FLEXION

Consolidated

Annual Report

For the year ended
31 December 2024

Flexion Mobile Plc

Company registration number 04306881

Contents

Flexion Mobile Plc
Unit G5, Harbour Yard
Chelsea Harbour
London SW10 0XD
United Kingdom

FLEXION

Summary of events during the year

Important events during the first quarter

- Signing of agreement with Big Fish Games
- Launch of Klondike Adventures from Vizor Games
- Launch of Immortal Awakening and Chronicle of Infinity from Neocraft

Important events during the second quarter

- Launch of EverMerge from Big Fish Games
- Launch of Marvel Contest of Champions from Kabam
- Signing of agreement with Jam City
- Signing of agreement with King
- Filing of 2022 annual accounts

Important events during the third quarter

- Launch of Candy Crush Saga from King
- Launch of two titles from Jam City
- Signing of agreement for Zombie Waves with Fun Formula
- Appointment of CLA Evelyn Partners Limited as new auditors

Important events during the fourth quarter

- Filing of 2023 annual audited accounts
- Signing of War Machines from Wildlife Studios
- Signing of War Robots from MY.GAMES
- Signing of Gossip Harbor from Microfun
- Signing of Candy Crush Solitaire® from King.com

Strategic Report

The directors present their strategic report for the year ended 31 December 2024.

Chairman's Statement

Financial highlights include record revenue of £76.8m, a 10% increase from 2023 while gross profit grew 11% to £13.9m. The operating loss of £3.0m was impacted by increased amortisation in the year with Adjusted EBITDA of £4.2m. With cash reserves increasing to £13.1m and with no debt, our balance sheet is strong and provides us with a platform for investment in future growth.

I'm pleased to report that there were a number of strategic achievements in the year, including the development of our new service offering, new partnerships with top tier developers and delivery of our new SDK (Software Development Kit) solution. Our game distribution partnerships continue to demonstrate robust performance, affirming our value to leading platform providers. The final months of 2024 saw the most extensive series of game launches in our history, which will drive growth in 2025 and beyond. Our sales pipeline remains strong, and the recent King and EA partnerships reinforces our leadership in the alternative app store market.

The continued regulatory changes, evidenced by the Digital Markets Act in the EU and similar developments in other markets presents a particular future opportunity for Flexion. We expect increased regulatory scrutiny on Google and Apple during 2025, and our leading position in the alternative app store market leaves us well-positioned to capitalise on these changes.

As well as these financial and strategic achievements, I'm extremely happy to report that we have now fully moved on from the corporate governance challenges I discussed in detail in my previous two updates. The impact of these we felt particularly in the issues surrounding the completion of our 2022 accounts and from which we began to emerge in 2023. We will continue to keep a high focus on this topic to ensure we maintain the high standards to which we aspire.

Finally, as this will be my final Annual Report as Chairman, I would like to place on record my thanks to all my Board colleagues, past and present as well as all our team members who over many years have helped grow the business to the where we are today. The growth we've achieved since our 2018 listing gives me great satisfaction and I believe we are extremely well placed to take advantage of the new market opportunities over the next couple of years to further scale the business and fully realise our potential.

Carl Palmstierna
Non-Executive Chairman

"I'm pleased to present Flexion's 2024 Annual Report, with continued revenue growth and key strategic achievements."

Carl Palmstierna
Non-Executive Chairman

Chief Executive Officer's Statement

As noted by our Chairman, 2024 delivered strong revenue growth with our positive cash generation leaving us with £13.1m of cash reserves and zero debt. Longer term, we are confident that our focus on bigger games and strategic partnerships, whilst putting some pressure on margins in 2025, is certainly the best way to continue scaling the business.

Our significant partnership with King in June 2024 marked the beginning of strong momentum in game sourcing. The launch of Candy Crush Saga© across all channels took only eight weeks from agreement signing, a process significantly expedited by Flexion. This demonstrates how our technology and services simplify, reduce costs, and increase profitability for game developers in alternative distribution within a fragmented app store market. We adapt and promote successful games, helping developers generate additional revenue outside Google Play in exchange for a revenue share. Our services mitigate the high opportunity cost that hinders developers in the alternative market. Developers are not equipped for a fragmented landscape, positioning Flexion as a critical enabler. This value is increasingly recognised by key players in the industry. Following this successful King partnership launch, Q4 saw the addition of Candy Crush Solitaire© to our framework agreement.

Expanding business with major clients is key to our model. The Microsoft acquisition of Activision/King in 2023, and King's integration into the Xbox service organisation, presents further growth opportunities within Microsoft's mobile game strategy. During the year, agreements were made with Microfun for Gossip Harbour, and the portfolio was strengthened with War Robots (My.Games) and War Machines (Wildlife Studios). These partnerships highlight our focus on top-tier developers, expanding market reach and portfolio. Our live portfolio now includes more than 30 titles, with top-tier games generating on average USD 0.9 million monthly gross revenue each in the fourth quarter. We believe our portfolio is unparalleled, and it represents several billion dollars in gaming IP, benefiting partners like Amazon, Huawei, OneStore, Samsung, and Xiaomi.

The implementation of the Digital Markets Act (DMA) in the EU presents significant strategic opportunities. There are similar initiatives in several other markets, notably the US. Regulators are putting a lot of pressure on both Google and Apple to open their platforms and stores to competition. The EU Commission recently found both Apple and Google guilty of breaching the DMA on several counts, and the market is now waiting to see what the next steps will be. As a minimum, we expect increased regulatory scrutiny during 2025, and we are well-positioned to capitalise on this evolving regulatory landscape.

Given this backdrop, it was to be expected that we would see the emergence of new market entrants, such as Epic Games with their Epic Store on Android and iOS, and this further validates our strategic direction and opportunity to scale our business further. We are prepared to support their growth with our game portfolio, as well as Microsoft's future Xbox service, as we believe that this will strengthen our market position and reach. Our active partnership with Digital Turbine, including the rollout of ONEstore US to US carriers, as well as Samsung's Instant Play, will further expand our distribution footprint during 2025.

Audiencly, our influencer marketing agency, finished the year strongly, securing new clients and executing major campaigns for Zynga, among several other gaming clients. This performance established a strong foundation for 2025 and solidified its role as an increasingly vital route to market for our game developers.

During 2025, our internal focus will be on operational efficiency, scalability, and margin contribution in our core distribution and marketing services. In parallel, we will continue to invest in strategic product initiatives. Our D2C (Direct to Consumer) investment, which is central to our new service offering, is gaining momentum, resonating well with the developer community and particularly top-grossing developers who look to increase the return on their marketing spend through higher-margin distribution services. The increasing adoption of web stores by developers signals a significant shift in future distribution models and could, over time, help reshape the industry. We aim to be at the forefront of this and have just successfully completed our payment integration project with Coda Payments, a leading web store and payment company in our industry. We are now preparing to soft launch a few more additional titles using Coda Payments in some of the distribution channels. It is critical that we make these investments as they will not only provide a strong foundation for scale and profitable growth but also make us more relevant to top-grossing game companies in the evolving market.

Our focus in 2025 is to further improve service scalability and efficiency, and we need to continue our strategic investments for long-term growth and profitability. We are, for instance, introducing AI in all aspects of the business, and we have worked hard on our new SDK development and rollout, and now on D2C. These investments are needed to provide both scalability and long-term attractiveness to our clients. We are confident that these initiatives will generate significant returns over time and further cement Flexion's leadership in game marketing within alternative markets.

Looking further into 2025, we have good visibility of our sales pipeline, we have new partnerships coming, and we have a very well-established position in the market. Understandably, we are very excited. We appreciate your continued support and look forward to an exciting 2025.

Jens Lauritzson
CEO
17 June 2025

"Our strong balance sheet, combined with key strategic and market developments, paves the way for growth in 2025 and beyond."

Jens Lauritzson
CEO

The board

As set out in Flexion Mobile's articles of association, the number of Directors of the Board shall consist of not less than two and shall not be subject to any maximum number. The Board of Directors consists of seven members, including the chairman.

The Directors are elected annually at the annual general meeting for the period until the end of the next annual general meeting. The current Directors have their assignments until the end of the next annual general meeting. The Board of Directors' work is governed by English law, the articles of association and the Board of Directors' rules of procedure.

Carl Palmstierna

Born: 1953
Director since 2009, Chairman of the Board of Directors since 2011

Other assignments:
Chairman of the Board of Directors and member of the Board of Directors of Palmstierna Invest AB, Palmstierna Holding AB, Palmeister & Partners AB and Freemelt AB, The Chairman of Nenda AB,Member of the Board of Directors of Order Impact AB (formerly known as Flaivy AB) , Envigas AB ZipClick Solutions AB, Camboza AB and Swipefinder AB.

Previous assignments:
Chairman of the Board of Directors and member of the Board of Directors of WeMind AB, SPWM Special Clients Services AB, Reflection Ltd, SPWM Special Clients AB, ReformTech Heating Holding AB, Panopticon Software AB, myFC Holding AB (publ), Valbay AB, Valbay International AB. Member of the Board of Directors of Magine Holding AB, Ankar Sweden AB, Bluefish Pharmaceuticals AB (publ), Byredo AB, Natural Fragrance of Sweden AB, Sunpocket AB, Elekta AB, Now Interact Nordic AB, Oculusai Incentive AB, Peepoople AB, Reforce International AB, Svenska allt för föräldrar AB, Universum Group AB, Valbay Förvaltning AB, B8 Sverige AB, OrganoWood AB and Yatrade AB., Chinsay AB, S.P. BECPEL Stockholm AB, Viametrics AB, Viametrics Group AB.

Shares in Flexion as of 31 December 2024:
3,724,980 shares via Palmstierna Invest AB and associated companies.

Options in Flexion as of 31 December 2024: N/A

Independent in relation to Flexion and Flexion's management: Yes.

Independent in relation to major shareholders: No.

Jens Lauritzson

Born: 1970
Director since 2001, currently CEO of Flexion Mobile Plc

Other assignments:
Board member of Mobile Sensations Limited.

Previous assignments:
Sales Manager UK at Aspiro and Managing Director at Popwire Limited.

Shares in Flexion as of 31 December 2024:
115,989 shares and 50% ownership in Mobile Sensations Limited, which owns 11,354,862 shares.

Options in Flexion as of 31 December 2024:
N/A

Independent in relation to Flexion and Flexion's management: No.

Independent in relation to major shareholders:
No.

Per Lauritzson

Born: 1974
Director since 2007, currently COO of Flexion Mobile Plc

Other assignments:
Board member of Mobile Sensations Limited.

Previous assignments:
Business Developer at Polopoly AB and Project Manager at the ExportCouncil.

Shares in Flexion as of 31 December 2024:
50% ownership in Mobile Sensations Limited which owns 11,354,862 shares.

Options in Flexion as of 31 December 2024:
N/A

Independent in relation to Flexion and Flexion's management: No.

Independent in relation to major shareholders:
No.

Christopher Bergstresser

Born: 1968
Director since 2018

Other assignments:
President & CSO OV Entertainment.

Previous assignments:
Group COO for Enad Global 7. Investment Director at Modern Times Group MTG AB. Partner of MTGx. President of the Board of Directors of Ludicious – Zurich Games Festival. President & COO of Sega of Europe. Member of the Board of Directors and EVP of Miniclip SA, co-founder & member of the Board of Directors of Appscotch and member of the advisory Board of Spil Games and Nitro Games.

Shares in Flexion as of 31 December 2024:
N/A

Options in Flexion as of 31 December 2024:
125,000

Independent in relation to Flexion and Flexion's management: Yes.

Independent in relation to major shareholders:
Yes.

Mikael Pawlo

Born: 1973
Director since 2021

Other assignments:
Member of the Board of Directors of Pawlo Invest AB, Djurgårdens Elitfotboll AB, Football Addicts Holding AB, Supertext Holding AB (previously SMSgrupp i Stockholm Holding AB), 6502 Processor AB and Deco Djursholm AB., Netnod AB.

Previous assignments:
CEO and co-founder of Red Flag; founding CEO and board member of Mr Green & Co, member of the Board of Directors of Djurgårdens Elitfotboll, X5 Music Group, SMSgrupp Africa AB, Sigmund 6581 AB, Nifty Moments AB, Bokio AB, Forza Challenge AB, Forza Addicts Personal AB, Forza Addicts Personal 2 AB, WeMind AB and Peerialism.

Shares in Flexion as of 31 December 2024:
136,303 shares.

Options in Flexion as of 31 December 2024:
N/A

Independent in relation to Flexion and Flexion's management: Yes.

