Consolidated

Annual Report

For the year ended
31 December 2023

Flexion Mobile Plc

Company registration number 04306881

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

FLEXION

Strategic Report

The directors present their strategic report for the year ended 31 December 2023.

Chairman's Statement

I am delighted to report another year of strong growth across the Group building on the achievements delivered in 2022.

In addition to the strong Sales performance, it's particularly pleasing to note that our cash conversion remains excellent in both of our business units allowing us the ability to make future investments in strategically important initiatives when the opportunity presents itself.

One of the defining moments of 2023 was when we launched Monopoly Go - the top-grossing mobile game in the world - in our channels. Since then, Flexion's alternative distribution service has been gaining considerable traction with top developers. As a result, our sales pipeline is stronger than ever, and we are expecting to convert some of these leads in 2024.

Equally we have seen an excellent performance from Audiencly, our influencer marketing business with year-on-year revenue growth of 24%. Along with the revenue growth we are also starting to note marketing synergies between the influencer marketing and distribution activities as we integrate our services, this bodes well for the future as we accelerate these efforts.

In terms of the general market outlook, we expect the global games market to return to growth in 2024. Fortunately, we have not been affected by the downturn in the same way, as alternative markets continue to grow faster than the total market. Our strong financial position and fast growth, combined with a robust and exciting market position, allow us to fully leverage these new growth opportunities ahead.

Prior year Corporate Governance Challenges

In addition to the strong business performance, it's also pleasing to note that we have moved on from the Corporate Governance challenges that emerged during the 2022 audit. Whilst we can and will always strive to do more in this respect, I'm pleased that the changes we have started to make have allowed us to move forward as a Group.

I spoke at length about the impact of the misrepresentation of a piece of information to our auditors in my report last year, but I think it's important to highlight again that the exhaustive reviews undertaken by the Board, our external legal advisors and forensic accountants identified no legal breaches, and in addition there was no impact on our financial statements.

We are continuing to work internally and with our external professional advisors to ensure that the control environment in Audiencly continues to improve to reflect best practice in a scaling business.

Following the challenges of the previous year, the Board felt it appropriate to ask our previous auditors to resign, which they agreed to do. In their place, CLA Evelyn Partners Limited agreed to be appointed in July 2024, and this is therefore the first period that they have audited.

On behalf of the Board, I would like to place on record our thanks to all our staff, partners and shareholders for their continued support.

Carl Palmstierna
Non-Executive Chairman

Corporate growth and highlights

- **2% revenue growth to GBP 70.0m** (2022: GBP 68.5m)
- **13% growth in Gross Profit to GBP 12.5m** (2022: GBP 11.1m)
- **36% increase in Adjusted EBITDA to GBP 4.6m** (2022: GBP 3.4m)
- **Strong Cash Balance of GBP 11.1m** (2022: GBP 13.8m) **and Debt Free**

Carl Palmstierna
Non-Executive Chairman

Chief Executive Officer's Statement

Having closed 2023 with our strongest ever quarter in revenue terms, we ended the year with £11.1m in cash, a strong positive cashflow, zero debt and rapid growth in both of our business areas. I am very proud of how our teams have performed over the year to get us to this strong position.

In addition to partnering with Scopely on the launch of Monopoly Go on the Alternative App Stores, we've signed with several other major new developers over the year including NetEase with more to come in 2024. We typically start working with one game from a big developer and then expand to more of their games over time. As an example, we have just launched Klondike Adventures – a top 100 grossing title. We have already worked with them on another game - and are now taking over their Amazon app store business for Klondike while expanding distribution to our other stores. "Take-overs" is becoming a proven and successful model for us. We instantly add growth for Flexion while boosting revenue from alternative distribution at a lower operating cost for developers. We have also signed EverMerge from Big Fish Games. Big Fish Games is part of a public group (Aristocrat) which includes Plarium and Product Madness. Similarly, this could offer expansion opportunities for us in 2024.

One reason for the stronger developer interest is the difficult user acquisition market, where it is increasingly challenging to achieve positive returns due to changes in user tracking (IDFA) and high store fees. Another is that we continue to see growing expectations from developers in relation to the new regulatory changes such as the Digital Markets Act (DMA) in Europe, which came into force earlier this month aimed at opening up large "gatekeepers" such as Google and Apple. Epic and Spotify are at the centre of this. They have been challenging Apple and Google for years and are now starting to win. This gives the market a further boost of confidence. As a result, new app store initiatives are launching around the world. Some of these are from our existing partners such as ONEstore, Digital Turbine (DT) and Xiaomi but also from newcomers.

Other activities such as developers launching their own web stores using third-party payments, to attract a higher margin, is also becoming commonplace. Driven by the need to get higher payouts to fund marketing, more freedom and control of their own userbases, we expect developers' interest in Flexion's services to grow even stronger over time. We have identified and monitored these trends for several years and positioned ourselves strategically to leverage this shift. This is now accelerating through the introduction of regulatory pressure which will benefit Alternative Distribution. We are therefore preparing several initiatives to support game developers in their efforts to expand their non-Google Play business.

In our Influencer marketing business, Audiencly's "7vs Wild" project also delivered on our expectations and the good news is that we have secured the fourth season of this blockbuster show. "7vsWild" is the biggest YouTube show in the German-speaking markets with approximately 100m views per season. It is a survival show featuring some of the most well-known influencers competing to win the competition. It has significantly raised Audiencly's profile with advertisers and influencers. Extending this contract will allow us to start selling sponsorship already now, much earlier than last year, and as such we expect our revenue from next season to exceed season 3, which just ended.

We look forward to continuing to invest and grow our distribution and influencer marketing businesses in 2024 as the market conditions continue to improve.

Jens Lauritzson
CEO
18 November 2024

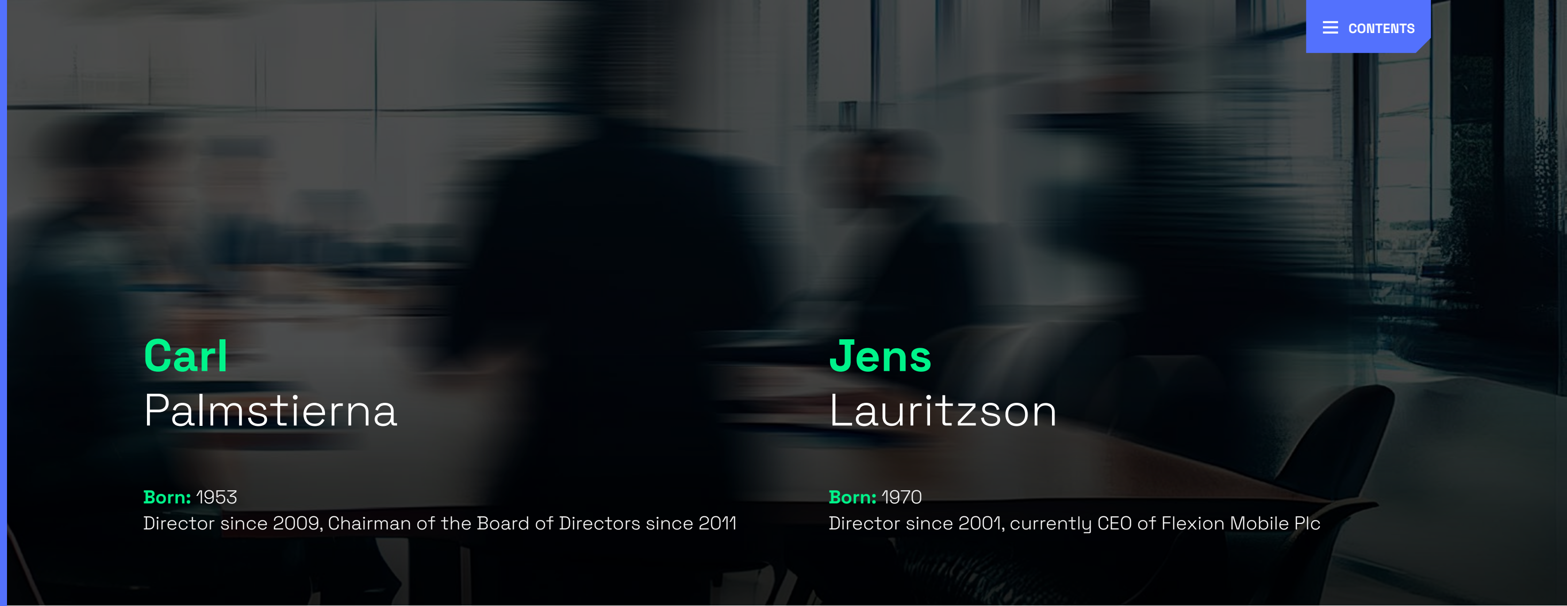
"I am very proud of how the teams have performed over the year to get us to this strong position."

