

**Flexion Mobile Plc**  
**Consolidated Annual Report**  
**For the year ended**  
**31 December 2025**

**Company registration number 04306881**

<b><u>Contents</u></b>	<b>Page</b>
<b>Strategic Report</b>	
Chairman's Statement	3
Chief Executive Officer's Statement	4
The Board	5
Chief Financial Officer's Statement	7
Principal risks and uncertainties	9
Section 172 Statement	12
Directors' Report	14
<b>Financial Statements</b>	
Independent Auditor's Report	19
Consolidated Statement of Profit or Loss and Other Comprehensive Income	25
Consolidated Statement of Financial Position	26
Consolidated Statement of Cash Flows	27
Consolidated Statement of Changes in Equity	28
Notes to the Financial Statements	29
Parent company Statement of Financial Position	50
Parent company Changes in Equity	51
Parent company Notes to the Financial Statements	52

## STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2025.

### CHAIRMAN'S STATEMENT

#### *A Year of Resilience and Strategic Realignment*

Dear Shareholders,

The 2025 financial year was a defining period for Flexion Mobile PLC. It was a year characterised by the stability of our core distribution business, set against significant headwinds in our marketing services division. As we navigated these contrasting dynamics, the Board and management took decisive action to protect the long-term health and profitability of the Company.

At a macroeconomic level, the alternative game distribution market continues to evolve rapidly supported by regulatory pressure in the biggest markets. As we enter the final act in the lawsuit between Google and Epic in 2026, we expect changes in favour of alternative distribution and payments. This makes our market position attractive and we have begun to scale up our support for more titles and channels. The number of games on our platform is our north star for success. For 2026 our aim is to reach 50 live games.

While overall Group revenue saw a slight contraction of 6% to GBP 72.5m in 2025, our core games distribution business demonstrated resilience. Distribution revenue increased by 1% overall, and importantly, by 4% in constant currency terms (USD). This confirms that our business model—bringing games to alternative app stores—remains highly relevant and continues to capture market share as we deliver value to our clients.

Conversely, our marketing services division, primarily driven by Audiency, faced a challenging year. Shifting market conditions and operational challenges in influencer marketing led to a 42% decline in division revenue. In the fourth quarter, the Board undertook a rigorous assessment of this unit, resulting in a GBP 12.2m non-cash impairment loss. While this heavily impacted our overall operating result for the year, it was a necessary and prudent step to align our balance sheet with current market realities. We have since initiated an aggressive cost restructuring to streamline and refocus our games marketing services, ensuring a leaner, more efficient operation moving forward.

Despite these challenges, we continued to execute on our growth strategy. The strategic partnership announced with Xsolla in Q3 represents a significant milestone in delivering frictionless payments and global reach for our game developers. Furthermore, our ability to attract blockbuster titles remains undiminished.

I would like to extend my gratitude to our CEO, Jens Lauritzson, the executive team, and all our employees for their dedication during a year of necessary transition. I also thank you, our shareholders, for your continued support as we position Flexion for a return to profitable growth in 2026.

**Andrew Shen**

Chairman, Flexion Mobile PLC

## STRATEGIC REPORT

### CHIEF EXECUTIVE OFFICER'S STATEMENT

#### *Strengthening the Core. Scaling the Future.*

Reflecting on FY25, Flexion operated in a dual reality. Our core distribution business continued to perform, growing in real terms and generating strong cash flow - while our influencer marketing company Audiencly required tough, structural intervention. We chose to act boldly, ensuring that the Flexion of 2026 is built on a foundation of strength and operational clarity.

We have addressed challenges in Audiencly head-on by initiating the process to close the German entity and streamlining the service within Flexion. We expect this work to be completed in Q3 2026. By isolating this one-off non-cash event, the underlying health of our business is evident. The Group reported an operating loss for the year with a negative Adjusted EBITDA. A full reconciliation of the Adjusted EBITDA to the reported loss before tax is provided in the Alternative Performance Measures ("APMs") section on page 7.

While total revenue reached GBP 72.5m in 2025, the headline figure masks the true strength of our engine. Our core Distribution revenue reached GBP 65.9m, a 4% increase in constant currency. This demonstrates that our primary revenue stream is not just stable; it is expanding.

Our value proposition has reached a new level of maturity. We ended the year with 37 games under contract, specifically targeting high-grossing titles. The signing of Hero Wars: Alliance and Seaside Escape proves our ability to attract massive hits in fragmented markets. Furthermore, our new partnership with Xsolla allows us to offer developers a superior margin structure that traditional app stores simply cannot match.

We enter the new financial year with a clean balance sheet, a streamlined team, and a robust cash position of GBP 14.2m. The distractions of the past years are behind us. Our focus is now singular:

- Driving margin expansion through automated distribution.
- Scaling our service offering and expanding our addressable market
- Streamlining and integrating our marketing services
- Continue to build a strategic position through new partnerships such as Xsolla to capture global market share.

Flexion is no longer just navigating a transition—we are executing on a refined and profitable growth strategy. Thank you to our team and shareholders for your trust as we accelerate into 2026.

**Jens Lauritzson**

Chief Executive Officer, Flexion Mobile PLC

## STRATEGIC REPORT

### 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 five 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.

#### **Andrew Shen – Director since 2025, Chairman of the Board of Directors since 2025**

Other assignments: Co-Founder and General Partner of Shen Capital Partners Inc and Shen Capital Management Inc.

Previous assignments: Chairman of the Board of MediaValet Inc. (TSX: MVP)

Shares in Flexion as of 31 December 2025: 2,237,899 shares via S2 Capital L.P.

Options in Flexion as of 31 December 2025: N/A

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

Independent in relation to major shareholders: No.

#### **Jens Lauritzson - 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 2025: 45,989 shares and 50% ownership in Mobile Sensations Limited, which owns 11,593,669 shares.

Options in Flexion as of 31 December 2025: N/A

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

Independent in relation to major shareholders: No.

#### **Per Lauritzson - 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 Swedish Trade Council.

Shares in Flexion as of 31 December 2025: 50% ownership in Mobile Sensations Limited which owns 11,593,669 shares.

Options in Flexion as of 31 December 2025: N/A

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

Independent in relation to major shareholders: No.

**STRATEGIC REPORT****Christopher Bergstresser – Director since 2018**

Other assignments: Co-Founder of 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 Ludicrous – 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 2025: N/A

Options in Flexion as of 31 December 2025: 125,000

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

Independent in relation to major shareholders: Yes.

**Benjamin Crawford – Director since 2023**

Other assignments: CEO of Com Laude Ltd since June 2024

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

Share in Flexion as of 31 December 2025: 317,216 shares

Options in Flexion as of 31 December 2025: N/A

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

Independent in relation to major shareholders: Yes.

## STRATEGIC REPORT

### CHIEF FINANCIAL OFFICER'S STATEMENT

#### Revenue

The financial year ending 31 December 2025 showed a 6% decrease in total revenue resulting in GBP 72.5m (2024: GBP 76.8m). The driver for this decrease was Marketing services revenue which decreased by 42% to GBP 6.5m (2024: GBP 11.2m) and offset by an increase in IAP "In App" revenue of 1% to GBP 65.9m (2024: GBP 65.5m).

#### Gross Margin

Gross profit decreased to GBP 9.6m (2024: GBP 13.9m) equalling a 31% decrease of which IAP gross profit decreased by 34% to GBP 8.0m (2024: GBP 12.0m), mainly driven by the expected reduction in gross margin because of the contractual shift with our largest developer. Marketing services decreased by 13% to GBP 1.6m (2024: GBP 1.8m) and non-IAP gross margin decreased to GBP 0.03m (2024: GBP 0.09m).

#### General and administrative expenses

Staff costs increased by 5% to GBP 6.0m (2024: GBP 5.8m), driven by the decision to not capitalise development costs in the year (2024: GBP 354,049). The total headcount decreased by 22 year-on-year to 110 (132) of which, Distribution's headcount represented 88 (2024: 102) and Marketing service's headcount represented 22 (2024: 30). General and admin expenses (excluding impairment losses) decreased by 34% to GBP 12.2m (2024: GBP 18.6m), this is mainly due to amortization of game distribution rights in 2024 which were fully amortized in Q1 2025.

#### 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 (Generally Accepted Accounting Practices) measures as defined by IFRS, they have been applied to provide an accurate comparison as well as provide readers of the financial statements a clear understanding of the underlying profitability of the business and more consistent comparison over time. A breakdown of the adjusting factors is provided in the table below:

	Adjusted EBITDA	
	2025	2024
	GBP	GBP
<b>Operating loss</b>	<b>(14,789,436)</b>	<b>(3,028,552)</b>
Fair value gains	-	(3,653,668)
Depreciation	160,226	166,022
Amortisation	2,727,747	6,831,568
Impairment losses	12,176,000	1,994,345
Foreign exchange (gain) / loss	(373,276)	326,048
Other exceptional costs	-	1,598,168
<b>Adjusted EBITDA</b>	<b>(98,739)</b>	<b>4,233,932</b>

The Group believes adjusted EBITDA to be a key indicator of underlying operational performance, adjusting operating loss for several non-cash or exceptional items in the prior year (which were one-off third party legal and forensic costs relating to the forensic investigation undertaken on the 2022 financial year and a one-off payment made to the sellers of Audiency GmbH). The Group and its members track adjusted EBITDA on a monthly and quarterly basis respectively. Adjusted EBITDA for the year ended 31 December 2025 was GBP -0.1m, which is operating loss of GBP 14.8m before depreciation of GBP 0.2m, amortisation of GBP 2.7m, impairment losses of GBP 12.2m and foreign exchange gain of GBP 0.4m.

## STRATEGIC REPORT

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 19 to 58 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 loss**

Adjusted EBITDA decreased by 102% to GBP -0.1m (2024: GBP 4.2m) and operating loss decreased to GBP 14.8m (2024: loss of GBP 3.0m).

### **Total comprehensive loss and earnings per share**

Tax contributed positively with GBP 1.6m (2024: positively with GBP 0.6m). Currency translation differences contributed negatively with GBP 0.2m (2024: negatively with GBP 0.2m). As a result, total comprehensive loss decreased to GBP 13.1m (2024: loss of GBP 2.9m) resulting in earnings per share of GBP -23.07 pence (2024: GBP -5.14 pence).

