

27 September 2023

SIVOTA PLC
("Sivota," or "the Company")

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

Sivota, the London listed investment vehicle focused on later-stage, Israeli technology companies, announces its results for the six months ended 30 June 2023 ("H1 2023").

Sivota seeks to leverage the significant technology investment potential between the UK and Israel. With Sivota as the investment vehicle, the Group identifies investment opportunities in undervalued, well-positioned Israeli technology companies and leverages the Group's experience to introduce strategic change and growth.

Highlights:

- Ongoing implementation of the Group's dual-pronged strategy:
 - Focus on seeking investment opportunities, predominantly across the Israeli technology sector;
 - Continue to support and advise Apester Ltd ("Apester"), a digital marketing engagement platform in which Sivota has a 54.1% majority stake, on the execution of its growth strategy.

- Key financial highlights for the six months ended 30 June 2023:
 - Revenue of \$3.1 million (H1 2022: \$1.1 million*)
 - Gross profit of \$633,000 (H1 2022: \$287,000*)
 - Cash at 30 June 2023 of \$2.4 million (31 December 2022: \$4.4 million)
 - Net debt of \$1.5 million (31 December 2022: \$1.4 million)

* Revenue and Gross profit generated in H1 2022 were for the period from the Acquisition date of Apester on 12 May 2022 to 30 June 2022.

- As anticipated Apester has generated a loss of \$3.2 million over the first 6 months of the year as management invest in the development of its base technology, expand its services and client base despite a very tough market background with significantly reduced advertising demand. The rate of loss is reducing rapidly and we anticipate the business will reach breakeven during H2 '24 as revenues continue to increase and the cost base is now right shaped.

- Over the course of H1 2023, the Group has implemented a number of strategic and operational changes within Apester, including:
 - The appointment of Anni Ben Yair as Chief Executive Officer for Apester, announced in August 2023. Anni is an experienced digital media and technology executive, well positioned to lead Apester's international go-to-market strategy;
 - Continued development of Apester's underlying technology, building on the integration of Permutive, a privacy-safe infrastructure helping publishers and advertisers reach their audiences which completed in late-2022.

- Apester has fortified a very strong list of prospects and opportunities, from existing and new partners, which include:
 - A new initiative with Ad Alliance, one of the most prominent German sports media outlets, which builds on an existing relationship and seeks to leverage Apester new data collection and segmentation tools that enable first and zero-party collection, cross-checking with interactions on sight, and matching to unique identifiers that enable Apester partners to offer a premium tailored experience while on their site;
 - In the final stages of launching a new partnership with a key European sports outlet, reinforces our authority within the European market;
 - Launched a new US-based partner that is a new expansion in one of our key growth markets. We are in final negotiations with one of the largest US media outlets across multiple key industries.

Ziv Ben-Barouch, Chief Executive Officer of Sivota, commented:

“We are delighted with the progress we have made in H1 2023 as we continue to implement a number of growth initiatives. In addition to supporting Apester on driving engagement to capitalise on its market opportunity, we are currently evaluating a number of additional investment opportunities in the Israeli technology sector, that our new business pipeline has generated.

As funding within the technology sector continues to remain challenging as a result of the macro-economic conditions, we believe Sivota continues to be well placed to benefit as the Groups new business pipeline suggests.

As we move into the second half, I look forward to updating stakeholders on ongoing Apesters’ progress, along with other investment opportunities that align with our growth strategy.”

For further information, please visit www.sivotacapital.com or contact:

Sivota PLC

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

Financial Review

Cash flow and net debt

The Group's cash balance as at 30 June 2023 was \$2.4 million compared to \$4.4 million at 31 December 2022. The debt at 30 June 2023 was \$1.5 million compared to \$1.4 million at 31 December 2022.

Revenues

The Group generated \$3.1 million of revenues in the six months ended 30 June 2023, compared to \$1.1 million revenues generated in the period from the acquisition of Apester on 12 May 2022 to 30 June 2022.

Current trading and outlook

Sivota was established in order to acquire controlling stakes and then act as a holding company for various target businesses operating or founded in Israel, predominantly in the technology sector. The Group has made a solid start to FY 2023, with the recently acquired Apester performing in line with management expectations.