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 2023:
3,694,980 shares via Palmstierna Invest AB and associated companies.

Options in Flexion as of 31 December 2023: 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.

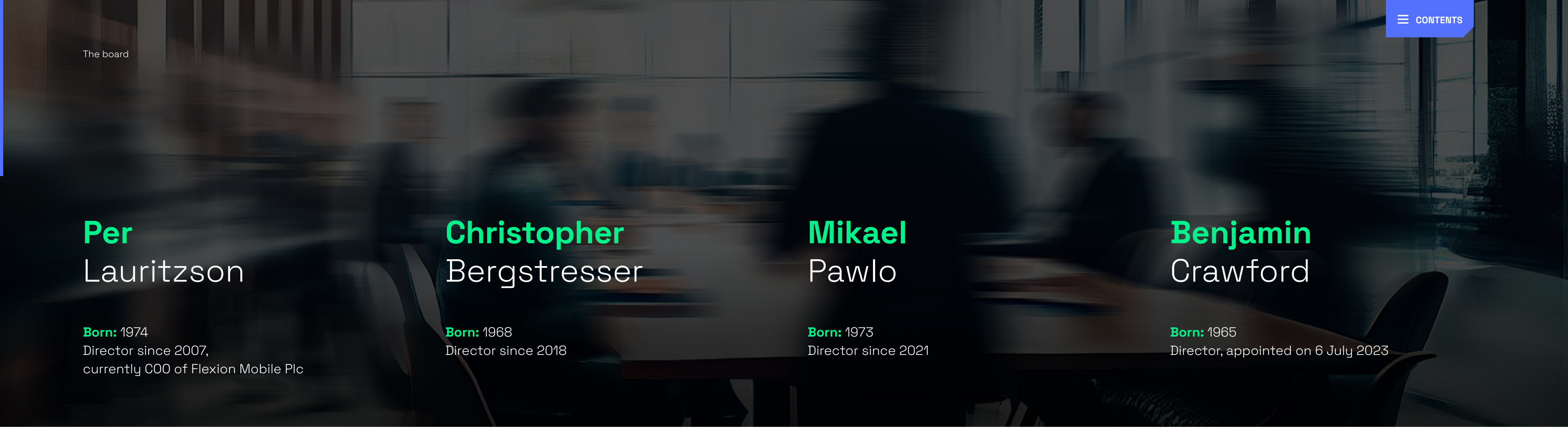
Previous assignments:
Sales Manager UK at Aspiro and Managing Director at Popwire Limited.

Shares in Flexion as of 31 December 2023:
15,989 shares and 50% ownership in Mobile Sensations Limited, which owns 11,354,862 shares.

Options in Flexion as of 31 December 2023:
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 2023:
50% ownership in Mobile Sensations Limited which owns 11,354,862 shares.

Options in Flexion as of 31 December 2023:
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 2023:
N/A

Options in Flexion as of 31 December 2023:
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 2023:
118,535 shares.

Options in Flexion as of 31 December 2023:
N/A

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

Independent in relation to major shareholders:
Yes.

Benjamin Crawford

Born: 1965
Director, appointed on 6 July 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 2023:
233,026 shares

Options in Flexion as of 31 December 2023:
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 2023 showed steady revenue growth with total revenue increasing to GBP 70.0m (2022: GBP 68.5m) equal to growth of 2%. The driver for this growth was Marketing services revenue of GBP 9.6m (2022: GBP 7.8m) equal to growth of 24%.

Gross Margin
Gross profit grew to GBP 12.5m (2022: GBP 11.1m) equalling a 13% increase. The key driver was In App Purchases ("IAP") gross profit which grew by 5% to GBP 9.1m (2022: GBP 8.6m) with Marketing services contributing GBP 3.3m (2022: GBP 2.3m) offset by non-IAP gross margin contributing with GBP 0.1m (2022: GBP 0.2m).

General and administrative expenses
Staff and contractor costs increased by 35% to GBP 6.1m (2022: GBP 4.5m), this is due to the headcount growing by 12% to 138 (2022: 123). General and admin expenses (excluding impairment losses) increased by 9% to GBP 11.9m (2022 (Restated): GBP 11.0m).

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:

(GBP)	2023	2022 (Restated)
Operating profit	**3,925,948**	**1,300,745**
Fair value gains	(3,342,705)	(1,914,777)
Depreciation	133,689	115,141
Amortisation	2,585,586	2,460,915
Impairment losses	-	704,181
Foreign exchange loss	221,945	509,803
Corporate acquisition related costs	-	223,574
Other exceptional costs	1,105,044	-
Adjusted EBITDA	**4,629,507**	**3,399,582**

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 2023 was GBP 4.6m, which is operating profit of GBP 3.9m before fair value gains of GBP 3.3m, depreciation of GBP 0.1m, amortisation of GBP 2.6m, foreign exchange loss of GBP 0.2m and other exceptional costs of GBP 1.1m (which are one-off third party legal and forensic costs relating to the forensic investigation undertaken on the 2022 financial year).

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 21 to 68 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 increased by 36% to GBP 4.6m (2022 (Restated): GBP 3.4m) and operating profit increased by 202% to GBP 3.9m (2022 (Restated): GBP 1.3m).

Total comprehensive profit and earnings per share
Tax contributed negatively with GBP 0.3m (2022 (Restated): positively with GBP 0.04m). Currency translation differences contributed negatively with GBP 0.3m (2022 (Restated): positively with GBP 0.7m). As a result, total comprehensive profit increased to GBP 2.1m (2022 (Restated): GBP 1.0m) resulting in earnings per share of GBP 3.77 pence (2022 (Restated): GBP 1.92 pence).

Cash flow and Financial Position Review
The operating cash flow decreased by GBP 4.7m to GBP 1.3m (2022 (Restated): GBP 6.1m) driven by a working capital contribution due to the timing of payables and receivables. There was no spend on capitalised development costs during the year (2022: GBP 0.2m). GBP 0.1m (2022: GBP 2.3m) was received from share issues related to the employee options scheme. This resulted in a net outflow in cash of GBP 2.4m (2022: GBP 1.2m) and a cash balance at the end of the year of GBP 11.1m (2022: GBP 13.8m).

Niklas Koresaar
CFO
18 November 2024

Niklas Koresaar
Chief Financial Officer

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 and as the Group is actively positioning itself to capture growth opportunities within the market, the Board considers these risks to be acceptable.

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 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 would have these commitments, the Board would continuously 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 8). 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 community and 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

