physitrack

January - December 2024

Annual Report and Accounts

2024

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01.

STRATEGIC REPORT

Chief executive officer review

Navigating a Year of Transformation and Growth

2024 has been a year of resilience, strategic realignment, and execution at Physitrack. As we reflect on the past year, I am pleased to report that we have successfully navigated a complex market environment, returning to cash flow positivity in Q4 2024, achieving record-breaking subscription revenue growth, and making significant strides in innovation across our Lifecare and Wellness divisions.

Building a successful business requires both a clear long-term vision and disciplined short-term execution. Our teams have worked tirelessly to ensure that our strategic roadmap translates into tangible outcomes, whether in product development, commercial expansion, or financial performance. While we encountered challenges—particularly within our Wellness division due to product delays—the actions we took in 2024 have strengthened our foundation and positioned us for sustainable, profitable growth in 2025 and beyond.

Delivering Profitability and Sustainable Growth

One of the defining achievements of 2024 was our ability to return to cash flow positivity in the final quarter while maintaining historic revenue levels. Subscription-based revenue remains the backbone of our business, growing by 18% year-on-year, and now accounting for 82% of total revenue, up from 76% in 2023.

The Lifecare division continued its strong performance, delivering profitable growth and reinforcing our position as a market leader in MSK rehabilitation. Our ability to scale our technology-driven solutions for injury prevention and recovery has positioned us as a key player in both public and private healthcare sectors.

In Wellness, our journey was more complex. While early post-acquisition growth was strong with some acquired businesses expanding 3-4x in size the delayed international rollout of Champion Health impacted our expected growth trajectory. However, with the successful launch in Sweden and Germany in Q4, and further refinements in our approach, we remain confident in the long-term potential of Champion Health to revolutionise corporate wellness.

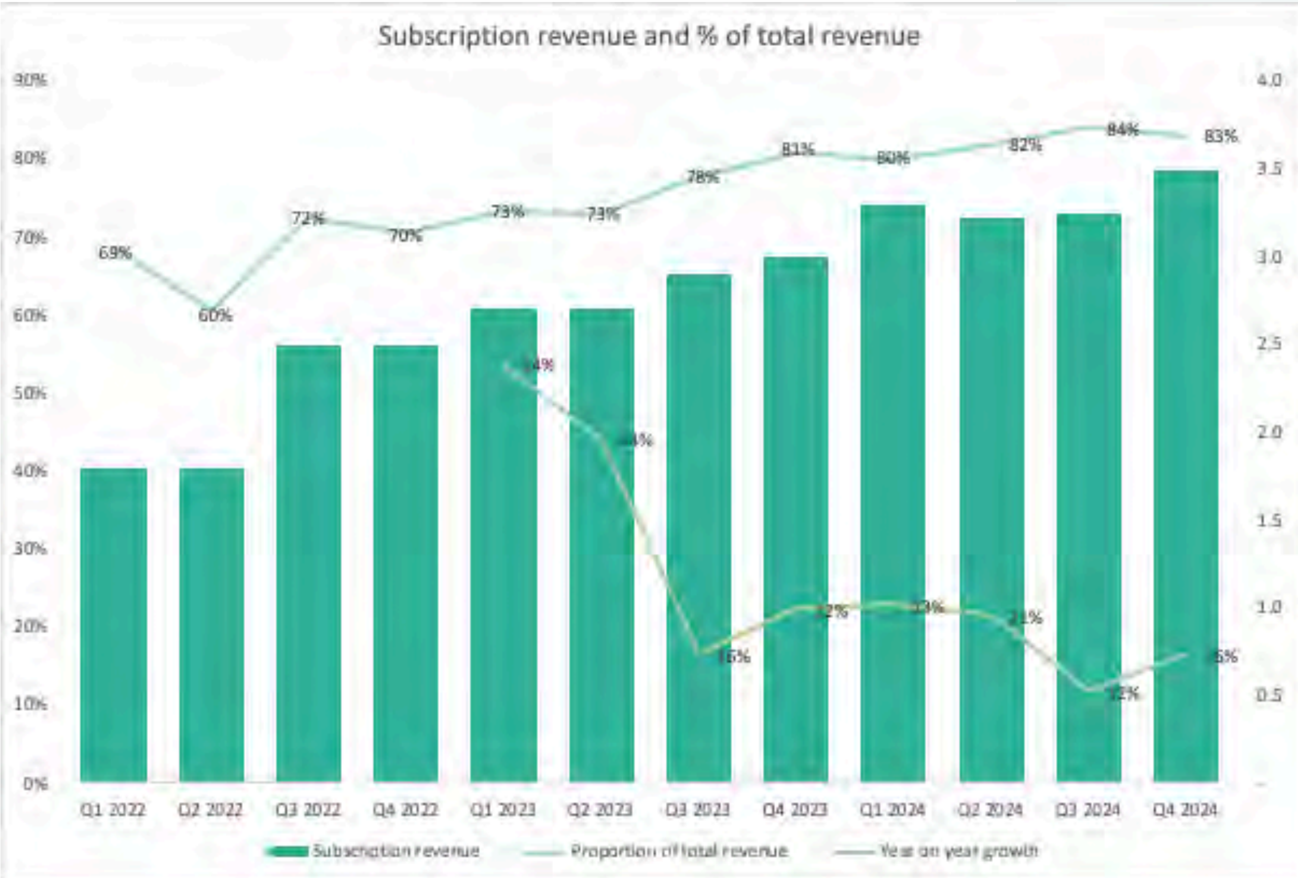
Financial Discipline and Strengthening Our Foundation

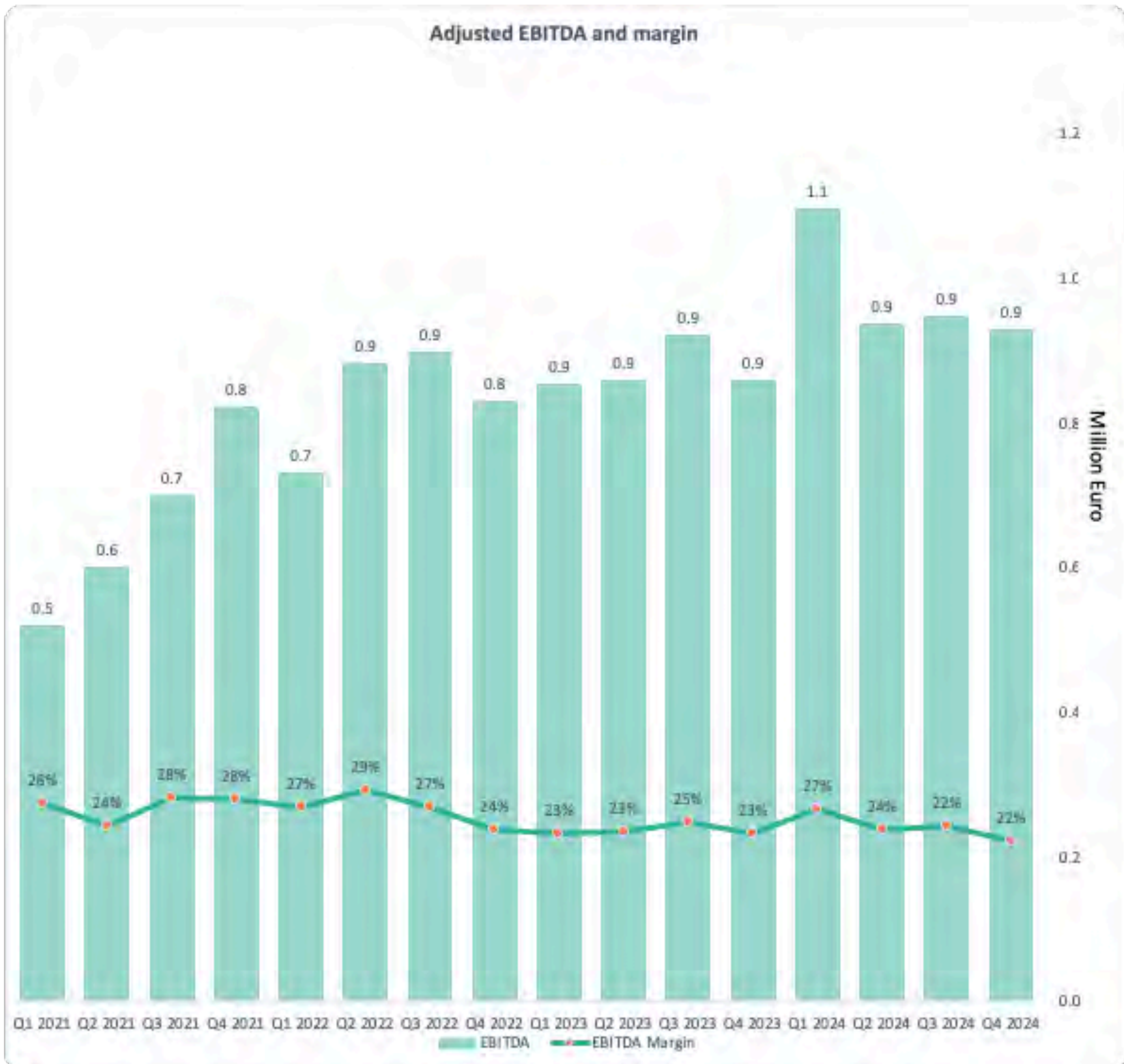
While 2024 presented financial challenges, particularly due to our shift away from one-off revenue streams and increased investment in commercial teams, our long-term financial strategy remains unchanged. We continue to balance profitability with strategic investments, ensuring that we remain well-positioned for future expansion.

Key financial highlights include:

- Quarterly revenue for Q4 2024 exceeding €4.2 million, with 14% year-on-year organic growth.
- Adjusted EBITDA of €3.9 million, up from €3.5m in 2023 and maintaining a margin of 24%.
- Total available liquidity of €1.6 million, with a five-year extension of our Santander revolving credit facility to support growth initiatives.
- Annualised subscription revenue “ARR” of €13.7 million, up from €12.0 million in Q4 2023.

Our ability to optimise costs while continuing to invest in high-impact areas such as AI, market expansion, and product innovation underscores our disciplined approach to financial management.





