Print & Digital Publishing Pty	100%	Publishing & e-commerce	Suite 4A3, 410 Elizabeth Street, Surry Hills NSW 2010	Australia	
Indirect subsidiaries:					
Time Out Group BC Limited*	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	07440330
Time Out England Limited*	100%	Publishing & e-commerce	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	01782049
Time Out Market Limited*	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	09550826
Time Out Market London Limited*	100%	Operator of cultural market	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	10359194
Leanworks Limited	100%	Dormant	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	07934000
TONY HC Corp	100%	Holding company	211E 43rd Street Suite 1901, New York, NY 10017	United States of America	
Time Out New York MC LLC	100%	Holding company	211E 43rd Street Suite 1901, New York, NY 10017	United States of America	
Time Out Market US Holdings LLC	100%	Holding company	55 Water Street, 3rd Floor, Brooklyn, New York 11201, USA	United States of America	
Time Out America LLC	100%	Publishing & e-commerce	211E 43rd Street Suite 1901, New York, NY 10017	United States of America	
Time Out Market Miami LLC	100%	Operator of cultural market	55 Water Street, 3rd Floor, Brooklyn, New York 11201, USA	United States of America	
Time Out Market Chicago LLC	100%	Operator of cultural market	55 Water Street, 3rd Floor, Brooklyn, New York 11201, USA	United States of America	
Time Out Market Boston LLC	100%	Operator of cultural market	55 Water Street, 3rd Floor, Brooklyn, New York 11201, USA	United States of America	
Yplan Inc	100%	Dormant	211E 43rd Street Suite 1901, New York, NY 10017	United States of America	

Time Out Portugal, Unipessoal LDA	100%	Publishing & e-commerce	Avenida de Liberdade, no 10-4, 1250-144 Lisboa	Portugal	
MC-Mercados da Capital, LDA	100%	Operator of cultural market	Rua D. Luis, no 19-2 andar 1200-149 Lisboa	Portugal	
Time Out Market Porto, LDA	90%	Operator of cultural market	Rua D. Luis, no 19-2 andar 1200-149 Lisboa	Portugal	
Time Out Hong Kong Company Limited	100%	Publishing & e-commerce	Room G11, Shop 4-7, 158A Connaught Road West, Sai Ying Pun, Hong Kong	Hong Kong	
Time Out Media Singapore Pte Limited	100%	Publishing & e-commerce	39A Amoy Street, Singapore 069865	Singapore	
Time Out Market Central London Limited	100%	In liquidation	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	England and Wales	11634050
Time Out Market New York LLC	100%	Operator of cultural market	55 Water Street, 3rd Floor, Brooklyn, New York 11201, USA	United States of America	
Time Out Market Canada Holdings Inc	100%	Holding company	200-1000 rue De La Gauchetière O Montréal (Québec) H3B4W5 Canada	Canada	
Concept TOM Montreal Inc	100%	Operator of cultural market	200-1000 rue De La Gauchetière O Montréal (Québec) H3B4W5 Canada	Canada	
Time Out Market Prague SRO	100%	Operator of cultural market	Revoluční 1, 110 Prague 1, Czech Republic	Czech Republic	
Time Out Market Dubai Limited	100%	Dormant	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	11878374
Time Out New York Limited*	100%	Holding company	1st Floor, 172 Drury Lane, London WC2B 5QR	England and Wales	02977606
Time Out Spain Media SL	100%	Publishing & e-commerce	1st Floor, 18 Plaça Reial, Barcelona 08002	Spain	
Time Out Market Barcelona S.L.	100%	Operator of cultural market	Paseo de la Castellana, 81, floor 11, 28046, Madrid	Spain	
Time Out France SAS	100%	Publishing & e-commerce	16 rue Saint-Marc et 18 rue Saint-Marc, 75002, Paris	France	

All subsidiaries' reporting periods are consistent with the Group and all subsidiary undertakings are included in the consolidation.