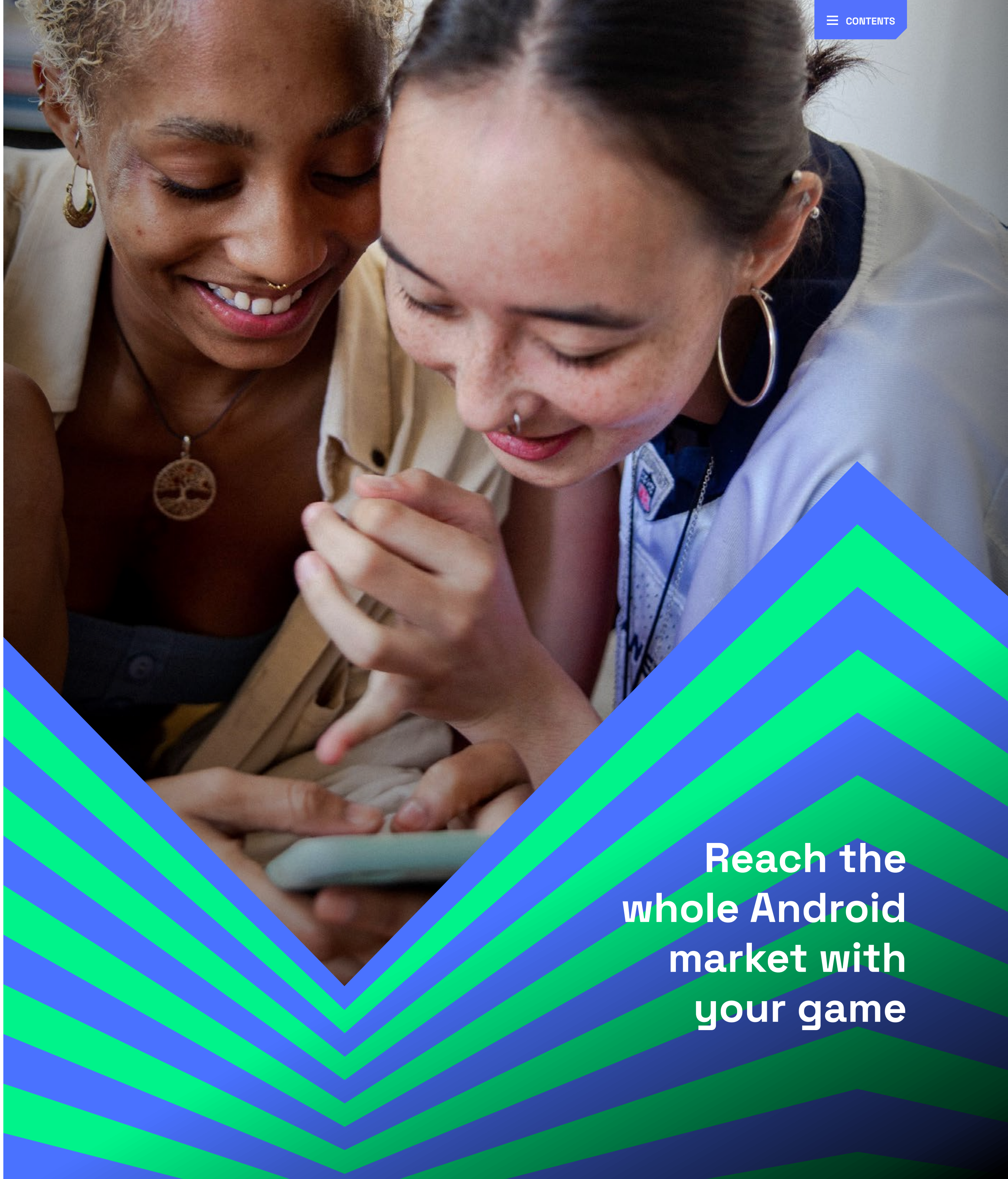
The Board engage with investors through general meetings, financial reports, investor events, regular updates and press releases. The Board is also actively seeking to expand the information shared through improvements of the annual and quarterly report including in depth board discussion about how to 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 is working towards implementing an environmental policy in 2024 to reduce its impact on the environment.

For and on behalf of the Board:

Per Lauritzson
Director
18 November 2024



Directors' Report

The Directors present their report and the financial statements for the financial year ended 31 December 2023.

Results and dividends

The profit for the financial year ended 31 December 2023 amounted to GBP 2,110,053 (2022 (Restated): GBP 991,882). The Directors are not recommending payment of a final dividend for the year (2022: 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**
- **Jean-Marcel Nicolai** (Resigned 28 June 2023)
- **Mikael Pawlo**
- **Andre Robert Kuschel** (Resigned 28 June 2023)
- **Benjamin Crawford** (Appointed 6 July 2023)

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.

Events after the reporting period

In 2024 an incentive agreement was reached with the Audiencly sellers which will result in a gross payment of £1.1m in the next financial year which will be reduced to £0.7m after an agreed clawback of £0.4m.

Director's interests

The interests of those Directors serving as at 31 December 2023, 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]	5,693,420	10.1%
Per Lauritzson[1]	5,677,431	10.1%
Carl Palmstierna[2]	3,694,980	6.6%
Benjamin Crawford	233,026	0.4%
Mikael Pawlo	118,535	0.2%
Christopher Bergstresser	-	0.0%
Total	**15,417,392**	**27.4%**

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 2023, 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	20.2%	20%
Palmstierna Invest AB	3,430,780	6.1%	26%
Others	41,447,623	73.7%	100.0%
Total	**56,233,265**	**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 has 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. The Group has not recognised any development expenditure during the period in intangible assets.

Annual General Meeting (AGM)

Details of business was conducted at the 2024 AGM which was held on 26 June 2024 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 through mail and also presented on the Group's webpage.

CONTENTS

Energy and carbon report

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

Scope 1, 2 and 3 Emissions	2023 CO_2e tonnes
Scope 1	-
Scope 2	14
Scope 3	50
Total	**64**
Energy used to calculate above emissions (kWh)	**214,368**
UK proportion of energy usage reposted	**87%**

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, CLA Evelyn Partners Limited, will be proposed at the next Annual General Meeting.

For and on behalf of the Board:

Per Lauritzson
Director
18 November 2024

Per Lauritzson
Director

Financial Statements

Independent auditors' report

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

Qualified 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 2023 which comprise the Consolidated Statement of Profit of Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated 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 except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report:

- 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 2023 and of the group's profit 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 qualified opinion

A Management-imposed limitation of scope was raised in the prior year audit report. This reflected the fact that management concluded the interests of stakeholders were best served by immediate approval and publication of the annual report rather than a further delay to allow for the completion of the audit.

During the current year audit a number of prior year adjustments were agreed with management which enabled us to reach a conclusion on the opening balances for the year however we have not performed further additional procedures over the comparative figures and based on this limitation, we are unable to conclude as to whether the comparative figures in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity, and the Parent Statement of Changes in Equity are not materially misstated. In addition, were any adjustment to the comparative figures to be required, the strategic report would also need to be amended.

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 qualified 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 profit 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. In addition to the matter described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Description of risk	How the matter was addressed in the audit
Carrying value and impairment of Group intangible assets	The group has significant intangible assets including the Audiencly brand, customer list and goodwill arising on the acquisition of Audiencly. 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 In performing our procedures, we have reviewed third-party evidence to assess the appropriateness of the discount rate applied.
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. This impacts whether all revenue and accrued revenue that should have been accounted for, and only such revenue, has in fact been accounted for in the year. Revenue is a key performance indicator of the Group Moreover, revenue within Audiencly drives the EBITDA which in turn impacts the consideration payable to the related party sellers of Audiencly. 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 occured; • 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
Prior year audit report – Receivable provision and Contingent Consideration	The prior year audit report noted the auditor's disagreement with management over the treatment of material related party receivables within Audiencly. Management consulted third party specialists and ultimately made the judgement to not to provide against these receivables. This decision directly impacted the EBITDA of Audiencly which in turn impacted the contingent consideration liability within Flexion Mobile PLC (the parent Company's) accounts. The presentation of the contingent consideration itself was also raised by the prior year auditors as a matter of judgement. An amendment made to the Audiencly Share Purchase Agreement altered the potential accounting treatment under IFRS 3. These formed part of a qualified opinion in the prior year. They are areas of judgement and therefore have been a focus of the audit team's this year.	Prior year Receivables Provision • We have reviewed the reports produced by third party advisors, considering the previous accounting advice given and the legal implications of management's decision making. • We have assessed the position taken against the criteria defined in IAS 10. • The resulting prior year adjustments are detailed in note 25 (Group) and 13 (Parent). Presentation of Contingent Consideration • We reviewed the terms of the share purchase agreement (SPA) and the amended SPA • We considered IFRS 3 and IAS19 to determine whether the consideration should be treated as part of the goodwill or as an employee benefit. Given completion of the above prior year adjustment in note 25 (Group) and 13 (Parent) this liability was derecognised.

Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at £710,000. This has been determined with reference to the benchmark of the group's turnover, 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% of the group's turnover 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 £604,000. This has been determined with reference to the benchmark of the parent company's turnover as it is the main trading entity within the group. Parent FS materiality represents 1% of the parent company's turnover.

Performance materiality for the group financial statements was set at £355,000, being 50% 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 was set at 50% to reflect the fact that the prior year accounts had a disclaimer of opinion and that there are a number of key estimates and judgemental areas within the accounts, including the contingent onsideration, recoverability of receivables and impairment of intangible assets.

Performance materiality for the parent company financial statements was set at £302,000, being 50% of parent FS materiality. This was set at 50% 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 2024 and 2025
- 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 2024 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the comparative information. We have concluded that where the other information refers to the comparative information it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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

Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to comparative information, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept by the parent company.

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:

- 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 19, 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 an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company and determined that the most significant in the context of the audit and where failure to comply could result in material penalties are;

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

We obtained an understanding of how the Group and Parent Company comply with these frameworks, through discussions with management and those responsible for compliance procedures and how the Group and the Parent Company maintain and communicate its policies and procedures in these areas. We corroborated these enquiries by reviewing the Board meeting minutes and noted no contradictory evidence.