Looking ahead to 2025

As we enter 2025, we remain focused on executing our long-term strategy, with key priorities including:

- Accelerating commercial growth in Champion Health, following its successful launch in new markets.
- Expanding our Lifecare division's global footprint, strengthening our position in digital MSK rehabilitation.
- Enhancing AI-driven solutions, further integrating automation and intelligence across our product suite.
- Driving operational efficiencies to sustain long-term profitability and cash flow positivity.

Physitrack's vision remains clear: to elevate global wellbeing through technology. With a talented team, cutting-edge innovations, and a robust financial foundation, I am confident that 2025 will be another year of growth, impact, and value creation for our stakeholders.

Thank you for your continued trust and support.

Outlook

Growth: Physitrack aims to achieve a doubling of revenue within the medium term.

Margin: Physitrack targets an EBITDA margin of 40-45 per cent in the medium term, with potential short term margin contractions due to add-on acquisitions impacting margins negatively.

Distribution: Physitrack has a favourable outlook on the distribution of profits to shareholders via dividends in the medium term but does not foresee this taking place in the short term.

Medium term is defined as within the next three to five years.

Henrik Molin
Director / CEO & co-founder
28 March 2025

Our two business lines have us well-positioned to capitalise on increasing digital healthcare demand and corporate wellbeing challenges.

35%

Wellness

One platform, all areas of employee wellbeing

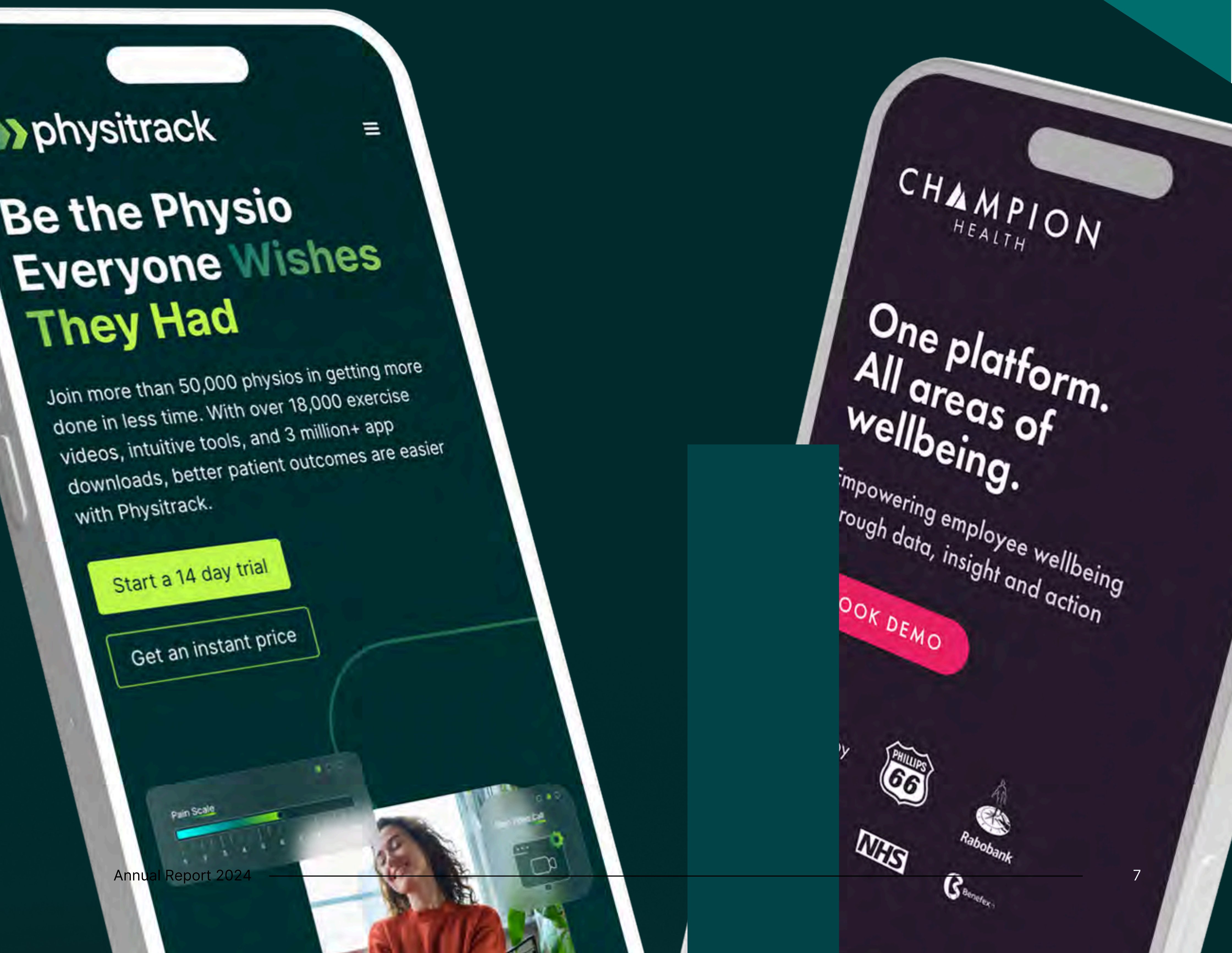
Technology for employers

65%

Lifecare

Seamless and efficient care solutions

Technology for healthcare providers



How it all comes together - Investing in Physitrack

Physitrack is a global digital healthcare provider, offering SaaS-based solutions for Lifecare, supporting healthcare professionals with physiotherapy, telehealth, and patient engagement tools; and Wellness, delivering corporate health and wellbeing services powered by its technology. Through organic growth and strategic acquisitions, Physitrack continues to expand its platform, enhancing patient outcomes and driving innovation in healthcare and wellness technology worldwide.

Market outlook and position	**Focus areas**	**High-reaching financial goals**
Growing market supported by underlying macro trends	1.Market growth dynamics	**Top-line growth** Physitrack aims to achieve a doubling of revenue within the medium term, replacing the previous target set in 2021 that targeted an annual organic sales growth exceeding 30 per cent in the medium term.
Strong position, successfully meeting customer needs and solving problems	2. Organic growth levers	**Profit margins** Physitrack targets and EBITDA margin of 40-45% in the medium term, with potential short term margin contractions due to acquisitions impacting margins negatively.
Market leading and scalable products, powered by top-of-the-line tech	3. M&A initiative	**Value and cash creation** Physitrack aims to reinvest profits and cash flows in organic growth initiatives to support further value and cash creation, paving the way for a strong dividend culture in the long run.

Executing a clear, tangible growth plan around the world

A robust business model, able to withstand headwinds

Balanced portfolio

Our geographical diversity and varied revenue streams make the business robust - dramatic changes in the world do not necessarily affect all parts of our business.

Profitable growth is part of our DNA

Our organisation is cost optimised - smart spending has always been a motto

All-weather product

Wellness initiatives still prioritised by many companies during tough times

True product market fit

Prices in relation to the market rather than growth expectations

Champion Health, supported by the macro environment

Investing in employee wellbeing is an important potential cost saving for many companies, paving the way for less employee turnover and higher efficiency

Attentive to our surroundings

We aim to continue to grow the way we have done until now - organic as well as through acquisitions - but keep in touch with our surroundings to stay ahead of the curve

Purpose

The purpose of Physitrack is to elevate the world's wellbeing and being at the forefront in the evolution of the digital global healthcare market with innovative technology for healthcare providers and corporates.

Strategy

Physitrack's strategy includes growing both the Lifecare and Wellness divisions through organic growth and M&A, with a healthy balance between risk and ROI.

Lifecare

Physitrack sees significant potential in its Lifecare offering and continues to win market share while adding new markets. Between 2021 and 2022 the M&A strategy for the Lifecare division included the acquisition of one of Physitrack's largest competitors, Physiotools alongside the acquisition of Physiotherapy and Occupational health practitioner continued education provider PT Courses. During the financial year Physitrack continues to bring these brands in-line with the Group alongside rejuvenating and expanding these brands to ensure continued growth of the division.

The markets where Physitrack aims to grow can be divided into foothold markets, where it is already present, and new markets. Physitrack aims to drive continued penetration in foothold markets through four principles:

- Integration and partnerships with Electronic Medical Records “EMRs” and other channel systems to market "bundled" services.
- Adoption of AI to expand the content library and enhance the user experience.
- Continue to develop features and functions based on user feedback to increase value proposition for customers.
- Active PR strategy to continue to drive high-quality search engine optimisation traffic, including partnership with national research / industry bodies, active PR publications, strategic partnerships, and collaboration with industry influencers.

Physitrack will also continue to pursue new market entries. The targeted markets are based on size of the total market opportunity, the resource requirement for the execution and general attitude towards digital health and the level of adoption of technology. Physitrack sees a significant growth potential in targeting large population markets with increasing digital adoption and a rising middle class.

Physitrack considers two aspects of its offering to be important for entry into lower income jurisdictions.

- Prevention and Wellness Care – Addressing general emotional and physical health and wellness in a pro-active and positive way, helping employers build healthy cultures that increase productivity and employee retention and reduce the need for invasive treatments.
- Acute and Chronic Care – Addressing MSK conditions that are usually non-surgical, but cause significant pain, high costs and widespread productivity loss.

Wellness

During the 2021 and 2022 financial years the M&A strategy of the Group was to diversify form its core product offering and to build the Wellness division. The acquisition of Champion Health in 2022, allowed the division to bring and operate under one brand - Champion Health.