### **Cash flow and Financial Position Review**

The operating cash flow decreased by GBP 2.5m to GBP 1.6m (2024: GBP 4.1m) driven by a working capital movement due to the timing of payables and receivables. GBP Nil (2024: GBP 0.4m) was spent on capitalised development costs during the year. GBP Nil (2024: GBP 0.03m) was received from share issues related to the employee options scheme. This resulted in a net inflow in cash of GBP 1.4m (2024: inflow of GBP 2.4m) and a cash balance at the end of the year of GBP 14.2m (2024: GBP 13.1m).

Ross Logan

CFO

Date: 12 May 2026

## STRATEGIC REPORT

### 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 and Risk Management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. While retaining ultimate responsibility, the Board has delegated the authority for designing and operating processes that ensure the effective implementation of these objectives to the Group's CEO. The Board receives regular updates from management through which it reviews the effectiveness of these processes and the appropriateness of the set objectives.

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 various financial risks arising from its use of financial instruments, as well as broader market risks associated with the mobile gaming industry.

#### Financial Risk Management

Quantitative information regarding the Group's exposure to financial risks—specifically credit, liquidity, and foreign exchange risk—is provided in note 19. Qualitative assessments of these exposures are outlined below:

- **Foreign Exchange Risk:** This arises because the Group has operations and customers globally where the local and revenue collection currencies differ from the Group's functional currency. The Group's policy is to secure medium-term needs in operational currencies using spot rates. Generally, the Group does not hedge its net investments in overseas operations, as the reduction in exposure is not deemed to warrant the associated cash flow risk. The Group did not enter into any foreign currency hedging instruments during the year.
- **Liquidity Risk:** This is the risk that the Group will encounter difficulty in meeting financial obligations as they fall due. The Group seeks to maintain readily available cash balances to meet expected requirements and may raise new equity finance if required. The Board receives monthly cash flow updates and will not commit to material expenditure for developer programmes or recruitment without being satisfied that sufficient funding is available. The Group only utilizes recognised banks with high credit ratings.
- **Credit Risk:** This is the risk of financial loss if a customer or counterparty fails to meet contractual obligations. Management considers counterparty risk to be acceptable due to the significant size of its main counterparties and regularly monitors bad debt exposure. Credit risk on cash and cash equivalents is considered low as counterparties are substantial banks with high credit ratings.

#### Market Risk

The Group remains partially dependent on the fragmentation of the Android mobile gaming market. While a lack of growth in this segment could adversely impact demand, the 2025 fiscal year has seen a structural shift in the industry landscape. The enforcement of the Digital Markets Act (DMA) in Europe and ongoing legal challenges in the US (notably the Apple/Epic rulings) have accelerated the dismantling of "walled gardens." This has created a permanent opening for alternative distribution and payment models, which the Board views as a significant long-term tailwind.

## STRATEGIC REPORT

To mitigate traditional dependency risks, the Group has strategically expanded its Direct-to-Consumer (D2C) service, supported by a newly rolled-out Software Development Kit (SDK). This allows top-grossing developers to bypass traditional app stores entirely and achieve higher margins. Furthermore, the 2025 strategic partnership with Xsolla and the addition of the Epic Games Store to Flexion's offering have diversified the Group's route-to-market.

Despite macro-economic volatility and currency fluctuations affecting reported figures in GBP, the Board considers the overall risk profile to be acceptable. The Group is now positioned as a primary facilitator for developers seeking "platform independence" in a rapidly diversifying global market.

### Competitive Services and Distribution Solutions

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

### Key Management

The Group is dependent on attracting and maintaining key personnel for the continued successful development of the business. The loss of key personnel may have a material adverse effect on the Group's business, service and financial position. To maintain key staff, the Group is actively working with a structured review, development and motivation process for all staff and manage option schemes to further incentivise staff.

### 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 control. To meet these commitments the Group may need to pay significant amounts of capital which may reduce the Group's ability to meet its other obligations and capital needs. This may have a materially adverse effect on the Group's business, service and financial position. In the event the Group decided to enter into a contract with such a commitment, the Board would assess the related risk by reviewing exposures, risk scenarios and related cashflow impacts to not engage in more commitments than the Group can manage with existing financial resources.

## STRATEGIC REPORT

### 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.

### 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-to-day operations of the Group's business. To mitigate for this risk, the Group has 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 placed primarily in the London insurance market and is highly technical and may require external specialist advice and there is a risk that the cover placed does 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,

## STRATEGIC REPORT

profitability and cash position (See CFO statement on page 7). For revenue growth the Group is tracking divisional revenue and total revenue. For profitability the Group is tracking gross margin, adjusted EBITDA margin operating profit margin and head count. The latter is a key driver for administrative expenses in the Group. For cash position the Group is tracking operating cashflow and cash held. Please refer to the Chief Financial Officer statement for further details. The Board considers these KPIs to be the performance measures which investors on Nasdaq First North expect to see for a Group with the characteristics of Flexion Mobile.

### SECTION 172 STATEMENT

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

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

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

#### *The likely consequences of any decision in the long term*

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

#### *Workforce engagement*

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

#### *Maintaining high standards of business conduct*

The Group is active in the highly regulated tele communication market, therefore, the Directors require the highest standard of business conduct as any breach could be detrimental to the success of the Group. The Board require the Group to follow all regulations and policies set for this market

## STRATEGIC REPORT

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

### *Community impact*

The Board recognizes the importance of our impact on the wider community. In FY25, the Group made use of local suppliers for office services, supporting the local economies where we operate.

For and on behalf of the Board:



Per Lauritzson  
Director  
Date: 12 May 2026

## DIRECTORS' REPORT

The Directors present their report and the financial statements for the financial year ended 31 December 2025.

### Strategic Report Disclosures

In accordance with section 414C(11) of the Companies Act 2006, the Directors have chosen to include the following information in the Strategic Report, which would otherwise be required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report:

- Principal Risks and Uncertainties, including financial risk management.
- Stakeholder and Workforce Engagement, as detailed within the Section 172 Statement.

### Results and dividends

The loss for the financial year ended 31 December 2025 amounted to GBP 12,959,939 (2024: loss of GBP 2,733,839). The Directors are not recommending payment of a final dividend for the year (2024: GBP Nil).

### Directors

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

Andrew Shen – Appointed 25 June 2025

Jens Lauritzson

Per Lauritzson

Christopher Bergstresser

Benjamin Crawford

Carl Palmstierna – Resigned 25 June 2025

Mikael Pawlo – Resigned 25 June 2025

### Going concern

After making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group maintains a strong liquidity position, closing the year with cash and cash equivalents of GBP 14.2m.

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. This included performing a severe reverse stress test to assess the Group's underlying balance sheet resilience. In an extreme theoretical scenario where the Group generates zero revenue and implements no cost-cutting measures, the settlement of all existing year-end payables, taxes, and accrued liabilities (GBP 19.8m), partially offset by the collection of existing year-end trade and other receivables (GBP 12.1m), would leave the Group with approximately GBP 6.4m in cash. Set against the Group's fixed, cash-based operating overheads of approximately GBP 9.3m per annum, this demonstrates that the Group could sustain its entire operational structure for over eight months without generating any new business.

While this reverse stress testing demonstrates sufficient liquidity to absorb a severe downturn without intervention, management has a number of mitigating actions available to preserve cash and extend the operational runway if performance were to materially worsen. These actions include halting discretionary marketing and promotional spend, freezing non-essential capital expenditure and new hires, scaling back variable server and infrastructure costs, and ultimately reducing administrative and payroll overheads through targeted restructuring.

## DIRECTORS' REPORT

Having reviewed the actual performance of the Group and forecasts for the forthcoming year, alongside the robust liquidity buffer and available mitigating actions, the Directors are satisfied the Group can cover all of its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

### Director's interests

The interests of those Directors serving as at 31 December 2025, 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 <sup>1</sup>	5,842,824	10.3%
Per Lauritzson <sup>1</sup>	5,796,835	10.2%
Andrew Shen <sup>2</sup>	2,237,899	3.9%
Benjamin Crawford	317,216	0.6%
Christopher Bergstresser	-	0.0%
<b>Total</b>	<b>14,194,773</b>	<b>25.0%</b>

<sup>1</sup>Through a Company which is jointly owned by Jens Lauritzson and Per Lauritzson

<sup>2</sup>Through an investment Company

### Substantial shareholdings

As at 31 December 2025, 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	11,593,669	20.4%	20%
Morgan Stanley Smith Barney LLC	5,174,322	9.1%	29%
Palmstierna Invest AB	3,465,780	6.1%	36%
Others	36,637,094	64.4%	100%
<b>Total</b>	<b>56,870,865</b>		100%

### Overseas branches

The Group has one overseas branch in Budapest, Hungary.

### Subsidiaries

The Group has one overseas subsidiary in Dusseldorf, Germany.

### Future developments

The Group is positioned to capitalize on a fundamental structural shift in the global mobile gaming ecosystem. Following the enforcement of the Digital Markets Act (DMA) in Europe and favourable legal rulings in the US, the Group will focus on accelerating its role as a primary facilitator of "platform independence" for top-grossing developers.

Key areas of development for the forthcoming period include:

- **Direct-to-Consumer (D2C) Expansion:** Building on the 2025 rollout of the Group's proprietary Software Development Kit (SDK), Flexion will aggressively expand its D2C offerings. This enables developers to bypass traditional app store constraints, allowing for enhanced margin retention and direct relationship management with their player base.

## DIRECTORS' REPORT

- **Strategic Partnerships and Channel Diversification:** The Group will deepen its 2025 partnership with Xsolla and leverage its integration with the Epic Games Store to provide a truly multi-channel route to market. This reduces dependency on any single platform and widens the Group's reach into high-growth alternative territories.
- **Alternative Market Dominance:** The Group continues to refine its core distribution platform to support the growing demand for alternative Android markets (such as Amazon and Samsung). By signing new top-tier game titles and expanding the lifecycle of existing high-performing games, the Group seeks to stabilize and grow its recurring revenue base.
- **Operational Optimization:** Following the reorganisation of the Group's segments and the 2025 impairment of the Marketing Services CGU, management is focused on driving synergies between influencer marketing and game distribution. This "full-funnel" approach—combining Audiency's marketing reach with Flexion's distribution tech—will be a primary driver for capturing new market opportunities in a diversified landscape.

By leveraging these tailwinds, the Group intends to increase its scope for growth by facilitating a more open and competitive marketplace for global game developers.

### Risks

Risks associated with the Group's use of financial instruments are disclosed in note 19.

### Research and Development

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

### Annual General Meeting (AGM)

Details of business to be conducted at the 2026 AGM which will be held on 24 June 2026 at the Group's offices in Harbour Yard Unit G5, Chelsea Harbour, London, England, SW10 0XD are contained in the Notice of the Annual General Meeting which will be communicated to shareholders.