Apester's acquisition is the first step in executing the Group strategy. Alongside working to help Apester implement its growth strategy, the Group continues to evaluate a robust pipeline of new investment opportunities, refining our next targets.

As a result of the challenging macro-economic environment, access to funding for start-up companies has become more challenging. Against this backdrop, the Board of Directors believe Sivota is well-placed to assess and evaluate more opportunities to identify the right investment opportunities where the team can leverage our experience to maximise growth and shareholder returns.

The Group continues to evaluate investment opportunities, generating a strong new business pipeline. Furthermore, the Group is continuing to support Apester and ensure the right executive team is in place for Apester to maximise its potential as an interactive experience platform that helps business to better engage with their audience.

Risk and uncertainties

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors have carried out an assessment of the principal risks facing the Group, including those that threaten its business model, future performance, solvency or liquidity.

The Group continues to monitor the principal risks and uncertainties to ensure that any emerging risks are identified, managed, and mitigated.

Keeping pace with technological developments

Apester's ability to attract new customers and increase revenue from existing customers largely depends on its ability to enhance and improve its existing solutions and introduce compelling new technology products. The success of any enhancement to its solutions depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with other technologies and the Apester platform, and overall market acceptance. Apester seeks to mitigate this risk by continuing to improve its solutions and products.

Concentration of key clients

Apester has significant contracts and relationships with a number of key customers. Although the Company knows of no reason why such contracts should be terminated or will not be renewed on the same or more favorable terms, the Directors cannot guarantee such relevant parties' commercial position or market conditions will not alter their position. Should any of these contracts be terminated or not be renewed, it could have a material adverse effect on the financial position and future prospects of the Group. Apester seeks to mitigate this risk by increasing the number of customers.

Changes to the digital advertising landscape

Apester's current revenues are derived partly from revenue sharing agreements for advertising space sold through its platform. Such revenues are dependent on the worldwide demand and ask prices for advertising, which are mainly controlled by large market participants, such as search engines. If a search engine decides to reduce its pricing or demand for advertising space is depressed, this will adversely affect Apester's revenues.

Funding

Although the Directors have confidence in the future revenue earning potential of the Group from its interests in Apester, there can be no certainty that the Group will achieve or sustain profitability or positive cash flow from its operating activities. If Apester does not meet its targets the Group may not be able to obtain additional external financing. The board regularly reviews the revenues, KPIs and expenditures of Apester and continues to prudently manage its cash resources and has minimised ongoing operating costs. Additionally, if the Group intends to acquire further businesses the Company will likely need to raise further funds.

Difficulties in acquiring suitable targets

The Company's strategy and future success are dependent to a significant extent on its ability to identify sufficient suitable acquisition opportunities and to execute these transactions on terms consistent with the Company's strategy. If the Company cannot identify suitable acquisitions, or execute any such transactions successfully, this will have an adverse effect on its financial and operational performance.

Security, political and economic instability in Israel and the Middle East

Apester is incorporated under the laws of the State of Israel, and its principal offices and research and development facilities are located in Israel. In addition, Sivota seeks additional target companies based in Israel. Therefore, security, political and economic conditions in the Middle East, particularly in Israel, may affect Group's business directly.

Taxation

The Group will be subject to taxation in several different jurisdictions, and adverse changes to the taxation laws of such jurisdictions could have an adverse effect on its profitability.

Statement of directors' responsibilities in respect of the interim results

The Directors; being Tim Weller (Chairman); Ziv Ben-Barouch (CEO) and Neil Jones (Non-Executive) confirm that the set of interim financial statements has been prepared in accordance with international Accounting Standard 34 "interim financial reporting", and that interim report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely an indication of important events that have occurred during the six months period ended 30 June 2023; and material related party transactions in the six months period ended 30 June 2023.