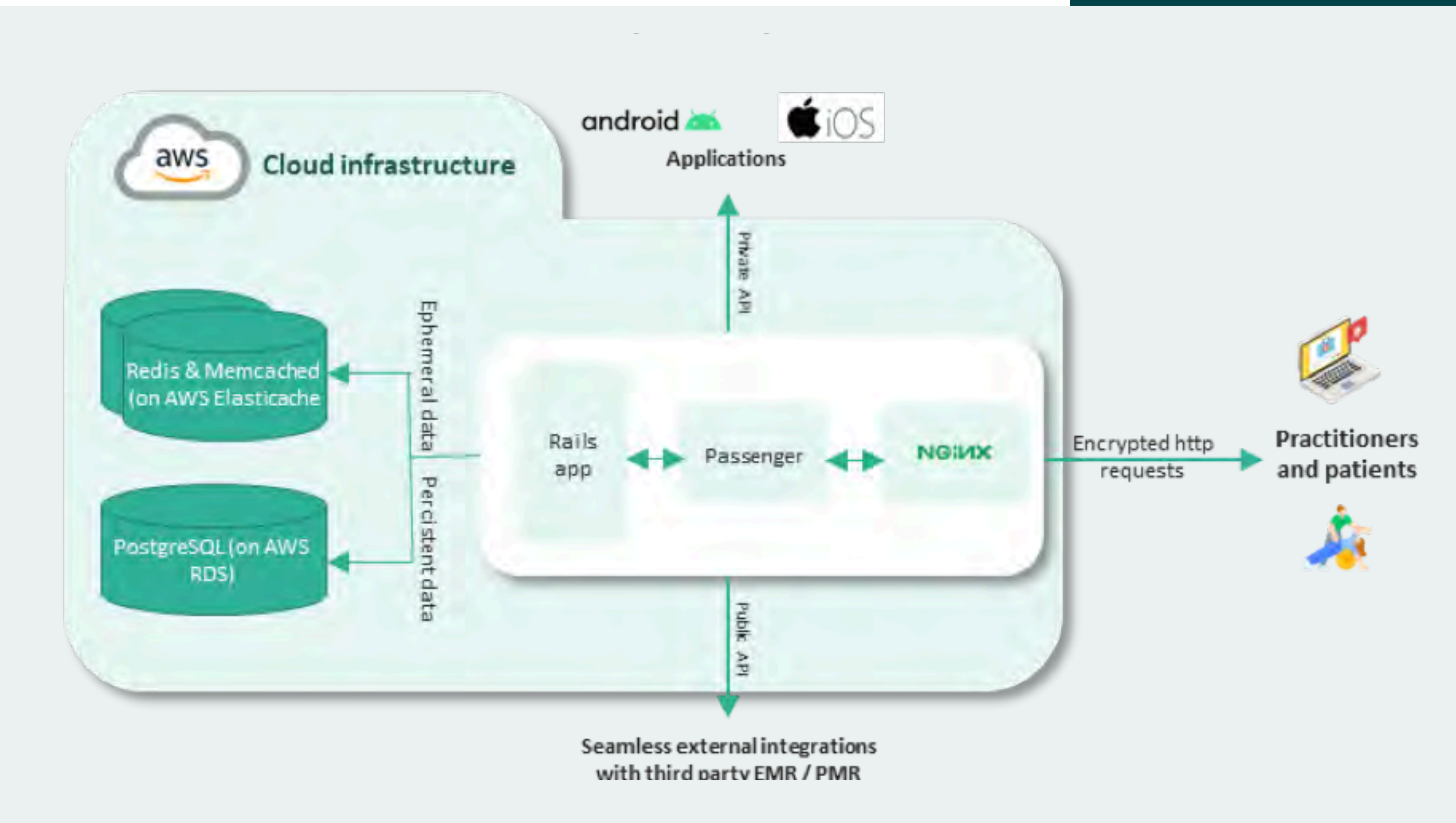
The Wellness offering focuses on delivering care in distinct but related employee wellness as well as patient and insurance plan member need areas, where employers and payers currently expend the greatest resources to address.

Underpinning the Wellness division is the Champion Health platform. This combines the use of Champion Health’s engagement tools for emotional and physical wellbeing with Telehealth-specialised healthcare coaches and licensed clinical specialists guiding patients/members through established proprietary wellness and treatment pathways. All the while tracking satisfaction and standardised functional outcomes to support efficacy and user stickiness.

M&A capabilities

M&A has played an important role in the recent growth of Physitrack, however in the short term there are no plans for any further mergers or acquisitions.

Our technology



The Physitrack Lifecare offering is based on an in-house developed Amazon Web Services "AWS" cloud infrastructure enabling effective scale up with little need for additional investment. Physitrack estimates that adding additional AWS capacity would increase AWS related costs at a rate of 7-10 percent for each additional EUR 1 million in revenue.

The software platform offers a flexible API with seamless integration to Electronic Medical Records "EMR" systems which supports revenue acceleration via distribution agreements. As of 31 December 2024, the platform had integrations with over 60 EMR/ patient management systems "PMS" systems.

The platform has been developed to ensure effective, safe, and cost-effective operations. New functions and features are largely developed based on customer feedback. Going forward, Physitrack expects to invest about EUR 2.5 million per year in the tech platform.

Physitrack's platform infrastructure is scalable and robust. This was well demonstrated in the first half of 2020, when the utilisation of the data-heavy Telehealth functions increased from a few consultations per week to up to 100,000 consultation per week compared to 2019.

The platform is compliant with patient data security laws globally.

Information Security

Cybersecurity is one of Physitrack's top focus areas. Our security team is committed to implementing a certified information security management system ("ISMS") that meets the International Organisation for Standardisation ("ISO") ISO27001:2013, ISO27018:2020 frameworks and complies with all federal, state and many international regulatory standards.

Physitrack's information security strategy is built on industry-known frameworks such as ISO 27001, focused on the optimisation of security processes across all our operations and protecting the most critical processes and information and ensuring protection of customers' data in the cloud environment. The company's holistic controls framework includes mechanisms to protect, detect, react to and monitor any threats and attacks to the business. The main areas to ensure a safe digital environment from a patient and practitioner perspective are the sensitivity of patient data and fraud prevention. Regulations in these areas are very strict and the main focus is to comply with the complex framework and keep partners up to date on changes.

The Information Security Manager at Physitrack is responsible for implementing the corporate Information Security policy, reporting to the Ops and IT Director. The Information Security Manager manages risk assessments and status updates and sets action plans, budgets and targets. Progress is monitored through security protocols and penetration tests, and any incidents are reported to the management team.

Information security strategy

Physitrack's strategy for information security is as follows:

- Build a security culture within our organisation and improve information security awareness.
- Annually verify compliance through ISO27001 audit.
- Reduce potential vulnerabilities for the organisation and lower the probability of successful breach.
- Maintain strong authentication mechanisms and audit log management.
- Maintaining strong controls into the storage and handling of patient data to comply with patient data security laws globally.

In addition to compliance with ISO frameworks, the Group also utilises HIPAA and GDPR compliant technology.

Chief financial officer review

In this financial review reference is made to key performance indicators "KPI's" that are not defined in accordance with IFRS. These measures, in the opinion of the Directors can provide additional relevant information on our future or past performance where equivalent information cannot be presented using financial measures using IFRS. The Directors have identified EBITDA, Adjusted EBITDA, EBITDA margin and Adjusted EBITDA margin, Operating profit and adjusted operating profit, operating profit margin and adjusted operating profit margin, Adjusted earnings per share, operating cashflow before adjustment items, subscription revenue as a percentage of total revenue and churn percentage as KPI's. For definitions of these measures please refer to Note 5.

Group key performance indicators

	Year Ended	
EUR (€), unless otherwise stated	**31 December 2024**	**31 December 2023**
Revenue	16,180,498	14,746,287
Prior period revenue growth (%)	10	19
Organic revenue / Proforma revenue growth (%)	10	17
EBITDA	(2,085,990)	6,631,527
Operating loss / profit	(6,504,641)	3,011,169
Adjusted EBITDA	3,903,570	3,476,537
Adjusted EBITDA margin (%)	24	24
Adjusted operating loss / profit	(515,081)	(143,821)
Adjusted operating loss / profit margin (%)	(3)	(1)
Adjusted earnings per share	(0.03)	(0.02)
Operating cashflow before adjusting items	3,613,000	3,517,099
Free cash flow	(771,150)	(1,052,182)
Adjusted EBITDA less CAPEX	413,186	59,250
% of revenue which is subscription	82	76
Churn	1%	1%

KPI's are defined within note 5.

Divisional performance

The operations of the Group comprise two reporting operating segments. These segments are Lifecare and Wellness. Performance of these segments for the year ended 31 December 2024 and prior year is as follows:

	Lifecare	Wellness	Group	Total
Year ended 31 December 2024				
Total revenues	10,486,305	5,694,193	-	16,180,498
Operating profit	1,855,982	(310,107)	(8,050,515)	(6,504,640)
Amortisation and depreciation:				
Intangibles recognised on acquisition	-	-	915,636	915,636
Internally generated intangibles and depreciation	2,915,378	587,637	-	3,503,015
	2,915,378	**587,637**	**915,636**	**4,418,651**
Items affecting comparability	-	-	(5,989,560)	(5,989,560)
Adjusted EBITDA	4,771,360	277,530	(1,145,319)	3,903,571
Adjusted EBITA Margin	46%	5%		24%
Finance cost	(62,319)	(15,452)	(409,383)	(487,154)
Profit before tax	1,793,663	(325,559)	(8,459,898)	(6,991,794)

	Lifecare	Wellness	Group	Total
Year ended 31 December 2023				
Total revenues	9,518,252	5,228,035	-	14,746,287
Operating profit	1,979,497	(285,122)	1,316,794	3,011,169
-		-	-	-
Intangibles recognised on acquisition	-	-	961,900	961,900
Internally generated intangibles and depreciation	2,422,093	236,365	-	2,658,458
	2,422,093	236,365	961,900	3,620,358
Items affecting comparability	-		3,154,990	3,154,990
Adjusted EBITDA	4,401,590	(48,757)	(876,296)	3,476,537
Adjusted EBITA Margin	46%	-1%	-	24%
Finance cost	(49,345)	(6,311)	(295,202)	(350,858)
Profit before tax	1,930,152	(291,433)	1,021,592	2,660,311

Expenses classified as Group represent those costs associated with the Group's merger and integration activities, amortisation of intangibles recognised on acquisition, impairment of intangibles, revaluation of deferred contingent consideration to fair value, and senior management salary. These costs have been classified as Group as they either cannot be allocated appropriately to a segment or do not represent costs associated with the underlying businesses within the operating segment.