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;
- Mistatement of the consideration payable for the acquisition of Audiencly resulting from considerations regarding recoverability of a receivable from a key customer ; 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;
- Consideration of the recoverability of the key customer balance as at 31 December 2022 and whether conditions existed which would suggest an adjusting event in line with IAS 10.
- Assessment of management's deferred consideration payable provision; 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

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
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG
18 November 2024

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2023

(GBP)	Notes	2023	2022 (Restated*)
Revenue	3, 4	70,024,081	68,529,614
Cost of sales		(57,527,279)	(57,463,846)
Gross profit	3	**12,496,801**	**11,065,768**
General and administrative expenses	5	(11,913,558)	(11,679,799)
Fair value gains	20,23	3,342,705	1,914,777
Operating profit		**3,925,948**	**1,300,745**
Share of loss from associate		(352,920)	(47,407)
Finance costs - net	8	(923,314)	(960,753)
Profit before tax for the year		**2,649,714**	**292,586**
Tax	9	(258,595)	42,406
Profit after tax for the year		**2,391,119**	**334,992**
Attributable to:			
Equity holders of the parent		2,391,119	334,992
Profit for the year		**2,391,119**	**334,992**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(281,066)	656,890
Total comprehensive income net of tax for the year		**2,110,053**	**991,882**
Attributable to:			
Equity holders of the parent		2,110,053	991,882
Total comprehensive income for the year		**2,110,053**	**991,882**
Earnings per share:			
Earnings per share from continuing operations			
– basic, attributable to ordinary equity holders of the parent (p)	10	3.77	1.92
– diluted, attributable to ordinary equity holders of the parent (p)	10	3.65	1.81

* See note 25 for details regarding the restatement as a result of the prior year adjustment

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

Consolidated statement of financial position
as at 31 December 2023

Company registration number 04306881

(GBP)	Notes	2023	2022 (Restated*)
ASSETS			
Non-current assets			
Property, plant and equipment	11	257,818	78,560
Intangible assets	12	22,334,376	22,052,529
Investments	13	-	352,920
Total non-current assets		**22,592,194**	**22,484,009**
Current assets			
Trade and other receivables	14	15,608,415	10,869,479
Cash and cash equivalents	21	11,084,799	13,801,593
Total current assets		**26,693,214**	**24,671,071**
Total assets		**49,285,408**	**47,155,080**

(GBP)	Notes	2023	2022 (Restated*)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	9	2,491,826	2,633,950
Lease liabilities	19	126,905	22,303
Contingent consideration	20,23	3,284,773	5,795,451
Total non-current liabilities		**5,903,504**	**8,451,704**
Current liabilities			
Trade and other payables	18	20,802,934	17,566,225
Lease liabilities	19	119,695	29,397
Deferred consideration	20,23	-	2,056,064
Contingent consideration	20,23	-	-
Total current liabilities		**20,922,628**	**19,651,686**
Total liabilities		**26,826,133**	**28,103,390**
NET ASSETS		**22,459,275**	**19,051,690**
EQUITY			
Share capital	15	112,467	109,309
Share premium	15	17,341,512	17,252,671
Other reserves	16, 17	5,185,653	3,869,282
Retained earnings	17	(180,356)	(2,179,572)
Total equity		**22,459,275**	**19,051,690**

* See note 25 for details regarding the restatement as a result of the prior year adjustment

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 18 November 2024 and were signed on its behalf by:

Per Lauritzson
Director

Consolidated statement of cash flows
for the year ended 31 December 2023

(GBP)	Notes	2023	2022 (Restated*)
Cash flow from operating activities			
Profit for the year before tax		2,649,714	292,586
Profit for the year before tax		**2,649,714**	**292,586**
Adjustments for:			
Effect of exchange rate fluctuations		164,587	(218,445)
Impairment losses		-	704,181
Share based payments	16,17	151,441	487,128
Depreciation of tangible assets	11	133,689	115,141
Amortization of intangible assets	12	2,585,586	2,460,915
Share of loss from associate		352,920	47,407
Fair value gains		(3,342,705)	(1,914,777)
Finance expenses		983,121	920,907
Working capital:			
Change in trade and other receivables		(5,677,748)	(5,679,071)
Change in trade and other payables		3,344,022	8,863,727
Net cash flow from operating activities		**1,344,627**	**6,079,699**
Cash flow used in investing activities			
Investment	13	-	(400,327)
Acquisition of a subsidiary, net of cash acquired	23	(518,571)	(2,884,905)
Expenditure on property, plant and equipment		(8,026)	(7,895)
Capitalised game distribution rights	12	(3,175,914)	(5,962,049)
Capitalised development cost	12	-	(237,485)
Net cash flow used in investing activities		**(3,702,511)**	**(9,492,661)**
Cash flow from financing activities			
Proceeds from issue of shares	15	89,290	2,341,464
Payment of lease liabilities	19	(133,092)	(96,556)
Net cash flow from financing activities		**(43,802)**	**2,244,908**
Net change in cash and cash equivalents		**(2,401,687)**	**(1,168,054)**
Cash and cash equivalents at beginning of year		13,801,592	14,458,346
Effect of exchange rate fluctuations on cash held		(315,107)	511,301
Cash and cash equivalents at end of year		**11,084,799**	**13,801,593**

* See note 25 for details regarding the restatement as a result of the prior year adjustment

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 2023

(GBP)	Notes	Share capital	Share premium	Other Reserves	Retained earnings	Total
Balance at 01 January 2022		100,049	14,917,283	397,197	(2,333,859)	13,080,670
Adjustments to opening retained earnings		-	-	-	18,992	18,992
Acquisition of Audiencly		-	-	-	(199,697)	(199,697)
Profit for the year (Restated*)	25	-	-	-	334,992	334,992
Other comprehensive income		-	-	656,890	-	656,890
Total comprehensive income for the year (Restated*)		**100,049**	**14,917,283**	**1,054,087**	**(2,179,572)**	**13,891,847**
Transactions with owners, recorded directly in equity						
Share based payments	16	-	-	487,128	-	487,128
Deferred tax on share options		-	-	(149,282)	-	(149,282)
Issue of share capital	15, 17	9,260	2,335,388	2,477,349	-	4,821,997
Balance at 31 December 2022 (Restated*)		**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**

* See note 25 for details regarding the restatement as a result of the prior year adjustment

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.

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 2023 but were not effective at 31 December 2023 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 17	Insurance Contracts
IAS 1	Presentation of Financial Statements (amendment)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (amendment)
IAS 12	Income Taxes (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.

The amount of consideration receivable by Flexion is dependent upon the number of items sold to end-users. The Group offers various discounts to sales prices during certain times which are accounted for as variable consideration and deducted from the transaction price which is recognised as revenue at point in time.

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 2023, the carrying value of internally generated software assets was GBP 635,106 (2022: GBP 937,245).
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 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 2023, the carrying value of game distribution rights was GBP 6,945,767 (2022: GBP 5,228,112).

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. For all products and services, other than advertising revenue, the Group is considered to act as principal. 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.

Capitalisation of game distribution rights

Determining whether the recognition requirements for the capitalisation of game distribution rights are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. In addition, management reviews its estimate of the useful lives of game distribution rights based on the expected utility of the asset.

Operating segments

Flexion's Chief Operating Decision Maker (CODM) is the Executive Management Team. Prior to the acquisition of Audiencly (note 23), Flexion was a standalone company and reported to the CODM as one operating segment. Subsequent to the acquisition, the CODM have assessed the operating segments of the business and have identified two operating segments, being Distribution and Marketing Services (see note 3). The Group is currently undertaking a process to reorganise the Company, analyse the most efficient and accurate operational segments and how to set up segmental transfer pricing policies and 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.

Treatment of Purchase Price Consideration in Goodwill

In the case of Audiencly, the SPA agreement originally included a good/bad leaver clause relating to certain potential payments to the previous owners. This clause was subsequently waived. Management decided to waive this clause as they deemed it to be non-substantive, with no impact on the intent of any party to the transaction, and because the clause's treatment under IFRS would result in the reporting of the transaction to be in contrast with this intent. The Group has always reported the earnout as part of the purchase price consideration, indicating a consistent approach in its financial and external reporting. In determining the accounting policy to apply to the earn-out payments, key principles such as faithful representation, substance over form, and the unit of account were carefully considered, as well as how these principles are incorporated in other IFRS Standards. Based on these principles, it is highly judgmental but management ultimately deemed it appropriate to treat the SPA and the waiver amendment as a single unit when applying IFRS 3 to the Audiencly acquisition. This approach ensures that the financial statements reflect the true substance and intent of the transaction.