Independent in relation to major shareholders:
Yes.

Benjamin Crawford

Born: 1965
Director since 2023

Other assignments:
CEO of Com Laude Ltd since June 2024

Previous assignments:
Chairman of Ben Crawford Consulting (UAE), Advisory Board Member, Voyage Media (USA). From 2009 until December 2022 Chief Executive Officer and Board Member of CentralNic Group PLC, and Board Member of its subsidiaries globally. Previously CMO of MutualArt (USA) 2006-8 and President and Board Director of Louise Blouin Media (USA/UK) 2004-6.

Share in Flexion as of 31 December 2024:
253,026 shares

Options in Flexion as of 31 December 2024:
N/A

Independent in relation to Flexion and Flexion's management: Yes.

Independent in relation to major shareholders:
Yes.

Chief Financial Officer's statement

Revenue

The financial year ending 31 December 2024 showed steady revenue growth with total revenue increasing to GBP 76.8m (2023: GBP 70.0m) equal to growth of 10%. The driver for this growth was In App Purchases ("IAP") revenue of GBP 65.5m (2023: GBP 60.3m) equal to growth of 9%.

Gross Margin

Gross profit grew to GBP 13.9m (2023: GBP 12.5m) equalling an 11% increase. The key driver was IAP gross profit which grew by 32% to GBP 12.0m (2023: GBP 9.1m) with Marketing services contributing GBP 1.8m (2023: GBP 3.3m) and non-IAP gross margin contributing with GBP 0.1m (2023: GBP 0.1m).

General and administrative expenses

Staff and contractor costs increased by 11% to GBP 6.8m (2023: GBP 6.1m), this is due to the headcount growing by 18% to 163 (2023: 138). General and admin expenses (excluding impairment losses) increased by 56% to GBP 18.6m (2023: GBP 11.9m), this is mainly due to accelerated amortization of game distribution rights due to a change in the Useful Economic Lives ("UELs") at the end of 2023 as part of our annual assessment of intangible assets.

Alternative performance Measures ("APMs")

The Directors believe that the reported APMs provide meaningful performance information to aid the understanding of the underlying business trading performance and profitability. Although these are not GAAP measures as defined by IFRS, they have been applied to provide an accurate comparison as well as provide readers of the financial statements a clear understanding of the underlying profitability of the business and more consistent comparison over time. A breakdown of the adjusting factors is provided in the table below:

	Adjusted EBITDA	
(GBP)	2024	2023
Operating (loss) / profit	**(3,028,552)**	**3,925,948**
Fair value gains	(3,653,668)	(3,342,705)
Depreciation	166,022	133,689
Amortisation	6,831,568	2,585,586
Impairment losses	1,994,345	-
Foreign exchange loss	326,048	221,945
Other exceptional costs	1,598,168	1,105,044
Adjusted EBITDA	**4,233,932**	**4,629,507**

The Group believes adjusted EBITDA to be a key indicator of underlying operational performance, adjusting operating profit for several non-cash or exceptional items. The Group and its members track adjusted EBITDA on a monthly and quarterly basis respectively. Adjusted EBITDA for the year ended 31 December 2024 was GBP 4.2m, which is operating loss of GBP 3.0m before fair value gains of GBP 3.7m, depreciation of GBP 0.2m, amortisation of GBP 6.8m, impairment losses of GBP 2.0m, foreign exchange loss of GBP 0.3m and other exceptional costs of GBP 1.6m (which are one-off third party legal and forensic costs relating to the forensic investigation undertaken on the 2022 financial year and a one-off payment made to the sellers of Audiencly GmbH).

Adjusted EBITDA is an appropriate measure since it represents to users a comparable operating profit, excluding the effects of the accounting estimates, non-cash and exceptional items mentioned above. The Group does not include the effects of amortisation of acquired intangible assets even though the associated revenues are included. The measure is not defined in the International Financial Reporting Standards, which forms the basis of the presentation of the Financial Statements included on pages 17 to 44 and is not intended as a substitute for the other GAAP measures. Since this is an indicator specific to the Group's operational structure, it may not be comparable to adjusted metrics used by other companies.

Adjusted EBITDA and Operating profit

Adjusted EBITDA decreased by 9% to GBP 4.2m (2023: GBP 4.6m) and operating profit decreased by 177% to a loss of GBP 3.0m (2023: profit of GBP 3.9m).

Total comprehensive profit and earnings per share

Tax contributed positively with GBP 0.6m (2023: negatively with GBP 0.3m). Currency translation differences contributed negatively with GBP 0.2m (2023: negatively with GBP 0.3m). As a result, total comprehensive profit decreased to a loss of GBP 2.9m (2023: profit of GBP 2.0m) resulting in earnings per share of GBP -5.14 pence (2023: GBP 3.77 pence).

Cash flow and Financial Position Review

The operating cash flow increased by GBP 2.7m to GBP 4.0m (2023: GBP 1.3m) driven by a working capital contribution due to the timing of payables and receivables. GBP 0.4m (2023: GBP Nil) was spent on capitalised development costs during the year (2023: GBP Nil). GBP 0.03m (2023: GBP 0.1m) was received from share issues related to the employee options scheme. This resulted in a net inflow in cash of GBP 2.4m (2023: outflow of GBP 2.4m) and a cash balance at the end of the year of GBP 13.1m (2023: GBP 11.1m).

Ross Logan
Chief Financial Officer
17 June 2025

Principal risks and uncertainties

The Board has here presented its view of the main risks and uncertainties of the Group. The Board continually reviews the potential risks facing the Group and the controls in place to mitigate these risks. The Board recognises that these risks may change and that there may be other risks not presented here and so the list is not intended to be exhaustive.

Financial instruments

The quantitative information about the Group's exposure to risk arising from financial instruments, specifically credit risk, liquidity risk and foreign exchange risk can be found in note 21. Qualitative information about aforementioned risk exposure has been explained in note 2 under the Group's accounting policies. The Group does not currently use derivative financial instruments to hedge foreign exchange exposures.

Market Risk

The Group is partly dependent on a fragmented Android market for mobile games and at least some growth within this market. Lack of fragmentation and growth could reduce the demand for the Group's service which may have a material adverse effect on the Group's business, results and financial position. However, as the Android operating system is by far the most used system for new mobile devices, as new players are continuously entering the fragmented Android market underpinned by the DMA ruling which would increase market fragmentation in the short-medium term. As the Group is actively positioning itself to capture growth opportunities within the market, the Board considers these risks to be acceptable in light of the new service offering that the Group are bringing to market such as D2C (Direct to consumer).

Competitive Services and Distribution Solutions

The Group is active in a competitive market where innovation is fast paced. Product development and innovation by other players may result in services, products or technical solutions which may reduce the demand for the Group's services which may have a material adverse effect on the Group's business service and financial position. The Group continues to improve its SDK and wrapper features as well its services and products to meet market evolution. The Board believes new services, products and technical solutions will appear but that these will benefit the fragmented Android market which in the end will benefit all players on the market including the Group.

Key Management

The Group is dependent on attracting and maintaining key personnel for the continued successful development of the business. The loss of key personnel may have a material adverse effect on the Group's business, service and financial position. To maintain key staff, the Group is actively working with a structured review, development and motivation process for all staff and manage option schemes to further incentivise staff. The Board does not consider Brexit to have any significant impact on key personnel as the Group is running activities in Germany and Hungary, from which the Group can offer employment for EU nationals if needed.

Financing and Future Capital Requirements

Depending on the development of the Group's business, its ability to forecast future cash needs, and its ability to generate cashflow, the Group may require additional capital on commercially acceptable terms to continue its operations and services. The conditions of future financing will depend on how the Group's business develops, but it will also depend on other factors outside the Group's control, such as macro-economic developments and capital markets being prepared to finance companies in the segment where the Group operates. Failure to raise such capital needed may have an adverse effect on the Group's business, service and financial position.
The Board is continuously assessing this risk by regular reviews of budgets and forecasts, cash flow related risks and the capital markets from which the Group would raise capital if required.

Financial Commitments

The Group has entered into contractual relationships with developers, channels, service providers and other parties where the Group commits to certain revenue or payment streams.
These commitments may be set on a fixed basis or on a minimum requirement basis which are dependent on independent underlying factors which may or may not be fully within the Group's full control. To meet these commitments the Group may need to pay significant amounts of capital which may reduce the Group's ability to meet its other obligations and capital needs. This may have a materially adverse effect on the Group's business, service and financial position. In the event the Group decided to enter into a contract with such a commitment, the Board would assess the related risk by reviewing exposures, risk scenarios and related cashflow impacts to not engage in more commitments than the Group can manage with existing financial resources.

Investments

The Group may invest in or acquire companies that hold technology, services, know-how or market positions which are beneficial to the growth of the Group. These investments and acquisitions carry risk which may result in that the invested or purchased value will decrease in value or be completely written off. The Board is mitigating this by ensuring that the Group holds sufficient resources and knowledge to assess and address relevant risks properly.

IT Systems

The Group is dependent on IT systems in its business for both its day-to-day operations and in relation to its customers and partners. System failures, data breaches, network outages, computer malwares, criminal actions and similar exigencies could have a detrimental effect on the Group's business, service and financial position. The Group is actively and continuously working to mitigate these risks by improving system monitoring, improving fault tolerance and disaster recovery in the platform, improving system and network infrastructure and introducing improved disaster recovery systems and procedures.

Intellectual Property Rights

The Group owns intellectual property ("IP") rights on which the Group successfully placed a US patent and are currently working towards an EU patent. There is a risk that third parties legally or illegally infringe on the Group's rights or find gaps in the rights which they may exploit or seek IP protection on. To mitigate for this, the Group is, with its resources available, reviewing its IP rights protection to identify possible mitigations strategies. In addition, the Group is distributing mobile applications or marketing services which may have substantial external IP rights attached to them. In the event the Group is directly or indirectly involved in a breach of these rights, the IP right holders may seek substantial damages from the Group. The Group is actively trying to mitigate against these risks by adhering to all contractual obligations around these rights and to seek insurance protection for the main IP risks.

Processing of Personal Data

The Group registers and processes personal data in connection with its operations. If the Group fails to conduct its data processing in accordance with applicable data protection legislation, or if the Group fails to implement procedures for new legalisation, or if the Group is subject to hacker attacks or in any other way by mistake violates the law, the Group may, inter alia, be liable for damages for the injury and the violation that such action may entail. This could have a material adverse effect on the Group's business, results and financial position. To mitigate for this, the Group has developed a GDPR policy with an external GDPR advisor. The Board considers the policy to be compliant with the existing legislation. The Group's GDPR officer is also overseeing the implementation and adherence of this policy.

Legal Disputes

As part of its ordinary business activity, the Group may become involved in legal disputes. If the Group fails to settle any legal proceedings it is party to, the Group may be required to pay significant amounts of damages and fees and claims may arise against the Group which may not be covered in full or in part by provisions or insurance. In addition, these disputes may also be time-consuming and detrimental to the day-today operations of the Group's business. To mitigate for this risk, the Group had identified a number of leading specialist lawyers which the Group is seeking advice from if deemed required. In such event, revenue, cash flow and profitability of the Group could be materially adversely affected.

Insurance

The Group could be held liable for damages exceeding the Group's insurance cover, including, but not limited to, if the Group breaches any agreement in a material way or if any software provided by the Group causes material damage. The insurance cover places primarily in the London insurance market is highly technical and may involve external specialist advise and there is a risk that the cover placed do not cover for all eventualities which the Group aim to cover. In addition, it may take considerable time for Flexion to make a claim from its insurers and/or for the insurers to pay out in relation to the relevant loss. This could have a significant impact on the Group's business, results and financial position. The Group is actively trying to mitigate this risk by using market leading insurance brokers and insurance underwriters.

Key performance measures

The Directors have identified a number of key performance measures ("KPIs") which the Group is tracking and reporting to its shareholders. These KPIs can be grouped into revenue growth, profitability and cash position (See CFO statement on page 10). For revenue growth the Group is tracking divisional revenue and total revenue. For profitability the Group is tracking gross margin, adjusted EBITDA margin operating profit margin and head count. The latter is a key driver for administrative expenses in the Group. For cash position the Group is tracking operating cashflow and cash held. Please refer to the Chief Financial Officer statement for further details. The Board considers these KPIs to be the performance measures which investors on Nasdaq First North expect to see for a Group with the characteristics of Flexion Mobile.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires a director of a Group to act in the way he/she considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole. In doing this s.172 requires a director to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Group's employees
- The need to foster the Group's business relationships with suppliers, customers and others
- The impact of the Group's operations on the environment
- The desirability of the Group maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Group.