Divisional review - Lifecare

€'000s	12 month period ended 31 December 2024 2024	2023	Var	%
Revenue	10,486	9,518	968	10
Adjusted EBITDA	4,771	4,402	369	8
Adjusted EBITDA margin	46%	46%		

Trading Performance

For the year ending 31 December 2024, Lifecare achieved a 10% revenue increase, reaching EUR 10.5m, up by EUR 1.0m from the prior year. When adjusted for currency fluctuations, organic revenue also grew by 10%. This strong performance underscores Lifecare's role as a growth driver and resilient financial anchor for the Group.

The strategy to expand and enhance the user base continues to deliver tangible results. As of 31 December 2024, subscription licenses grew by 10%, rising from an average of 61,000 licenses in December 2023 to 67,000 in December 2024. Subscription revenue now accounts for 99% of Lifecare's total Q4 revenue, compared to 90% in the same period last year. While this shift toward subscription-based growth has moderated short-term revenue increases as one-off revenues have dropped off, it positions the division for predictable, long-term growth.

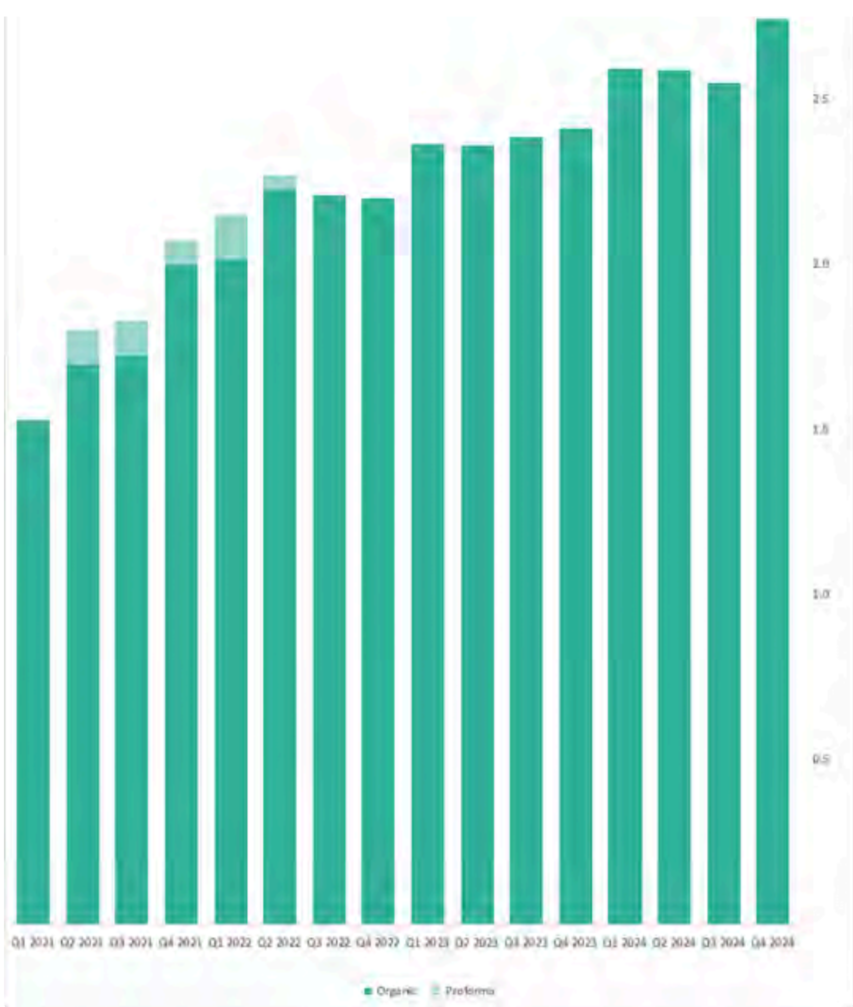
Looking ahead, the expansion of the user base underpins Lifecare's goal of ensuring stable subscription revenue, which will enable better resource allocation to further enhance the platform and its offerings. Ongoing efforts to refine the Physitrack platform and enhance the Product-Led Growth sales process reflect the commitment to continuous improvement and user satisfaction.

Revenue growth has been primarily driven by three key factors: an increase in the number of licenses, rising license prices, and the continued success of revenue-enhancing products, including custom apps and platform integrations. Since the second half of 2023, the focus has been on expanding the underlying user base, reducing reliance on one-off revenue items in favour of subscription growth.

During this period, several AI-powered tools and platform enhancements were introduced, such as the reimagined Physitrack patient app and the AI-powered PhysiAssistant. These advancements, coupled with work on automated sales funnels for Product-Led Growth have streamlined processes, reducing clicks and time for sign-up. This focus on improving the user experience has contributed to maintaining rolling 12-month monthly churn rates at a low 1.0%, consistent with the prior year. This stability reflects the strong value for money perceived by users.

Adjusted EBITDA for the division rose by 8% to EUR 4.8m, with a robust EBITDA margin of 46%, remaining consistent with the prior year.

Lifecare revenue growth



Divisional review - Wellness

€'000s	12 month period ended 31 December 2024 2024	2023	Var	%
Revenue	5,694	5,228	466	9%
Adjusted EBITDA	278	(49)	326	669
Adjusted EBITDA margin	5%	-1%		

Trading Performance

For the year ending 31 December 2024, Wellness revenue grew slightly to EUR 5.7m, with 50% (51% in 2023) derived from subscription revenue. Adjusted EBITDA increased from EUR -49k to EUR 278k, reflecting the division's performance during the year.

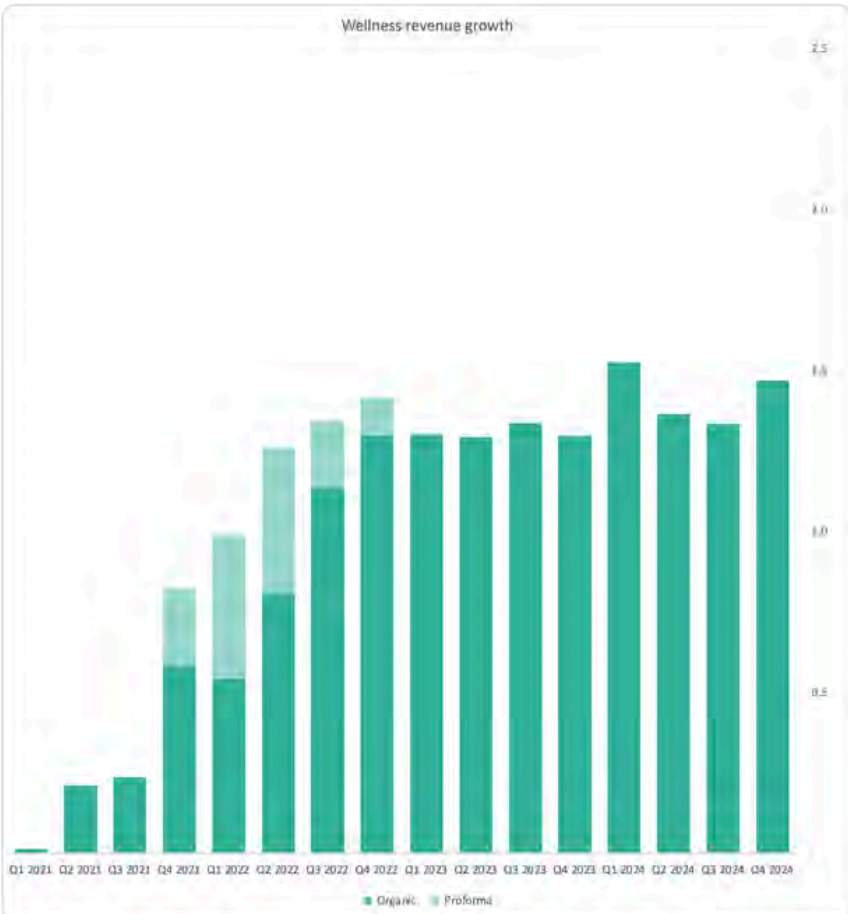
While positive developments were seen in Q4 2024, such as the launch of the Nexa AI-driven MSK self-assessment tool and the localisation of Champion Health platforms in Swedish and German, measures have been taken to ensure sustainable and profitable growth. These include the rationalisation of Champion Health Plus and Champion Health operations.

In Champion Health Plus, the closure of 25 clinics was announced in December 2024, focusing only on cash-flow accretive locations while leveraging the Nexa platform to enhance SaaS capabilities. This shift aligns with the broader strategy of prioritising higher margin growth over traditional clinic operations.

In Champion Health, workforce rationalisation efforts are underway, including combining overlapping roles with those performed at a group level and realising significant synergies. These steps ensure greater alignment with group-wide objectives and efficiencies.

The rationalisation provides group management with greater control over the direction and growth trajectory of the Wellness division. It also allows for the implementation of successful group-level initiatives tailored to enhance operational performance.

Looking ahead to 2025, the Wellness division will further pivot towards a SaaS-centric model, strengthening its foundations for scalable and predictable growth.



Divisional review - Group

€'000s	12 month period ended 31 December 2024 2024	2023	Var	%
Revenue	-	-	-	-
Adjusted EBITDA	(1,145)	(876)	(269)	(31)
Adjusted EBITDA margin	-%	-%		

Trading Performance

Group Adjusted EBITDA includes head office expenses, such as executive remuneration and costs related to the Group's listing. These costs are unique to the Group's structure and are reported separately to provide a clearer view of the divisions' independent performance.

The €269k year-on-year increase in Group costs primarily reflects a reallocation of certain shared costs from the Wellness division to the Group. These costs were previously absorbed at the divisional level but are more appropriately recognised as Group expenses.

Following the rationalisation of the Wellness division in December 2024 – January 2025, and with the Group now operating as a more integrated structure, these costs are expected to reduce in the coming periods. This adjustment aligns with our broader strategy to streamline operations and enhance financial transparency.

Financial performance - Group

Revenue

The Group achieved consolidated revenue of EUR 16.2m, for the financial year reflecting a 10 per cent growth compared to the prior year. This growth was driven by the Lifecare segment, which experienced a 10 per cent increase in revenue, alongside a 9 per cent increase in the Wellness segment. Lifecare contributed 65 per cent of the total revenue for the Group, compared to 35 per cent from Wellness. The Group exited the year with a ARR of EUR 16.7m (Q324 16.1m)

Operating expenses before amortisation, depreciation and adjusted items

Operating expenses for the year were EUR 12.3m (compared to EUR 11.3m in 2023), reflecting an 9% increase which aligns with revenue growth. This increase includes investments to support Lifecare's platform development and operational needs, as well as the cost of delivering specific Wellness products.