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 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 customer relationships were acquired as part of a business combination (see note 23 for details). 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. The useful economic lives of these assets may vary based on the performance of existing customers.

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 2023, there has been a change in the estimate of the probable cash outflow therefore the liability has decreased to EUR 3.79m due to the change in fair value.

Impairment of Group intangibles

The group tests whether group intangibles have suffered any impairment on an annual basis. For the 2023 and 2022 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 two-year period. Cash flows beyond the two-year period are assumed to be flat rather than applying a growth percentage.

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 30% lower than management's estimates at 31 December 2023, the group would have had to recognise an impairment against the carrying amount of the investment in Audiencly of GBP 0.3m.

If the weighted average cost of capital (WACC) applied to the cash flow projections of this CGU had been 2.3% higher than management's estimates (13.2% instead of 10.9%), the group would have had to recognise an impairment against the investment in Audiencly of GBP 0.2m.

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)	2023	2022
Distribution	60,422,750	60,775,767
Marketing Services	9,601,330	7,753,847
Total revenue	**70,024,081**	**68,529,614**

Gross Profit breakdown

(GBP)	2023	2022
Distribution	9,195,520	8,807,446
Marketing Services	3,301,281	2,258,322
Total gross profit	**12,496,801**	**11,065,768**

4 - Revenue

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

(GBP)	2023	2022
IAP revenue	60,305,637	60,608,555
Non-IAP revenue	117,113	167,212
Marketing Services	9,601,330	7,753,847
Total revenue	**70,024,081**	**68,529,614**

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)	2023	2022
Asia	34,150,692	34,009,114
Europe excl. United Kingdom	11,162,078	11,633,998
N. America	20,582,606	17,769,107
United Kingdom	1,633,705	2,644,913
Middle East Africa	1,587,523	1,240,162
S. America	907,477	1,232,320
Total Revenue	**70,024,081**	**68,529,614**

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

(GBP)	2023	2022
Accrued income relating to IAP revenue	10,731,430	8,601,041
Accrued income relating to Marketing services revenue	3,651,762	-

The increase in accrued income in the year is largely reflective of the growth of the business and timing differences. There is no loss allowance connected to these items.

5 - General and administrative expenses

(GBP)	Notes	2023	2022 (Restated)
Total staff costs	6	6,103,851	4,534,798
Audit fees*		242,500	462,470
Depreciation	11	133,689	115,141
Amortisation	12	2,585,586	2,460,915
Other exceptional costs		1,105,044	-
Other overheads		1,742,888	4,106,476
General and administrative expenses		**11,913,558**	**11,679,799**

***Audit fees:**

	2023	2022 (Restated)
Audit of the Group accounts by group auditors	172,000	328,570
Audit of the Company accounts by group auditors	70,500	118,450
Audit of the Company subsidiary accounts by component auditors	-	15,450
	242,500	**462,470**

6 - Staff costs (including executive Directors)

(GBP)	2023	2022
Employee salaries	4,402,528	3,217,878
Contractor fees	736,694	362,207
Social security costs	623,411	490,145
Employer pension costs - defined contribution	87,195	74,621
Employee benefit expenses	104,210	76,101
Other staff related costs	149,813	313,846
Total staff costs	**6,103,851**	**4,534,798**

Average number of employees (including executive Directors)	**2023**	**2022**
Total average employees employed in the United Kingdom	37	32
Total average employees employed through Hungarian branch	53	40
Total average employees employed through Audiencly	27	32
Total average number of people employed during the year	**117**	**104**

7 - Directors' remuneration

(GBP)	2023	2022
Directors' emoluments	315,706	344,478
Pension contributions	4,313	8,125
Share based payments	7,487	5,696
Total Directors' remuneration	**327,506**	**358,299**

One of the Directors exercised 61,750 share options during the year to 31 December 2023 (2022 (Restated): 74,000).

The number of Directors to whom retirement benefits are accruing under defined contribution schemes are 2 (2022: 2).

Remuneration for highest paid Director

(GBP)	2023	2022
Directors' emoluments	121,706	112,750
Pension contributions	4,313	4,063
Total	**126,019**	**116,813**

8 - Finance costs

(GBP)	2023	2022
Fair value adjustments:		
- Deferred consideration	9,935	26,389
- Contingent consideration	953,372	890,688
Interest on lease liabilities	19,816	3,830
Other interest (income) / expense	(59,809)	39,846
Total finance costs	**923,314**	**960,753**

9 - Taxation

(GBP)	2023	2022
Overseas corporation tax	387,082	333,149
Overseas withholding tax	33,982	16,143
Deferred tax	(162,469)	(391,699)
Total tax expense	**258,595**	**(42,406)**
Deferred tax brought forward	2,633,950	(52,002)
Origination and reversal of temporary differences	(142,123)	2,685,953
Total deferred tax liability	**2,491,826**	**2,633,950**

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)	2023	2022
Profit on ordinary activities before taxation	2,649,714	292,586
Tax at the UK corporation tax rate of 19% (31 December 2022 (Restated): 19%)	503,446	55,591
Effects of:		
Disallowable expenditures	(469,469)	19,185
Loss brought forward	(1,358,383)	(1,433,263)
Unutilised tax loss	1,324,406	1,358,487
Current tax charge for the period	**-**	**-**
Differences in overseas taxation rates	421,064	349,292
Deferred tax effect	(162,469)	(391,699)
Total tax charge for the period	**258,595**	**(42,406)**

The Group has estimated tax losses of GBP 6,970,556 (2022: GBP 7,149,382) 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:	2023	2022 (Restated)
Profit after tax attributable to equity holders of the parent (GBP)	2,110,053	991,882
Weighted average number of ordinary shares in issue	55,912,668	51,740,827
Fully diluted weighted average number of ordinary shares in issue	58,978,225	54,696,502
Basic earnings per share (GBPp)	**3.77**	**1.92**
Diluted earnings per share (GBPp)	**3.65**	**1.81**

The number of share options outstanding as at 31 December 2023 totalled 2,420,062 (2022: 2,731,062) and are potentially dilutive.

11 - Property, plant and equipment

(GBP)	Leasehold improvement	Right-to-use asset	Office equipment	Total
Cost		(Note 19)		
At 1 Jan 2022	-	224,273	-	224,273
Additions	9,325	-	-	9,325
Acquisition through business combination	-	78,772	27,407	106,179
At 31 Dec 2022	**9,325**	**303,045**	**27,407**	**339,777**
Accumulated depreciation				
At 1 Jan 2022	-	149,520	-	149,520
Depreciation during the year	777	105,048	9,315	115,140
Exchange differences		(2,652)	(791)	(3,443)
At 31 Dec 2022	**777**	**251,916**	**8,524**	**261,217**
Carrying value at 31 Dec 2022	**8,548**	**51,129**	**18,883**	**78,560**
Cost				
At 1 Jan 2023	9,325	303,045	27,407	339,777
Fully written down assets		(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
Fully written down assets	-	(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**

12 - Intangible Assets

(GBP)	Goodwill	Software development	Game distribution rights	Brand	Customer relationships	Total
Cost						
At 1 Jan 2022	-	1,540,120	6,765,792	-	-	**8,305,912**
Additions	-	237,485	-	-	-	**237,485**
Acquisition through business combination	7,639,500	-	-	5,345,213	3,800,792	**16,785,506**
Exchange differences	207,142	-	-	150,304	106,876	**464,321**
At 31 Dec 2022	**7,846,643**	**1,777,605**	**6,765,792**	**5,495,517**	**3,907,668**	**25,793,224**
At 1 Jan 2022	**-**	**547,053**	**-**	**-**	**-**	**547,053**
Amortisation during the year	-	293,307	1,537,680	401,948	227,980	**2,460,915**
Impairment loss (Restated)	-	-	-	-	704,181	**704,181**
Exchange differences	-	-	-	10,216	18,329	**28,545**
At 31 Dec 2022 (Restated)	**-**	**840,360**	**1,537,680**	**412,164**	**950,490**	**3,740,695**
Carrying value at 31 Dec 2022 (Restated)	**7,846,643**	**937,245**	**5,228,112**	**5,083,353**	**2,957,177**	**22,052,529**
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**

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 2023. 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	
		2023	2022		2023	2022
LiteUp Media UG	Germany	20%	20%	Equity method	-	352,920
					-	**352,920**

(GBP)	2023	2022
Carrying value at 1 Jan	352,920	-
Acquisition	-	400,327
Share of loss from associate	(14,400)	(47,407)
Impairment loss	(338,520)	-
Carrying value at 31 Dec	**-**	**352,920**

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 352,920 (2022: GBP 47,407).