### Energy and carbon report

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

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

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

<b>Scope 1, 2 and 3 Emissions</b>	<b>2025</b>	<b>2024</b>
	<b>CO2e tonnes</b>	<b>CO2e tonnes</b>
Scope 1	-	-
Scope 2	9	8
Scope 3	43	47
<b>Total</b>	<b>52</b>	<b>55</b>

**DIRECTORS' REPORT**

Energy used to calculate above emissions (kWh)	247,966	263,305
UK proportion of energy usage reported	97%	63%
Average number of employees	124	135
Emissions per FTE (Co2e tonnes)	0.42	0.42
Emissions per FTE (kWh)	2,000	2,010

**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 the Directors' 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.

## DIRECTORS' REPORT

### Disclosure of information to the auditor

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

### Auditor

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

For and on behalf of the Board:



Per Lauritzson  
Director

Date: 12 May 2026

## INDEPENDENT AUDITORS' REPORT

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEXION MOBILE PLC

#### Opinion

We have audited the financial statements of Flexion Mobile Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Parent Company Statement of Financial Position, Parent Company Statement of Changes in Equity and the notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Our approach to the audit

Of the group's two reporting components, we subjected one to audit for group reporting purposes and one to specific audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of that component. The latter was not individually significant enough to require an audit for group reporting purposes but was still material to the group.

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

#### Key audit matters

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

## INDEPENDENT AUDITORS' REPORT

Key audit matter	Description of risk	How the matter was addressed in the audit
Revenue Recognition – Group	The key risk of fraud in relation to revenue recognition is attributed to cut off, specifically incorrect or missing accruals for app sales or marketing services. We have further considered the occurrence and accuracy in recording this revenue and Audiencly's position as a principal in the transaction. Revenue is a key performance indicator of the Group.	Our audit work included, but was not restricted to the following: <ul style="list-style-type: none"> <li>• We documented and walked through the design and implementation of controls over revenue recognition for the different services provided by the Group;</li> <li>• 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.</li> <li>• We performed detailed substantive testing of a sample of revenue transactions selected from the accounting records, including agreement to invoice/settlement report and subsequent client payment to ensure that the revenue occurred.</li> <li>• We reviewed a sample of revenue transactions around the year end to confirm that revenue has been recognised in the correct accounting period, including recalculation of contract assets amounts and reviewing credit notes issued post year end.</li> <li>• Assessed the accuracy and sufficiency of financial statement disclosures in note 4 of the Notes to the consolidated financial statements.</li> </ul>
Impairment of intangible assets arising from the Audiencly acquisition – Group and Impairment of Investment in subsidiaries – Parent Company.	The group has significant intangible assets including the Audiencly GmbH brand, customer list and goodwill arising on the acquisition of Audiencly GmbH. The group's assessment of value in use when performing their impairment assessment requires significant judgement, in particular regarding the discount rate and expected cash flows.  Similarly, the impairment assessment for the investment in the Audiencly subsidiary involves the same judgements regarding value in use.	We challenged the assumptions used in the impairment model for intangible assets (described in note 2 of the Notes to the consolidated financial statements) and the investment in subsidiary (described in note 1 of the Notes to the parent company financial statements). As part of our procedures we: <ul style="list-style-type: none"> <li>• Assessed cashflows by considering historical trading performance and post year end data.</li> <li>• Reviewed the sensitivities produced by management and assessed whether an appropriate range of scenarios were considered.</li> <li>• Performed independent sensitivity analysis to evaluate whether reasonably possible changes would lead to a material difference in valuation.</li> <li>• Engaged our internal valuations team to assess the methodology to the value in use calculation as well as the inputs used within this.</li> <li>• Assessed the accuracy and sufficiency of financial statement disclosure in note 2 of the Notes to the consolidated financial statements &amp; note 1 of the Notes to the parent company financial statements.</li> </ul>

### Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at £1,089,000. This has been determined with reference to the benchmark of the group's revenue, which we consider to be one of the principal considerations for members of the company in assessing the group's

## INDEPENDENT AUDITORS' REPORT

performance. Group FS materiality represents 1.5% of the group's revenue as presented on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The materiality for the parent company financial statements as a whole ("parent FS materiality") was set at £990,000. This has been determined with reference to the benchmark of the parent company's revenue as it is the main trading entity within the group. Parent FS materiality represents 1.5% of the parent company's revenue.

Performance materiality for the group financial statements was set at £708,000, being 65% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits. It has been set at 65% given that there are a number of key estimations involved in the amounts in the group financial statements and a number of judgemental areas such as useful economic life of intangibles and impairment of intangible assets.

Performance materiality for the parent company financial statements was set at £643,000, being 65% of parent FS materiality. This was set at 65% in line with the justifications noted above.

### Conclusions relating to going concern

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

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

- Challenging the assumptions used in the detailed budgets and forecasts prepared by management for the financial years ending 2026 and 2027
- 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 2026 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.

## INDEPENDENT AUDITORS' REPORT

### Other information

The other information comprises the information included in the Consolidated Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Consolidated Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 17 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

## INDEPENDENT AUDITORS' REPORT

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

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

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

We understand that the Group complies with the framework through:

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

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

- UK adopted International Accounting Standards and FRS 101;
- the Companies Act 2006;
- UK taxation law; and
- Listing requirements of the Nasdaq First North Growth Market.

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

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

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

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

## INDEPENDENT AUDITORS' REPORT

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 contract assets transactions to underlying documentation including testing of transactions either side of the year end to ensure they are recognised in the appropriate period. See our key audit matters for a full summary; and
- Testing the underlying assumptions to the value in use model used to calculate the net present value including the WACC rate and growth rates. See our key audit matters for a full summary.

A further description of our responsibilities is available on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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*

Nicholas Jacques (May 12, 2026 19:35:03 GMT+1)

Nicholas Jacques  
Senior Statutory Auditor, for and on behalf of

**S&W Audit**  
Statutory Auditor  
Chartered Accountants

45 Gresham Street  
London  
EC2V 7BG

Date: 12 May 2026

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>GBP</b>	<b>GBP</b>
Revenue	3, 4	72,518,885	76,754,313
Cost of sales		(62,942,358)	(62,850,071)
<b>Gross profit</b>	<b>3</b>	<b>9,576,527</b>	<b>13,904,241</b>
General and administrative expenses	5, 6	(24,365,963)	(20,586,461)
Fair value gains		-	3,653,668
<b>Operating loss</b>		<b>(14,789,436)</b>	<b>(3,028,552)</b>
Finance income	8	232,889	208,360
Finance costs	8	(19,181)	(555,381)
<b>Loss before tax for the year</b>		<b>(14,575,728)</b>	<b>(3,375,573)</b>
Tax	9	1,615,789	641,733
<b>Loss after tax for the year</b>		<b>(12,959,939)</b>	<b>(2,733,839)</b>
Attributable to:			
Equity holders of the parent		(12,959,939)	(2,733,839)
<b>Loss for the year</b>		<b>(12,959,939)</b>	<b>(2,733,839)</b>
<b>Other comprehensive loss</b>			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(160,778)	(162,976)
<b>Total comprehensive loss net of tax for the year</b>		<b>(13,120,717)</b>	<b>(2,896,815)</b>
Attributable to:			
Equity holders of the parent		(13,120,717)	(2,896,815)
<b>Total comprehensive loss for the year</b>		<b>(13,120,717)</b>	<b>(2,896,815)</b>
<b>Earnings per share:</b>			
Earnings per share from continuing operations			
– basic, attributable to ordinary equity holders of the parent (p)	10	(23.07)	(5.14)
– diluted, attributable to ordinary equity holders of the parent (p)	10	(23.07)	(5.14)

The notes on pages 29 to 49 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

Company registration number 04306881

	Notes	2025 GBP	2024 GBP
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	198,303	323,931
Intangible assets	12	514,452	14,782,601
<b>Total non-current assets</b>		<b>712,756</b>	<b>15,106,532</b>
<b>Current assets</b>			
Trade and other receivables	13	12,358,961	14,070,494
Cash and cash equivalents	19	14,179,108	13,112,701
<b>Total current assets</b>		<b>26,538,069</b>	<b>27,183,195</b>
<b>Total assets</b>		<b>27,250,825</b>	<b>42,289,727</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	9	58,010	1,576,025
Lease liabilities	18	131,353	217,363
<b>Total non-current liabilities</b>		<b>189,363</b>	<b>1,793,388</b>
<b>Current liabilities</b>			
Trade and other payables	17	19,949,957	20,248,582
Lease liabilities	18	73,431	120,776
<b>Total current liabilities</b>		<b>20,023,387</b>	<b>20,369,358</b>
<b>Total liabilities</b>		<b>20,212,750</b>	<b>22,162,746</b>
<b>NET ASSETS</b>		<b>7,038,075</b>	<b>20,126,981</b>
<b>EQUITY</b>			
Share capital	14	113,742	113,742
Share premium	14	17,374,546	17,374,546
Other reserves	15, 16	5,423,923	5,552,889
Retained earnings		(15,874,135)	(2,914,196)
<b>Total equity</b>		<b>7,038,075</b>	<b>20,126,981</b>

The notes on pages 29 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 12 May 2026 and were signed on its behalf by:



Per Lauritzson  
Director

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 GBP	2024 GBP
<b>Cash flow from operating activities</b>			
Loss for the year before tax		(14,575,728)	(3,375,573)
Adjustments for:			
Effect of exchange rate fluctuations		(373,276)	326,048
Impairment losses	12	12,176,000	1,994,345
Share based payments	15, 16	33,780	225,213
Depreciation of tangible assets	11	160,226	166,022
Amortization of intangible assets	12	2,727,747	6,831,568
Fair value gains		-	(3,653,668)
Finance expenses		19,137	553,241
Working capital:			
Change in trade and other receivables		1,711,533	1,537,921
Change in trade and other payables		(298,626)	(554,351)
<b>Net cash flow from operating activities</b>		<b>1,580,793</b>	<b>4,050,766</b>
<b>Cash flow used in investing activities</b>			
Expenditure on property, plant and equipment		(9,955)	(14,677)
Capitalised game distribution rights	12	-	(1,155,537)
Capitalised development cost	12	-	(354,049)
Capitalised computer software	12	(6,275)	-
<b>Net cash flow used in investing activities</b>		<b>(16,230)</b>	<b>(1,524,263)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares	14	-	33,200
Payment of lease liabilities	18	(178,693)	(167,438)
<b>Net cash flow from financing activities</b>		<b>(178,693)</b>	<b>(134,238)</b>
<b>Net change in cash and cash equivalents</b>		<b>1,385,871</b>	<b>2,392,265</b>
Cash and cash equivalents at beginning of year		13,112,701	11,084,799
Effect of exchange rate fluctuations on cash held		(319,463)	(364,364)
<b>Cash and cash equivalents at end of year</b>		<b>14,179,109</b>	<b>13,112,701</b>