During the year the dormant company Time Out Nominees Limited was dissolved.

During the prior year in October 2021 a further 14.9% of Time Out Market Porto, LDA was acquired for £600k, increasing the Group share to 90%. The dormant companies Time Out Magazine Limited and Time Out International Limited were dissolved on 5 April 2022.

All of the dormant companies listed above are exempt from preparing individual financial statements by virtue of s394A of the Companies Act 2006. These companies are also exempt from filing individual financial statements by virtue of s448A of the Companies Act 2006.

The subsidiary companies which are incorporated in England and Wales and are marked with an asterisk (*) are exempt from audit by parental guarantee. These companies debts and liabilities are guaranteed by the Company, Time Out Group plc at the reporting date in accordance with section 479A of the Companies Act 2006.

16. Inventories

Group	2023 £'000	2022 £'000
Raw materials	2	14
Finished goods	772	972
	774	986

The Company has no inventories (2022: £nil).

17. Trade and other receivables

	2023 £'000	2022 £'000
Current:		
Trade debtors (net)	8,401	8,291
Other debtors	1,707	2,466
Prepayment and accrued income	4,530	4,149
	14,638	14,906
Non-current:		
Other debtors	4,016	3,554
	4,016	3,554

The fair values of all financial assets of the Group equate to their carrying value.

As at 30 June 2023, Group trade receivables of £1.8m (2022: £1.5m) were past due but not impaired. The past due receivables relate to a number of independent customers for whom there is no recent history of default. The ageing of these trade receivables is over three months (2022: over three months).

As at 30 June 2023, Group trade receivables of £1.3m (2022: £1.4m) were impaired and provided for. The ageing analysis of these trade receivables is over three months (2022: over three months).

Movements on the Group provision for the impairment of trade receivables are as follows:

	2023 £'000	2022 £'000
At 1 July	1,377	741
Provision for receivable impairment	711	1,340
Unused amounts reversed	(77)	*34(
Exchange differences	(4)	40
At 30 June	1,255	1,377

The creation and release of any provision for impaired receivables have been included in Administrative Expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Company	2023 £'000	2022 £'000
Amounts owed by group undertakings	24,656	30,953
Other debtors	–	1
	24,656	30,954

All amounts due from Group companies to Time Out Group plc relate to loans which are non-interest bearing, unsecured and repayable on demand.

18. Cash and net debt

Group	2023 £'000	2022 £'000
Cash	5,094	4,849
Borrowings (see note 20)	(29,883)	(21,978)
IFRS 16 Lease liabilities (see note 21)	(24,863)	(27,420)
Net debt	(49,652)	(44,549)

19. Trade and other payables

Group	2023 £'000	2022 £'000
Current:		
Trade creditors	3,104	2,923
Value added tax	920	940
Corporation tax creditor	735	122
Social security taxes	274	413
Other creditors	3,745	2,498
Accruals and deferred income	9,190	7,976
	17,968	14,872

Other creditors includes pension liabilities.

20. Borrowings

Group	2023 £'000	2022 £'000
Current:		
Loan notes	5,750	–
Bank loans	128	21,131
	5,878	21,131
Non-current:		
Warrant	784	–
Bank loans	23,221	847
	24,005	847
Borrowings repayable as follows		
Within one year	5878	21,131
Between one and two years	210	300
Between two and five years	23,795	547
Over five years	–	–
	29,883	21,978

The borrowings comprise:

- a bank loan and PIK interest of €31.3m from Crestline Europe LLP ("Crestline facility"). On 24 November 2022, the Group agreed a new €35.0m secured four-year term loan facility with Crestline Europe LLP which was used to refinance the expiring Incus Capital Facility. The facility has a term of four years, with the right to settle in full after two years. Interest is capitalised during the first year at a rate of 9.5% plus 3-month EURIBOR and from the second year onwards interest will be paid in cash at a rate of 8.5% plus 3-month EURIBOR. There is an exit premium payable upon full repayment of the facility, calculated by reference to the principal amount drawn, this is included within the carrying value of the loan. The facility is subject to quarterly financial covenants based on minimum liquidity levels (quarterly testing which commenced on 31 December 2022) and target leverage ratio (quarterly testing commenced on 30 June 2023). The Crestline facility is held in the subsidiary Time Out England Limited and is listed on The International Stock Exchange ("TISE"). On 25 April 2023 €1,124,146.47 Senior Secured Notes were admitted to the TISE following the initial admittance on the 28 March 2023 of €29,218,000 Senior Secured Notes. Accrued interest of €959,309 up to 30 June 2023 has not yet been admitted.
- a loan note of £5.7m from Oakley Capital Investments Limited ("OCI"). On the 30 November the loan facility of £5.2m was converted to a loan note ("OCI Loan Note"). On the 7 November 2023 the Group agreed with OCI that the OCI Loan Note would be amended such that the Final Scheduled Redemption Date would be 30 June 2025. The OCI loan facility is held by Time Out Group plc and is listed on TISE. On 28 March 2023 €5,254,257.56 unsecured floating rate notes were admitted to the TISE.
- a bank loan of £0.3m (2022: £0.5m) with interest charged at a rate of 3%, repayable in monthly instalments to June 2025.

During the year the following loans were fully repaid:

- a term loan (Incus Capital Facility) at a rate of 11% above EURIBOR, repayable in instalments annually through to November 2022. The facility had a covenant based on the rolling 12 month EBITDA of the Time Out Lisbon Market which had been formally waived through to repayment in November 2022.
- a loan provided by a local Urban Development Fund as part of the Joint European Support for Sustainable Investment in City Areas (JESSICA) initiative was repaid during the year (2022: £0.7m), charged at a rate of the six-month EURIBOR rate plus 1.75%.

On 24 November 2022 ("Grant date") the Group agreed to grant warrants ("The Warrant Instrument") over Time Out Group plc ordinary shares to the Crestline facility loan note holders.

The terms of warrants issued are detailed below:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Number of warrants	11,400,423	2,264,468	0.75% of the fully diluted share capital as at the first anniversary of the Grant Date.	0.75% of the fully diluted share capital as at the second anniversary of the Grant Date.
Performance conditions	none	none	EBITDA Threshold	EBITDA Threshold
Exercise Price	£0.39	£0.39	Lower of £0.39 and 30-day price average preceding first anniversary of Grant Date	Lower of £0.39 and 30-day price average preceding second anniversary of Grant Date
Exercise Period	Between the second and fifth anniversaries of Grant Date			
Expiry Date	24 November 2027			

Tranche 1 and Tranche 2 are Equity Instruments that have been valued using a Binomial valuation model. The equity instrument liability has been calculated as at the Grant date and is not subsequently remeasured. As an equity instrument £1,543k was recorded directly in equity.

Tranche 3 and Tranche 4 are derivative liabilities that have been valued using a monte carlo valuation model. The liability has been calculated as at 30 June 2023, with movements in the fair value recorded in the Income Statement. As at 30 June 2023 the £784k was recorded as a liability, with fair value movements of £99k recorded in the current year Income Statement. The key inputs into the valuation are annualised volatility 30 – 35% and risk free rate 3.14% – 5.08%.

21. Lease liabilities

	2023 £'000	2022 £'000
Analysed as:		
Current	4,581	5,056
Non-current	20,282	22,364
	24,863	27,420
	2023 £'000	2022 £'000
Maturity analysis:		
Year one	–	–
Year two	224	–
Year three	–	337
Year four	721	–
Year five	–	864
After five years	23,918	26,219
	24,863	27,420

The Group does not face a significant liquidity risk with regard to its lease liabilities.