The Directors aim to ensure a high standard of business conduct in all dealings. The Directors are mindful of the long-term success, impact and reputation of the Group in each of their decisions and actions. The below sets out some specific examples of how the Directors have had regard to the matters in s.172:

The likely consequences of any decision in the long term

The Directors, as required by the Group's articles, set an annual budget at the beginning of each financial year. This budget reflects all material profit and loss, balance sheet and cashflow aspects of the Group's performance. The actual performance of the Group is compared to the budget and are presented to the Board on a monthly basis. The Board also produce rolling forecasts for the remainder of the financial year to follow the impact of the decisions that have been taken, or new trends seen, during the year. In addition to the yearly budgets, the Board also prepare the forecasts prepared for the next two to three year period and analyse the profit and loss, balance sheet and cash flow effects on all major investment and strategy decisions through in depth financial modelling and scenario analyses. These analyses also involve board discussions about the strategic impact of any decision taken.

Workforce engagement

The directors believe that the employees are a key ingredient to the Group's success and the board actively promotes an open work environment where the opinions of the employees are sought and factored into the decision-making process of the Group. This involves a wide set of initiatives ranging from proactive HR department to regular individual, team, office, management and Group meetings and events. Workforce status, initiatives and issues are discussed in all board meetings.

Maintaining high standards of business conduct

The Group is active in the highly regulated tele communication market, therefore, the Directors require the highest standard of business conduct as any breach could be detrimental to the success of the Group. The Board require the Group to follow all regulations and policies set for this market including but not limited to bribery, corruption, child protection, data protection, fraud and money laundering. The Board requires the management of the Group to operate with several layers of control, approvals and post reviews of relevant areas to ensure that the Group is maintaining the required business conduct. Being a software Group operating with a highly specialised and trained workforce, the Board does not consider it being exposed to modern slavery issues. The same applies to ethical sourcing, as the Group is engaging with market leading software supplies.

Shareholder engagement

The Board engage with investors through general meetings, financial reports, investor events, regular updates and press releases. The Board is also actively seeking to expand the information shared through improvements of the annual and quarterly report including in depth board discussion about how to most accurately share information to the shareholders. The Board is actively working towards sharing relevant information on a timely and equal basis to all members of the Group. In addition, the Board is actively promoting a one share class policy to treat all shareholders equally.

Client engagement
The Board has set a business strategy which requires the Group to build strong relationships with the parties that the Group works with. The aim of the strategy is to form strategic partnerships with all digital distribution channels (alternate android market app stores through which Flexion's services are made available to end users), where the Group and the channel jointly agree a course of action going forward. The same applies to the game developers (producer or publisher of mobile applications who engage Flexion to facilitate the distribution of certain applications through certain digital distribution channels), where the aim is to build stronger relationships to jointly identify and approach future opportunities and challenges. The Group is approaching this through a multi-layered account management strategy involving all related departments and divisions, with several layers of seniority within the Group. The Board get monthly updates on the progress of this strategy and is actively engaged in the formation of strategic relationships.

Environmental impact
Being primarily a software company, the Board deem the Groups operations to have limited impact on the environment. However, given the multi-national nature of the Group with operations in 3 countries, there is some impact from air travel for employees working between offices. This is in addition to the more limited impact from the day-to-day heating and power requirements of the Group's offices as well as impacts connected to the use of cloud hosting solutions. The Board continues to look at options to reduce its impact on the environment.

For and on behalf of the Board:

Per Lauritzson
Director
17 June 2025

Directors' Report

The Directors present their report and the financial statements for the financial year ended 31 December 2024.

Results and dividends

The loss for the financial year ended 31 December 2024 amounted to GBP 2,733,839 (2023: profit of GBP 2,110,053). The Directors are not recommending payment of a final dividend for the year (2023: GBP Nil).

Directors

The Directors who served on the Board during the period and subsequently to date are as follows:

- Carl Palmstierna
- Jens Lauritzson
- Per Lauritzson
- Christopher Bergstresser
- Mikael Pawlo
- Benjamin Crawford

Going concern

After making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. As part of their enquiries the Directors have reviewed, and stress tested available cash and cash forecasts for the Group's operations for the 12 months from the date of approval of the financial statements. The Directors of the Group are satisfied, having reviewed the performance of the Group and forecasts for the forthcoming year, the Group can cover all of its obligations as they fall due.

Director's interests

The interests of those Directors serving as at 31 December 2024, all of which are beneficial, in the share capital of the Group were as follows:

	Number of ordinary shares	Percentage of issued share capital
Jens Lauritzson[1]	5,787,323	10.2%
Per Lauritzson[1]	5,771,334	10.1%
Carl Palmstierna[2]	3,724,980	6.5%
Benjamin Crawford	253,026	0.4%
Mikael Pawlo	136,303	0.2%
Christopher Bergstresser	-	0.0%
Total	**15,672,965**	**27.6%**

1. Through a Group which is jointly owned by Jens Lauritzson and Per Lauritzson
2. Through an investment Group and related entities

Substantial shareholdings

As at 31 December 2024, the following interests in 5% or more of the issued ordinary share capital had been notified to the Group:

	Number of shares and votes	%	Aggregated %
Mobile Sensations Ltd	11,354,862	20.0%	20%
Morgan Stanley Smith Barney LLC	4,575,023	8.0%	28%
Palmstierna Invest AB	3,465,780	6.1%	34%
Others	37,475,200	65.9%	100.0%
Total	**56,870,865**	**100%**	

Overseas branches

The Group has one overseas branch in Budapest, Hungary.

Subsidiaries

The Group has one overseas subsidiary in Dusseldorf, Germany.

Associates

The Group had one overseas associate in Hamburg, Germany which ceased trading on 31 December 2023.

Future developments

The Group will continue to expand its distribution platform and service offerings by utilising the momentum built up in the current period. This will involve signing up more game developers, expanding relationships with existing channels and signing up new channels. In addition, the Group will work on developing new product features, service offerings and new distribution methods to capture new market opportunities and consequently increase the scope for growth beyond what is currently feasible.

Risks

Risks associated with the Group's use of financial instruments are disclosed in note 1 and note 21.

Research and Development

The Group undertakes research and development activities which involve investments in development of Flexion's technology. Development expenditure is capitalised as an intangible asset if the development costs can be reliably measured and is expected to result in completed technology which will add economic benefit to the Group.

Annual General Meeting (AGM)

Details of business will be conducted at the 2025 AGM which will be held on 25 June 2025 at the Group's offices in Harbour Yard Unit G5, Chelsea Harbour, London, England, SW10 0XD are contained in the Notice of the Annual General Meeting which will be communicated to shareholders.

Energy and carbon report

The group has consumed more than 40,000 kWh of energy in this reporting period and therefore the energy consumption and energy efficient activities are reported below.

The Group does not own / operate any vehicles that contribute to scope 1 emissions. Scope 2 category includes location-based emissions and scope 3 includes business travel.

The statistics below are based on emissions data from 1 January to 31 December calculated following the Greenhouse Gas Protocol, which incorporates the Scope 2 location-based emissions methodology. The data has been collected from the Group during the year and converted using the conversion factors published by the UK Government.

Scope 1, 2 and 3 Emissions	2024 CO2e tonnes	2023 CO2e tonnes
Scope 1	-	-
Scope 2	8	14
Scope 3	47	50
Total	**55**	**64**
Energy used to calculate above emissions (kWh)	263,305	214,368
UK proportion of energy usage reported	63%	87%
Average number of employees	135	124
Emissions per FTE (Co2e tonnes)	0.41	0.52
Emissions per FTE (kWh)	1,950	1,729

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law, including FRS 101 'Reduced Disclosure Framework'.

Under company law the 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 for that period.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of my knowledge:

- the group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that they face.

Disclosure of information to the auditor

At the date of approving this report, each Director confirms that, so far as that he is aware, there is no relevant audit information of which the Group's auditors are unaware and he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditor

A resolution to re-appoint the auditor, S&W Partners Audit Limited, will be proposed at the next Annual General Meeting.

For and on behalf of the Board:

Per Lauritzson
Director
17 June 2025

Per Lauritzson
Director

Financial Statements

Independent auditors' report

Independent auditor's report to the members of Flexion Mobile Plc

Opinion

We have audited the financial statements of Flexion Mobile Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Parent Company Statement of Financial Position, Parent Company Statement of Changes in Equity and the notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Of the group's two reporting components, we subjected both to audits for group reporting purposes.

The components within the scope of our work covered 100% of group revenue, 100% of group loss before tax, and 100% of group net assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) we identified, 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 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.

Key audit matter	Description of risk	How the matter was addressed in the audit
Revenue Recognition - Group	The key risk of fraud in relation to revenue recognition is attributed to cut off, specifically incorrect or missing accruals for app sales or marketing services. Revenue is a key performance indicator of the Group. Moreover, revenue within Audiencly GmbH impacts the consideration payable to the sellers of Audiencly GmbH. There is therefore considered incentive to misstate revenue.	**Our audit work included, but was not restricted to the following:** • We documented and walked through the design and implementation of controls over revenue recognition for the different services provided by the Group; • We have reviewed whether accounting for revenue is compliant with the financial reporting standards regarding agent vs principal and considered the appropriateness of the treatment for the individual revenue streams. • We performed detailed substantive testing of a sample of revenue transactions selected from the accounting records, including agreement to invoice/settlement report and subsequent client payment to ensure that the revenue occurred. • We reviewed a sample of revenue transactions spanning the year end to confirm that revenue has been recognised in the correct accounting period, including recalculation of accrued income amounts and reviewing credit notes issued post year end. • Assessed the accuracy and sufficiency of financial statement disclosures in note 4.
Carrying value and impairment of Group intangible assets arising from the Audiencly acquisition	The group has significant intangible assets including the Audiencly GmbH brand, customer list and goodwill arising on the acquisition of Audiencly GmbH. The group's assessment of value in use when performing their impairment assessment requires significant judgement, in particular regarding the discount rate and expected cash flows.	**We challenged the assumptions used in the impairment model for intangible assets, described in note 12. As part of our procedures we:** • Assessed cashflows by considering historical trading performance and post year end data. • Assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rate against market data. • Performed sensitivities on the model, including considering the WACC rate used in the group's model. • Engaged our internal valuations team to assess the methodology to the value in use calculation as well as the inputs used within this. In performing our procedures, we have reviewed third-party evidence to assess the appropriateness of the discount rate applied.

Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at £1,110,000. This has been determined with reference to the benchmark of the group's revenue, which we consider to be one of the principal considerations for members of the company in assessing the group's performance. Group FS materiality represents 1.45% of the group's revenue as presented on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The materiality for the parent company financial statements as a whole ("parent FS materiality") was set at £980,000. This has been determined with reference to the benchmark of the parent company's revenue as it is the main trading entity within the group. Parent FS materiality represents 1.5% of the parent company's revenue.

Performance materiality for the group financial statements was set at £721,000, being 65% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits. It has been set at 65% given that there are a number of key estimations involved in the amounts in the group financial statements and a number of judgemental areas such as useful economic life of intangibles and impairment of intangible assets.

Performance materiality for the parent company financial statements was set at £637,000, being 65% of parent FS materiality. This was set at 65% in line with the justifications noted above.

Conclusions relating to going concern

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.

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

- Challenging the assumptions used in the detailed budgets and forecasts prepared by management for the financial years ending 2025 and 2026
- Considering historical trading performance by comparing recent growth rates of both revenue and operating profit across the group
- Considered the overall net assets and cash balances of the group.
- Comparing the forecast results to those actually achieved in the 2025 financial period so far;
- Reviewing bank statements to monitor the cash position of the group post year end, and obtaining an understanding of significant expected cash outflows
- Considering the sensitivity of the assumptions and re-assessing headroom after sensitivity.

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 and parent 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.

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

Other information

The other information comprises the information included in the Consolidated Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Consolidated Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 18 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. 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.

We obtained a general understanding of the Group and Parent Company legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the Group complies with the framework through:

- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group and Parent Company's ability to conduct its business, or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group and Parent:

- UK adopted international accounting standards and FRS 101
- the Companies Act 2006;
- UK taxation law; and
- Listing requirements of the Nasdaq First North Growth Market.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Reviewing the Board meeting minutes and noted no contradictory evidence;
- Reviewed tax returns in the period as well as correspondence with HMRC; and
- Obtaining the listing requirements of the Nasdaq First North Growth Market and checked the financial statements cover these requirements.