The notes on pages 29 to 49 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

		Share capital	Share premium	Other Reserves	Retained earnings	Total
	Notes	GBP	GBP	GBP	GBP	GBP
<b>Balance at 01 January 2024</b>		<b>112,467</b>	<b>17,341,512</b>	<b>5,185,653</b>	<b>(180,356)</b>	<b>22,459,275</b>
Loss for the year		-	-	-	(2,733,839)	(2,733,839)
Other comprehensive income		-	-	(162,976)	-	(162,976)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(162,976)</b>	<b>(2,733,839)</b>	<b>(2,896,815)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Share based payments	15, 16	-	-	214,977	-	214,977
Issue of share capital	14, 16	1,275	33,034	315,235	-	349,544
<b>Balance at 31 December 2024</b>		<b>113,742</b>	<b>17,374,546</b>	<b>5,552,889</b>	<b>(2,914,196)</b>	<b>20,126,981</b>
<b>Balance at 01 January 2025</b>		<b>113,742</b>	<b>17,374,546</b>	<b>5,552,889</b>	<b>(2,914,196)</b>	<b>20,126,981</b>
Loss for the year		-	-	-	(12,959,939)	(12,959,939)
Other comprehensive income		-	-	(160,778)	-	(160,778)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(160,778)</b>	<b>(12,959,939)</b>	<b>(13,120,717)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Share based payments	15, 16	-	-	31,812	-	31,812
<b>Balance at 31 December 2025</b>		<b>113,742</b>	<b>17,374,546</b>	<b>5,423,923</b>	<b>(15,874,135)</b>	<b>7,038,075</b>

The notes on pages 29 to 49 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.

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

#### Principles of consolidation and equity accounting

The Group consolidates all entities over which it exercises control. The financial statements of these subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

#### Business combinations

The Group recognises acquisitions of subsidiaries using the acquisition method. Goodwill arises when the consideration transferred exceeds the fair value of identifiable net assets acquired.

#### Goodwill

Goodwill is allocated to the cash-generating units expected to benefit from the acquisition and is tested annually for impairment, or more frequently if indicators arise. The impairment methodology, CGU allocation and key assumptions are set out in Note 12.

Goodwill is monitored for impairment annually at the cash-generating unit ("CGU") level. In accordance with IAS 36, the Group identifies CGUs as the smallest group of assets that generate largely independent cash inflows. The Group has identified two CGU's being Distribution and Marketing Services. The Distribution CGU comprises the Group's core game distribution technology and services. Its cash flows are primarily derived from in-app purchase commissions and developer fees. The Marketing Services CGU comprises the influencer marketing operations of Audiency. Its cash flows are independently generated through marketing service agreements and are managed as a distinct operational unit. Testing is performed by comparing the carrying amount of the CGUs to their recoverable amount, determined using discounted cash flow forecasts. Impairment losses are recognized immediately in profit or loss and are not subsequently reversed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Going concern

After making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group maintains a strong liquidity position, closing the year with cash and cash equivalents of GBP 14.2m.

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. This included performing a severe reverse stress test to assess the Group's underlying balance sheet resilience. In an extreme theoretical scenario where the Group generates zero revenue and implements no cost-cutting measures, the settlement of all existing year-end payables, taxes, and accrued liabilities (GBP 19.8m), partially offset by the collection of existing year-end trade and other receivables (GBP 12.1m), would leave the Group with approximately GBP 6.4m in cash. Set against the Group's fixed, cash-based operating overheads of approximately GBP 9.3m per annum, this demonstrates that the Group could sustain its entire operational structure for over eight months without generating any new business.

While this reverse stress testing demonstrates sufficient liquidity to absorb a severe downturn without intervention, management has a number of mitigating actions available to preserve cash and extend the operational runway if performance were to materially worsen. These actions include halting discretionary marketing and promotional spend, freezing non-essential capital expenditure and new hires, scaling back variable server and infrastructure costs, and ultimately reducing administrative and payroll overheads through targeted restructuring.

Having reviewed the actual performance of the Group and forecasts for the forthcoming year, alongside the robust liquidity buffer and available mitigating actions, the Directors are satisfied the Group can cover all of its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

### New standards and amendments issued but not yet effective

A number of new standards and interpretations were in issue at 31 December 2025 but were not yet effective and have not been early adopted by the Group.

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

#### New standards

IFRS 18	Presentation and Disclosure in Financial Statements (Effective 1 January 2027)
IFRS 19	Subsidiaries without Public Accountability: Disclosures (Effective 1 January 2027)

#### Amendments to existing standards

IFRS 7	Classification and Measurement of Financial Instruments (Effective 1 January 2026)
IFRS 9	Classification and Measurement of Financial Instruments (Effective 1 January 2026)

Annual Improvements to IFRS Accounting Standards - Volume 11 (issued 18 July 2024)

### Revenue Recognition

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### *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 and carries all the risks and rewards of ownership. 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. At this point the distribution channel reports transactions as successful to the Group which in return recognises them as unbilled receivables (contract assets) until billed.

### *Non-IAP revenue:*

Non-IAP revenue includes revenue from integration fees which are non-recurring and recurring revenue share from in-game advertising. The Non-IAP revenue earned is allocated against the developer revenue share of IAP revenue and does not result in any cash exchange or debtors.

The Group has determined it acts as agent to the advertising networks, on the basis that the developer enters into a contract the advertisers and carry the responsibility of collecting and reporting the advertising revenue. The PO for in-game advertising is considered met when impressions of the ads to end-users took place. The company records its own revenue share as revenue when the PO is met.

### *Marketing services revenue:*

Marketing services revenue includes 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 PO with the majority being allocated at launch of the campaign (for delivery based campaigns) and the remaining amount being allocated during the life of the campaign, where the campaign requires a minimum delivery 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. After the campaign has ended, the invoice is raised. The customer releases payment for invoices raised once they are satisfied that the results of the campaigns are in line with the agreed contractual terms (usually within 30 days).

Management has considered various factors including type of virtual goods and geographical region 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. The Group depreciates property, plant and equipment on a straight-line basis over their estimated useful lives in line with IAS 16.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 include capitalised development costs, game distribution rights, and acquired intangibles (Goodwill, Brand, and Customer Relationships) as detailed below.

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. The Group amortises property, intangible assets on a straight-line basis over their estimated useful lives in line with IAS 38. Amortisation is included within General and administrative expenses on the Consolidated Statement of Profit or Loss.

The following useful lives are applied:

- Development costs: 5 years;
- Game Distribution Rights: 2–5 years;
- Goodwill: indefinite;
- Acquired Intangibles (Brand & Customer Relationships): 2–5 years.

#### *Development costs:*

Examples of such intangible assets include software components added to games, enabling technology, distribution features, and business logic encapsulated in the main service platform. Development expenditure is capitalised only when it generates new revenue-producing functionality and is amortised over a five-year useful life, with all other costs expensed as incurred. As at 31 December 2025, the carrying value of internally generated software assets was GBP 397,787 (2024: GBP 714,193).

#### *Game Distribution Rights:*

The Group capitalises material fees paid to developers for the right to distribute applications. As the Group acts as principal, these fees meet the definition of an intangible asset per IAS 38. Amortisation is charged on a straight-line basis over 2-5 years from the launch date. As at 31 December 2025, the carrying value was GBP Nil (2024: GBP 1,652,987).

#### *Acquired Intangibles and Goodwill:*

Intangible assets acquired in a business combination (specifically the acquisition of Audiency GmbH) are recognised at fair value at the acquisition date.

- Goodwill: Represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets. Goodwill has an indefinite useful life and is not amortised but is tested annually for impairment.
- Brand and Customer Relationships: These represent the identified intangible assets from the Marketing Services CGU. They are amortised on a straight-line basis over their estimated useful lives of 2-5 years.

Goodwill is considered to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Consequently, goodwill is not amortised but is instead tested for impairment annually, or more frequently if events or changes in circumstances indicate a potential for impairment.

The Group reviews the carrying value of all acquired intangibles annually. Following an impairment review in 2025, an impairment loss of GBP 12,176,000 was recognised, reducing the carrying value of Goodwill to Nil and significantly reducing the Brand and Customer Relationship assets. As at 31

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 2025, the total carrying value of acquired intangibles was GBP 111,212 (2024: GBP 12,415,421).

### 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 15.

### 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.

### Financial instruments

The Group recognises its financial assets (mainly trade receivables, contract assets and cash) and its financial liabilities (mainly trade payables) initially at transaction price and subsequently at amortised cost.

### Impairment of financial assets

The Group applies the simplified approach, recognising lifetime expected credit losses on trade receivables and contract assets using a provision matrix based on historical loss rates adjusted for forward-looking factors.

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### **Key Judgements**

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

#### **Principal versus Agent**

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

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

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

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

#### **Operating segments**

Flexion's Chief Operating Decision Maker (CODM) is the Executive Management Team. For the year ended 31 December 2025, the CODM has identified two reportable operating segments: Distribution and Marketing Services (see note 3). This structure reflects the Group's operational focus and the distinct economic characteristics of each business unit.

The Group utilizes a formal segmental transfer pricing policy and a shared expense recharge methodology to ensure that the financial performance of each segment is accurately captured. These policies facilitate the allocation of group-level costs to the appropriate operating segment based on resource consumption.

Following the significant impairment recognized within the Marketing Services segment during the period, the Group is currently undergoing a structural reorganisation to further optimize operational efficiencies between these segments. The CODM continues to monitor the effectiveness of these segments and will update external reporting should any further refinements to the Group's operational structure occur.

#### **Key estimates**

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

#### **Impairment of Group acquisition intangibles**

The Group reviews the carrying value of its intangible assets and investments for impairment annually, or more frequently if indicators of impairment exist. During 2025, a significant decline in revenue performance and an increase in the discount rate environment triggered a formal impairment review of the Audiency cash-generating unit (CGU).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### *Methodology and Recoverable Amount*

The recoverable amount was determined using a value-in-use (VIU) calculation, incorporating a probability-weighted approach across three scenarios:

- Base Case (75.0% weighting): Reflects the most likely recovery path based on current performance.
- Mid Case (16.5% weighting): Reflects a moderate recovery with higher risk premiums.
- Downside Case (8.5% weighting): Assumes a continued contraction in revenue and elevated discount rates.