22. Financial risk management and policies

Financial risk factors and management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Foreign currency

The Group is exposed to foreign exchange risk as it operates in overseas markets. The Group's realised loss on foreign exchange for the year was £2k (2022: £84k loss). The Group does not hedge its foreign currency risk as the majority of the Group's receivables, payables and borrowings are denominated in the functional currency of the relevant entity. Consequently, there are no material currency exposures to disclose (2022: £nil).

A sensitivity analysis was conducted at the end of the year ended 30 June 2023 in order to understand the exposure of the Group's income statement to currency fluctuations. The analysis used the actual monthly average rates and appreciated/depreciated each of the rates by 10%. The main assumptions revolve around this 10% adjustment to the rates which was applied linearly across the months instead of for a specific time.

The effects of the analysis showed that if the euro and US dollar had appreciated by 10% during the year, gross revenue would be £82.5m (2022: £78.3m) and the operating loss would be £18.3m (2022: £14.9m). if, conversely the euro and US dollar had depreciated by 10% during the year, gross revenue would be £69.5m (2022: £66.2m) and operating loss would be £16.7m (2022: £13.4m).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. In order to minimise this risk the Group endeavours to only deal with companies which are demonstrably creditworthy. The maximum exposure to credit risk is the value of the outstanding trade receivables. The management do not consider that there is any concentration of risk within trade receivables.

The Group puts provisions in place for specific known bad debts. In addition, further provisions are made based on historical customer payment trends, current local market conditions and the normal average time taken to pay in each individual country. An analysis of the Group's trade receivables and provision for bad debts is included in note 17. The maximum credit risk exposure of the Group is the gross carrying value of each of its financial assets.

As well as credit risk on accounts receivable balances with customers, credit risk arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only reputable institutions with a strong, independently rated credit rating are used.

Liquidity risk

Cash flow forecasting is performed by the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs whilst maintaining sufficient headroom to meet any repayment requirements.

The maturity profile of the Group's borrowings is set out in note 20.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year £'000	Between one and two years £'000	Between two and five years £'000	Over five years £'000	Total £'000
As at 30 June 2023					
Borrowings	8,274	3,703	36,283	–	48,260
Lease liabilities	4,581	4,734	13,979	14,467	37,761
Trade and other payables	17,968	–	–	–	17,968
	30,823	8,437	50,262	14,467	103,989

As at 30 June 2022	Within one year £'000	Between one and two years £'000	Between two and five years £'000	Over five years £'000	Total £'000
Bank loans	21,131	300	547	–	21,978
Lease liabilities	5,056	4,876	14,528	19,186	43,646
Trade and other payables	14,872	–	–	–	14,872
	41,059	5,176	15,075	19,186	80,496

Interest rate risk

The Group has exposure to interest rate movement as the Group's main debt is linked to 3-month EURIBOR. The Group has performed sensitivity analysis in relation to the risk of interest rate movement. The effects of the analysis showed that if the 3-month EURIBOR rate had been 1% higher for the duration of the year, the reported value of interest expense would have been £25k higher.

Capital risk management

The Group's capital management objective is to ensure the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders. To meet this objective the Group reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Group.

The capital structure of the Group consists of total parent shareholders' equity as set out in the Consolidated Statement of Changes in Equity. All working capital requirements are financed from existing cash resources and borrowings.

23. Financial instruments

Fair values

The table below illustrates the fair values of all financial assets and liabilities held by the Group at 30 June 2023 and 30 June 2022.

Classification of financial instruments	At amortised cost £'000	At fair value through profit and loss £'000	Total £'000
As at 30 June 2023			
Assets			
Cash and bank balances	5,094	–	5,094
Trade and other receivables	18,654	–	18,654
	23,748	–	23,748
Liabilities			
Financing	(29,099)	(784)	(29,883)
Lease liabilities	(24,863)	–	(24,863)
Trade and other payables	(17,968)	–	(17,968)
	(71,930)	(784)	(72,714)

Classification of financial instruments	At amortised cost £'000	At fair value through profit and loss £'000	Total £'000
As at 30 June 2022			
Assets			
Cash and bank balances	4,849	–	4,849
Trade and other receivables	14,311	–	14,311
	19,160	–	19,160
Liabilities			
Financing	(21,978)	–	(21,978)
Lease liabilities	(27,420)	–	(27,420)
Trade and other payables	(14,872)	–	(14,872)
	(64,270)	–	(64,270)

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value.