SIVOTA PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
U.S. dollars in thousands

	<u>Note</u>	Six months ended		For the year
		30 June		ended
		2023	2022	31 December
		Unaudited		Audited
Revenues		3,129	1,114	5,918
Cost of revenues		2,496	827	4,361
Gross Profit		633	287	1,557
Operating expenses:				
Research and development expenses		972	333	1,553
Sales and marketing expenses		745	261	1,309
General and administrative expenses		1,974	1,110	3,513
Total operating expenses		3,691	1,704	6,375
Operating loss		(3,058)	(1,417)	(4,818)
Financial income		-	-	-
Financial expenses		161	420	295
Financial expenses, net		(161)	(420)	(295)
Loss before taxes		(3,219)	(1,837)	(5,113)
Taxes on income		-	-	1
Net loss		(3,219)	(1,837)	(5,114)
Net loss attributable to the owners		(1,796)	(1,258)	(3,199)
Net loss attributable to non-controlling interest		(1,423)	(579)	(1,915)
Net loss		(3,219)	(1,837)	(5,114)
Net comprehensive loss				
Net comprehensive loss attributable to the owners		(1,796)	(1,258)	(3,199)
Net comprehensive loss attributable to non-controlling interest		(1,423)	(579)	(1,915)
Net comprehensive loss		(3,219)	(1,837)	(5,114)
Loss per share:	4			
Basic loss per ordinary share in U.S. dollars		(0.14)	(0.30)	(0.38)
Diluted loss per ordinary share in U.S. dollars		(0.14)	(0.30)	(0.38)

The accompanying notes are an integral part of the condensed consolidated financial statements.

The condensed consolidated financial statements on page 5 to 15 were authorised for issue by the board of directors on 27 September 2023 and were signed on its behalf by Ziv Ben-Barouch.

Ziv Ben-Barouch, CEO, 27 September 2023

SIVOTA PLC
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
U.S. dollars in thousands

	As at 30 June 2023 <u>Unaudited</u>	As at 31 December 2022 <u>Audited</u>
ASSETS		
<u>Non-current assets</u>		
Intangible assets, net	13,136	13,950
Property and equipment, net	23	34
Total non-current assets	13,159	13,984
<u>Current assets</u>		
Trade receivables	1,222	2,467
Other receivables	221	399
Cash and cash equivalents	2,417	4,439
Total current assets	3,860	7,305
Total assets	17,019	21,289
EQUITY AND LIABILITIES		
<u>Equity</u>		
Ordinary share capital	157	157
Deferred shares	65	65
Capital reserve from transactions with non-controlling interests	(413)	(413)
Share premium	15,139	15,139
Accumulated losses	(5,493)	(3,697)
Total equity attributable to the owners	9,455	11,251
Non-controlling interests	3,918	5,141
Total equity	13,373	16,392
<u>Current liabilities</u>		
Current maturity of long-term loan from related party	316	-
Trade payables	1,113	2,042
Other payables	1,078	1,449
Total current liabilities	2,507	3,491
<u>Non-current liabilities</u>		
Long-term loan from related party	1,139	1,394
Employee benefits	-	12
Total non-current liabilities	1,139	1,406
Total equity and liabilities	17,019	21,289

The accompanying notes are an integral part of the condensed consolidated financial statements.

SIVOTA PLC
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
U.S. dollars in thousands

	Ordinary Share capital	Deferred Shares	Share Premium	Capital reserve from transactions with non- controlling interests	Accumulated losses	Total equity attributable to the owners	Non- controlling interests	Total equity
Unaudited								
For the six months ended 30 June 2023:								
Balance as at 1 January 2023	157	65	15,139	(413)	(3,697)	11,251	5,141	16,392
Net loss	-	-	-	-	(1,796)	(1,796)	(1,423)	(3,219)
Net comprehensive loss	-	-	-	-	(1,796)	(1,796)	(1,423)	(3,219)
Transactions with owners:								
Transactions with non-controlling interests	-	-	-	-	-	-	3	3
Share-based compensation by subsidiary	-	-	-	-	-	-	197	197
Total transactions with the owners	-	-	-	-	-	-	200	200
Balance as at 30 June 2023	157	65	15,139	(413)	(5,493)	9,455	3,918	13,373

The accompanying notes are an integral part of the condensed consolidated financial statements.