Following this assessment, the Group has recognised a total impairment loss of GBP 12,176,000 for the year ended 31 December 2025. The remaining carrying value of the acquired intangibles (Brand and Customer Relationships) is GBP 111,212.

### *Allocation and Impact*

In accordance with IAS 36, the impairment charge was first applied to fully write down the carrying value of Goodwill. The remaining loss was allocated proportionately to the Brand and Customer Relationship intangible assets. The impact on the Group's asset base is summarized below:

- Goodwill: Fully impaired, resulting in a charge of GBP 7,739,517.
- Brand: Impairment loss of GBP 3,303,310, leaving a closing carrying value of GBP 82,806.
- Customer Relationships: Impairment loss of GBP 1,133,173, leaving a closing carrying value of GBP 28,406.

### *Recoverable Amount and Key Assumptions*

The recoverable amount of the Marketing Services CGU has been determined based on a Value in Use (VIU) calculation, utilizing a probability-weighted discounted cash flow model.

The financial projections used in the VIU model are based on a 3-year forecast period (2026-2028). To calculate the terminal value beyond the 3-year forecast period, a long-term growth rate of 3.5% was applied to the Base Case, and 2.0% to both the Mid and Downside cases. The 3.5% rate reflects long-term inflation expectations and a modest structural recovery, and does not exceed the long-term average growth rate for the digital marketing sector in our operating markets.

The pre-tax discount rates applied to the cash flow projections range from 12.2% to 14.5% and revenue growth assumptions for the subsequent two years were adjusted to 0% (2024: 3.0%). This shift to a flat growth profile is a conservative measure reflecting the ongoing volatility in the influencer marketing sector and the Group's focus on operational stabilization. A long-term terminal growth rate of 2.0% was used to extrapolate cash flows beyond the three-year forecast period. The WACC was determined using a Capital Asset Pricing Model (CAPM), incorporating external market data for the risk-free rate and equity market risk premium. This was further adjusted to include a small company premium and a specific risk premium to reflect the current operational risks inherent in the influencer marketing division.

### *Sensitivities*

The impairment model is highly sensitive to the probability weightings and the discount rate.

- **Scenario Weighting:** The valuation is supported by the 75% weighting assigned to the Base Case. If management were to shift 10% of the weighting from the Base Case to the Downside Case, the remaining carrying value of GBP 111,212 would be eliminated entirely.
- **Discount Rate (WACC):** An increase in the pre-tax discount rate of 1.0% applied uniformly

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

across all three scenarios (e.g., increasing the Base Case WACC from 12.2% to 13.2% and the Downside from 14.5% to 15.5%) would decrease the weighted average recoverable amount by approximately GBP 52,000. At the Group level, this would reduce the remaining headroom from GBP 111,212 to GBP 59,212.

- **Long-term Growth:** A reduction in the terminal growth rate of 1.0% applied uniformly across all scenarios (e.g., reducing the Base Case from 3.5% to 2.5%, and the Mid/Downside cases from 2.0% to 1.0%) would decrease the weighted average recoverable amount by approximately GBP 43,000. At the Group level, this would reduce the remaining headroom from GBP 111,212 to GBP 68,212.

### 3. Segmental information

The CODM assesses performance based on Revenue, Gross Profit, and Adjusted EBITDA. Segment assets and liabilities are also reviewed by the CODM on a monthly basis.

Year ended 31 December 2025	Distribution	Marketing Services	Total Segments	Eliminations	Consolidated
	GBP	GBP	GBP	GBP	GBP
External Revenue	65,979,615	6,539,269	<b>72,518,885</b>	-	<b>72,518,885</b>
Gross Profit	7,982,187	1,812,562	<b>9,794,749</b>	-	<b>9,794,749</b>
Adjusted EBITDA	1,854,992	(1,953,731)	<b>(98,739)</b>	-	<b>(98,739)</b>
Segment Assets	27,011,714	2,440,258	<b>29,451,973</b>	(2,201,148)	<b>27,250,825</b>
Segment Liabilities	19,063,342	2,751,701	<b>21,815,043</b>	(1,602,293)	<b>20,212,750</b>
Year ended 31 December 2024	Distribution	Marketing Services	Total Segments	Eliminations	Consolidated
	GBP	GBP	GBP	GBP	GBP
External Revenue	65,562,725	11,223,845	<b>76,786,570</b>	(32,257)	<b>76,754,313</b>
Gross Profit	12,036,254	1,867,987	<b>13,904,241</b>	-	<b>13,904,241</b>
Adjusted EBITDA	3,273,501	960,431	<b>4,233,932</b>	-	<b>4,233,932</b>
Segment Assets	39,468,864	4,527,355	<b>43,996,219</b>	(1,706,492)	<b>42,289,727</b>
Segment Liabilities	16,411,988	3,530,967	<b>19,942,956</b>	2,219,790	<b>22,162,746</b>

### 4. Revenue

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

	2025 GBP	2024 GBP
IAP revenue	65,948,381	65,473,029
Non-IAP revenue	31,235	89,697
Marketing Services	6,539,269	11,191,587
<b>Total revenue</b>	<b>72,518,885</b>	<b>76,754,313</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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.

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Asia	30,520,800	25,657,802
Europe excl. United Kingdom	12,195,873	13,063,813
N. America	1,541,952	1,405,140
United Kingdom	23,325,124	33,131,864
Middle East and Africa	1,331,191	431,437
S. America	3,603,944	3,064,256
<b>Total Revenue</b>	<b>72,518,885</b>	<b>76,754,313</b>

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

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Contract assets relating to IAP revenue	10,291,112	9,133,831
Contract assets relating to Marketing services revenue	630,260	222,906
Trade receivables relating to IAP revenue	3,860	3,985
Trade receivables relating Marketing services revenue	418,186	2,140,051

### Significant Changes in Balances

The movement in contract-related assets reflects the following operational factors:

- IAP Contract Assets: The increase is primarily driven by the timing of high-performing game events in the Distribution segment during December 2025. These represent revenue earned where the unconditional right to payment is subject to final reporting and validation cycles from the alternative app stores.
- Marketing Services Receivables: There was a significant decrease in trade receivables in 2025. The prior year balance was abnormally high due to a large-scale marketing event concluded in late 2024, which resulted in a high volume of invoices becoming unconditional at year-end. No comparable event occurred in late 2025.
- Marketing Services Contract Assets: The increase reflects a higher proportion of "work-in-progress" campaigns at year-end 2025 where performance obligations were met (content delivered) but contractual billing milestones had not yet been reached.

### Nature of Assets and Impairment

Contract Assets: Represent the Group's right to consideration for work completed but not yet billed. These are reclassified to trade receivables when the right to payment becomes unconditional (typically upon receipt of a final channel statement or reaching a billing milestone).

Trade Receivables: Represent unconditional rights to consideration. The Group applies the IFRS 9 simplified approach to measuring expected credit losses. No loss allowance has been recognised as the primary counterparties for IAP revenue are high-credit-rated global platforms (e.g. Amazon, Samsung) and Marketing Services clients have a strong history of settlement. The expected credit loss is deemed immaterial.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. General and administrative expenses

		<b>2025</b>	<b>2024</b>
	Notes	<b>GBP</b>	<b>GBP</b>
Staff costs	6	6,136,779	5,834,754
Contractor costs		1,038,886	951,113
Audit fees*		217,750	235,000
Depreciation	11	160,226	166,022
Amortisation	12	2,727,747	6,831,568
Impairment losses	12	12,176,000	1,994,345
Other exceptional costs		-	1,598,168
Other overheads		1,908,575	2,975,491
<b>General and administrative expenses</b>		<b>24,365,963</b>	<b>20,586,461</b>

\*Audit fees:

Audit of the Group accounts by group auditors		154,445	166,680
Audit of the Company accounts by group auditors		63,305	68,320
		<b>217,750</b>	<b>235,000</b>

## 6. Staff costs (including executive Directors)

		<b>2025</b>	<b>2024</b>
		<b>GBP</b>	<b>GBP</b>
Employee salaries		4,988,230	4,706,229
Social security costs		753,273	727,891
Employer pension costs - defined contribution		105,941	112,370
Employee benefit expenses		92,126	102,787
Other staff related costs		197,209	185,477
<b>Total staff costs</b>		<b>6,136,779</b>	<b>5,834,754</b>

## Average number of employees (including executive Directors)

	<b>2025</b>	<b>2024</b>
Total average employees employed in the United Kingdom	34	40
Total average employees employed through Hungarian branch	61	62
Total average employees employed through Audiency	29	29
<b>Total average number of people employed during the year</b>	<b>124</b>	<b>131</b>

## 7. Directors' remuneration

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Directors' emoluments	247,850	263,600
Pension contributions	9,000	4,500
Share based payments	-	1,227
<b>Total Directors' remuneration</b>	<b>256,850</b>	<b>269,327</b>

None of the Directors exercised share options during the year to 31 December 2025 (2024: Nil).

The number of Directors to whom retirement benefits are accruing under defined contribution schemes are 2 (2024: 2).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<b>Remuneration for highest paid Director</b>	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Directors' emoluments	91,500	90,600
Pension contributions	4,500	4,500
<b>Total</b>	<b>96,000</b>	<b>95,100</b>

**8. Finance costs / income**

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Fair value adjustments:		
- Contingent consideration	-	526,973
Interest on lease liabilities	19,137	26,268
Interest income	(232,889)	(208,360)
Other interest expense	45	2,140
<b>Net finance (income) / costs</b>	<b>(213,708)</b>	<b>347,021</b>

**9. Taxation**

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Overseas corporation tax	(65,103)	140,378
Overseas withholding tax	56,025	51,359
Deferred tax	(1,606,711)	(833,470)
<b>Total tax income</b>	<b>(1,615,789)</b>	<b>(641,733)</b>
Deferred tax brought forward	1,576,025	2,491,826
Origination and reversal of temporary differences	(1,518,015)	(915,801)
<b>Total deferred tax liability</b>	<b>58,010</b>	<b>1,576,025</b>

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:

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Loss on ordinary activities before taxation	(14,575,728)	(3,375,573)
Tax at the UK corporation tax rate of 25% (31 December 2024: 25%)	(3,643,932)	(843,893)
Effects of:	-	-
Disallowable expenditures	2,807,530	18,097
Loss brought forward	(1,957,488)	(1,749,846)
Unutilised tax loss	2,793,890	2,575,642
<b>Current tax charge for the period</b>	<b>-</b>	<b>-</b>
Differences in overseas taxation rates	(65,103)	140,378
Deferred tax effect	(1,550,686)	(782,111)
<b>Total tax charge for the period</b>	<b>(1,615,789)</b>	<b>(641,733)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Deferred Tax Assets and Liabilities

The Group's deferred tax position relates to the following:

- **Deferred Tax Liabilities:** A liability of GBP 58,010 (2024: GBP 1,576,025) is recognised in relation to the temporary differences arising on acquired intangible assets. The significant decrease in the year is due to the impairment of these assets, resulting in a credit to the consolidated statement of profit or loss.
- **Unrecognised Deferred Tax Assets:** At 31 December 2025, the Group has estimated tax losses of GBP 11,175,561 (2024: GBP 10,302,567) available to carry forward against future profits. No deferred tax asset has been recognised in respect of these losses as there is currently insufficient evidence that taxable profits will be available in the foreseeable future against which the losses can be utilised. These losses may be carried forward indefinitely.