All liabilities, excluding warrants, are held at amortised cost. After initial fair value recognition, these instruments are measured at amortised cost using the effective interest rate method.

Due to the short-term nature of the trade and other payables, their carrying amount is considered to be the same as their fair value. Financing and Lease liabilities fair value is not expected to materially differ from amortised cost but will change according to movements in foreign exchange and interest rates.

The Group assesses at each year end reporting date whether a financial asset or group of financial assets is impaired. In the year ended 30 June 2023 there was no objective evidence that would have necessitated the impairment of loans and receivables or available for sale assets except the provision for impairment of receivables (see note 17).

Company

Classification of financial instruments	At amortised cost £'000	At fair value through profit or loss £'000	Total £'000
As at 30 June 2023			
Assets			
Trade and other receivables	24,655	–	24,655
	24,655	–	24,655
Liabilities			
Borrowings	5,750	–	5,750
	5,750	–	5,750

Classification of financial instruments	At amortised cost £'000	At fair value through profit and loss £'000	Total £'000
As at 30 June 2022			
Assets			
Trade and other receivables	30,954	–	30,954
	30,954	–	30,954
Liabilities			
Trade and other payables	–	–	–
	–	–	–

24. Called up share capital

Allotted, issued and fully paid	Nominal value	30 June 2023 Number	30 June 2022 Number
Ordinary shares	£0.001	337,589,584	335,870,417

	Nominal value	30 June 2023 £'000	30 June 2022 £'000
Ordinary shares	£0.001	338	336

During the year, the Company issued 1,719,167 (2022: 3,910,000) shares to employees following the exercise of share options. The fair value of the shares issued was £601,000 (2022: £2,160,000).

25. Notes to the cash flow statement

Group reconciliation of loss before income tax to cash used in operations

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Loss before income tax	(24,991)	(19,462)
Add back:		
Net finance costs	7,497	5,321
Share based payments	1,701	1,817
Depreciation charges	8,910	8,640
Amortisation charges	2,163	2,540
Exceptional loss – Time Out Market Miami	7,098	–
Exceptional loss – Time Out Market Spitalfield	1,049	–
Gain on recognition/derecognition of right-of-use and related lease liability	–	(475)
Loss on disposals of property, plant and equipment	5	47
Other non-cash movements	33	(67)
(Increase)/ decrease in inventories	(37)	18
(Increase)/decrease in trade and other receivables	(1,629)	(3,961)
Increase in trade and other payables	2,936	1,038
Cash generated from/ (used in) operations	4,735	(4,544)

26. Pension commitments

The Group operates defined contribution pension schemes on behalf of its employees. During the year ended 30 June 2023, contributions of £591,000 (Year ended 30 June 2022: £482,000) were made on behalf of employees and at the year end £146,000 (2022: £107,000) remained outstanding.

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Pension contributions paid during the year	591	482
Pension contributions outstanding at 30 June	146	107

27. Share based payments

Group

The Group operates a discretionary long term incentive plan ("LTIP") designed to encourage continual improvement in the Group's performance and to align the interest of senior management with this of shareholders in the medium term. The only specific performance condition attached to these awards is of continued service. The awards vest evenly over three years on the anniversary date. There is a 12-month lock-up period following each vesting date.