Operating profit ('EBIT')

The Group reported an operating loss of EUR 6.5m, compared to a profit of EUR 3.0m in the prior year. The increase is primarily impacted by one-off expenses relating to positive fair value movements on the revaluation of deferred contingent consideration of EUR 3.1m and impairment charges of EUR 7.6m were recognised which contributed to the overall operating loss. Not withstanding this the losses reflects the impact of higher amortisation and depreciation charges, which rose by EUR 0.8m to EUR 4.4m. Amortisation costs included internally generated intangibles and acquisitions, amounting to EUR 3.5m and EUR 0.9m, respectively. Alongside this

Adjusted EBITDA

Adjusted EBITDA for the year increased by 12 per cent to EUR 3.9m, delivering an Adjusted EBITDA margin of 24 per cent (compared to 24 per cent in the prior year). This included EUR 4.8m from Lifecare, EUR 0.3m from Wellness, and a EUR 1.1m offset for group-level expenses.

Adjusting items

Adjusted items as defined in note 5 reflect expenditure incurred which is non-recurring in nature. In the current year they represents EUR 1.5m (EUR 0.8m) of costs associated with integration activities and incurred with the restructuring of the Wellness division including legal fees.

We have recognised an impairment on the goodwill and intangible assets of the Wellness division of EUR 7.6m. This is due to the strategic pivot towards the Champion Health German platform. While the existing business, to which these intangible assets relate, is expected to maintain its current performance levels, it is not projected to achieve the original long-term growth forecasts to which these intangibles were attached to on acquisition. As a result, the recoverable amount of these assets has been reassessed, leading to the impairment charge.

It is expected EUR 0.2m of exception costs will be incurred in 2025 in relation to one-off expenditure incurred on the rationalisation of the Wellness division.

Fair value movement on deferred contingent consideration resulting in a release of consideration accrued of EUR 3.1m (EUR 7.3m).

Finance costs

Net finance costs for the year remained flat at EUR 0.4m (EUR 0.4m). The slight increase is attributed to higher borrowing levels and associated interest costs

Profit / Loss before tax

For the year ended 31 December 2024, the Group reported a loss before tax of EUR 7.0m, compared to a profit of EUR 2.7m in the prior year. This decrease reflects the impact of the release of deferred contingent consideration in the prior year which was not at the same levels in the current year.

Taxation

For the year ended 31 December 2024, taxation resulted in a credit of EUR 0.5m, up from EUR 0.2m in the prior year. The increase is primarily due to successful claims under the UK government's R&D tax credit scheme and the release of Deferred Tax Liabilities in line with the amortisation of intangibles recognised on acquisition.

Financial performance - Group

Free cash flow

Total available liquidity to the Group at 31 December 2024, including the undrawn credit facility, stood at EUR 1.6m, reflecting investments in platform development offset by cash generated from operations.

- Net cash from operating activities was EUR 3.1m, up from EUR 2.6m in the prior year, driven by working capital timing differences and year-on-year Adjusted EBITDA growth.
- Free cash flow (FCF) for the year on year was an outflow of EUR 0.8m compared to a outflow of EUR 1.1m in 2023.
- Cash used in investing activities totalled EUR 3.5m, compared to EUR 5.0m in the previous year. Excluding deferred consideration payments of EUR 1.6m in the prior year, investments in the platform was flat year on year.

The Group also extended its revolving credit facility in May 2024, incurring EUR 0.3m in renewal fees and over the year had drawn down EUR 1.3m on the facility to fund divisional investments and working capital needs.

As of 31 December 2024, the Group's total assets stood at EUR 30.5m (down from EUR 38.2m), with net assets of EUR 19.2m (down from EUR 25.1m). Net current liabilities were EUR 1.2m, compared to EUR 1.9m in the prior year. Changes in total assets since 31 December 2024 reflect variations in working capital, capitalisation of platform development costs, impairment losses, and foreign exchange fluctuations impacting goodwill.

Risk management

Principal risks and uncertainties

Operating as a Lifecare and Wellness business on a global scale presents several risks and uncertainties that continue to be the focus of the Board's ongoing attention.

Risk management approach

The Group's approach to risk management and internal control is designed to manage risk at all levels. Where possible, the Group has implemented appropriate mitigation strategies to reduce the overall risk exposure in line with the Board's risk appetite.

Principal risk assessment

The Board has undertaken a robust assessment of the principal risks facing the Group during the year, including those that would threaten its business model, future performance, solvency and liquidity alongside those risks which are emerging. Their potential impacts are presented to and monitored by the Board. The time-frame horizon for consideration of the principal risks is aligned to the five-year period used when considering the future viability of the Group.

After the Board's review of existing risk and potential emerging risk, the Board believes the existing principal risks reflect the Group's risk profile.

Appetite

The Group's approach is to minimise exposure to reputational, financial and operational risk, whilst accepting and recognising a risk/reward trade-off in the pursuit of its strategic and commercial objectives.

The provision of solutions primarily to the Governance, Risk and Compliance markets means that the integrity of the business and its brands is crucial and cannot be put at risk.

The business, however, operates in a challenging and highly competitive and innovative marketplace that is constantly changing.

It is therefore part of day-to-day planning to make certain financial and operational investments in pursuit of growth objectives, accepting the risk that the anticipated benefits from these investments may not always be fully realised. Its acceptance of risk is subject to ensuring that potential benefits and risks are fully understood and sensible measures to mitigate risk are established.

Viability

The Directors perform a viability assessment on an annual basis. This takes into consideration the potential impact of the principal risks in the business model, future performance, solvency and liquidity.

Principal risks

Risks	Likelihood	Impact	Owner
Innovating in a competitive landscape	High	High	CEO
Clinical malpractice	Low	Medium	CEO
Reliance on key third party and supplier relationships	Medium	Medium	CEO
Technology security	Low	High	Head of Engineering
Exposure to fluctuations in currency exchange rates	Medium	Low	CFO
Political, regulatory and compliance	Low	Medium	CEO
IP protection not sufficient	Low	Medium	CEO / Head of Engineering
People	Low	Medium	CEO / Head of People
Personal data	Low	High	Head of Engineering
Integration of acquisitions which place high demands on management and internal process	Medium	Medium	CEO
Interest rate risk	Medium	Medium	CFO / CEO

High Medium Low

Since the last financial year the following changes to our risk assessment have been made:
The **risk of innovation in a competitive landscape** has increased from medium to high in both likelihood and impact due to the rapid advancements in artificial intelligence (AI). As AI continues to evolve, customers expect enhanced AI-driven functionalities in our platform to remain competitive. Failing to meet these expectations could put us at a disadvantage, as competitors integrate AI to offer more advanced solutions. While investing in AI research and development is essential to maintaining our market position, it also introduces new ethical, privacy, and security concerns that add complexity to our innovation strategy.

The **risk associated with inflation and cost of living pressures** has been removed from our risk register due to the stabilisation of inflation rates over the past year. This has reduced financial pressures on both operational costs and customer purchasing power, allowing for more predictable financial planning. With inflationary concerns diminishing, we can allocate resources more effectively toward other strategic initiatives. However, we will continue to monitor economic indicators to ensure we remain prepared for any potential changes in the future.

Interest rate risk has been newly added to our risk register, classified as medium in both likelihood and impact. With approximately £4.0 million drawn on our revolving credit facility, a portion remains unhedged, making us susceptible to interest rate fluctuations. While rates have been stable or declining over the past year, potential increases driven by macroeconomic factors could raise borrowing costs, impacting financial performance and cash flow. To mitigate this risk, we will explore hedging strategies and closely monitor economic trends. Other identified risks have remained unchanged in likelihood and impact over the past financial period.

There has been no increase or decrease in the likelihood or probability of our remaining risks over the past financial period.

Physitrack PLC principal risks and uncertainties

Risks	Mitigating activity
Innovation in a competitive landscape The Group operates in a specialised, highly competitive market that is rapidly evolving, particularly with the advancements in artificial intelligence (AI). These dynamics necessitate continual innovation and the integration of cutting-edge AI technologies to meet the changing needs and preferences of customers. Failure to enhance our product with AI capabilities could lead to a loss of competitive advantage and customers, undermining expected organic growth.	**Enhanced Customer Success Team Initiative:** The customer success team will extend its roles to include the identification and integration of AI-driven solutions based on customer feedback. This team will work closely with customers to understand their expectations regarding AI features and will prioritise these insights to guide the development team. **AI-Driven Competitive Analysis:** The senior leadership team will incorporate AI tools into their competitive analysis processes. These tools will help identify not only the current offerings and gaps in the market but also predict upcoming trends and competitor moves using AI-driven data analytics
Clinical malpractice The Physitrack platform is a tool used by healthcare practitioners and it is essential that the content is high quality and clinically validated. Within the wellness division we provide Physiotherapy services to our customers there's a risk that we compromise the quality of our care provision through non-compliance with national guidance or local policy, inappropriate operating procedures, inadequate environment and/or lack of capability. The risk of a breach of clinical requirements could result in damage to existing relationships the Group has with major customers leading to a loss or reduction of revenue and a reduction or loss in reputational capital globally.	For the Lifecare platform and Wellness businesses all content is produced in coordination with medical professionals to ensure that this is in-line with medical best practice. Practitioners that use our platforms are required to use their own professional judgement in relation to diagnosing and treating patients and our platform is not a substitute for this. For specific business units within the Wellness business there is a requirement for practitioners to remain accredited. This includes maintaining continuous professional development, ensuring that high levels of clinical governance are continuously maintained.
Reliance on key third party and supplier relationships Physitrack depends upon a number of key suppliers to maintain its technology. There is a risk that reliability of the service provided is interrupted and the customer cannot access the required services for the duration of the outage, which may lead to dissatisfaction and potential loss of confidence in the system, resulting in a loss of reputation and an adverse impact on the ability to maintain growth in the affected segment of the market. Alongside this there is the risk that the measures taken by the third-party service suppliers to prevent security breaches are inadequate and a loss of confidential information, patient information and intellectual property may result.	The Group in 2022 brought its technology team in-house from a key third party therefore reducing the risk of reliance on key third party suppliers. The Group maintains a pro-active communication plan in place to update its customer base on any planned service outages, or should there be a unplanned outage expected time-lines for returning to service. Any third party supplier relationship entered into, will include clauses in regards to upholding service level agreements and appropriate continuity controls in place should there be an outage. Before entering into an agreement with a third-party provider, the Group ensures that they are compliant with HIPAA, PHIPA, GDPR and are ISO 27001-audited.
Technology security Physitrack's IT infrastructure supplies the means to deliver Physitrack's products to consumers. Physitrack suite of services may be exposed to interruption of services due to an unreliable IT system provider, physical damage from a natural or human based disaster, fire or flooding, systemic delivery failure due to cyber threats, inadequate maintenance or unreliable transmission provision.	The Group performs periodic cyber-attack simulation to ensure that the current security infrastructure is sufficient to withhold an attack. The Group requires mandatory staff training on a regular basis, requiring certification which aims to inform staff of the advances on fraud. Spoof phishing attacks are performed regularly and randomly, to ensure staff do not disclose sensitive information or allow the IT systems to be hacked. The Group maintains ISO 27001 certification which requires an annual audit ensuring our IT security is maintained to a high standard. No significant findings or improvements occurred within the 2024 audit.