### 10. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the period. Diluted EPS is calculated by adjusting these figures for the effects of all dilutive potential ordinary shares, such as employee share options:

	<b>2025</b>	<b>2024</b>
Loss after tax attributable to equity holders of the parent (GBP)	(13,120,717)	(2,896,815)
<b>Basic earnings per share (GBPp)</b>	<b>(23.07)</b>	<b>(5.14)</b>
<b>Diluted earnings per share (GBPp)</b>	<b>(23.07)</b>	<b>(5.14)</b>

Weighted average number of shares used as the denominator:

	<b>2025</b>	<b>2024</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	56,870,865	56,303,934
Adjustments for calculation of diluted earnings per share:		
Share options	3,146,162	1,983,812
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	60,017,027	58,282,311

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

### 11. Property, plant and equipment

	<b>Leasehold improvement GBP</b>	<b>Right-to-use asset GBP</b>	<b>Office equipment GBP</b>	<b>Total GBP</b>
<b>Cost</b>		(Note 18)		
At 1 Jan 2024	9,325	355,490	53,576	<b>418,391</b>
Additions	-	232,709	2,884	<b>235,592</b>
Exchange differences	-	(5,202)	(2,471)	<b>(7,673)</b>
<b>At 31 Dec 2024</b>	<b>9,325</b>	<b>582,996</b>	<b>53,989</b>	<b>646,311</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Accumulated depreciation**

At 1 Jan 2024	3,108	116,341	41,144	<b>160,594</b>
Depreciation during the year	2,331	155,632	8,059	<b>166,022</b>
Exchange differences	-	(2,207)	(2,029)	<b>(4,236)</b>
<b>At 31 Dec 2024</b>	<b>5,440</b>	<b>269,767</b>	<b>47,173</b>	<b>322,380</b>
<b>Carrying value at 31 Dec 2024</b>	<b>3,885</b>	<b>313,230</b>	<b>6,816</b>	<b>323,931</b>

**Cost**

At 1 Jan 2025	9,325	582,996	53,989	<b>646,311</b>
Additions	-	-	9,955	<b>9,955</b>
Exchange differences	-	18,228	3,330	<b>21,558</b>
<b>At 31 Dec 2025</b>	<b>9,325</b>	<b>601,225</b>	<b>67,274</b>	<b>677,823</b>

**Accumulated depreciation**

At 1 Jan 2025	5,440	269,767	47,173	<b>322,380</b>
Depreciation during the year	2,331	152,422	5,472	<b>160,226</b>
Exchange differences	-	(5,633)	2,547	<b>(3,086)</b>
<b>At 31 Dec 2025</b>	<b>7,771</b>	<b>416,557</b>	<b>55,192</b>	<b>479,520</b>
<b>Carrying value at 31 Dec 2025</b>	<b>1,554</b>	<b>184,668</b>	<b>12,082</b>	<b>198,303</b>

**12. Intangible Assets**

	Goodwill	Computer software	Software development	Game distribution rights	Brand	Customer relationships	Total
	GBP	GBP	GBP	GBP	GBP	GBP	GBP
<b>Cost</b>							
At 1 Jan 2024	7,695,862	-	1,777,605	9,941,706	5,386,110	3,829,872	<b>28,631,156</b>
Additions	-	-	354,049	1,548,582	-	-	<b>1,902,632</b>
Exchange differences	(331,802)	-	-	-	(240,757)	(171,195)	<b>(743,754)</b>
<b>At 31 Dec 2024</b>	<b>7,364,060</b>	-	<b>2,131,655</b>	<b>11,490,288</b>	<b>5,145,353</b>	<b>3,658,677</b>	<b>29,790,033</b>
<b>Accumulated amortisation</b>							
At 1 Jan 2024	-	-	1,142,499	2,995,939	942,569	1,215,772	<b>6,296,779</b>
Amortisation during the year	-	-	274,963	5,688,531	525,759	342,315	<b>6,831,568</b>
Impairment losses	-	-	-	1,152,831	-	841,514	<b>1,994,345</b>
Exchange differences	-	-	-	-	(53,356)	(61,904)	<b>(115,260)</b>
<b>At 31 Dec 2024</b>	-	-	<b>1,417,462</b>	<b>9,837,301</b>	<b>1,414,972</b>	<b>2,337,697</b>	<b>15,007,432</b>
<b>Carrying value at 31 Dec 2024</b>	<b>7,364,060</b>	-	<b>714,193</b>	<b>1,652,987</b>	<b>3,730,381</b>	<b>1,320,980</b>	<b>14,782,601</b>
<b>Cost</b>							
At 1 Jan 2025	7,364,060	-	2,131,655	11,490,288	5,145,353	3,658,677	<b>29,790,033</b>
Additions	-	6,275	-	-	-	-	<b>6,275</b>
Exchange differences	375,458	270	-	-	272,434	193,718	<b>841,879</b>
<b>At 31 Dec 2025</b>	<b>7,739,517</b>	<b>6,544</b>	<b>2,131,655</b>	<b>11,490,288</b>	<b>5,417,786</b>	<b>3,852,396</b>	<b>30,638,187</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Accumulated amortisation

At 1 Jan 2025	-	-	1,417,462	9,837,301	1,414,972	2,337,697	<b>15,007,432</b>
Amortisation during the year	-	1,085	316,406	1,652,988	532,044	225,224	<b>2,727,747</b>
Impairment losses	7,739,517		-	-	3,303,310	1,133,173	<b>12,176,000</b>
Exchange differences	-	6	-	-	84,654	127,896	<b>212,555</b>
<b>At 31 Dec 2025</b>	<b>7,739,517</b>	<b>1,091</b>	<b>1,733,868</b>	<b>11,490,288</b>	<b>5,334,980</b>	<b>3,823,990</b>	<b>30,123,734</b>
<b>Carrying value at 31 Dec 2025</b>	-	<b>5,454</b>	<b>397,787</b>	-	<b>82,806</b>	<b>28,406</b>	<b>514,453</b>

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

## 13. Trade and other receivables

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Trade receivables	422,046	2,144,035
Other receivables	659,015	2,128,921
Prepayments	356,529	440,800
Contract assets	10,921,372	9,356,737
<b>Trade and other receivables</b>	<b>12,358,961</b>	<b>14,070,494</b>

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 19).

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 19.

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.

The reduction in trade receivables in the current year is due to the timing of marketing events that went live towards the end of the prior year that did not occur in the current year.

## 14. Share capital

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

Date	Details	Number of shares	Nominal value GBP	Total share capital GBP	Total share premium GBP	Total Merger Reserve GBP
<b>At 1 Jan 2024</b>		<b>56,233,265</b>	<b>0.002</b>	<b>112,467</b>	<b>17,341,512</b>	<b>3,992,894</b>
	Shares issued	637,600	0.002	1,275	33,034	315,235
<b>At 31 Dec 2024</b>		<b>56,870,865</b>	<b>0.002</b>	<b>113,742</b>	<b>17,374,546</b>	<b>4,308,128</b>
<b>At 31 Dec 2025</b>		<b>56,870,865</b>	<b>0.002</b>	<b>113,742</b>	<b>17,374,546</b>	<b>4,308,128</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

During the period ending 31 December 2025, no options were exercised and converted to ordinary shares of the Group (2024: 637,600).

### 15. Share based payments

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

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

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

	Number of share options	Weighted average exercise price GBP	Weighted average date of issue
	2025	2025	2025
Balance at 1 January	2,926,985	0.86	13 Sep 2020
Lapsed during the year	458,673	0.68	14 Jul 2021
Issued during the year	677,850	0.40	17 May 2025
Exercised during the year	-	-	n/a
<b>Balance at 31 December</b>	<b>3,146,162</b>	<b>0.78</b>	<b>21 Aug 2021</b>
<b>Exercisable at 31 December</b>	<b>1,983,812</b>		

The weighted average remaining contractual life of share options outstanding at 31 December 2025 was 6.1 years (2024: 6.3 years).

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 43,873 (2024: GBP 225,213). 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	<b>Share options 2025</b>	<b>Share options 2024</b>
Grant date fair value in GBP	0.182 - 0.422	0.457 - 0.564
Exercise price	GBP 0.22 - 0.55	GBP 0.56 - 0.78
Expected life	6.25 years	6.25 years
Expected volatility	41.1% - 73.8%	48.9% - 58.2%
Expected dividends	0.00%	0.00%
Risk-free interest rate	4.01% - 4.72%	3.80% - 4.57%

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 2025. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

### 16. Other reserves

	<b>Share based payments reserve GBP</b>	<b>Deferred tax reserve GBP</b>	<b>Translation reserve GBP</b>	<b>Merger reserve GBP</b>	<b>Total other reserves GBP</b>
Balance at 1 January 2024	804,731	12,204	375,824	3,992,894	<b>5,185,653</b>
Other comprehensive income	-	-	(162,976)	-	<b>(162,976)</b>
Shares based payments	225,213	(10,236)	-	-	<b>214,977</b>
Issue of share capital	-	-	-	315,235	<b>315,235</b>
<b>Balance at 31 December 2024</b>	<b>1,029,944</b>	<b>1,968</b>	<b>212,848</b>	<b>4,308,128</b>	<b>5,552,889</b>
Balance at 1 January 2025	1,029,944	1,968	212,848	4,308,128	<b>5,552,889</b>
Other comprehensive income	-	-	(160,778)	-	<b>(160,778)</b>
Shares based payments	33,780	(1,968)	-	-	<b>31,812</b>
<b>Balance at 31 December 2025</b>	<b>1,063,724</b>	<b>-</b>	<b>52,070</b>	<b>4,308,128</b>	<b>5,423,923</b>

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. Trade and other payables

	2025 GBP	2024 GBP
Trade payables	7,155,985	3,851,903
Social security and other taxes	172,059	181,965
Accrued expenses	11,446,069	14,093,318
Other payables	1,175,844	2,121,396
<b>Trade and other payables</b>	<b>19,949,957</b>	<b>20,248,582</b>

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

Included in other payables are User Acquisition (UA) advances of GBP 906,641 (2024: 1,236,067).