In December 2020, the LTIP was modified to better reflect the current and anticipated performance of the Group. This modification amended the grants with an associated exercise price whereby these grants were replaced by revised grants comprising nil cost grants and grants linked to the Group's share price performance over 5 years. 9,719,978 options were surrendered and replacement options granted (as shown within the number granted in the table below). This was treated as a modification of the original grants and as such the fair value recognised was reduced by the calculated fair value of the surrendered options as at the date of surrender, the average of which was 0.2p. The fair value calculation for the surrendered options was performed consistently with the inputs disclosed below except as disclosed below.

The charge in respect of share based payment transactions included in the Group's Income Statement for the year is as follows:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Expense arising from share option plans	1,701	1,817

	2023		2022	
	Weighted average exercise price (pence per option)	Number of options	Weighted average exercise price (pence per option)	Number of options
Outstanding at 1 July	17.8	20,103,495	Nil	26,700,163
Options exercised in the year	0.1	(1,714,167)	Nil	(3,910,000)
Options lapsed in the year	24.5	(9,043,162)	Nil	(10,561,668)
Options granted in the year	40.5	14,725,000	45.3	7,875,000
Outstanding at 30 June	32.5	24,071,166	17.8	20,103,495
Exercisable at 30 June		6,167,775		2,128,498
Weighted average remaining contractual life		8.65		8.98

Long Term Incentive Plan

Awards have been made to the Executive Directors as follows:

Director	Exercise price (p)	Date of grant	1-Jul-22	Exercised	Lapsed	30-Jun-23
Stuart Rose	nil	05/01/2021	2,000,000	–	–	2,000,000
			2,000,000	–	–	2,000,000

The options which lapsed during the year relate to employees who have left the Company. The fair value of the awards was valued using a Black-Scholes model. The assumptions used in the valuation are:

	2023 Performance-based award	2023 Non Performance-based award	2022 Performance-based award	2022 Non Performance-based award
Risk-free interest rate	1.5% – 4.3%	0.17% – 0.62%	0.25% – 0.30%	0.17% – 0.62%
Peer group volatility	19% – 24%	38% – 47%	50%	38% – 47%
Expected option life in years	10	10	10	10
Expected dividend yield	Nil	Nil	Nil	Nil
Share price at grant date	34 – 35p	49p – 58p	35p	49p – 58p
Exercise price at grant date	35p – 51p	Nil – 53p	Nil	Nil – 53p
Weighted average fair value of options at grant date	14p	30p	26p	30p

Volatility of the share price was calculated using historical daily share price observations over 12 months.

The weighted average fair value of options granted during the year was 14p (2022: 30p).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Expiry date	Exercise price (p)	Share options	
			2023	2022
YPlan employees – October 2016	October 2026	nil	–	16,838
Senior Managers – March 2019	March 2029	nil – 0.9	74,993	149,991
Senior Managers – December 2020	December 2023	nil	4,338,216	10,061,666
Senior Managers – January 2021	January 2021	nil	2,000,000	2,000,000
Senior Managers – November 2021	November 2031	nil	241,292	625,000
Senior Managers – April 2022	April 2032	48-51	4,625,000	5,500,000
Senior Managers – May 2022	May 2032	51-53	1,250,000	1,750,000
Senior Managers – July 2022	July 2032	49-51	3,291,665	–
Senior Managers – September 2022	September 2032	41	4,250,000	–
Senior Managers – Octobers 2022	October 2032	38	500,000	–
Senior Managers – December 2022	December 2032	38	1,000,000	–
Senior Managers – February 2023	February 2033	35	500,000	–
Senior Manager – March 2023	March 20233	34	1,000,000	–
Senior Managers – April 2023	April 20233	39	1,000,000	–
			24,071,166	20,103,495

28. Related party transactions

Group

There is a summary of ownership interests in the Directors' Report on page 50. Oakley Capital Investments Limited and Oakley Capital Private Equity Limited, as at 30 June 2023 collectively owned 43.8% (2022: 44.0%).