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

14 - Trade and other receivables

(GBP)	2023	2022 (Restated)
Trade receivables	873,841	1,850,680
Other receivables	111,854	92,634
Prepayments	239,529	325,124
Accrued income	14,383,192	8,601,041
Trade and other receivables	**15,608,415**	**10,869,479**

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 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 2022		**50,024,672**	**0.002**	**100,049**	**14,917,283**	**-**
	Shares issued	4,629,901	0.002	9,260	2,335,388	2,477,349
At 31 Dec 2022		**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**

During the period ending 31 December 2023 224,500 options were exercised at a price of GBP 0.4429 and converted to ordinary shares of the Group.

On 10 January 2023 the Group issued 442,956 ordinary shares at a price of GBP 1.1393 per share. These shares have been authorised and relate to the acquisition of Audiencly GbmH.

On 04 April 2023 the Group issued 911,236 ordinary shares at a price of GBP 1.1123 per share. These shares have been authorised and relate to the acquisition of Audiencly GbmH.

16 - Share based payments

The Group has a single share ownership compensation scheme 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 2022	Weighted average exercise price GBP 2022	Weighted average date of issue 2022
Balance at 1 January	3,305,062	0.72	16 Jun 2017
Lapsed during the year	87,500	1.45	30 Jan 2021
Issued during the year	350,000	1.41	18 May 2022
Exercised during the year	836,500	0.46	11 Apr 2015
Balance at 31 December	**2,731,062**	**0.86**	**29 Aug 2018**
Exercisable at 31 December	**1,959,312**		

	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	0.41	25 May 2014
Balance at 31 December	**2,420,062**	**0.88**	**06 May 2019**
Exercisable at 31 December	**1,837,312**		

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 151,441 (2022 (Restated): GBP 487,128). 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 2023	Share options 2022 (Restated)
Grant date fair value in GBP	0.544 – 0.969	0.950 – 1.132
Exercise price	GBP 0.66 - 0.70	GBP 1.25 - 1.51
Expected life	6.25 years	6.25 years
Expected volatility	47.2% - 56.7%	54.5% - 62.9%
Expected dividends	0.00%	0.00%
Risk-free interest rate	3.34% - 4.52%	1.31% - 4.15%

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 2023. 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)	2023	2022 (Restated)
Retained earnings		
Opening balance	(2,179,572)	(2,333,859)
Adjustments to opening retained earnings	(391,903)	18,992
Acquisition of Audiencly	-	(199,697)
Profit for the year	2,391,119	334,992
Closing balance	**(180,356)**	**(2,179,572)**
Other reserves		
Share based payments reserve	804,731	653,290
Deferred tax reserve	12,204	81,753
Translation reserve	375,824	656,890
Merger reserve	3,992,894	2,477,349
	5,185,653	**3,869,282**

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 a separate reserve 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)	2023	2022
Trade payables	5,092,792	1,906,779
Social security and other taxes	118,573	142,734
Accrued expenses	13,699,402	13,821,766
Corporation tax payable	149,679	504,892
Other payables	1,742,487	1,190,054
Trade and other payables	**20,802,934**	**17,566,225**

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 (2022: 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 2022	74,753	-	74,753
Depreciation charge during the period	(97,440)	(7,608)	(105,048)
Additions	47,923	30,849	78,772
Exchange differences	1,479	1,173	2,652
Carrying value at 31 December 2022	**26,715**	**24,414**	**51,129**
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**

Lease liabilities (GBP)	2023	2022
Maturity analysis - contractual undiscounted cash flows		
Within one year	132,753	30,376
Within two to five years	132,154	22,703
Total undiscounted lease liabilities at period end	**264,907**	**53,079**
Lease liabilities included in the statement of financial position at period end		
Non-Current	126,905	22,303
Current	119,695	29,397

Amounts recognised in profit or loss (GBP)	2023	2022
Interest on lease liabilities	19,816	3,830
Expenses relating to short-term leases	81,371	54,039

Amounts recognised in the statement of cash flows (GBP)	2023	2022
Total cash outflow for leases	132,874	99,228

20 - Deferred and Contingent consideration

(GBP)	Deferred consideration	Contingent consideration
Fair value at acquisition 5 April 2022	7,867,185	6,233,654
Payments in cash	(3,405,434)	-
Payments in equity	(2,481,225)	-
Finance expenses – Unwinding of discount	26,389	890,688
Fair value gain	-	(1,572,599)
Exchange differences	49,149	243,709
Fair value at 31 December 2022 (Restated)	**2,056,064**	**5,795,452**
Fair value at 1 January 2023 (Restated)	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**

Deferred consideration included in the statement of financial position at period end (GBP)	**2023**	**2022 (Restated)**
Non-Current	-	-
Current	-	2,056,064

Contingent consideration included in the statement of financial position at period end (GBP)	**2023**	**2022 (Restated)**
Non-Current	3,284,773	5,795,451
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 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**
31 December 2022 (Restated)			
Financial assets			
Cash and cash equivalents	13,801,593	-	13,801,593
Trade and other receivables	10,544,354	-	10,544,354
Total financial assets	**24,345,947**	**-**	**24,345,947**
Financial liabilities			
Trade and other payables	17,566,225	-	17,566,225
Lease liability	51,700	-	51,700
Deferred consideration	-	2,056,064	2,056,064
Contingent consideration	-	5,795,451	5,795,451
Total financial liabilities	**17,617,924**	**7,851,516**	**25,469,440**

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)	2023	2022 (Restated)
Cash and cash equivalents[1]	11,084,799	13,801,593
Trade receivables	873,841	1,850,680
Other receivables[2]	14,495,045	8,693,674
Total	**26,453,686**	**24,345,947**

1. At 31 December 2023, GBP 3,681,966 are held in USD, GBP 1,700,910 are held in EUR, GBP 722,219 are held in HUF and GBP 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 14,383,192 (2022: 8,601,041) 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 2023 (2022 (Restated): GBP 15,832) was determined as follows:

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

Year ended 31 December 2022 (Restated)		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	0.20%	0.36%	1.18%	2.05%	3.63%	
Gross carrying amount	1,312,486	670,295	253,305	159,713	123,620	2,519,419
Loss allowance	2,661	2,437	2,978	3,275	4,481	15,832

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

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**

Year ended 31 December 2022 (Restated)	On demand	Within 1 year	Within 2 to 5 years
Trade payables	1,906,779	-	-
Accrued expenses & other payables	3,379,898	12,279,548	-
Lease liability	-	29,397	22,303
Deferred consideration	-	2,056,064	-
Contingent consideration		-	5,795,451
Total	**5,286,677**	**14,365,009**	**5,817,754**

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

Currency (GBP)	2023	2022 (Restated)
USD	1,689,422	803,347
EUR	2,301,156	1,058,136
Other	10,334	45,295
	4,000,912	**1,906,778**

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 2023	USD rate	EUR rate	SEK rate	KRW rate	HUF rate
Change in rate	+ 10%	+ 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%	- 10%
Effect on profit before tax in GBP	814,493	1,176,155	13,237	-	130,419

Monetary position at 31 December 2022	USD rate	EUR rate	SEK rate	KRW rate	HUF rate
Change in rate	+ 10%	+ 10%	+ 10%	+ 10%	+ 10%
Effect on profit before tax in GBP	(745,209)	(1,132,686)	(172,866)	(147,513)	(4,649)
Change in rate	- 10%	- 10%	- 10%	- 10%	- 10%
Effect on profit before tax in GBP	677,462	1,029,715	157,151	134,103	4,226

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)	2023	2022
Short-term employee benefits	678,797	614,983
Share based payments	9,768	11,055

During the year, the group purchased services from Super Sonic Hamburg UG for GBP 14,487 (2022: Nil) of which GBP 3,622 (2022: Nil) was outstanding at the balance sheet date.

During the year, the group paid GBP 86,783 (2022: Nil) for legal services, for a member of key management personnel, in relation to their employment of which GBP 86,783 (2022: Nil) was outstanding at the balance sheet date.

During the year, the group sold services to a related party customer for GBP 127,137 (2022: GBP 1,540,023), which were written off during the year due to the client going insolvent (2022 (Restated): GBP 539,039 written off).