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 32 days (2024: 26 days). No interest is charged on the outstanding balance.

The increase in trade payables is primarily due to the timing of invoices received from suppliers late in the year. Due to the holiday period, the settlement of these invoices fell into early January 2026, resulting in a higher proportion of liabilities held as trade payables at the reporting date.

## 18. Leases

Right-of-use assets	Property GBP	Vehicles GBP	Total GBP
Carrying value at 1 January 2024	225,454	13,695	239,148
Depreciation charge during the period	(150,945)	(10,006)	(160,951)
Additions	232,709	-	232,709
Exchange differences	2,746	(423)	2,323
<b>Carrying value at 31 December 2024</b>	<b>309,964</b>	<b>3,265</b>	<b>313,230</b>
Carrying value at 1 January 2025	309,964	3,265	313,230
Depreciation charge during the period	(149,565)	(3,299)	(152,864)
Additions	-	-	-
Exchange differences	24,268	34	24,302
<b>Carrying value at 31 December 2025</b>	<b>184,668</b>	<b>-</b>	<b>184,668</b>
<b>Lease liabilities</b>		<b>2025 GBP</b>	<b>2024 GBP</b>
<b>Maturity analysis - contractual undiscounted cash flows</b>			
Within one year		70,936	118,702
Within two to five years		143,192	178,246
<b>Total undiscounted lease liabilities at period end</b>		<b>214,128</b>	<b>296,948</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Lease liabilities included in the statement of financial position at period end**

Non-Current	131,353	217,363
Current	73,431	120,776

**Amounts recognised in profit or loss**

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Interest on lease liabilities	19,137	26,268
Expenses relating to short-term leases	20,546	31,703

**Amounts recognised in the statement of cash flows**

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Total cash outflow for leases	178,692	164,572

**19. 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 the strategic report.

**Financial instruments by category**

<b>Amortised cost</b>	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
<b>Financial assets</b>		
Cash and cash equivalents	14,179,108	13,112,701
Trade and other receivables	12,002,432	13,629,694
<b>Total financial assets</b>	<b>26,181,541</b>	<b>26,742,395</b>
<b>Financial liabilities</b>		
Trade and other payables	19,949,957	20,248,582
Lease liability	204,783	338,139
<b>Total financial liabilities</b>	<b>20,154,740</b>	<b>20,586,721</b>

**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:

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Cash and cash equivalents <sup>1</sup>	14,179,108	13,112,701
Trade receivables	422,046	2,144,035
Other receivables <sup>2</sup>	11,580,387	11,485,659
<b>Total</b>	<b>26,181,541</b>	<b>26,742,395</b>

<sup>1</sup>At 31 December 2025, GBP 5,113,339 (2024: 4,013,111) are held in USD, GBP 3,416,320 (2024: 4,084,050) are held in EUR, GBP 465,376 (2024: 407,969) are held in HUF and GBP 38,027 (2024: 119,341) are held in SEK. The majority of the remainder is held in GBP with a few smaller other currency balances.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<sup>2</sup>Other receivables consist of GBP 10,921,372 (2024: 9,356,737) of contract assets 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 2025 was determined as follows:

	Trade receivables					Total
	Current	Less than 30 days	More than 30 days	More than 60 days	More than 90 days	
Year ended 31 December 2025						
Expected credit loss rate	10.70%	39.05%	88.88%	-	98.88%	26.44%
Gross carrying amount	186,664	57,176	8,132	-	23,596	275,568
Loss allowance	19,976	22,328	7,228	-	23,331	72,862

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

### Liquidity risk

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

	On demand	Within 1 year	Within 2 to 5 years
	GBP	GBP	GBP
Year ended 31 December 2025			
Trade payables	3,861,971	3,294,015	-
Accrued expenses & other payables	2,785,775	9,903,047	-
Lease liability	-	73,431	131,353
<b>Total</b>	<b>6,647,745</b>	<b>13,375,642</b>	<b>131,353</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Currency	2025	2024
	GBP	GBP
USD	937,432	937,432
EUR	2,342,867	2,342,867
Other	168,290	168,290
	<b>3,448,589</b>	<b>3,448,589</b>

### Foreign currency sensitivity

The Group is exposed to transactional foreign currency risk on sales, purchases, and payroll denominated in currencies other than Sterling (GBP), primarily the USD, EUR, and HUF. Management monitors these exposures daily, maintaining net currency positions at acceptable levels by transacting at spot rates to address short-term imbalances.

The following table illustrates the sensitivity of the Group's loss before tax to reasonably possible fluctuations in USD, EUR, SEK, and HUF exchange rates. This analysis assumes all other variables remain constant and focuses on the revaluation of monetary assets and liabilities at the reporting date. Exposure to other currencies is considered immaterial.

	USD	EUR	SEK	HUF
Monetary position at 31 December 2025	rate	rate	rate	rate
Change in rate	+ 10%	+ 10%	+ 10%	+ 10%
Effect on loss before tax in GBP	(1,883,144)	(1,434,227)	(307)	(410)
Change in rate	- 10%	- 10%	- 10%	- 10%
Effect on loss before tax in GBP	1,711,949	1,303,843	279	373
Monetary position at 31 December 2024	USD	EUR	SEK	HUF
	rate	rate	rate	rate
Change in rate	+ 10%	+ 10%	+ 10%	+ 10%
Effect on loss before tax in GBP	(870,427)	(1,180,644)	(28,237)	(41,140)
Change in rate	- 10%	- 10%	- 10%	- 10%
Effect on loss before tax in GBP	791,297	1,073,313	25,670	37,400

### Capital management

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.

## 20. Related party transactions

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Compensation of key management personnel (incl. executive Directors):**

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Short-term employee benefits	426,957	446,152
Share based payments	13,928	4,440

During the year, the following ordinary share transactions took place:

- Jens Lauritzson and Per Lauritzson together acquired 138,807 (2024: 100,000) ordinary shares through Mobile Sensations Ltd
- Jens Lauritzson acquired 30,000 (2024: Nil) ordinary shares
- Andrew Shen acquired 2,237,899 (2024: Nil) ordinary shares through S2 Capital L.P.
- Benjamin Crawford acquired Nil (2024: 76,300) ordinary shares
- Mikael Pawlo acquired Nil (2024: 17,768) ordinary shares

The Group does not have an ultimate controlling party.  
There are no other related party transactions.

**PARENT COMPANY STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2025**

Company registration number 04306881		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>GBP</b>	<b>GBP</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	174,441	279,243
Intangible assets	3	397,786	2,367,180
Investments	4	675,369	14,765,679
<b>Total non-current assets</b>		<b>1,247,596</b>	<b>17,412,101</b>
<b>Current assets</b>			
Trade and other receivables	5	12,308,777	10,309,751
Cash and cash equivalents		13,455,341	11,747,012
<b>Total current assets</b>		<b>25,764,118</b>	<b>22,056,763</b>
<b>Total assets</b>		<b>27,011,714</b>	<b>39,468,864</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		23,312	-
Lease liabilities	9	131,353	205,751
<b>Total non-current liabilities</b>		<b>154,664</b>	<b>205,751</b>
<b>Current liabilities</b>			
Trade and other payables	8	18,847,437	16,112,619
Lease liabilities	9	61,240	93,618
<b>Total current liabilities</b>		<b>18,908,677</b>	<b>16,206,237</b>
<b>Total liabilities</b>		<b>19,063,342</b>	<b>16,411,988</b>
<b>NET ASSETS</b>		<b>7,948,373</b>	<b>23,056,876</b>
<b>EQUITY</b>			
Share capital	6	113,742	113,742
Share premium	6	17,374,546	17,374,546
Other reserves	7	5,087,016	5,813,230
Retained earnings		(14,626,931)	(244,636)
<b>Total equity</b>		<b>7,948,373</b>	<b>23,056,876</b>

The Company reported a loss for the year to 31 December 2025 of GBP 14,382,294 (2024: loss of GBP 974,673). 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 12 May 2026 and were signed on its behalf by:



Per Lauritzson  
Director

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

		Share capital	Share premium	Other Reserves	Retained earnings	Total
	Notes	GBP	GBP	GBP	GBP	GBP
				(Note 7)		
<b>Balance at 1 January 2024</b>		<b>112,467</b>	<b>17,341,512</b>	<b>4,809,829</b>	<b>730,037</b>	<b>22,993,844</b>
Loss for the period		-	-	-	(974,673)	(974,673)
Other comprehensive income		-	-	473,189	-	473,189
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>473,189</b>	<b>(974,673)</b>	<b>(501,490)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Shares based payments	7	-	-	225,213	-	225,213
Deferred tax on share options	7	-	-	(10,236)	-	(10,236)
Issue of share capital	6	1,275	33,034	315,235	-	349,544
<b>Balance at 31 December 2024</b>		<b>113,742</b>	<b>17,374,546</b>	<b>5,813,230</b>	<b>(244,636)</b>	<b>23,056,876</b>
<b>Balance at 1 January 2025</b>		<b>113,742</b>	<b>17,374,546</b>	<b>5,813,230</b>	<b>(244,636)</b>	<b>23,056,876</b>
Loss for the period		-	-	-	(14,382,294)	(14,382,294)
Other comprehensive income		-	-	(758,020)	-	(758,020)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(758,020)</b>	<b>(14,382,294)</b>	<b>(15,140,314)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Shares based payments	7	-	-	33,780	-	33,780
Deferred tax on share options	7	-	-	(1,968)	-	(1,968)
<b>Balance at 31 December 2025</b>		<b>113,742</b>	<b>17,374,546</b>	<b>5,087,016</b>	<b>(14,626,929)</b>	<b>7,948,374</b>

## 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.

The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements, except as noted below.