The Senior Statutory Auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via the posting of fraudulent journal entries;
- Incorrect recognition of revenue including accrued income; and
- Overstatement of group intangible assets when considering the higher of the recoverable value and carrying value.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the Company's processes and controls surrounding manual journal entries;
- Testing a sample of revenue and accrued income transactions to underlying documentation including testing of transactions either side of the year end to ensure they are recognised in the appropriate period. See our key audit matters for a full summary; and
- Testing the underlying assumptions to the value in use model used to calculate the net present value including the WACC rate and growth rates. See our key audit matters for a full summary.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Jacques
Senior Statutory Auditor, for and on behalf of

S&W Partners Audit Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

Date: 17 June 2025

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2024

(GBP)	Notes	2024	2023
Revenue	3, 4	76,754,313	70,024,081
Cost of sales		(62,850,071)	(57,527,279)
Gross profit	3	**13,904,241**	**12,496,801**
General and administrative expenses	5, 6	(20,586,461)	(11,913,558)
Fair value gains	20	3,653,668	3,342,705
Operating (loss) / profit		**(3,028,552)**	**3,925,948**
Share of loss from associate		-	(352,920)
Finance income	8	208,360	68,449
Finance costs	8	(555,381)	(991,764)
(Loss) / Profit before tax for the year		**(3,375,573)**	**2,649,714**
Tax	9	641,733	(258,595)
(Loss) / Profit after tax for the year		**(2,733,839)**	**2,391,119**
Attributable to:			
Equity holders of the parent		(2,733,839)	2,391,119
(Loss) / Profit for the year		**(2,733,839)**	**2,391,119**
Other comprehensive (loss) / income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(162,976)	(281,066)
Total comprehensive (loss) / income net of tax for the year		**(2,896,815)**	**2,110,053**
Attributable to:			
Equity holders of the parent		(2,896,815)	2,110,053
Total comprehensive (loss) / income for the year		**(2,896,815)**	**2,110,053**
Earnings per share:			
Earnings per share from continuing operations			
– basic, attributable to ordinary equity holders of the parent (p)	10	(5.14)	3.77
– diluted, attributable to ordinary equity holders of the parent (p)	10	(5.14)	3.65

The notes on pages 24 to 38 form part of these financial statements.

Consolidated statement of financial position
as at 31 December 2024

Company registration number 04306881

(GBP)	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	11	323,931	257,818
Intangible assets	12	14,782,601	22,334,376
Investments	13	-	-
Total non-current assets		**15,106,532**	**22,592,194**
Current assets			
Trade and other receivables	14	14,070,494	15,608,415
Cash and cash equivalents	21	13,112,701	11,084,799
Total current assets		**27,183,195**	**26,693,214**
Total assets		**42,289,727**	**49,285,408**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	9	1,576,025	2,491,826
Lease liabilities	19	217,363	126,905
Contingent consideration	20	-	3,284,773
Total non-current liabilities		**1,793,388**	**5,903,504**
Current liabilities			
Trade and other payables	18	20,248,582	20,802,934
Lease liabilities	19	120,776	119,695
Total current liabilities		**20,369,358**	**20,922,628**
Total liabilities		**22,162,746**	**26,826,133**
NET ASSETS		**20,126,981**	**22,459,275**

(GBP)	Notes	2024	2023
EQUITY			
Share capital	15	113,742	112,467
Share premium	15	17,374,546	17,341,512
Other reserves	16, 17	5,552,889	5,185,653
Retained earnings	17	(2,914,196)	(180,356)
Total equity		**20,126,981**	**22,459,275**

The notes on pages 24 to 38 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 17 June 2025 and were signed on its behalf by:

Per Lauritzson
Director

Consolidated statement of cash flows
for the year ended 31 December 2024

(GBP)	Notes	2024	2023
Cash flow from operating activities			
(Loss) / Profit for the year before tax		(3,375,573)	2,649,714
Adjustments for:			
Effect of exchange rate fluctuations		326,048	164,587
Impairment losses	12	1,994,345	-
Share based payments	16, 17	225,213	151,441
Depreciation of tangible assets	11	166,022	133,689
Amortization of intangible assets	12	6,831,568	2,585,586
Share of loss from associate		-	352,920
Fair value gains		(3,653,668)	(3,342,705)
Finance expenses		553,241	983,121
Working capital:			
Change in trade and other receivables		1,537,921	(5,570,435)
Change in trade and other payables		(554,351)	3,236,709
Net cash flow from operating activities		**4,050,766**	**1,344,627**
Cash flow used in investing activities			
Acquisition of a subsidiary, net of cash acquired		-	(518,571)
Expenditure on property, plant and equipment		(14,677)	(8,026)
Capitalised game distribution rights	12	(1,155,537)	(3,175,914)
Capitalised development cost	12	(354,049)	-
Net cash flow used in investing activities		**(1,524,263)**	**(3,702,511)**
Cash flow from financing activities			
Proceeds from issue of shares	15	33,200	89,290
Payment of lease liabilities	19	(167,438)	(133,092)
Net cash flow from financing activities		**(134,238)**	**(43,802)**
Net change in cash and cash equivalents		**2,392,265**	**(2,401,687)**
Cash and cash equivalents at beginning of year		11,084,799	13,801,592
Effect of exchange rate fluctuations on cash held		(364,364)	(315,107)
Cash and cash equivalents at end of year		**13,112,701**	**11,084,799**

The notes on pages 24 to 38 form part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2024

(GBP)	Notes	Share capital	Share premium	Other Reserves	Retained earnings	Total
Balance at 01 January 2023		109,309	17,252,671	3,869,282	(2,179,572)	19,051,690
Adjustments to opening retained earnings		-	-	-	(391,903)	(391,903)
Profit for the year		-	-	-	2,391,119	2,391,119
Other comprehensive income		-	-	(281,066)	-	(281,066)
Total comprehensive income for the year		**109,309**	**17,252,671**	**3,588,216**	**(180,356)**	**20,769,840**
Transactions with owners, recorded directly in equity						
Share based payments	16	-	-	151,441	-	151,441
Deferred tax on share options		-	-	(69,549)	-	(69,549)
Issue of share capital	15, 17	3,157	88,841	1,515,544	-	1,607,543
Balance at 31 December 2023		**112,467**	**17,341,512**	**5,185,653**	**(180,356)**	**22,459,275**
Balance at 01 January 2024		112,467	17,341,512	5,185,653	(180,356)	22,459,275
Loss for the year		-	-	-	(2,733,839)	(2,733,839)
Other comprehensive income		-	-	(162,976)	-	(162,976)
Total comprehensive income for the year		**112,467**	**17,341,512**	**5,022,677**	**(2,914,196)**	**19,562,460**
Transactions with owners, recorded directly in equity						
Share based payments	16	-	-	225,213	-	225,213
Deferred tax on share options		-	-	(10,236)	-	(10,236)
Issue of share capital	15, 17	1,275	33,034	315,235	-	349,544
Balance at 31 December 2024		**113,742**	**17,374,546**	**5,552,889**	**(2,914,196)**	**20,126,981**

The notes on pages 24 to 38 form part of these financial statements.

Notes to the consolidated financial statements

1 - General information

Description of the Business

Flexion Mobile PLC, the Group's ultimate parent company, is a publicly listed company incorporated and domiciled in England and Wales. Its registered office and principal place of business is Harbour Yard Unit G5, Chelsea Harbour, London, England, SW10 0XD. The registered number of the Group is 04306881. Flexion's shares are listed on the Nasdaq First North Growth Market in Stockholm. The principal activity of the Group is to offer marketing services within gaming.

2 - Material accounting policy information

Basis of preparation

The financial statements of the Group are prepared in accordance with applicable UK law and UK-adopted international accounting standards (IFRS) and as applied in accordance with the provisions of the Companies Act 2006. The Directors consider that the financial information presented in these financial statements represents fairly the financial position, operations and cash flows for the period of the Group. The financial statements have been prepared on a historical cost basis, except for deferred liabilities and contingent liabilities, which have been prepared on a fair value through profit or loss basis. Monetary amounts are expressed in GBP.

The accounting policies adopted in the preparation of the financial statements are consistent with those for the previous financial year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Principles of consolidation and equity accounting

Subsidiaries are all entities over which the group has control. The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 31 December each year.

The acquisition method of accounting is used to account for business combinations by the Group.

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

Business combinations and goodwill

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair value of assets transferred, liabilities incurred and the equity interests issued by the Group, which include the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are measured at fair value at heir acquisition-date fair values.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Consolidated Statement of Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually using a discounted cash flow method applied to business forecasts. If this review demonstrates that impairment has incurred, this is expensed to the Consolidated Statement of Profit or Loss. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing, with the allocation being made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Going concern

After making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. As part of their enquiries the Directors have reviewed, and stress tested available cash and cash forecasts for the Group's operations for the 12 months from the date of approval of the financial statements. The Directors of the Group are satisfied, having reviewed the performance of the Group and forecasts for the forthcoming year, the Group can cover all of its obligations as they fall due.

New standards and amendments issued but not yet effective

There were a number of standards and interpretations which were in issue at 31 December 2024 but were not effective at 31 December 2024 and have not been early adopted for these financial statements.

The Directors have assessed the full impact of these accounting changes on the Group and have concluded that none of these pronouncements will cause material adjustments to the Group's financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

New standards and amendments issued

Changes to existing standards

IFRS 7	Financial Instruments : Disclosures (Amendment)
IFRS 16	Leases (Amendment)
IAS 1	Presentation of Financial Statements (amendment)
IAS 7	Statement of Cash Flows (amendment)

The Directors have assessed the full impact of these amendments on the Group and have concluded that none of these pronouncements will cause material adjustments to the Group's financial statements.

Revenue Recognition

The Group has three revenue streams being In-App purchases (IAP) revenue, Non-IAP revenue and Marketing Services revenue.

IAP revenue:

IAP revenue includes all in-game purchases made by end-users within live games published by the Group on various distribution channels that the Group has contractual agreements with.

The Group has determined that it acts as principal to the end-user as it is in control of the in-application item before it is transferred to the end-user. As the Group is acting as a principal, revenue is recorded on a gross basis meaning distribution channel fees deducted at source will also be shown in cost of sales rather than a deduction to revenue.

IAP revenue is accounted for as a single performance obligation ("PO") which is the award of virtual goods to end-users. Revenue is recognised at the point in time once the PO is fulfilled. The PO is considered fulfilled when the virtual goods have been awarded and the end-users obtain control of the virtual goods, which is immediately after they have made payment to the distribution channel and the virtual goods have been awarded to the end-users by the Group. At this point the distribution channel reports transactions as successful to the Group which in return recognises them as unbilled receivables (accrued income) until billed.

Non-IAP revenue:
Non-IAP revenue includes revenue from integration fees which are non-recurring and recurring revenue share from in-game advertising.

The Group has determined it acts as agent to the advertising networks and records its own revenue share as revenue when impressions of ads to end-users took place.

Marketing services revenue:
Marketing services revenue include all marketing campaigns generated as part of the influencer marketing service offered.

The Group has determined that it acts as principal and revenue is therefore recorded on a gross basis meaning that influencer costs will be shown in cost of sales rather than as a reduction of revenue. The revenue is accounted for as a performance obligation with the majority being allocated at launch of the campaign and the remaining amount being allocated during the life of the campaign and therefore this is recognised over time. The life of a campaign is deemed to end in the same month as its launch as the effects of a campaign is seen immediately after launch even through the campaign video is live for much longer.

Management has considered various factors including type of virtual goods, geographical region and disaggregated revenue as disclosed in note 3 and note 4. Management believes this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Property, plant and equipment comprises four right-to-use assets. Depreciation is charged on a straight-line basis to reflect the economic life of the lease.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of leasehold improvements, right of use assets and office equipment. The following useful lives are applied:

- leasehold improvements: 5–10 years
- right of use assets: 2–5 years
- office equipment: 3–10 years.

Intangible assets
Intangible assets currently consist of capitalised development cost and game distribution rights.

Examples of such intangible assets include, but are not limited to; Flexion software components added by Flexion's customers to games; Flexion's enabling technology and associated interfaces; features to enable distribution, operation and monitoring of distributed games; business logic, interfaces and integrations encapsulated in Flexion's main service platform; features to store and utilise operational data, features created from 3rd party software integrations; features to ingest, store, process, present and distribute performance data and information.

Development expenditure is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged on a straight-line basis over 5 years to reflect the estimated useful economic life of the assets. Subsequent relevant costs, which are not enhancements to the existing product, but rather are generating new revenues are included as carrying amount of the asset or as a separate asset if appropriate.