Included in trade and other receivables is a prepayment of EUR 45,000 (2022: EUR 50,000) 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 312,681 (2022: 45,000) ordinary shares through Mobile Sensations Ltd
- Jens Lauritzson sold 58,011 (2022: Nil) ordinary shares
- Per Lauritzson sold 61,750 (2022: Nil) ordinary shares
- Carl Palmstierna acquired 20,000 (2022: 50,000) ordinary shares through Palmstierna Invest AB
- Benjamin Crawford acquired 176,726 (2022: Nil) ordinary shares
- Mikael Pawlo acquired 13,310 (2022: Nil) ordinary shares
- Adrian Kotowski acquired 442,956 (2022: 1,197,670) ordinary shares
- Super Sonic Hamburg UG acquired 898,574 (2022: 455,618) ordinary shares.

The Group does not have an ultimate controlling party.

There are no other related party transactions.

23 - Acquisitions

On 5 April 2022, Flexion completed the acquisition of the entire issued capital of Audiencly GmbH, an influencer marketing agency registered in Germany, thereby obtaining control.

With this acquisition Flexion improves its competitive advantage in the gaming market. The company benefits from the acquisition with the expansion into the influencer marketing sector and potential synergies between the companies.

The Group has undertaken a valuation with a leading global accounting firm to determine the purchase price and its asset allocations. The purchase price of the acquired company was fair valued at EUR 16.66m. The purchase price allocation, based on the fair value of the net assets at the acquisition date, results in the recognition of intangible assets such as customer relationships, brand value and goodwill.

The details of the business combination as follows:

(GBP)	Fair Value
Fair value of consideration transferred	
Amount settled in cash	3,405,434
Amount settled in equity	500,374
Deferred consideration	3,961,376
Contingent consideration	6,233,655
Total	**14,100,839**
Acquired net assets	
Fixed Assets	20,313
Working capital	407,959
Net (debt)/cash	245,453
Total acquired net assets	**673,725**
Excess consideration for allocation	**13,427,114**
Identified intangible assets	
Customer relationships	3,736,807
Brand	5,255,229
Intangible assets	**8,992,036**
Deferred tax on intangible assets	**(2,807,472)**
Residual goodwill	**7,242,550**
Consideration settled in cash	3,405,434
Cash and cash equivalents acquired	(520,529)
Net cash outflow from acquisition	**2,884,905**
Acquisition costs charged to expenses	223,574

The fair value of the 441,343 shares issued as part of the consideration paid for Audiencly GmbH (GBP 0.5m) was based on a price of GBP 1.1338 per share.

According to the valuation, residual goodwill arising from the acquisition totals GBP 7.24m which includes, but is not limited to values from new sales, influencer management and synergies with the Company.

The fair value of the deferred consideration at acquisition was EUR 3.96m which represents 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. The book value of the deferred consideration liability at acquisition (ie without NPV adjustment) is EUR 9.3m. As at 31 December 2023, the liability has been settled in full due to the payments made, equity issued and offset by the change in fair value.

The purchase agreement included an additional maximum 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 additional consideration will be paid in three separate instalments. The EUR 7.36m of contingent consideration liability initially recognised represents 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. The initial book value of the contingent consideration liability (ie without NPV adjustment) was EUR 10.47m. As at 31 December 2023, there has been a change in the estimate of the probable cash outflow and as a result, the liability has decreased to EUR 3.79m (EUR Nil is current and EUR 3.79m is non-current) due to the change in fair value.

The customer relationships intangible asset will be amortised on a slightly adjusted (concave) curve over 10 years to match the forecasted earnings as per the undertaken valuation. The brand value intangible asset will be amortised over 10 years as per the undertaken valuation. Goodwill has an indefinite useful life and as such is not amortised according to IFRS.

Costs arising directly from the acquisition of Audiencly (such as legal fees) amount to GBP 0.2m, which form part of general and administrative expenses, however, have been excluded from Adjusted EBITDA due to the nature of the costs.

Total acquired net assets

The fair value of the trade and other receivables acquired as part of the business combination amounted to EUR 1.7m, with a gross contractual amount of EUR 1.7m. As of the acquisition date, the Group's best estimate of the contractual cash flow not expected to be collected amounted to EUR Nil.

Revenue and profit contribution

Audiencly contributed revenue of GBP 9.6m (2022: GBP 7.8m) and net profit of GBP 1.1m (2022 (Restated): GBP 0.02m) to the group for the financial year ended 31 December 2023.

24 - Events after the reporting period

In 2024 an incentive agreement was reached with the Audiencly sellers which will result in a gross payment of £1.1m in the next financial year which will be reduced to £0.7m after an agreed clawback of £0.4m.

25 - Prior year adjustments

As disclosed in the 2022 annual financial statements a key customer of Audiencly went insolvent subsequent to the balance sheet date. Following consultations with the company's external advisors, the Directors have again reviewed the need for a provision in 2022. Although this remains a judgmental area, the Directors have concluded that on balance there should have been a provision for the full receivable as at the end of 2022.

As a result of the conclusion above, this has had an impact on the contingent consideration assessment for the 2022 earnout which has resulted in a full fair value adjustment of the balance.

In addition, the directors have taken the opportunity to review the methodology behind the calculation of the share based payment costs. As a result, the vesting period and discount rate applied have been adjusted resulting in an additional charge with associated impact to deferred tax in the prior year.

The impact of the above has been corrected by restating each of the affected financial statement line items for the prior period as follows:

Statement of financial position (extract) (GBP)	**2022**	**Increase/ (Decrease)**	**2022 (Restated)**
Intangible assets	22,496,308	(443,779)	22,052,529
Trade and other receivables	11,522,385	(652,906)	10,869,479
Deferred Tax liabilities	(2,805,013)	171,063	(2,633,950)
Contingent consideration	(6,909,746)	1,114,294	(5,795,451)
Net assets	**18,863,018**	**188,672**	**19,051,690**
Other reserves	3,461,394	407,888	3,869,282
Retained earnings	(1,960,356)	(219,216)	(2,179,572)
Total equity	**18,863,018**	**188,672**	**19,051,690**

Consolidated statement of profit or loss (extract) (GBP)	**2022**	**Increase/ (Decrease)**	**2022 (Restated)**
General and Administrative Expenses	(9,893,424)	(1,786,375)	(11,679,799)
Fair value gains	527,546	1,387,231	1,914,777
Tax	(137,523)	179,929	42,406
Loss/Profit for the year	**554,208**	**(219,216)**	**334,992**
Attributable to:			
Equity holders of the parent	554,208	(219,216)	334,992
Non-controlling interests	-	-	-
Profit for the year	**554,208**	**(219,216)**	**334,992**

Consolidated statement of comprehensive income (extract) (GBP)	**2022**	**Increase/ (Decrease)**	**2022 (Restated)**
Profit After Tax	554,208	(219,216)	334,992
Other comprehensive income for the period	665,514	(8,624)	656,890
Total comprehensive income for the period	**1,219,722**	**(227,840)**	**991,882**

Parent company statement of financial position
for the year ended 31 December 2023

Company registration number 04306881

(GBP)	Notes	2023	2022 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	2	165,375	8,548
Intangible assets	3	7,580,873	6,165,356
Investments	4	14,765,679	14,726,695
Total non-current assets		**22,511,927**	**20,900,600**
Current assets			
Trade and other receivables	5	11,120,890	8,967,787
Cash and cash equivalents		10,790,332	13,178,610
Total current assets		**21,911,222**	**22,146,397**
Total assets		**44,423,148**	**43,046,997**

(GBP)	Notes	2023	2022 (Restated)
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		289,842	125,304
Lease liabilities	9	86,217	-
Contingent consideration	10	3,284,773	5,795,451
Total non-current liabilities		**3,660,832**	**5,920,756**
Current liabilities			
Trade and other payables	8	17,689,075	15,584,631
Lease liabilities	9	79,397	-
Deferred consideration	10	-	2,056,064
Contingent consideration	10	-	-
Total current liabilities		**17,768,472**	**17,640,694**
Total liabilities		**21,429,304**	**23,561,450**
NET ASSETS		**22,993,844**	**19,485,547**
EQUITY			
Share capital	6	112,467	109,309
Share premium	6	17,341,512	17,252,671
Other reserves		4,809,829	3,212,392
Retained earnings	7	730,037	(1,088,825)
Total equity		**22,993,844**	**19,485,547**

The Company reported a profit for the year to 31 December 2023 of GBP 1,818,862 (2022 (Restated): GBP 1,226,042). 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 18 November 2024 and were signed on its behalf by:

Per Lauritzson
Director

Parent company statement of changes in equity
for the year ended 31 December 2023

(GBP)	Notes	Share capital	Share premium	Other Reserves	Retained earnings	Total
Balance at 1 January 2022		100,049	14,917,283	397,197	(2,333,859)	13,080,670
Adjustments to opening retained earnings		-	-	-	18,992	18,992
Profit for the period (Restated)	13	-	-	-	1,226,042	1,226,042
Total comprehensive income (Restated)		**100,049**	**14,917,283**	**397,197**	**(1,088,825)**	**13,679,290**
Transactions with owners, recorded directly in equity						
Shares based payments		-	-	487,128	-	487,128
Deferred tax on share options		-	-	(149,282)	-	(149,282)
Issue of share capital	6	9,260	2,335,388	2,477,349	-	4,821,997
Balance at 31 December 2022 (Restated)		**109,309**	**17,252,671**	**3,212,392**	**(1,088,825)**	**19,485,547**
Balance at 1 January 2023 (Restated)		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**

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 profit for the year to 31 December 2023 of GBP 1,818,862 (2022 (Restated): GBP 1,226,042). 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).