SIVOTA PLC
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
U.S. dollars in thousands

	Ordinary Share capital	Deferred Shares	Share Premium	Capital reserve from transactions with non- controlling interests	Accumulated losses	Total equity attributable to the owners	Non- controlling interests	Total equity
Unaudited								
<u>For the six months ended 30 June 2022:</u>								
Balance as at 1 January 2022	15	65	1,251	-	(498)	833	-	833
Net loss	-	-	-	-	(1,258)	(1,258)	(579)	(1,837)
Net comprehensive loss	-	-	-	-	(1,258)	(1,258)	(579)	(1,837)
Transactions with owners:								
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	6,327	6,327
Share-based compensation by subsidiary	-	-	-	134	-	134	-	134
Share capital issuance	142	-	14,053	-	-	14,195	-	14,195
Share issue cost	-	-	(131)	-	-	(131)	-	(131)
Total transactions with the owners	142	-	13,922	134	-	14,198	6,327	20,525
Balance as at 30 June 2022	157	65	15,173	134	(1,756)	13,773	5,748	19,521

The accompanying notes are an integral part of the condensed consolidated financial statements.

SIVOTA PLC
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
U.S. dollars in thousands

	Ordinary share capital	Deferred shares	Share premium	Capital reserve from transactions with non- controlling interests	Accumulated losses	Total equity attributable to the owners	Non- controlling interests	Total equity
	Audited							
For the year ended 31 December 2022:								
Balance as at 31 December 2021	15	65	1,251	-	(498)	833	-	833
Net loss	-	-	-	-	(3,199)	(3,199)	(1,915)	(5,114)
Net comprehensive loss	-	-	-	-	(3,199)	(3,199)	(1,915)	(5,114)
Transactions with owners:								
Share capital issuance	142	-	14,054	-	-	14,196	-	14,196
Share issue cost	-	-	(166)	-	-	(166)	-	(166)
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	6,355	6,355
Transactions with non-controlling interests	-	-	-	(413)	-	(413)	428	15
Share-based compensation by subsidiary	-	-	-	-	-	-	273	273
Total transactions with the owners	142	-	13,888	(413)	-	13,617	7,056	20,673
Balance as at 31 December 2022	157	65	15,139	(413)	(3,697)	11,251	5,141	16,392

The accompanying notes are an integral part of the condensed consolidated financial statements.

SIVOTA PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
U.S. dollars in thousands

	Six months ended		For year
	30 June		ended 31
	2023	2022	December
	Unaudited		Audited
Cash flows from operating activities			
Net loss	(3,219)	(1,837)	(5,114)
Depreciation and amortisation	819	223	1,076
Share-based compensation by subsidiary	197	134	273
Financial expenses, net	127	316	83
<i>Working capital adjustments:</i>			
Decrease (increase) in trade receivables	1,245	144	(762)
Decrease (increase) in other receivables	178	(37)	(55)
Decrease in trade and other payables	(1,300)	(820)	(816)
Decrease in long term employee benefits	(12)	(46)	(46)
Net from operating activities	(1,965)	1,923	(5,361)
Cash flows from investing activities			
Decrease (increase) in short-term deposit	-	(47)	7
Net cash acquired on acquisition of subsidiary	-	34	337
Proceeds from sale of equipment	6	-	-
Convertible loans acquisition	-	(1,654)	(1,654)
Net cash from (for) investing activities	6	(1,667)	(1,310)
Cash flows from financing activities			
Proceeds from the issue of Ordinary Shares, net of issuance costs	-	11,059	11,848
Repayment of lease liability	-	-	(9)
Exercise of subsidiary's options	3	-	8
Loan repayments	-	(387)	(1,512)
Net cash from financing activities	3	10,672	10,335
Net change in cash and cash equivalents	(1,956)	7,082	3,664
Effect of foreign exchange rate changes	(66)	-	(237)
Cash and cash equivalents at beginning of period	4,439	1,012	1,012
Cash and cash equivalents at end of period	2,417	8,094	4,439

The accompanying notes are an integral part of the condensed consolidated financial statements.