The Group capitalises development costs for R&D projects in accordance with its continuing policy. The Group carries out detailed analyses of its development management tool and development hours recorded in its system to identify costs that meet recognition requirements. Once management are satisfied that policy criteria are met, the development costs are carried as assets and amortised over the estimated useful life of 5 years. Capitalisation of costs cease, and amortisation commences from the end of the month following the date at which an intangible asset is available for use, unless recognition criteria in IAS 38 are met.

As at 31 December 2024, the carrying value of internally generated software assets was GBP 714,193 (2023: GBP 635,106).

The Group capitalises material development and integration fees paid to developers for the right to distribute their applications. As the Group acts as principal in the distribution of the applications to the end user, the Group acquires the right of use of the application and therefore meets the definition of an intangible asset per IAS 38. The asset (i.e. the development and integration fees) is not capable of being sold separately and therefore is not separable. The asset provides the Group with the right to substantial revenues generated from the application. Where the amount of the development and integration fees are immaterial, the fees are expensed to profit and loss, through admin expenses, in the period they are paid. Amortisation is charged on a straight-line basis over approximately 2-5 years from the launch date of the application to reflect the estimated useful economic life of the assets.

As at 31 December 2024, the carrying value of game distribution rights was GBP 1,652,987 (2023: GBP 6,945,767).

Equity
Equity instruments issued by the Group are recorded at the value of the proceeds received, net of direct issue costs, allocated between share capital and share premium or merger reserve as appropriate.

Taxation
Current tax and deferred tax are recognised and measured in accordance with IAS 12.

Tax losses can be carried forward indefinitely and have no expiry date.

The carrying amount of deferred tax is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Share based compensation
The Group enters into equity settled share-based payment transactions which are recognised and measured in accordance with IFRS 2.

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which was determined by management to be the most appropriate valuation model. It takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience. The assumptions used are disclosed in note 16.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Cost of sales

The Group's cost of sales is a combination of a percentage of revenue paid out to game developers and distribution channels as per contractual terms and separate agreements with influencers used in marketing campaigns. Costs are recognised in the same period as the related revenue.

Short-term leases and leases of low-value assets

The Group applied the practical expedients permitted by IFRS 16 not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets below GBP 4,000, including IT equipment and small items of office furniture. Instead, the Group is recognising the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or when the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Trade receivables do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15. All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories based upon the purpose for which the asset was acquired:
- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets classified as FVOCI.

The classification is determined by both:
- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance expenses, finance income or other financial items, except for impairment of trade receivables which is presented within general and administrative expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Non-derivative financial instruments

Non-derivative financial instruments have fixed or determinable payments and are not quoted in an active market. They are trade and other receivables, cash and cash equivalents, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Trade receivables

Trade receivables are amounts due from distribution channels for in-app items sold or from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost. Carrying values and expected cash flows are reviewed by the Board and any impairment charged to the statement of profit or loss in the relevant period.

Trade payables and other non-derivative financial liabilities

Trade payables and other creditors are non-interest bearing and are initially recognised at fair value. They are subsequently carried at amortised cost using the effective interest method and are categorised as other financial liabilities.

Deferred consideration

Deferred considerations are initially recognised at fair value. They are subsequently recognised at FVTPL through finance costs and are categorised as other financial liabilities.

Contingent consideration

Contingent considerations are initially recognised at fair value. They are subsequently recognised at FVTPL through finance costs and are categorised as other financial liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as accrued income and records the loss allowance as lifetime expected credit losses instead of tracking changes in credit quality. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. ECL are a probability-weighted estimate of credit losses. An assessment of ECL is calculated using a provision matrix model to estimate the loss rates to be applied to each trade receivable category. ECL are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Financial instruments – Risk management

In common with all other businesses, the Group may be exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. The Group does not currently use derivative financial instruments to hedge foreign exchange exposures.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's CEO. The Board receives regular updates from management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group's operations expose it to some financial risks arising from its use of financial instruments, the most significant ones being foreign exchange risk, liquidity risk and credit risk. Further details regarding these policies are set out below:

Foreign exchange risk

Foreign exchange risk arises because the Group has operations and customers located in various parts of the world where the local currency and the revenue collection currency are not the same as the functional currency with which the Group operates. The Group has a policy to secure medium-term needs in operational currencies using spot rates. Only in certain cases may the Group consider hedging its net investments in overseas operations, as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques. The Group did not enter into any foreign currency hedging instruments during the year.

Liquidity risk

Liquidity risk arises from the Group's management of working capital; it is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its obligations when they become due. To achieve this aim, it seeks to maintain readily available cash balances to meet expected requirements and to raise new equity finance if required. The Board receives cash flow updates on a monthly basis as well as information on cash balances. The Board will not commit to material expenditure in respect of its developer programmes or increased recruitment without being satisfied that sufficient funding is available to the Group to finance the planned programmes. For cash and cash equivalents and deposits, the Group only uses recognised banks with high credit ratings.

Interest rates on financial assets

The Group's financial assets consist of cash and cash equivalents and trade and other receivables. The Group did not earn any material interest on its financial assets during the year.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Management considers the counterparty risk to be acceptable due to the very large size of its main counterparties. The Group regularly monitors its exposure to bad debts in order to minimise exposure. Credit risk on cash and cash equivalents is considered to be low as the counterparties are all substantial banks with high credit ratings.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with the applicable UK law and UK-adopted international accounting standards requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Key Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Principal versus Agent

The Group provides services to its customers whereby it needs to determine if it acts as a principal or an agent. Key indicators that we use in evaluating these sales transactions include, but are not limited to, the following:

- The underlying contract terms and conditions between the various parties to the transaction.
- Which party is primarily responsible for fulfilling the promise to provide the specified good or service.

The judgement aspect of the test is in determining the revenue recognition treatment. The Group needs to assess whether the Company is acting as a principal or an agent in each revenue stream. Each revenue stream has been reviewed against the key indicators set out above.

Based on the assessment of the key indicators performed, the Group is considered to act as principal for all products and services, other than advertising revenue. For advertising (ad) revenue, the Group considers itself to be an agent. Further information on the revenue treatment of the Group can be found further above in "Revenue Recognition" accounting policy.

Operating segments
Flexion's Chief Operating Decision Maker (CODM) is the Executive Management Team. The CODM have assessed the operating segments of the business and have identified two operating segments, being Distribution and Marketing Services (see note 3). Post year end, the Group will finalise a process to reorganise the Group, which includes analysing the most efficient and accurate operational segments and implementing segmental transfer pricing policies to facilitate accurate reporting of financial information for each potential operating segment. When this process is completed, these operating segments will be reported externally as appropriate.

Key estimates
Below are sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Useful lives and impairment of intangible assets
Amortisation of intangible assets is calculated over the useful economic lives of the assets. The estimates of useful economic lives are reviewed at least annually for any changes to this estimate.

The useful life of game distribution rights is approximately 2-5 years, from the launch date of the relevant titles. The useful economic lives of these assets may vary based on the length of the contract term. The useful lives of these assets are assessed on an annual basis, ensuring the future economic value exceeds the carrying amount of the assets. The future economic value is the present value of the future cashflows expected to be generated from the relevant titles. The assessment has resulted in the impairment of one part of the game distribution rights of GBP 1,152,831, resulting in the carrying value of GBP 1,652,987 (2023: GBP 6,945,767) at year end (refer to note 12). The key estimation comes in the anticipated future sales, in this instance the deal was not expected to bring any future benefits and so was impaired in full.

Were the forecasted net revenue figures used in the future cashflows to rise by 10% for this part of the game distribution rights then the impairment required would have reduced, leaving a net present value of GBP 110,358, Note as these distribution rights were acquired in the year no comparative can be provided. For the remaining distribution rights there is estimation uncertainty in the period that these cashflows will return value to the business and therefore be amortised over, as this is dependent on the success of the corresponding apps.

Contingent consideration
As part of the acquisition of Audiencly, the purchase agreement included an additional maximum consideration (contingent consideration) of EUR 10.73m, payable only if the EBITDA of Audiencly for the financial years ending 2022, 2023 and 2024 achieve the threshold agreed by both parties. The EUR 7.36m of contingent consideration liability initially recognised represented the present value of the Group's estimate of the cash outflow which has been discounted using an interest rate of 16.4%, equivalent to the valuation's assessed project IRR. As at 31 December 2024, there has been a change in the estimate of the probable cash outflow due to the actual performance of the business falling below the estimated thresholds required to trigger the additional consideration. Therefore, the liability has decreased to EUR Nil (2023: EUR 3.79m) due to the change in fair value.

Impairment of Group acquisition intangibles
The group tests whether group intangibles have suffered any impairment on an annual basis. For the 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are assumed to have a terminal growth rate of 3.5% (2023: 0%).

The results of the tests show that there are no indicators of impairment.

If the budgeted cash flow projections used in the value in use calculation for the Audiencly CGU had been 8.6% (2023: 30%) lower than management's estimates at 31 December 2024, the group would have had to recognise an impairment against the carrying amount of the investment in Audiencly.

A weighted average cost of capital (WACC) of 10.9% (2023: 10.9%) was applied in the value in use model. The group calculated the WACC applied to the cash flow projections of this CGU would have to have been 1.0% higher (2023: 2.3% higher) than management's estimates, 11.9% (2023: 12.2%) instead of 10.9%, before the group would have had to recognise an impairment against the investment in Audiencly.

The customer relationships were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a slightly adjusted (concave) curve over 10 years to match the forecasted earnings from the existing customers acquired. These are assessed for impairment where an indicator is present. The key estimation is considered to be the forecasted cash flows from the remaining acquired customers. An impairment of GBP 841,000 (2023: Nil) was recognised in the year. Were the cashflows to be GBP 25,000 lower each year this would result in an additional impairment of GBP 69,500.

3 - Segmental information

The directors primarily use information about the segments' revenue and gross margin to assess the performance of the operating segments on a monthly basis.

Revenue breakdown (GBP)	**2024**	**2023**
Distribution	65,562,725	60,422,750
Marketing Services	11,191,587	9,601,330
Total revenue	**76,754,313**	**70,024,081**

Gross Profit breakdown (GBP)	**2024**	**2023**
Distribution	12,068,512	9,195,520
Marketing Services	1,835,730	3,301,281
Total gross profit	**13,904,241**	**12,496,801**

4 - Revenue

Revenue disclosed in the statement of profit or loss is analysed as follows:

(GBP)	2024	2023
IAP revenue	65,473,029	60,305,637
Non-IAP revenue	89,697	117,113
Marketing Services	11,191,587	9,601,330
Total revenue	**76,754,313**	**70,024,081**

Disaggregation of revenue from contracts with customers

The Group is domiciled in United Kingdom. The geographical revenue information below is based on the location of the customer.

(GBP)	2024	2023
Asia	25,657,802	34,150,692
Europe excl. United Kingdom	13,063,813	11,162,078
N. America	1,405,140	20,582,606
United Kingdom	33,131,864	1,633,705
Middle East Africa	431,437	1,587,523
S. America	3,064,256	907,477
Total Revenue	**76,754,313**	**70,024,081**

The Group has recognised the following assets related to contracts with customers:

(GBP)	2024	2023
Accrued income relating to IAP revenue	9,133,831	10,731,430
Accrued income relating to Marketing services revenue	222,906	3,651,762

The decrease in accrued income in the year is largely reflective of the timing differences of revenue generating activities. There is no loss allowance connected to these items.

5 - General and administrative expenses

(GBP)	Notes	2024	2023
Total staff costs	6	6,785,867	6,103,851
Audit fees*		235,000	242,500
Depreciation	11	166,022	133,689
Amortisation	12	6,831,568	2,585,586
Impairment losses	12	1,994,345	-
Other exceptional costs		1,598,168	1,105,044
Other overheads		2,975,491	1,742,888
General and administrative expenses		**20,586,461**	**11,913,558**

***Audit fees:**		
Audit of the Group accounts by group auditors	166,680	172,000
Audit of the Company accounts by group auditors	68,320	70,500
	235,000	**242,500**

6 - Staff costs (including executive Directors)

(GBP)	2024	2023
Employee salaries	4,706,229	4,402,528
Contractor fees	951,113	736,694
Social security costs	727,891	623,411
Employer pension costs - defined contribution	112,370	87,195
Employee benefit expenses	102,787	104,210
Other staff related costs	185,477	149,813
Total staff costs	**6,785,867**	**6,103,851**

Average number of employees (including executive Directors)	**2024**	**2023**
Total average employees employed in the United Kingdom	38	34
Total average employees employed through Hungarian branch	56	51
Total average employees employed through Audiencly	41	39
Total average number of people employed during the year	**135**	**124**

7 - Directors' remuneration

(GBP)	2024	2023
Directors' emoluments	263,600	315,706
Pension contributions	4,500	4,313
Share based payments	1,227	7,487
Total Directors' remuneration	**269,327**	**327,506**

None of the Directors exercised share options during the year to 31 December 2024 (2023: 61,750).