Physitrack PLC principal risks and uncertainties

Risks	Mitigating activity
Exposure to fluctuations in currency exchange rates The Group undertakes transactions denominated in several currencies and consequently, exposures to exchange rate fluctuations arise which can impact the Group's earnings and equity. The Group's main operating currencies are: GBP, EUR, AUD, USD and CAD. The Group's reporting currency is EUR.	Give the Group's global operations, where possible payments in a specific currency are made from receipts in that currency, ensuring that the business is naturally hedged. When translating foreign currency the Group has a foreign exchange policy in place which ensures two quotes are obtained for each trade and that the best rate is being achieved.
Political, regulatory and compliance The Group operates within an evolving regulatory environment globally and this presents a risk to the continuity of the business if the Company is unable to adapt to the rapid shifts in legislation across multiple jurisdictions or fails to in due time incorporate new legal provisions that are introduced on existing markets or which already exist in markets to which the Company expands to. These regulatory risks extend to regulations established associated with the Climate emergency which currently are not in place. There is a risk that the Group fails to comply with such requirements and as a result, may be exposed to statutory action, loss of registrations, permits and fines, litigation and compensation claims from patients or customers.	The Group has compliance programmes and committees, which regulate the Group's most important risks and the Group conducts assurance activities for each key risk area. The engagement of leadership and senior management is critical to the successful management of this risk area. We have established structured communication plans to provide a clear tone from the top.
IP protection is not sufficient The Group's ability to effectively compete is dependent on the Group's ability to register, protect and claim right to its intellectual property rights ("IP"). In particular, the rights attaching to the software on which the Group has developed its technological platform is important for the Group to protect. There is a risk that the measures undertaken by the Group to protect its IP proves to be insufficient, and if so, the Group may not be appropriately protected from an IP point of view in order to maintain its competitive edge.	The Group educates staff on what IP is and how to identify potential breaches or where the Group's IP protection is not sufficient. The Group seeks professional advice where there are instances of where a competitor may have used Physitrack IP illegitimately, or where we may launch a new product or features which impinges existing IP rights in place.
People Physitrack relies on a highly skilled and competent employee cohort. There is a risk that key employees leave the Company through either active targeted recruitment from external sources including competitors, dissatisfaction with the existing employment arrangements and/or natural attrition. A further risk is the ability of Physitrack to attract new employees of the required calibre if competition for resources increases. The business depends on successfully retaining key employees in management, operations, sales and marketing, technology innovation, IT development and system maintenance areas. The Group requires skilled employees, including qualified medical personnel, to generate revenue and maintain customer relationships to ensure Physitrack remains a leading innovator in the healthcare sector. If the Group is unable to attract and retain its executive management and key employees and consultants, the Group may not be able to achieve its strategic objectives, growth strategy and its business could be adversely impacted. Thus, loss of key employees and consultants or failure to attract new employees or consultants could have a material adverse impact on the Group's ability to grow to new markets and further develop its services.	The Group places the wellbeing and development of our people at the forefront of the way we operate as a business. The flexible arrangements which we offer are attractive to employees and act as a retention tool. The Group operates a competitive remuneration package. The Group hired a new head of people in 2023 who has implemented a number of processes and procedures to maintain high levels of employee engagement and satisfaction, which is seen through our positive employee feedback scores.

Physitrack PLC principal risks and uncertainties

Risks	Mitigating activity
Personal data Physitrack does not store patient records but does have access to sensitive information pertaining to basic user information and treatment protocols. The personal data of the patients are, in the meaning of the law, typically of sensitive nature as the personal data may relate to the patients' state of health, which place higher demands on the handling of that personal data and also potentially higher sanctions for the Group if the personal data is incorrectly handled.	The Group has implemented specific tools, controls and protocols to detect, report and respond to security incidents. The Group maintains a robust IT security policy, which includes the regular induction, awareness and refresher courses for Group employees of the Group's data security and privacy obligations, alongside the evolving ways data could be unlawfully accessed.
Integration of recently acquired businesses places high demands on management and internal processes To support its ambitious growth plans, the Group acquired a number of businesses over the past 3 years. The integration of these businesses into either the Group's Lifecare or Wellness divisions places high demands on the management team and the Group's operational and financial infrastructure. Further demands will also be placed on the design and implementation of planning and management processes in the operations. Expansion to new jurisdictions always comes with uncertainties and risks, such as increased uncertainty as to the general regulatory environment in healthcare related matters, stricter requirements regarding processing and storing personal data, as well as tax processes different to those the Group currently applies. The company must take these risks into consideration particularly when designing, planning, and managing processes, and there is a risk that the Company will not be able to consider every relevant risk associated with the expansion in and to existing and new jurisdictions.	The Group continues to follow its implementation plan to integrate all recent acquisitions into either the Lifecare or Wellness segments. During the financial year for key functions such as finance, sales and marketing we have begun to unify teams into one group wide team ensuring consistency in processes across both divisions. During Q4 2023 the Group concluded its roll out of a new finance system (NetSuite) to all subsidiaries bar one which has a high level of customisation for the market in which it operates. This centralises and standardises reporting across all companies within the Group and provides access to real-time information to make better informed decisions. NetSuite has also allowed the ability for the Group to utilise other automated systems which integrate with NetSuite such as Tipalti an automated payables system and Pento an automated payroll system which strengthens the controls in place. NetSuite has allowed several Wellness entities to automate its invoicing and dunning.
Interest rate risk The Group is exposed to interest rate risk primarily through its £5m revolving credit facility. Changes in interest rates affect the cost of capital, impacting our financial stability and cash flow management. Given the uncertain economic environment, there is a potential risk of interest rate increases which could significantly increase our borrowing costs.	**Interest Rate Swap Agreement:** The Group has proactively managed interest rate exposure by entering into an interest rate swap agreement. This swap hedges a portion of the revolving credit facility, fixing the interest rate for a portion of the debt and thus providing predictability in financial planning and budget management. **Regular Review of Hedging Strategy:** The finance team will conduct regular reviews of our hedging strategy to ensure it aligns with our current financial structure and market conditions. This includes assessing the effectiveness of the current interest rate swap and determining if additional swaps or other financial instruments are necessary to manage risk adequately. **Interest Rate Monitoring and Economic Analysis:** Continuous monitoring of interest rate trends and economic forecasts will be crucial. The finance team will work with external financial advisors to gain insights into global and local economic factors that could influence interest rates, using this information to make informed decisions about debt management.

Physitrack PLC principal risks and uncertainties

Emerging risks
As well as assessing ongoing risks the Directors consider how the business could be affected by any emerging risks over the long term. Emerging risks are those which may develop but have a greater uncertainty attached to them. Bi-annually the senior management team are asked to highlight any new or emerging new risks, these are then reported to the Audit Committee and monitored on an ongoing basis.

The market for the Physitrack share on Nasdaq First North Premier Growth Market may be illiquid and the share price volatile.
It is difficult to predict the amount of trading of the share. The price at which the share is traded and the price at which investors can make and realise their investment will be affected by a number of factors, some of which are specific to Physitrack and others are of a general nature applicable to all listed companies and out of the Company's control.

There is a risk that the price of the share will be highly volatile or liquid trading does not develop or does not prove sustainable, this could make it difficult for shareholders to sell their share and the market price could differ considerably from the price of the share within the initial offering.

Future sales of large blocks of shares
The share price may be significantly impacted by sales of large blocks of shares, in particular from members of the Board of Directors, the executive management and larger shareholders.

Shareholders holding 58.6 per cent of the outstanding shares and votes in the Company following the offering, have via lock-up undertakings committed not to sell their respective holdings for a certain period from the first day of trading on Nasdaq First North Premier Growth Market.

The lock-up period has now elapsed, future sales of large blocks of shares as well as disposals made by the Main Shareholders, members of the Board of Directors and / or executive management could have a negative impact on the Company's share price.

Viability statement

Assessment Period

The Directors have voluntarily complied with Provision 31 of the UK Corporate Governance Code, assessing the viability of the Group over an appropriate period. After careful consideration, the Directors have assessed the Group's ability to operate under normal terms and meet its liabilities over a five-year period from December 31, 2024, to December 31, 2029. This period aligns with the Group's strategic planning and forecasting cycle and considers the global healthcare and wellness industry trends, financial position, and principal risks. While this five-year timeframe exceeds that used for the going concern assessment, the Directors believe it is a reasonable period to assess the Group's resilience. Given the Group's recent financial performance, evolving business model, and macroeconomic factors, the Directors continue to review long-term financial sustainability and strategy on an ongoing basis.

Performance and long-term prospects

Over the last five years, the Group has achieved significant revenue growth, increasing from €1.0m in 2020 to €16.2m in 2024, representing a 75% compound annual growth rate (CAGR). However, the Group experienced a swing from profitability in the prior period to a loss in 2024, including the impact of adjusting items and impairments, which suggests that some areas of the business are not yet operating at expected levels of profitability.