#### **Loss for the financial period**

The Company reported a loss for the year to 31 December 2025 of GBP 14,382,294 (2024: loss of GBP 974,673). The audit fees of the company are disclosed in note 5 in the notes to the consolidated financial statements and are borne by the Company.

#### **Impact of amendments to accounting standards**

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

#### **Key Judgements**

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

#### **Principal versus Agent**

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

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

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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

Based on the assessment of the key indicators performed, the Group is considered to act as principal for all products and services, other than advertising revenue. For advertising (ad) revenue, the Group considers itself to be an agent. Further information on the revenue treatment of the Company can be found in note 2 to the consolidated financial statements in the "Revenue Recognition" accounting policy.

### **Key estimates**

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

#### **Impairment of Investment in Audiencly GmbH**

The Company assesses its investment in subsidiaries for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Following a significant decline in the performance of the Marketing Services segment during 2025, the Company performed a formal impairment review of its investment in Audiencly GmbH.

#### **Methodology and Key Assumptions**

The recoverable amount of the investment has been determined based on a Value-in-Use (VIU) calculation. This model incorporates a probability-weighted approach across three performance scenarios:

- Base Case (75.0% weighting): Reflects the most likely recovery path based on current performance.
- Mid Case (16.5% weighting): Reflects a moderate recovery with higher risk premiums.
- Downside Case (8.5% weighting): Assumes a continued contraction in revenue and elevated discount rates.

The VIU model utilized a pre-tax discount rate (WACC) of 12.2% (2024: 10.9%) and revenue growth assumptions for the subsequent two years were adjusted to 0% (2024: 3.0%). This shift to a flat growth profile is a conservative measure reflecting the ongoing volatility in the influencer marketing sector and the Group's focus on operational stabilization. A long-term terminal growth rate of 2.0% was used to extrapolate cash flows beyond the three-year forecast period.

#### **Carrying Value and Impairment Charge**

As a result of this assessment, the Company recognized an impairment charge of GBP 14,090,310 (2024: GBP Nil) in the Parent Company's profit or loss statement. This reduces the carrying value of the investment to GBP 675,369 as of 31 December 2025.

#### **Sensitivities**

The carrying value of the Parent Company's investment in Audiencly GmbH has been written down to align exactly with its recoverable amount of GBP 675,369, based on the Value in Use (VIU) calculation. Consequently, there is zero headroom remaining on this investment balance.

Because there is no headroom, any adverse shift in the key assumptions will result in a 1:1 further impairment charge at the Parent Company level:

- Scenario Weighting: If management were to shift 10% of the weighting from the Base Case to the Downside Case, the carrying value would decrease by approximately GBP 111,212, resulting in an immediate further impairment of that amount.

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

- Discount Rate (WACC): An increase in the pre-tax discount rate of 1.0% applied uniformly across all three scenarios would decrease the recoverable amount by approximately GBP 52,000, resulting in an immediate further impairment of GBP 52,000 to the investment carrying value.
- Long-term Growth: A reduction in the terminal growth rate of 1.0% applied uniformly across all scenarios would decrease the recoverable amount by approximately GBP 43,000, resulting in an immediate further impairment of GBP 43,000 to the investment carrying value.

## 2. Property, plant and equipment

	Leasehold improvement GBP	Right-to-use asset GBP	Total GBP
<b>Cost</b>		(Note 9)	
At 1 January 2024	9,325	238,730	248,055
Additions	-	232,709	232,709
Exchange differences	-	17	17
<b>At 31 December 2024</b>	<b>9,325</b>	<b>471,456</b>	<b>480,781</b>
<b>Accumulated depreciation</b>			
At 1 January 2024	3,108	79,527	82,635
Depreciation during the period	2,331	116,379	118,711
Exchange differences	-	147	147
<b>At 31 December 2024</b>	<b>5,440</b>	<b>196,099</b>	<b>201,538</b>
<b>Carrying value at 31 December 2024</b>	<b>3,885</b>	<b>275,357</b>	<b>279,243</b>
<b>Cost</b>			
At 1 January 2025	9,325	471,456	480,781
Exchange differences	-	12,322	12,322
<b>At 31 December 2025</b>	<b>9,325</b>	<b>483,778</b>	<b>493,103</b>
<b>Accumulated depreciation</b>			
At 1 January 2025	5,440	196,099	201,538
Depreciation during the period	2,331	124,952	127,283
Exchange differences	-	(10,159)	(10,159)
<b>At 31 December 2025</b>	<b>7,771</b>	<b>310,892</b>	<b>318,662</b>
<b>Carrying value at 31 December 2025</b>	<b>1,554</b>	<b>172,886</b>	<b>174,441</b>

## 3. Intangible Assets

	Software development GBP	Game distribution rights GBP	Total GBP
<b>Cost</b>			
At 1 January 2024	1,777,605	9,941,706	11,719,311
Additions	354,049	1,548,582	1,902,632
<b>At 31 December 2024</b>	<b>2,131,655</b>	<b>11,490,288</b>	<b>13,621,943</b>
<b>Accumulated amortisation</b>			

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

At 1 January 2024	1,142,499	2,995,939	4,138,438
Amortisation during the period	274,963	5,688,531	5,963,494
Impairment losses	-	1,152,831	1,152,831
<b>At 31 December 2024</b>	<b>1,417,462</b>	<b>9,837,301</b>	<b>11,254,762</b>
<b>Carrying value at 31 December 2024</b>	<b>714,193</b>	<b>1,652,987</b>	<b>2,367,180</b>

**Cost**

At 1 January 2025	2,131,655	11,490,288	13,621,943
<b>At 31 December 2025</b>	<b>2,131,655</b>	<b>11,490,288</b>	<b>13,621,943</b>

**Accumulated amortisation**

At 1 January 2025	1,417,462	9,837,301	11,254,762
Amortisation during the period	316,406	1,652,988	1,969,394
<b>At 31 December 2025</b>	<b>1,733,868</b>	<b>11,490,288</b>	<b>13,224,156</b>
<b>Carrying value at 31 December 2025</b>	<b>397,787</b>	<b>-</b>	<b>397,787</b>

**4. Investments**

Name of entity	Country of incorporation	% of ownership interest		Measurement method	Carrying amount	
		2025	2024		2025	2024
Audiency GmbH	Germany	100%	100%	Cost	675,369	14,765,679

Audiency GmbH is an influencer marketing agency with its primary headquarters located at Duisburger Str. 44, 40477 Düsseldorf, Germany.

	2025 GBP	2024 GBP
Carrying value at 1 Jan	14,765,679	14,765,679
Impairment loss	(14,090,310)	-
<b>Carrying value at 31 Dec</b>	<b>675,369</b>	<b>14,765,679</b>

See key estimates in note 1 for more details of the impairment loss.

**5. Trade and other receivables**

	2025 GBP	2024 GBP
Trade receivables	3,860	3,985
Other receivables	22,578	147,619
Intercompany receivables	1,636,991	643,765
Prepayments	354,236	380,550
Contract assets	10,291,112	9,133,831
<b>Trade and other receivables</b>	<b>12,308,777</b>	<b>10,309,751</b>

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.

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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

### 6. Share capital

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

Date	Details	Number of shares	Nominal value GBP	Total share capital GBP	Total share premium GBP
At 1 Jan 2024		56,233,265	0.002	112,467	17,341,512
	Shares issued	637,600	0.002	1,275	33,034
At 31 Dec 2024		56,870,865	0.002	113,742	17,374,546
At 31 Dec 2025		56,870,865	0.002	113,742	17,374,546

### 7. Other reserves

	Share based payments reserve GBP	Deferred tax reserve GBP	Translation reserve GBP	Merger reserve GBP	Total other reserves GBP
Balance at 1 January 2024	804,731	12,204	-	3,992,894	4,809,829
Other comprehensive income	-	-	473,183	-	473,183
Shares based payments	225,213	-	-	-	225,213
Deferred Tax on share options	-	(10,236)	-	-	(10,236)
Issue of share capital	-	-	-	315,235	315,235
<b>Balance at 31 December 2024</b>	<b>1,029,944</b>	<b>1,968</b>	<b>473,183</b>	<b>4,308,128</b>	<b>5,813,224</b>
Balance at 1 January 2025	1,029,944	1,968	473,183	4,308,128	5,813,224
Other comprehensive income	-	-	(758,020)	-	(758,020)
Shares based payments	33,780	-	-	-	33,780
Deferred Tax on share options	-	(1,968)	-	-	(1,968)
<b>Balance at 31 December 2025</b>	<b>1,063,724</b>	<b>-</b>	<b>(284,837)</b>	<b>4,308,128</b>	<b>5,087,016</b>

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 of the consolidated financial statements, and accumulated in other reserves within equity.

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

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## 8. Trade and other payables

	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Trade payables	6,592,688	2,399,096
Social security and other taxes	170,162	123,207
Accrued expenses	10,958,950	12,288,308
Other payables	1,125,637	1,302,009
<b>Trade and other payables</b>	<b>18,847,437</b>	<b>16,112,619</b>

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 28 days (2024: 22 days). No interest is charged on the outstanding balance.

## 9. Leases

<b>Right-of-use assets</b>	<b>Property</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>
Carrying value at 1 January 2024	159,158	159,158
Additions	232,709	232,709
Depreciation charge during the period	(121,698)	(121,698)
Exchange differences	5,188	5,188
<b>Carrying value at 31 December 2024</b>	<b>275,357</b>	<b>275,357</b>
Carrying value at 1 January 2025	275,357	275,357
Depreciation charge during the period	(125,394)	(125,394)
Exchange differences	22,923	22,923
<b>Carrying value at 31 December 2025</b>	<b>172,886</b>	<b>172,886</b>
<b>Lease liabilities</b>	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Within one year	59,252	147,022
Within two to five years	143,192	192,264
<b>Total undiscounted lease liabilities at period end</b>	<b>202,444</b>	<b>339,286</b>
<b>Lease liabilities included in the statement of financial position at period end</b>		
Non-Current	131,353	205,751
Current	61,240	93,618

**NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS**

<b>Amounts recognised in profit or loss</b>	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Interest on lease liabilities	18,443	24,572
Expenses relating to short-term leases	12,303	32,953
<b>Amounts recognised in the statement of cash flows</b>	<b>2025</b>	<b>2024</b>
	<b>GBP</b>	<b>GBP</b>
Total cash outflow for leases	150,002	123,576

**10. 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 20 of the consolidated financial statements.

Compensation of key management personnel is disclosed in note 20 of the consolidated financial statements.

There are no other related party transactions.