The number of Directors to whom retirement benefits are accruing under defined contribution schemes are 2 (2023: 2).

Remuneration for highest paid Director

(GBP)	2024	2023
Directors' emoluments	90,600	121,706
Pension contributions	4,500	4,313
Total	**95,100**	**126,019**

8 - Finance costs / income

(GBP)	2024	2023
Fair value adjustments:		
- Deferred consideration	-	9,935
- Contingent consideration	526,973	953,372
Interest on lease liabilities	26,268	19,816
Interest income	(208,360)	(68,449)
Other interest expense	2,140	8,640
Net finance costs	**347,021**	**923,314**

9 - Taxation

(GBP)	2024	2023
Overseas corporation tax	140,378	387,082
Overseas withholding tax	51,359	33,982
Deferred tax	(833,470)	(162,469)
Total tax (income) / expense	**(641,733)**	**258,595**
Deferred tax brought forward	2,491,826	2,633,950
Origination and reversal of temporary differences	(915,802)	(142,123)
Total deferred tax liability	**1,576,025**	**2,491,826**

A reconciliation of the expected tax benefit computed by applying the tax rate applicable in the primary jurisdiction, the UK, to the (loss)/profit before tax to the actual tax charge is as follows:

(GBP)	2024	2023
(Loss) / Profit on ordinary activities before taxation	(3,375,573)	2,649,714
Tax at the UK corporation tax rate of 19% (31 December 2023: 19%)	(641,359)	503,446
Effects of:		
Disallowable expenditures	86,181	(474,946)
Loss brought forward	(1,329,883)	(1,358,383)
Unutilised tax loss	1,885,061	1,329,883
Current tax charge for the period	**-**	**-**
Differences in overseas taxation rates	140,378	387,082
Deferred tax effect	(782,111)	(128,488)
Total tax charge for the period	**(641,733)**	**258,595**

The Group has estimated tax losses of GBP 10,969,286 (2023: GBP 6,999,383) to carry forward against future taxable profits.

10 - Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:	2024	2023
(Loss) / Profit after tax attributable to equity holders of the parent (GBP)	(2,896,815)	2,110,053
Basic earnings per share (GBPp)	**(5.14)**	**3.77**
Diluted earnings per share (GBPp)	**(5.14)**	**3.65**

Weighted average number of shares used as the denominator:	2024	2023
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	56,303,934	55,912,668
Adjustments for calculation of diluted earnings per share:		
Share options	1,983,812	1,837,312
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	58,282,311	57,744,946

Share options granted under the Group's share option scheme are considered to be potentially dilutive. In the current year, basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options is considered anti-dilutive and is ignored for the purpose of the loss per share calculation.

11 - Property, plant and equipment

(GBP)	Leasehold improvement	Right-to-use asset	Office equipment	Total
Cost		(Note 19)		
At 1 Jan 2023	9,325	303,045	27,407	**339,777**
Disposals		(253,593)	-	**(253,593)**
Additions	-	308,176	5,005	**313,181**
Exchange differences		(2,139)	(492)	**(2,631)**
At 31 Dec 2023	**9,325**	**355,490**	**31,921**	**396,734**
Accumulated depreciation				
At 1 Jan 2023	777	251,916	8,524	**261,217**
Disposals	-	(253,593)	-	**(253,593)**
Depreciation during the year	2,331	120,215	11,143	**133,689**
Exchange differences	-	(2,197)	(199)	**(2,397)**
At 31 Dec 2023	**3,108**	**116,341**	**19,468**	**138,918**
Carrying value at 31 Dec 2023	**6,217**	**239,148**	**12,453**	**257,818**
Cost				
At 1 Jan 2024	9,325	355,490	31,921	**396,734**
Additions	-	232,709	2,884	**235,592**
Exchange differences	-	(5,202)	(4,177)	**(9,380)**
At 31 Dec 2024	**9,325**	**582,996**	**30,627**	**622,948**
Accumulated depreciation				
At 1 Jan 2024	3,108	116,341	19,468	**138,918**
Depreciation during the year	2,331	155,632	8,059	**166,022**
Exchange differences	-	(2,207)	(3,716)	**(5,922)**
At 31 Dec 2024	**5,440**	**269,767**	**23,811**	**299,017**
Carrying value at 31 Dec 2024	**3,885**	**313,230**	**6,816**	**323,931**

12 - Intangible Assets

(GBP)	Goodwill	Software development	Game distribution rights	Brand	Customer relationships	Total
Cost						
At 1 Jan 2023	7,846,643	1,777,605	6,765,792	5,495,517	3,907,668	**25,793,224**
Additions	-	-	3,175,914	-	-	**3,175,914**
Exchange differences	(150,780)	-	-	(109,407)	(77,795)	**(337,983)**
At 31 Dec 2023	**7,695,862**	**1,777,605**	**9,941,706**	**5,386,110**	**3,829,872**	**28,631,156**
Accumulated amortisation						
At 1 Jan 2023	-	840,360	1,537,680	412,164	950,490	3,740,695
Amortisation during the year	-	302,138	1,458,259	540,165	285,024	2,585,586
Exchange differences	-	-	-	(9,759)	(19,743)	(29,502)
At 31 Dec 2023	**-**	**1,142,499**	**2,995,939**	**942,569**	**1,215,772**	**6,296,779**
Carrying value at 31 Dec 2023	**7,695,862**	**635,106**	**6,945,767**	**4,443,541**	**2,614,101**	**22,334,377**
Cost						
At 1 Jan 2024	7,695,862	1,777,605	9,941,706	5,386,110	3,829,872	**28,631,156**
Additions	-	354,049	1,548,582	-	-	**1,902,632**
Exchange differences	(331,802)			(240,757)	(171,195)	**(743,754)**
At 31 Dec 2024	**7,364,060**	**2,131,655**	**11,490,288**	**5,145,353**	**3,658,677**	**29,790,033**
Accumulated amortisation						
At 1 Jan 2024	-	1,142,499	2,995,939	942,569	1,215,772	**6,296,779**
Amortisation during the year	-	274,963	5,688,531	525,759	342,315	**6,831,568**
Impairment losses			1,152,831		841,514	**1,994,345**
Exchange differences	-	-	-	(53,356)	(61,904)	**(115,260)**
At 31 Dec 2024	**-**	**1,417,462**	**9,837,301**	**1,414,972**	**2,337,697**	**15,007,432**
Carrying value at 31 Dec 2024	**7,364,060**	**714,193**	**1,652,987**	**3,730,381**	**1,320,980**	**14,782,601**

For impairment considerations, refer to the related key estimates paragraph in note 2.

13 - Investments

Set out below are the associates of the group as at 31 December 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of incorporation	% of ownership interest		Measurement method	Carrying value	
		2024	2023		2024	2023
LiteUp Media UG	Germany	N/A	20%	Equity method	-	-
					-	**-**

(GBP)	2024	2023
Carrying value at 1 Jan	-	352,920
Acquisition	-	-
Share of loss from associate	-	(14,400)
Impairment loss	-	(338,520)
Carrying value at 31 Dec	**-**	**-**

On 31 January 2022 and 22 August 2022, the Company invested 10% in Liteup Media UG ("LiteUp") for USD 250,000 respectively, through a directed share issue, bringing the total ownership to 20%. The Group has determined that it has significant influence over LiteUp. LiteUp's principal activity is the provision of online marketing services for mobile apps as well as all related activities.

Loss recognised during the year in relation to the investment in LiteUp was GBP Nil (2023: GBP 352,920).

Effective 31 December 2023, LiteUp ceased trading.

14 - Trade and other receivables

(GBP)	2024	2023
Trade receivables	2,144,035	873,841
Other receivables	2,128,921	111,854
Prepayments	440,800	239,529
Accrued income	9,356,737	14,383,192
Trade and other receivables	**14,070,494**	**15,608,415**

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Management considers the counterparty risk to be acceptable due to the very large size and credit profile of its counterparties (Note 21).

A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default. This is documented further in note 20.

Trade receivables, which are the only financial assets at amortised cost, are non-interest bearing and generally have a 30 – 90 day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value.

15 - Share capital

Details of ordinary shares of GBP 0.2p each issued are in the table below:

Date	Details	Number of shares	Nominal value GBP	Total share capital GBP	Total share premium GBP	Total Merger Reserve GBP
At 1 Jan 2023		**54,654,573**	**0.002**	**109,309**	**17,252,671**	**2,477,349**
	Shares issued	1,578,692	0.002	3,157	88,841	1,515,544
At 31 Dec 2023		**56,233,265**	**0.002**	**112,467**	**17,341,512**	**3,992,894**
	Shares issued	637,600	0.002	1,275	33,034	315,235
At 31 Dec 2024		**56,870,865**	**0.002**	**113,742**	**17,374,546**	**4,308,128**

During the period ending 31 December 2024, 83,000 options were exercised at a price of GBP 0.40 and converted to ordinary shares of the Group.

On 02 December 2024 the Group issued 554,600 ordinary shares at a price of GBP 0.5704 per share. These shares have been authorised and issued to the sellers of Audiencly GmbH, which was acquired in the 2022 financial year.

16 - Share based payments

The Group offers share ownership compensation for employees of the Group. In accordance with the provisions of the plan, as approved by shareholders, employees may be granted options to purchase ordinary shares in the Group.

Each share option converts into one ordinary share of Flexion Mobile Plc upon exercise. The option holder shall pay for the exercise price in cash. The options carry neither rights to dividends nor voting rights at shareholders meetings.

	Number of share options 2023	Weighted average exercise price GBP 2023	Weighted average date of issue 2023
Balance at 1 January	2,731,062	0.86	29 Aug 2018
Lapsed during the year	(211,500)	1.02	27 Oct 2018
Issued during the year	112,500	0.68	05 Dec 2023
Exercised during the year	(224,500)	0.40	25 May 2014
Balance at 31 December	**2,420,062**	**0.88**	**06 May 2019**
Exercisable at 31 December	**1,837,312**		

	Number of share options 2024	Weighted average exercise price GBP 2024	Weighted average date of issue 2024
Balance at 1 January	2,407,562	0.88	06 May 2019
Lapsed during the year	72,000	0.56	05 May 2016
Issued during the year	674,423	0.70	06 May 2024
Exercised during the year	83,000	0.40	10 Oct 2014
Balance at 31 December	**2,926,985**	**0.86**	**13 Sep 2020**
Exercisable at 31 December	**1,983,812**		

Options become exercisable subject to vesting periods and conditions. Awards made after 1 April 2018 under this share ownership scheme have a vesting period of two years after date of grant for 50% of the options and three years after the date of grant for the remaining 50% of the options.

An option will automatically lapse if the option holder receives or is given notice of termination of employment with the Group, ceases to hold employment with the Group and, in certain circumstances, ceases to provide services to the Group unless the Directors in their absolute discretion determine otherwise.

The calculated fair value of share options, included in the profit or loss is GBP 225,213 (2023: GBP 151,441). Other reserves comprise the movements in share based payments.

The fair value of equity-based share options granted is estimated at the date of grant using the Black-Scholes pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected life, expected dividends, and the risk-free interest rate (based on government debentures).