Despite these challenges, the Directors believe the Group is well-positioned to execute its strategic plan and achieve its mid-term targets, as outlined on page 6. The global healthcare and wellness industry continues to expand, with projections indicating market growth to USD 9 trillion by 2028 (Statista). This provides significant opportunities for the Group to capture additional market share and optimise its operations.

Planning Process

The viability assessment is an integral part of the Group's strategic planning. Each business unit undergoes a detailed review conducted by the CEO, CFO, and subsidiary leadership teams, culminating in discussions with the Board.

- Monthly performance reviews ensure alignment with targets.
- Quarterly reporting to the Board provides oversight on key financial metrics.
- Scenario planning and sensitivity analysis are conducted to evaluate potential risks.

This process reflects the Directors' best assessment of the Group's future prospects over the next five years and provides a reasonable expectation rather than certainty.

Stress Testing and downside scenarios

To assess the Group's financial resilience, the Directors prepared two detailed budget scenarios:

1. Base Case Scenario (Budget 1):
   - Based on forecast growth rates in both the Lifecare and Wellness businesses.
   - Assumes continued execution of the Group's strategic plan, including revenue expansion and margin improvements.
2. Downside Scenario (Budget 2):
   - Uses forecast Q4 2024 results as a base and assumes no revenue growth in either Wellness or Lifecare over the forecast period.
   - This represents a highly pessimistic scenario, designed to stress test covenant compliance and identify potential financial risks.

Under both scenarios, covenant compliance was assessed, with the downside scenario identifying a remote possibility of a covenant breach in early 2025. However, the Directors have taken proactive measures to mitigate these risks through cost optimisation and restructuring initiatives (detailed below).

Viability mitigating actions

To address risks within the Wellness division, the Board has implemented a series of restructuring measures aimed at improving financial sustainability:

- Closure of underperforming clinics in Champion Health Plus to streamline operations.
- Integration of Champion Health into Physitrack, operating as a single business with two distinct products.
- Cost optimisation initiatives to improve efficiency and financial performance.

These actions demonstrate the Board's commitment to maintaining the Group's long-term viability by ensuring a more sustainable operational model.

Viability

As of December 31, 2024, the Group had net assets of €19.2m (2023: €25.1m), along with an available facility of €0.9m (2023: €2.4m). The Group maintains a strong financial position and access to sufficient cash reserves to draw down as needed. Furthermore, the Directors believe that the risk management and internal control systems in place allow them to monitor key variables impacting liquidity and solvency, with a reasonable expectation that the Group will be able to meet liabilities as they fall due over the coming five-year period.

Sustainability report

At Physitrack Group our mission statement is to 'Elevate the world's wellbeing'. Sustainability and generating social value are at the core of our business in both of our divisions. Under the umbrella of our business mission, we have identified four key priority sustainability topics for the Physitrack group, namely:

- Innovation and education: Supporting innovation and education in our sector.
- Carbon emissions: Reducing carbon emissions in the healthcare industry as well as acting responsibly in our own business activities.
- Workforce: Providing good jobs and career opportunities with fair pay and conditions and building a diverse, inclusive and equal workforce.
- Safeguarding users' data and privacy: Adhering to the highest security standards to ensure our customers, and their patients, data is safe.

Further information on our key sustainability topics is outlined below:

Our business mission:
Elevating the world's well being

Lifecare

The use of Physitrack and Physiotools empowers practitioners, mainly Physiotherapists, to enhance the care that they offer to their patients. A number of clinical studies, many using Physitrack, have identified that digital exercise apps improve adherence to and engagement with treatment. Physitrack also allows for streamlined patient engagement and remote on-demand care. Increased flexibility reduces the need for set times and limits the need for preparation between patients as all relevant patient information is available on demand through the platform. By treating patients more effectively, more time can be allocated to care as opposed to administration.

Societal Discrepancies and Rural areas

A recent study reported that 8.5 percent of US citizens do not have access to a vehicle. In addition, healthcare costs in the US are among the highest worldwide. With recent data indicating in 2022, U.S. health expenditures reached $12.7k per person, significantly higher than in other high-income countries. For this vulnerable group, care becomes both costly and difficult to attain and patients may postpone seeking care.

The disparity is particularly evident in rural areas with a higher prevalence of chronic diseases and related mortality. In the US, about 60 million people live in rural areas and 20 percent of the population do not have access to healthcare.

Physitrack promotes more effective and as a result more affordable care. Furthermore, remote care enables for a wider range of treatment options for individuals living in remote areas and eliminates the need to travel long distance. Limited transportation is positive from an environmental perspective; however, it is also positive for the individual as health conditions that would otherwise be ignored because of the unavailability of care can now be effectively diagnosed and treated remotely.

There are a number of examples of where Physitrack has been utilised in a rural setting to improve the reach of patients to healthcare practitioners including in Australia through Physitrack being used by the Royal Flying Doctors, or through our partnership with Business Finland where Physitrack is used to improve the accessibility of healthcare services to patients in remote regions of Rwanda and Indonesia.

Wellness

The Champion Health 2024 Workplace Health report was released in January 2024. The report includes insights from over 4,300 employees and over a million data points. Similar to the platform itself, the report identifies the challenges employees are current facing both inside and outside of work. By taking a realistic look at the data and its implications, only then can we know how to truly make a positive impact on the lives of those we work with.

Sustainability report

With a rise in the amount of people suffering from mental health issues, we have seen more receiving a diagnosis for such issues. More men are reaching for help and there has been a huge increase in the number of people feeling content with their current physical and mental health. The report show progress and a way through and highlights the efforts in bettering the wellbeing of our colleagues is not in vain.

Innovation and education

Support innovation and education in our sector

Physitrack's Lifecare business has long held links with the education sector. Across the world Physitrack offers complimentary access to its home exercise prescription software to universities. More than 50 universities worldwide have registered for free access for their students for use in exercise program modules, academic projects or during placements. https://www.physitrack.co.uk/universities-and-research-institutions

Physitrack has also been used in many academic studies proving the effectiveness of home exercise programmes and telerehabilitation: https://www.physitrack.co.uk/clinical-studies.

PTcourses, our continued education business offers quality continued education in our sector to qualified Physiotherapists and Occupational Health Therapists in the US, extending our commitment to learning after graduation.

Developing new service models to rehabilitation

Physitrack's subsidiary, Physiotools has started rehabilitation and business development project called 'Developing new service models to rehabilitation'. This project is partly financed by Business Finland and the Foreign ministry of Finland.

Transforming access to rehabilitation through Project Inclusion

Did you know that in Europe there are on average 13 Physiotherapists for every 10,000 people, while in Asia it is only 2 Physiotherapist per 10,000 people on average?

Project Inclusion aims to overcome this challenge by ensuring that everyone can get the help they need through the power of digital health innovation. Physitrack, along with Business Finland and partners, is actively developing digital tools to make rehabilitation services more accessible in Rwanda and Indonesia.

Our initial experiences indicate that, thanks to digital tools, one physiotherapist can now assist up to 40 times more end-users than before.

This transformation wouldn't be possible without our technology and the invaluable contribution of community health workers, who play a significant role in healthcare in both pilot countries.

Carbon emissions

Reduce carbon emissions in the healthcare industry as well as acting responsibly in our own business activities.

Healthcare is a significant contributor to global carbon dioxide emissions with the healthcare sector in the largest economies making up 4 percent of global emissions. Physitrack enables for less travel through remote care, which contributes to reduced emissions. Furthermore, the company's solution can be used to offer care in regions affected by climate change. A tangible example of this is the use of the Physitrack offering in Haiti - Physitrack provided Telehealth technology to physiotherapists in Haiti. The technology is used to provide expert care from global specialists.

The Physitrack Group is committed to operating in an environmentally sustainable manner, we continually strive to implement energy-efficient technologies and practices in our operations to reduce energy consumption and greenhouse gas emissions. Our workforce operates predominantly a virtual-first model where possible working from home to reduce emissions from travel and maintaining office space.

Sustainability report

Data Centres and Cloud Services: As a provider of digital health solutions, Physitrack recognizes the energy consumption and carbon footprint associated with data centres and cloud services. We will work with our technology partners to ensure that our data centres are operated in an energy-efficient manner and that our cloud services are powered by renewable energy.

Workforce

Providing good jobs and career opportunities with fair pay and conditions and building a diverse, inclusive and equal workforce.

Our wellbeing products support employers to improve their employee's wellbeing. With this being at the core of our business we are continually focussed on the wellbeing of our own employees. The Champion Health platform is provided to our own employees and management have access to the data dashboard which is used to identify risks to wellbeing and opportunities to improve these. We hold regular wellbeing 'sessions' throughout the year.

Diversity and inclusion is part of who we are, below is the Physitrack diversity policy:

At Physitrack, we are all different. And that's our greatest strength. We draw on the differences in who we are, where we live, what we have experienced, and how we think. In order to build solutions that serve everyone - we believe in including everyone.

Our company and team are committed to creating and managing an environment of inclusion, and one that always strives to be inclusive of people of all genders, colours, cultures and religions.

Physitrack is a diverse company with customers in over 100 countries around the world. Our team of Physitrack collaborators is diverse and spans more than ten nationalities, with representatives of various cultures, sexual orientations and ethnic backgrounds.

For our exercise library, which we film in England, we cast the most suitable models and athletes for the specialties that we need, and this process is independent of gender, sexual orientation, ethnic background and skin colour.

Our online coaches include active and inactive professional athletes, professional dancers, choreographers, war veterans, all with unique onscreen performance skills. With the diversity of these models, we want to offer you the clearest exercise performance and on screen guidance you can find.

Safeguarding users' data and privacy

Adhering to the highest security standards to ensure our customers, and their patients, data is safe.

The safeguarding user's data topic is addressed in full in the Information Security section of this report on page 12.

Director’s duties and stakeholder engagement

Section 172(1) of the Companies Act (2006) requires directors to act in a way that they consider, in good faith, would most likely promote the success of the company. In doing so, directors must take into consideration the interests of various stakeholders, the impact of operations on the community and the environment, the long-term consequences of decisions, and the need to maintain high business standards while ensuring fair treatment of all members.