Oakley Capital Investments Limited is a substantial shareholder in the Company as defined by the AIM Rules and as such entering into the loan facility constituted a related party transaction pursuant to AIM Rule 13. With the exception of Peter Dubens, who is a director of OCI, the Directors of the Group considered that, having consulted with Liberum, the terms of the transaction were fair and reasonable insofar as shareholders were concerned.

Management share awards

Details of management share awards are contained in the Directors' Remuneration Report on page 46 and note 27.

Other

The Group engaged Oakley Advisory, a subsidiary of Oakley Capital Investments Limited, on a consultancy basis and paid a fee of £39,000 for the year ended 30 June 2023 (2022: £55,000), as at the year end nil was outstanding (2022: £13,750).

In the prior year Oakley Capital Investment Limited donated £35,000 in relation to the Tony Elliot Memorial event in March 2022. As part of the cash placings completed in May 2020 and April 2021, Lombard Odier purchased an aggregate of 31,034,286 shares. Lombard Odier is a related party of the Company for the purposes of the AIM Rules by virtue of their status as a substantial shareholder holding 10% or more of the existing Ordinary Shares.

Company

The Company is exempt under paragraph 8(k) of the disclosure exemptions included in FRS 101 for qualifying entities from disclosing related party transactions with entities that form part of the Time Out Group plc group of which Time Out Group plc is the ultimate parent undertaking.

29. Post Balance Sheet Events

On 7th November 2023 the Directors agreed to enter into an extension of the £5.2m Oakley Capital loan facility to June 2025.

Alternative Performance Measures

The Group has included various unaudited alternative performance measures (APMs) in its Annual Report and Accounts. The Group includes these non-GAAP measures as it considers these measures to be both useful and necessary to the readers of the Annual Report and Accounts to help them more fully understand the performance and position of the Group. The Group's measures may not be calculated in the same way as similarly titled measures reported by other companies. The APMs should not be viewed in isolation and should be considered as additional supplementary information to the IFRS measures. Full reconciliations have been provided between the APMs and their closest statutory measures.

The Group has considered the European Securities and Markets Authority (ESMA) 'Guidelines on Alternative Performance Measures' in these annual results.

APM	Closest statutory measure	Adjustments to reconcile to statutory measure
Net revenue	Gross revenue	Net revenue is calculated as Gross revenue less the concessionnaires' share of revenue.
Adjusted EBITDA	Operating profit	Adjusted EBITDA is profit or loss before interest, taxation, depreciation, amortisation, share-based payments, exceptional items and profit/(loss) on the disposal of fixed assets. It is used by management and analysts to assess the business before one-off and non-cash items.
EBITDA	Operating profit	EBITDA is profit or loss before interest, taxation, depreciation, amortisation, and profit/(loss) on the disposal of fixed assets. It is used by management and analysts to assess the business before one-off and non-cash items.
Divisional adjusted operating expenses	Administrative expenses of the Media and Market segments (see note 4)	Divisional adjusted operating expenses are administrative expenses before Corporate costs, depreciation, amortisation, share-based payments, exceptional items and profit/ (loss) on the disposal of fixed assets.
Divisional adjusted EBITDA	Operating profit or loss of the Media and Market segments (see note 4)	Divisional Adjusted EBITDA is Adjusted EBITDA of the Media or Market segment stated before corporate costs.
Corporate costs	Operating loss of the Corporate Costs segment (see note 4).	Corporate costs are Administrative expenses of the Corporate Cost segment stated before interest, taxation, depreciation, amortisation, share-based payments, exceptional items and profit/(loss) on the disposal of fixed assets.
Adjusted operating expenditure (trading)	Administrative expenses of the Market segment (see note 4)	Administrative expenses of the Market segment before Market central costs.
Trading EBITDA	Operating Profit of the Market segment (see note 4).	Trading EBITDA represents the Adjusted EBITDA from owned and operated markets, Management Agreement fees, and the development fees relating to Management Agreements. It is presented before central costs of the Market business.
Adjusted net debt	Net Debt	Adjusted net debt is cash less borrowings and excludes any finance lease liability recognised under IFRS 16.