The following are the inputs to the model for the options granted during the period:

	Share options 2024	Share options 2023
Grant date fair value in GBP	0.457 - 0.564	0.544 - 0.969
Exercise price	GBP 0.56 - 0.78	GBP 0.66 - 0.70
Expected life	6.25 years	6.25 years
Expected volatility	48.9% - 58.2%	47.2% - 56.7%
Expected dividends	0.00%	0.00%
Risk-free interest rate	3.80% - 4.57%	3.34% - 4.52%

In 2019 the expected life used in the valuation was adjusted due to listing the shares based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Those assumptions have not changed for 2024. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

17 - Retained earnings & Other reserves

(GBP)	2024	2023
Retained earnings		
Opening balance	(180,356)	(2,179,572)
Adjustments to opening retained earnings	-	(391,903)
Profit for the year	(2,733,839)	2,391,119
Closing balance	**(2,914,196)**	**(180,356)**

Other reserves (GBP)	**Share based payments reserve**	**Deferred tax reserve**	**Translation reserve**	**Merger reserve**	**Total other reserves**
Balance at 1 January 2023	653,290	81,753	656,890	2,477,350	3,869,283
Other comprehensive income	-	-	(281,066)	-	(281,066)
Shares based payments	151,441	-	-	-	151,441
Deferred Tax on share options	-	(69,549)	-	-	(69,549)
Issue of share capital	-	-	-	1,515,544	1,515,544
Balance at 31 December 2023	**804,731**	**12,204**	**375,824**	**3,992,894**	**5,185,653**
Balance at 1 January 2024	804,731	12,204	375,824	3,992,894	5,185,653
Other comprehensive income	-	-	(162,976)	-	(162,976)
Shares based payments	225,213		-	-	225,213
Deferred Tax on share options	-	(10,236)	-	-	(10,236)
Issue of share capital	-	-	-	315,235	315,235
Balance at 31 December 2024	**1,029,944**	**1,968**	**212,848**	**4,308,128**	**5,552,889**

The share-based payments reserve is used to recognise:
- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees

The translation reserve represents exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income, as described in note 2, and accumulated in other reserves within equity.

The merger reserve represents the share premium of shares issued in relation to the acquisition of subsidiaries.

18 - Trade and other payables

(GBP)	2024	2023
Trade payables	3,851,903	5,092,792
Social security and other taxes	181,965	118,573
Accrued expenses	14,093,318	13,699,402
Corporation tax payable	-	149,679
Other payables	2,121,396	1,742,487
Trade and other payables	**20,248,582**	**20,802,934**

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Trade payables comprise amounts outstanding for trade purchases and on-going costs, and together with accruals are the only financial liabilities measured at amortised cost. The average credit period taken for trade purchases is 30 days (2023: 30 days). No interest is charged on the outstanding balance.

19 - Leases

Right-of-use assets (GBP)	**Property**	**Vehicles**	**Total**
Carrying value at 1 January 2023	26,715	24,414	51,129
Depreciation charge during the period	(109,931)	(10,284)	(120,215)
Additions	308,176	-	308,176
Exchange differences	494	(435)	58
Carrying value at 31 December 2023	**225,454**	**13,695**	**239,148**
Carrying value at 1 January 2024	225,454	13,695	239,148
Depreciation charge during the period	(150,945)	(10,006)	(160,951)
Additions	232,709	-	232,709
Exchange differences	2,746	(423)	2,323
Carrying value at 31 December 2024	**309,964**	**3,265**	**313,230**

Lease liabilities (GBP)	**2024**	**2023**
Maturity analysis - contractual undiscounted cash flows		
Within one year	206,473	132,753
Within two to five years	227,318	132,154
Total undiscounted lease liabilities at period end	**433,790**	**264,907**
Lease liabilities included in the statement of financial position at period end		
Non-Current	217,363	126,905
Current	120,776	119,695

Amounts recognised in profit or loss (GBP)	**2024**	**2023**
Interest on lease liabilities	26,268	19,816
Expenses relating to short-term leases	31,703	81,371

Amounts recognised in the statement of cash flows (GBP)	**2024**	**2023**
Total cash outflow for leases	165,700	132,874

20 - Deferred and Contingent consideration

(GBP)	**Deferred consideration**	**Contingent consideration**
Fair value at 1 January 2023	2,056,064	5,795,452
Payments in cash	(518,571)	-
Payments in equity	(1,518,253)	-
Finance expenses – Unwinding of discount	9,935	953,372
Fair value gain	-	(3,342,705)
Exchange differences	(29,174)	(121,346)
Fair value at 31 December 2023	**-**	**3,284,773**
Fair value at 1 January 2024	-	3,284,773
Payments in cash	-	-
Payments in equity	-	-
Finance expenses – Unwinding of discount	-	526,973
Fair value gain	-	(3,653,678)
Exchange differences	-	(158,078)
Fair value at 31 December 2024	**-**	**-**

The fair value gains are a result of a fair value adjustment to the contingent consideration based on the expected earnout due to the Sellers of Audiencly.

Contingent consideration included in the statement of financial position at period end (GBP)	**2024**	**2023**
Non-Current	-	3,284,773
Current	-	-

21 - Financial instruments

This note represents quantitative information about the Group's exposure to risk arising from financial instruments, specifically credit risk, liquidity risk and foreign exchange risk. Qualitative information about aforementioned risk exposure has been explained in note 2 under the Group's accounting policies. The Group does not currently use derivative financial instruments to hedge foreign exchange exposures.

Financial instruments by category

(GBP)	Amortised cost	FVTPL	Total
31 December 2024			
Financial assets			
Cash and cash equivalents	13,112,701	-	13,112,701
Trade and other receivables	13,629,694	-	13,629,694
Total financial assets	**26,742,395**	**-**	**26,742,395**
Financial liabilities			
Trade and other payables	20,248,582	-	20,248,582
Lease liability	338,139	-	338,139
Total financial liabilities	**20,586,721**	**-**	**20,586,721**
31 December 2023			
Financial assets			
Cash and cash equivalents	11,084,799	-	11,084,799
Trade and other receivables	15,368,887	-	15,368,887
Total financial assets	**26,453,686**	**-**	**26,453,686**
Financial liabilities			
Trade and other payables	20,802,934	-	20,802,934
Lease liability	246,600	-	246,600
Contingent consideration	-	3,284,773	3,284,773
Total financial liabilities	**21,049,533**	**3,284,773**	**24,334,306**

Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures from outstanding counter party receivables. Management assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting dates is the carrying value of each class of financial assets as disclosed below:

(GBP)	2024	2023
Cash and cash equivalents[1]	13,112,701	11,084,799
Trade receivables	2,144,035	873,841
Other receivables[2]	11,485,659	14,495,045
Total	**26,742,395**	**26,453,686**

1. At 31 December 2024, GBP 4,013,111 (2023: 3,681,966) are held in USD, GBP 4,084,050 (2023: 1,700,910) are held in EUR, GBP 407,969 (2023: 722,219) are held in HUF and GBP 119,341 (2023: 140,793) are held in SEK. The majority of the remainder is held in GBP with a few smaller other currency balances.

2. Other receivables consist of GBP 9,356,737 (2023: 14,383,192) of accrued income that meets the definition of a financial asset..

The Group performs an expected credit loss assessment for all trade and other receivables to calculate a provision for expected credit loss, based on historical credit loss information, current conditions and forecasts of future economic conditions. The simplified approach is used in accordance with IFRS 9.

On the above basis the expected credit loss for trade receivables as at 31 December 2024 (2023: GBP 9,357) was determined as follows:

Year ended 31 December 2024	Trade receivables					
(GBP)	Current	Less than 30 days	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.61%	1.14%	2.85%	5.08%	7.57%	0.93%
Gross carrying amount	2,330,779	163,185	40,368	10,785	89,666	2,634,782
Loss allowance	14,105	1,867	1,152	548	6,792	24,463

Year ended 31 December 2023	Trade receivables					
(GBP)	Current	Less than 30 days	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.15%	0.22%	0.85%	1.56%	2.58%	
Gross carrying amount	3,963,870	378,011	80,248	74,035	29,438	4,525,603
Loss allowance	5,922	843	678	1,154	761	9,357

Liquidity risk
The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 31 December 2024 (GBP)	**On demand**	**Within 1 year**	**Within 2 to 5 years**
Trade payables	3,851,903	-	-
Accrued expenses & other payables	2,883,537	13,513,142	-
Lease liability	-	120,776	217,363
Total	**6,735,440**	**13,633,918**	**217,363**

Year ended 31 December 2023 (GBP)	**On demand**	**Within 1 year**	**Within 2 to 5 years**
Trade payables	5,092,792	-	-
Accrued expenses & other payables	3,799,602	11,910,539	-
Lease liability	-	119,695	126,905
Contingent consideration	-	-	3,284,773
Total	**8,892,395**	**12,030,234**	**3,411,678**

Trade payables held in currencies other than Sterling are as follows:

Currency (GBP)	**2024**	**2023**
USD	937,432	1,689,422
EUR	2,342,867	2,301,156
Other	168,290	10,334
	3,448,589	**4,000,912**

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, SEK, KRW and HUF exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Monetary position at 31 December 2024	**USD rate**	**EUR rate**	**SEK rate**	**HUF rate**
Change in rate	+ 10%	+ 10%	+ 10%	+ 10%
Effect on profit before tax in GBP	(870,427)	(1,180,644)	(28,237)	(41,140)
Change in rate	- 10%	- 10%	- 10%	- 10%
Effect on profit before tax in GBP	791,297	1,073,313	25,670	37,400

Monetary position at 31 December 2023	**USD rate**	**EUR rate**	**SEK rate**	**HUF rate**
Change in rate	+ 10%	+ 10%	+ 10%	+ 10%
Effect on profit before tax in GBP	(895,943)	(1,293,771)	(14,560)	(143,461)
Change in rate	- 10%	- 10%	- 10%	- 10%
Effect on profit before tax in GBP	814,493	1,176,155	13,237	130,419

The Group's exposure to foreign currency changes for all other currencies is not material.

Foreign exchange risk
The Group is exposed to currency risk on sales, purchases and staff costs that are denominated in a currency other than the respective functional currency of the Group, the GBP. The main currencies in which these transactions are denominated are USD, EUR, KRW and HUF. At any point in time the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Capital management
The Group's capital is made up of share capital, retained earnings and other reserves.

The Group's objectives when maintaining capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to provide an adequate return to shareholders by pricing services in a way that reflects the level of risk involved in providing those services.

The capital structure of the Group consists of shareholders' equity as set out in the statement of changes in equity. All working capital requirements are financed from existing cash resources. The Group has no borrowings and is not subject to any covenants.

22 - Related party transactions

Related party transactions with respect to Directors' emoluments have been disclosed in note 7.

Compensation of key management personnel (incl. executive Directors):

(GBP)	**2024**	**2023**
Short-term employee benefits	446,152	678,797
Share based payments	4,440	9,768

During the year, the group purchased services from Super Sonic Hamburg UG for GBP 37,967 (2023: GBP 14,487) of which GBP 3,452 (2023: GBP 3,622) was outstanding at the balance sheet date.

Included in trade and other receivables is a prepayment of EUR Nil (2023: EUR 45,000) receivable from LiteUp Media UG for services to be rendered.

During the year, the following ordinary share transactions took place:
- Jens Lauritzson and Per Lauritzson together acquired 100,000 (2023: 312,681) ordinary shares through Mobile Sensations Ltd
- Carl Palmstierna acquired 30,000 (2023: 20,000) ordinary shares through Palmstierna Invest AB
- Benjamin Crawford acquired 76,300 (2023: 176,726) ordinary shares
- Mikael Pawlo acquired 17,768 (2023: 13,310) ordinary shares
- Niklas Koresaar sold 57,397 (2023: Nil) ordinary shares
- Adrian Kotowski acquired 554,600 (2023: 442,956) ordinary shares
- Super Sonic Hamburg UG acquired Nil (2023: 898,574) ordinary shares.

The Group does not have an ultimate controlling party.

There are no other related party transactions.

Parent company statement of financial position
for the year ended 31 December 2024

Company registration number 04306881

(GBP)	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	2	279,243	165,375
Intangible assets	3	2,367,180	7,580,873
Investments	4	14,765,679	14,765,679
Total non-current assets		**17,412,101**	**22,511,927**
Current assets			
Trade and other receivables	5	10,309,751	11,120,890
Cash and cash equivalents		11,747,012	10,790,332
Total current assets		**22,056,763**	**21,911,222**
Total assets		**39,468,864**	**44,423,148**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		-	289,842
Lease liabilities	9	205,751	86,217
Contingent consideration	10	-	3,284,773
Total non-current liabilities		**205,751**	**3,660,832**
Current liabilities			
Trade and other payables	8	16,112,619	17,689,075
Lease liabilities	9	93,618	79,397
Total current liabilities		**16,206,237**	**17,768,472**
Total liabilities		**16,411,988**	**21,429,304**
NET ASSETS		**23,056,876**	**22,993,844**

(GBP)	Notes	2024	2023
EQUITY			
Share capital	6	113,742	112,467
Share premium	6	17,374,546	17,341,512
Other reserves		5,813,230	4,809,829
Retained earnings	7	(244,636)	730,037
Total equity		**23,056,876**	**22,993,844**

The Company reported a loss for the year to 31 December 2024 of GBP 974,673 (2023: profit of GBP 1,818,862). As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own statement of profit and loss for the period.