SIVOTA PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
U.S. dollars in thousands

(a) **Financing non-cash transactions:**

	Six months ended		For year ended
	30 June		31 December
	2023	2022	2022
	Unaudited		Audited
Debt offset against the payment for share capital of the Company	-	2,182	2,182
Unpaid share capital	-	823	7
Receivables from exercise of subsidiary's options	-	-	7

The accompanying notes are an integral part of the condensed consolidated financial statements.

SIVOTA PLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

1. General information

The Company is a public limited company incorporated and registered in England and Wales on 22 September 2020 with registered company number 12897590 and its registered office situated in England and Wales with its registered office The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF.

In July 2021, the Company completed a placing and listed on the Main Market (Standard Segment) of the LSE.

In May 2022, the Company completed the acquisition of a majority stake in Apester Ltd, a digital marketing engagement platform (the "Acquisition").

The cash consideration for the Acquisition was funded through a \$14.2 million (gross) placing and direct subscription of 11,500,000 new ordinary shares of Sivota of one pence each. In September 2022 the Company completed its readmission to the London Stock Exchange.

2. Definitions

In these financial statements:

The Company	-	Sivota PLC
The Group	-	The Company and its consolidated subsidiaries
Subsidiaries	-	Entities that are controlled (as defined in IFRS 10) by the Company and whose accounts are consolidated with those of the Company.
Dollar/USD	-	U.S. dollar/"\$"

3. Significant accounting policies

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

a. Basis of accounting

The Group Financial Statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the UK Companies Act 2006.

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements as at 31 December 2022.

SIVOTA PLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

Going concern

The Group raised funds in 2022 to fund the acquisition of Apester and the Group's working capital needs. The Group projects that it will need to raise further funds for its planned development. The Group is expected to further generate losses from operations during 2023 which will be expressed in negative cash flows from operating activity. Hence the continuation of Group's operations depends on raising the required financing resources or reaching profitability, which are not guaranteed at this point. Whilst the directors are confident they will be able to raise the additional finance required, this is not guaranteed and hence there is a material uncertainty in respect of going concern. However, the directors have, at the time of approving the financial statements, a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, which is defined as twelve months from the signing of this report. For this reason, the directors continue to adopt the going-concern basis of accounting in preparing the financial statements.

b. Standards and interpretations issued but not yet applied

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2023 that had a significant effect on the Company's Financial Statements.

At the date of authorisation of these Financial Statements, a number of amendments to existing standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective for the year presented. The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Company in future periods.

c. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

- Business combinations

The Group is required to allocate the acquisition cost of the subsidiary and activities through business combinations on the basis of the fair value of the acquired assets and assumed liabilities. The Group used external valuations to determine the fair value. The valuations include management estimates and assumptions as for future cash flow projections from the acquired business and selection of models to compute the fair value of the acquired components and their depreciation period.

SIVOTA PLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

- Research and development expenses

According to the accounting treatment, as described above, the Group's management examined whether the conditions for recognising development costs as intangible assets are met. The Group concluded that, development costs relating to the group software platform did not meet the conditions for recognition of as an intangible asset.

- Share-based payment.

The fair value of share-based payment transactions is calculated using the fair value of Group company's ordinary shares at the date of granting the options, this fair value is estimated by using valuation techniques that are based on actual purchasing price when applicable and measurement of the share's price by valuation technique of discounting future cash flows or other valuation techniques.

4. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	Six months ended 30 June		The year ended
	2023	2022	31 December
	Unaudited	Unaudited	Audited
Loss for the period attributable to the equity holders of the Company	(1,796)	(1,258)	(3,199)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	12,585,000	4,215,556	8,426,096
Basic and diluted loss per share – U.S. dollars	(0.14)	(0.30)	(0.38)

SIVOTA PLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

5. Operating segments

a. General:

The operating segments are identified on the basis of information that is reviewed by the chief operating decision maker (“CODM”) to make decisions about resources to be allocated and assess its performance.

The Group has one operating segment - digital media

b. Geographic information:

Revenues classified by geographical areas based on client location:

	Six months ended 30 June		For the year ended 31 December
	2023	2022	2022
	Unaudited		Audited
North America	1,171	341	2,076
European countries	1,099	467	1,904
UK and Ireland	749	275	1,338
Other countries	110	31	600
	3,129	1,114	5,918