Global monthly brand audience is the estimated monthly average in the year including all Owned & Operated cities and franchises. It includes print circulation and unique website visitors (Owned & Operated), unique social users (as reported by Facebook and Instagram with social followers on other platforms used as a proxy for unique users), social followers (for other social media platforms), opted-in members and Market visitors.

The Group has concluded that these APMs are relevant as they represent how the Board assesses the performance of the Group and they are also closely aligned with how shareholders value the business. They provide like-for-like, year-on-year comparisons and are closely correlated with the cash inflows from operations and working capital position of the Group. They are used by the Group for internal performance analysis and the presentation of these measures facilitates comparison with other industry peers as they adjust for non-recurring factors which may materially affect IFRS measures. The adjusted measures are also used in the calculation of the Adjusted EBITDA and banking covenants as per our agreements with our lenders. In the context of these results, an alternative performance measure (APM) is a financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS. The reconciliation of adjusted EBITDA to operating loss is contained on the following page.

Adjusted EBITDA

	Time Out Market £'000	Time Out Media £'000	Corporate Costs £'000	Total £'000
Year ended 30 June 2023				
Gross revenue	71,511	33,130	–	104,641
Concessionaire shares	(28,663)	–	–	(28,663)
Net revenue	42,848	33,130	–	75,978
Gross profit	35,535	26,354	–	61,889
Administrative expenses	(48,495)	(26,084)	(4,804)	(79,383)
Operating (loss)/profit	(12,960)	270	(4,084)	(17,494)
Operating (loss)/profit	(12,960)	270	(4,804)	(17,494)
Amortisation of intangible assets	21	1,202	940	2,163
Depreciation of property, plant and equipment	6,322	222	–	6,544
Depreciation of right-of-use assets	2,077	290	–	2,367
Loss on disposal of fixed assets	–	5	–	5
EBITDA	(4,540)	1,989	(3,864)	(6,415)
Share based payments	–	–	1,701	1,701
Exceptional items	8,851	1,103	75	10,029
Adjusted EBITDA profit/(loss)	4,311	3,092	(2,088)	5,315
Finance income				167
Finance costs				(7,664)
Loss before income tax				(24,991)
Income tax charge				(1,132)
Loss for the year				(26,123)

Year ended 30 June 2022	Time Out Market £'000	Time Out Media £'000	Corporate costs £'000	Total £'000
Gross revenue	46,454	26,479	–	72,933
Concessionaire shares	(17,530)	–	–	(17,530)
Net revenue	28,924	26,479	–	55,403
Gross profit	24,081	20,502	–	44,583
Administrative expenses	(29,921)	(22,728)	(6,075)	(58,724)
Operating loss	(5,840)	(2,226)	(6,075)	(14,141)
Operating loss	(5,840)	(2,226)	(6,075)	(14,141)
Amortisation of intangible assets	14	2,526	–	2,540
Depreciation of property, plant and equipment	6,425	150	–	6,575
Depreciation of right-of-use assets	2,017	48	–	2,065
Loss on disposal of fixed assets	–	47	–	47
EBITDA	2,616	545	(6,075)	(2,914)
Share based payments	–	–	1,817	1,817
Exceptional items	(391)	1,159	1,548	2,316
Adjusted EBITDA Profit/(loss)	2,225	1,704	(2,710)	1,219
Finance income				8
Finance costs				(5,329)
Loss before income tax				(19,462)
Income tax charge				(97)
Loss for the year				(19,559)

Adjusted net debt

Group	2023 £'000	2022 £'000
Cash	5,094	4,849
Borrowings	(29,883)	(21,978)
Adjusted net debt	(24,789)	(17,129)
IFRS 16 Lease liabilities	(24,863)	(27,420)
Net debt	(49,652)	(44,549)

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