2 - Property, plant and equipment

(GBP)	Leasehold improvement	Right-to-use asset	Total
Cost		(Note 9)	
At 1 January 2022	-	224,273	224,273
Additions	9,325	-	9,325
At 31 December 2022	**9,325**	**224,273**	**233,598**
Accumulated depreciation			
At 1 January 2022	-	149,520	149,520
Depreciation during the period	777	74,753	75,530
At 31 December 2022	**777**	**224,273**	**225,050**
Carrying value at 31 December 2022	**8,548**	**-**	**8,548**
Cost			
At 1 January 2023	9,325	224,273	233,598
Additions	-	238,730	238,730
Fully written down assets	-	(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
Fully written down assets	-	(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**

3 - Intangible Assets

(GBP)	Software development	Game distribution rights	Total
Cost			
At 1 January 2022	1,540,120	6,765,792	8,305,912
Additions	237,485	-	237,485
At 31 December 2022	**1,777,605**	**6,765,792**	**8,543,397**
Accumulated amortisation			
At 1 January 2022	547,053	-	547,053
Amortisation during the period	293,308	1,537,680	1,830,988
At 31 December 2022	**840,361**	**1,537,680**	**2,378,041**
Carrying value at 31 December 2022	**937,244**	**5,228,112**	**6,165,356**
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**

4 - Investments

Name of entity	Country of incorporation	% of ownership interest		Measurement method	Carrying amount	
		2023	2022		2023	2022
Audiencly GmbH	Germany	100%	100%	Cost	14,765,679	14,373,776
LiteUp Media UG	Germany	20%	20%	Equity method	-	352,920
					14,765,679	**14,726,695**

(GBP)	2023	2022
Carrying value at 1 Jan	14,726,695	-
Acquisition	-	14,774,102
Share of loss from associate	(14,400)	(47,407)
Impairment loss	(338,520)	-
Fair value adjustment	391,903	
Carrying value at 31 Dec	**14,765,679**	**14,726,695**

On 5 April 2022, the Company completed the acquisition of the entire issued capital of Audiencly GmbH, an influencer marketing agency registered in Germany, thereby obtaining control.

In the prior year, due to a typographic error, Audiencly was incorrectly recorded as being accounted for using the equity method but has always actually been accounted for using the cost method.

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 352,920 (2022: GBP 47,407).

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

5 - Trade and other receivables

(GBP)	2023	2022 (Restated)
Trade receivables	3,978	-
Other receivables	149,978	46,572
Prepayments	235,504	320,174
Accrued income	10,731,430	8,601,041
Trade and other receivables	**11,120,890**	**8,967,787**

Other receivables include advances of GBP 11,078 (2022 (Restated): GBP 37,614).

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

Date	Details	Number of shares	Nominal value (GBP)	Total share capital (GBP)	Total share premium (GBP)
At 1 Jan 2021		**50,024,672**	**0.002**	**100,049**	**14,917,283**
	Shares issued	4,629,901	0.002	9,260	4,812,737
At 31 Dec 2022		**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**

7 - Retained earnings

(GBP)	2023	2022 (Restated)
Opening balance	(1,088,825)	(2,333,859)
Adjustments to opening retained earnings	-	18,992
Profit for the year	1,818,862	1,226,042
Closing balance	**730,037**	**(1,088,825)**

8 - Trade and other payables

(GBP)	2023	2022
Trade payables	4,065,636	944,024
Social security and other taxes	108,953	101,713
Accrued expenses	12,881,744	13,522,582
Other payables	632,742	1,016,312
Trade and other payables	**17,689,075**	**15,584,631**

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 (2022: 30 days). No interest is charged on the outstanding balance.

9 - Leases

Right-of-use assets (GBP)	Property	Total
Carrying value at 1 January 2022	74,753	74,753
Depreciation charge during the period	(74,753)	(74,753)
Additions	-	-
Carrying value at 31 December 2022	**-**	**-**
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**

Lease liabilities (GBP)	2023	2022
Maturity analysis - contractual undiscounted cash flows		
Within one year	90,750	-
Within two to five years	90,750	-
Total undiscounted lease liabilities at period end	**181,500**	**-**
Lease liabilities included in the statement of financial position at period end		
Non-Current	86,217	-
Current	79,397	-

Amounts recognised in profit or loss (GBP)	2023	2022
Interest on lease liabilities	17,902	2,409
Expenses relating to short-term leases	81,000	48,545

Amounts recognised in the statement of cash flows (GBP)	2023	2022
Total cash outflow for leases	90,790	68,063

10 - Deferred and Contingent considerations

(GBP)	Deferred consideration	Contingent consideration
Fair value at acquisition 5 April 2022	7,867,185	6,233,654
Payments in cash	(3,405,434)	-
Payments in equity	(2,481,225)	-
Finance expenses – Unwinding of discount	26,389	890,688
Fair value gain	-	(1,572,599)
Exchange differences	49,149	243,708
Fair value at 31 December 2022 (restated)	**2,056,064**	**5,795,451**
Fair value at acquisition 1 January 2023 (Restated)	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**

Deferred consideration included in the statement of financial position at period end (GBP)	**2023**	**2022 (Restated)**
Non-Current	-	-
Current	-	2,056,064

Contingent consideration included in the statement of financial position at period end (GBP)	**2023**	**2022 (Restated)**
Non-Current	3,284,773	5,795,451
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.

12 - Events after the reporting period

In 2024 an incentive agreement was reached with the Audiencly sellers which will result in a gross payment of £1.1m in the next financial year which will be reduced to £0.7m after an agreed clawback of £0.4m.

13 - Prior year adjustments

As disclosed in the 2022 annual financial statements a key customer of Audiencly went insolvent subsequent to the balance sheet date. Following consultations with the company's external advisors, the Directors have again reviewed the need for a provision in 2022. Although this remains a judgmental area, the Directors have concluded that on balance there should have been a provision for the full receivable as at the end of 2022.

As a result of the conclusion above, this has had an impact on the contingent consideration assessment for the 2022 earnout which has resulted in a full fair value adjustment of the balance.

In addition, the directors have taken the opportunity to review the methodology behind the calculation of the share based payment costs. As a result, the vesting period and discount rate applied have been adjusted resulting in an additional charge with associated impact to deferred tax in the prior year.

The impact of the above has been corrected by restating each of the affected financial statement line items for the prior period as follows:

Statement of financial position (extract) (GBP)	**2022**	**Increase/ (Decrease)**	**2022 (Restated)**
Investments	14,453,759	272,937	14,726,695
Deferred Tax liabilities	(72,752)	(52,552)	(125,304)
Contingent consideration	(6,909,746)	1,114,294	(5,795,451)
Net assets	**18,150,868**	**1,334,679**	**19,485,547**
Other reserves	2,795,880	416,512	3,212,392
Retained earnings	(2,006,992)	918,167	(1,088,825)
Total equity	**18,150,868**	**1,334,679**	**19,485,547**

Statement of profit or loss (extract) (GBP)	**2022**	**Increase/ (Decrease)**	**2022 (Restated)**
General and Administrative Expenses	(8,054,581)	(429,288)	(8,483,869)
Fair value gains	527,546	1,387,231	1,914,777
Tax	(4,392)	(39,776)	(44,168)
Profit for the year	**307,875**	**918,167**	**1,226,042**
Attributable to:			
Equity holders of the parent	307,875	918,167	1,226,042
Non-controlling interests	-	-	-
Profit for the year	**307,875**	**918,167**	**1,226,042**

FLEXION