These parent company financial statements were approved and authorised for issue by the Board of Directors on 17 June 2025 and were signed on its behalf by:

Per Lauritzson
Director

Parent company statement of changes in equity
for the year ended 31 December 2024

(GBP)	Notes	Share capital	Share premium	Other Reserves	Retained earnings	Total
Balance at 1 January 2023		109,309	17,252,671	3,212,392	(1,088,825)	19,485,547
Profit for the period		-	-	-	1,818,862	1,818,862
Total comprehensive income		**109,309**	**17,252,671**	**3,212,392**	**730,037**	**21,304,409**
Transactions with owners, recorded directly in equity						
Shares based payments		-	-	151,441	-	151,441
Deferred tax on share options		-	-	(69,549)	-	(69,549)
Issue of share capital	6	3,157	88,841	1,515,544	-	1,607,543
Balance at 31 December 2023		**112,467**	**17,341,512**	**4,809,829**	**730,037**	**22,993,844**
Balance at 1 January 2024		112,467	17,341,512	4,809,829	730,037	22,993,844
Loss for the period		-	-	-	(974,673)	(974,673)
Other comprehensive income		-	-	473,189	-	473,189
Total comprehensive income		**112,467**	**17,341,512**	**5,283,018**	**(244,636)**	**22,492,355**
Transactions with owners, recorded directly in equity						
Shares based payments		-	-	225,213	-	225,213
Deferred tax on share options		-	-	(10,236)	-	(10,236)
Issue of share capital	6	1,275	33,034	315,235	-	349,544
Balance at 31 December 2024		**113,742**	**17,374,546**	**5,813,230**	**(244,636)**	**23,056,876**

Notes to the parent company financial statements

1 - Material accounting policy information

Basis of preparation

The financial statements of Flexion Mobile PLC are prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosures requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The accounting policies adopted in the preparation of the financial statements are consistent with those for the previous financial year. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The parent company financial statements have been prepared on a going concern basis as set out in note 2 in the notes to the consolidated financial statements.

The Company financial statements are presented in Pounds Sterling ("GBP"), which is also the Company's functional currency.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, related party transactions, and share-based payments. Where required, equivalent disclosures are given in the consolidated financial statements.

After making appropriate enquiries, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. As part of their enquiries the Directors have reviewed, and stress tested available cash and cash forecasts for the Company's operations for the 12 months from the date of approval of the financial statements. The Directors of the Company are satisfied, having reviewed the performance of the Company and forecasts for the forthcoming year, that the Company can cover all of its obligations as they fall due.

The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements, except as noted below.

Profit for the financial period

The Company reported a loss for the year to 31 December 2024 of GBP 974,673 (2023: profit of GBP 1,818,862). The audit fees of the company are disclosed in note 5 in the notes to the consolidated financial statements and are borne by the Company.

Impact of amendments to accounting standards

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (requirements for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

Key Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Principal versus Agent

The Company provides services to its customers whereby it needs to determine if it acts as a principal or an agent. Key indicators that we use in evaluating these sales transactions include, but are not limited to, the following:

- The underlying contract terms and conditions between the various parties to the transaction.
- Which party is primarily responsible for fulfilling the promise to provide the specified good or service.

The judgement aspect of the test is in determining the revenue recognition treatment. The Group needs to assess whether the Company is acting as a principal or an agent in each revenue stream. Each revenue stream has been reviewed against the key indicators set out above.

Based on the assessment of the key indicators performed, the Group is considered to act as principal for all products and services, other than advertising revenue. For advertising (ad) revenue, the Group considers itself to be an agent. Further information on the revenue treatment of the Company can be found in note 1 to the consolidated financial statements in the "Revenue Recognition" accounting policy.

Key estimates

Below are sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Useful lives and impairment of intangible assets

Amortisation of intangible assets is calculated over the useful economic lives of the assets. The estimates of useful economic lives are reviewed at least annually for any changes to this estimate.

The useful life of game distribution rights is approximately 2-5 years, from the launch date of the relevant titles. The useful economic lives of these assets may vary based on the length of the contract term. The useful lives of these assets are assessed on an annual basis, ensuring the future economic value exceeds the carrying amount of the assets. The future economic value is the present value of the future cashflows expected to be generated from the relevant titles. The assessment has resulted in the impairment of one part of the game distribution rights of GBP 1,152,831, resulting in the carrying value of GBP 1,652,987 (2023: GBP 6,945,767) at year end (refer to note 3). The key estimation comes in the anticipated future sales, in this instance the deal was not expected to bring any future benefits and so was impaired in full. Were the forecasted net revenue figures used in the future cashflows to rise by 10% for this part of the game distribution rights then the impairment required would have reduced, leaving a net present value of GBP 110,358, Note as these distribution rights were acquired in the year no comparative can be provided. For the remaining distribution rights there is estimation uncertainty in the period that these cashflows will return value to the business and therefore be amortised over, as this is dependent on the success of the corresponding apps.

2 - Property, plant and equipment

(GBP)	Leasehold improvement	Right-to-use asset	Total
Cost		(Note 9)	
At 1 January 2023	9,325	224,273	233,598
Additions	-	238,730	238,730
Disposals	-	(224,273)	(224,273)
At 31 December 2023	**9,325**	**238,730**	**248,055**
Accumulated depreciation			
At 1 January 2023	777	224,273	225,050
Depreciation during the period	2,331	79,527	81,858
Disposals	-	(224,273)	(224,273)
At 31 December 2023	**3,108**	**79,527**	**82,635**
Carrying value at 31 December 2023	**6,217**	**159,158**	**165,375**
Cost			
At 1 January 2024	9,325	238,730	248,055
Additions	-	232,709	232,709
Exchange differences	-	17	17
At 31 December 2024	**9,325**	**471,456**	**480,781**
Accumulated depreciation			
At 1 January 2024	3,108	79,527	82,635
Depreciation during the period	2,331	116,379	118,711
Exchange differences	-	147	147
At 31 December 2024	**5,440**	**196,099**	**201,538**
Carrying value at 31 December 2024	**3,885**	**275,357**	**279,243**

3 - Intangible Assets

(GBP)	Software development	Game distribution rights	Total
Cost			
At 1 January 2023	1,777,605	6,765,792	8,543,397
Additions	-	3,175,914	3,175,914
At 31 December 2023	**1,777,605**	**9,941,706**	**11,719,311**
Accumulated amortisation			
At 1 January 2023	840,361	1,537,680	2,378,041
Amortisation during the period	302,138	1,458,259	1,760,397
At 31 December 2023	**1,142,499**	**2,995,939**	**4,138,438**
Carrying value at 31 December 2023	**635,106**	**6,945,767**	**7,580,873**
Cost			
At 1 January 2024	1,777,605	9,941,706	11,719,311
Additions	354,049	1,548,582	1,902,632
At 31 December 2024	**2,131,655**	**11,490,288**	**13,621,943**
Accumulated amortisation			
At 1 January 2024	1,142,499	2,995,939	4,138,438
Amortisation during the period	274,963	5,688,531	5,963,494
Impairment losses	-	1,152,831	1,152,831
At 31 December 2024	**1,417,462**	**9,837,301**	**11,254,762**
Carrying value at 31 December 2024	**714,193**	**1,652,987**	**2,367,180**

4 - Investments

Name of entity	Country of incorporation	% of ownership interest 2024	% of ownership interest 2023	Measurement method	Carrying amount 2024	Carrying amount 2023
Audiencly GmbH	Germany	100%	100%	Cost	14,765,679	14,765,679
LiteUp Media UG	Germany	N/A	20%	Equity method	-	-
					14,765,679	**14,765,679**

(GBP)	2024	2023
Carrying value at 1 Jan	14,765,679	14,726,695
Acquisition	-	-
Share of loss from associate	-	(14,400)
Impairment loss	-	(338,520)
Fair value adjustment	-	391,903
Carrying value at 31 Dec	**14,765,679**	**14,765,679**

On 31 January 2022 and 22 August 2022, the Company invested 10% in Liteup Media UG ("LiteUp") for USD 250,000 respectively, through a directed share issue, bringing the total ownership to 20%. The Group has determined that it has significant influence over LiteUp. LiteUp's principal activity is the provision of online marketing services for mobile apps as well as all related activities.

Loss recognised during the year in relation to the investment in LiteUp was GBP Nil (2023: GBP 352,920).

Effective 31 December 2023, LiteUp ceased trading. The group has therefore impaired the investment in LiteUp.

5 - Trade and other receivables

(GBP)	2024	2023
Trade receivables	3,985	3,978
Other receivables	791,384	149,978
Prepayments	380,550	235,504
Accrued income	9,133,831	10,731,430
Trade and other receivables	**10,309,751**	**11,120,890**

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Management considers the counterparty risk to be acceptable due to the very large size and credit profile of its counterparties.

A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default.

Trade receivables, which are the only financial assets at amortised cost, are non-interest bearing and generally have a 30 – 90 day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value.

6 - Share capital

Details of ordinary shares of 0.2p each issued are in the table below:

Date	Details	Number of shares	Nominal value (GBP)	Total share capital (GBP)	Total share premium (GBP)
At 1 Jan 2023		**54,654,573**	**0.002**	**109,309**	**19,730,020**
	Shares issued	1,578,692	0.002	3,157	88,841
At 31 Dec 2023		**56,233,265**	**0.002**	**112,467**	**17,341,512**
	Shares issued	637,600	0.002	1,275	33,034
At 31 Dec 2024		**56,870,865**	**0.002**	**113,742**	**17,374,546**

7 - Retained earnings

(GBP)	2024	2023
Opening balance	730,037	(1,088,825)
Adjustments to opening retained earnings	(2,861)	-
(Loss) / Profit for the year	(971,812)	1,818,862
Closing balance	**(244,636)**	**730,037**

8 - Trade and other payables

(GBP)	2024	2023
Trade payables	2,399,096	4,065,636
Social security and other taxes	123,207	108,953
Accrued expenses	12,288,308	12,881,744
Other payables	1,302,009	632,742
Trade and other payables	**16,112,619**	**17,689,075**

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Trade payables comprise of amounts outstanding for trade purchases and on-going costs, and together with accruals are the only financial liabilities measured at amortised cost. The average credit period taken for trade purchases is 30 days (2023: 30 days). No interest is charged on the outstanding balance.

9 - Leases

Right-of-use assets

(GBP)	Property	Total
Carrying value at 1 January 2023	-	-
Additions	238,730	238,730
Depreciation charge during the period	(79,572)	(79,572)
Carrying value at 31 December 2023	**159,158**	**159,158**
Carrying value at 1 January 2024	159,158	159,158
Additions	232,709	232,709
Depreciation charge during the period	(121,698)	(121,698)
Exchange differences	5,188	5,188
Carrying value at 31 December 2024	**275,357**	**275,357**

Lease liabilities

(GBP)	2024	2023
Maturity analysis - contractual undiscounted cash flows		
Within one year	147,022	90,750
Within two to five years	192,264	90,750
Total undiscounted lease liabilities at period end	**339,286**	**181,500**
Lease liabilities included in the statement of financial position at period end		
Non-Current	205,751	86,217
Current	93,618	79,397

Amounts recognised in profit or loss

(GBP)	2024	2023
Interest on lease liabilities	24,572	17,902
Expenses relating to short-term leases	32,953	81,000

Amounts recognised in the statement of cash flows

(GBP)	2024	2023
Total cash outflow for leases	123,576	90,790

10 - Deferred and Contingent consideration

(GBP)	Deferred consideration	Contingent consideration
Fair value at 1 January 2023	2,056,064	5,795,451
Payments in cash	(518,560)	-
Payments in equity	(1,518,253)	-
Finance expenses – Unwinding of discount	11,250	953,372
Fair value gain	-	(3,342,705)
Exchange differences	29,174	121,346
Fair value at 31 December 2023	**-**	**3,284,773**
Fair value at 1 January 2024	-	3,284,773
Payments in cash	-	-
Payments in equity	-	-
Finance expenses – Unwinding of discount	-	526,973
Fair value gain	-	(3,653,678)
Exchange differences	-	(158,078)
Fair value at 31 December 2024	**-**	**-**

Contingent consideration included in the statement of financial position at period end

(GBP)	2024	2023
Non-Current	-	3,284,773
Current	-	-

11 - Related party transactions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions. Transactions with related parties are disclosed in note 22 of the consolidated financial statements.

Compensation of key management personnel is disclosed in note 22 of the consolidated financial statements.

There are no other related party transactions.

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