The Board acknowledges that the success of the Group depends on all stakeholders, including employees, customers, suppliers, and shareholders. Each plays a critical role in the Group’s long-term sustainability, whether through employees driving innovation, customers contributing to revenue growth, or suppliers ensuring operational efficiency.

While the Group does not meet the qualification criteria under the Companies (Miscellaneous Reporting) Regulations 2018, the Directors have chosen to voluntarily disclose how they have fulfilled their duties under Section 172(1). This section serves as the Company’s Section 172(1) Statement.

Stakeholder Engagement and Decision-Making

Employees

Our employees are at the heart of our business, driving growth and innovation. The Board is committed to ensuring that employees are engaged, valued, and supported in their professional development.

- Employees expect fair treatment, job security, and access to training and development.
- Engagement methods include team meetings, employee surveys, performance reviews, and training programs.
- Employee feedback has been incorporated into strategic decisions, leading to the creation of a Head of People role to focus on employee engagement and well-being.

Key Board Decision:

During the year, the Board made the difficult decision to restructure the Champion Health Plus business to improve operational efficiency and financial sustainability. This involved:

- Closing Champion Health Plus sites to focus on digital wellness solutions.
- Redundancies were necessary as part of the restructuring, and the Group engaged with affected employees with transparency and support, offering assistance where possible.

While these decisions were challenging, they were made to ensure the long-term viability of the business, protect shareholder value, and enhance the Group’s strategic focus.

Customers

Our customers are critical to our long-term sustainability. To ensure we deliver value, we:

- Maintain strong engagement through customer success teams, feedback loops, and social media channels.
- Use customer insights to drive platform improvements and service enhancements.
- Continue to refine our churn and retention strategies, which have reduced churn rates to 1.0% in 2023 and maintained this level in 2024.

Director’s duties and stakeholder engagement

Suppliers

Our suppliers are essential to delivering high-quality services. We:

- Engage in regular strategic and operational meetings to align on priorities.
- Work collaboratively to improve service levels and technology integration.
- Ensure that supplier relationships are managed fairly, with payments made on agreed terms

Shareholders

Shareholders provide the capital needed to execute our long-term growth strategy. We recognise their need for transparency and long-term value creation.

- The Board ensures regular communication through quarterly financial reporting and investor updates.
- The CEO and CFO hold investor meetings to address shareholder questions and strategy.
- The format of interim reports has been revised based on shareholder feedback to enhance clarity and relevance.

Key Board Decision:

The Champion Health Plus restructuring had implications for shareholders, as it was a strategic shift to optimise operations and align resources with growth areas. The decision was made to:

- Improve long-term profitability and operational efficiency.
- Address challenges in the wellness sector, ensuring a sustainable business model.
- Enhance shareholder value by focusing on scalable digital solutions rather than physical locations.

The Board carefully considered the financial impact, operational feasibility, and long-term shareholder interests before proceeding with this restructuring.

Conclusion

The Board remains committed to balancing the needs of all stakeholders while making decisions that support long-term business success. Through proactive engagement and strategic planning, the Directors continue to ensure that the Group operates sustainably, responsibly, and in the best interests of all stakeholders.

02.
CORPORATE GOVERNANCE REPORT

Overview and regulatory framework

Physitrack PLC ("Physitrack" or the "company") is listed on Nasdaq First North Premier Growth Market Sweden from June 18, 2021, with the Company registered in England and Wales and its operations are governed by the UK Companies Act.

Physitrack is subject to the rules derived from Nasdaq First North Premier Growth Market's Rulebook for issuers and has to comply with generally acceptable behaviour in the Swedish Securities market (Sw. God sed på aktiemarknaden).

As part of the Nasdaq First North Premier Growth Market's Rulebook Physitrack is required to apply either the Swedish Corporate Governance code or the Corporate Governance code of the country that it is incorporated in, the Board of Directors has resolved to apply the requirements of the UK Corporate Governance Code ('the Code'), published in July 2018 by the UK Financial Reporting Council (the "Code"). The directors acknowledge that the FRC published a new code in 2024 which is applicable for reporting periods from 1st January 2025 and the board are currently assessing what changes are required and the impact of this is.

This summary is not, and does not purport to furnish, a comprehensive outline of all the applicable laws and internal rules and guidelines and is intended to briefly sum up the most relevant aspects of corporate governance of Physitrack. In this context, it should be read subject to the detailed provisions of the Companies Act, company's memorandum and articles of association, and other laws and regulations applicable to the company.

Compliance with the 2018 UK Corporate Governance Code

In July 2018, the Financial Reporting Council ('FRC') published the latest edition of the Code. This included changes which impact the guidance on the independence of Directors, the tenure of the Chair of the Board, Board and Committee composition, workforce and other stakeholder engagement and remuneration. The Code applies for periods beginning on or after 1 January 2019. In the case of Physitrack it became applicable from 18 June 2021 when the IPO was completed and has been adopted accordingly.

The Board has put in place provisions to ensure compliance with the revised Code such that it believes it complies except for the following matters:

1. Since the adoption of the Code a formal evaluation of the Board using an external evaluator has not been performed. The Board will continue to assess the requirement for such an evaluation as the company grows and becomes more complex. An internal evaluation was performed in March 2024 and did not identify any deficiencies.
2. The Board of Directors has not established a Remuneration Committee in accordance with Provision 32 of the Code, and consequently does not also comply with provisions 33, 35, 36, 40 and 41 of the Code. In light of the size of the company and its simple remuneration structure, which does not include any formulaic bonuses or share incentive schemes, all matters related to director and senior management remuneration will be considered by the Board as a whole, rather than delegated to a sub-committee (subject to the requirements of the Articles and the UK Companies Act).
3. The Code recommends that the Chair of the Board should not be a member of the Audit committee, the Board currently believe given the size of the Board and the Chair's experience it is appropriate that the Chair be a member of the Audit Committee. This decision will be assessed annually.

Articles of association

The articles of association of Physitrack, contain regulations on the management of the company's affairs and conduct of its business and serve as an important tool to supplement the statutory corporate governance provisions. The articles of association are available in their entirety on the company's website (https://www.physitrackgroup.com/governance).

Shareholders' meetings

Shareholders' influence in the company is exercised at the shareholders' meeting, where the shareholders decide on matters which fall within their competence. The shareholders' meetings are planned and conducted in such a way as to enable shareholders to exercise their ownership role in an active, well-informed manner.

There are two types of shareholders' meetings: annual general meetings and extraordinary general meetings. Physitrack must hold an annual general meeting once every year, within six months of the end of each financial year, and not later than fifteen months after the previous meeting. All other general meetings are extraordinary general meetings.

In accordance with the articles of association of the company and subject to the conditions stated in the articles, each shareholder enjoys a number of rights in connection with general meetings, including the right to participate in the shareholders' meeting and to vote according to the number of shares owned, the right to receive a notice of a general meeting, and the right to demand a poll at the meeting. Shareholders may exercise their rights at the general meetings by proxy.

Furthermore, each shareholder is entitled to have a resolution put before a general meeting, provided that the Board has received such a request at least seven weeks prior to the distribution of the notice convening an annual general meeting, or four weeks prior to the distribution of the notice convening an extraordinary general meeting.

Physitrack's Annual General Meeting (the "AGM") was held in London on May 2, 2024. The following resolutions were adopted:

To receive and adopt the Annual Report and Accounts.
The AGM resolved to receive and adopt the Company's Annual Report and Accounts for the period ended 31 December 2023, together with the reports of the Directors and Auditor.

Re-election of Directors
The AGM resolved to re-elect Anne-Sophie D'Andlau, Per Henrik Molin, Arup Paul and Jasper Zwartendijk.

Appointment and Remuneration of Auditor
The AGM resolved to re-appoint Forvis Mazars LLP as Auditor to the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the remuneration of the Auditor until the conclusion of the next Annual General Meeting.

Authority to allot Ordinary Shares
The AGM resolved, in accordance with the Board of Directors' proposal, that the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006, in substitution for all existing authorities, to exercise all the powers of the Company to allot 1,626.077 Ordinary Shares of £0.001 each in the capital of the Company ("Ordinary Shares"), and to grant rights to subscribe for or to convert any security into Ordinary Shares for any purpose, up to a maximum aggregate nominal amount of £1,626.08 (being 10% of the Company's issued share capital) such authority to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 31 May 2025) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require Ordinary Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares to be granted after the authority ends and the Board may allot Ordinary Shares or grant rights to subscribe for or convert securities into Ordinary Shares under any such offer or agreement as if the authority had not ended.

Authority to dis-apply pre-emption rights
The AGM resolved that, in accordance with the board of directors' proposal, subject to the passing of Resolution 8, the Directors be empowered pursuant to section 570 Companies Act 2006 to allot equity securities (within the meaning of section 560(1) Companies Act 2006) of the Company for cash pursuant to the authority conferred by Resolution 9 as if section 561 Companies Act 2006 did not apply to the allotment, such power to expire at the end of next year's annual general meeting (or, if earlier, until the close of business on 31 May 2025) unless renewed, varied or revoked by the Company prior to such a date.

Share Repurchases
The AGM resolved, in accordance with the Board of Directors' proposal, that the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) of its Ordinary Shares, provided that:

a. the maximum number of Ordinary Shares authorised to be purchased shall be 1,626.077 (representing 10% of the Company's issued Ordinary Share capital at the date of this notice of Annual General Meeting);

b. the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is £0.001;

c. the maximum price (exclusive of expenses) which may be paid for each Ordinary Share must not be more than the higher of (i) an amount equal to five per cent above the market value of an Ordinary Share for the five business days immediately preceding the day on which that share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out, in each case exclusive of expenses;

d. the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held after the date of the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed to such time; and

e. the Company may make a contract to purchase Ordinary Shares under the authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

Shareholder structure

At 28 March, Physitrack had 1,294 shareholders, holding in total 16,260,767 shares. The largest shareholders were Henrik Molin with 24.8 per cent of the issued share capital, Nathan Skwortsow with 15.07 per cent, Consensus Asset management with 9.1 per cent, Dankea Ou with 6.15 per cent, Breht McConville with 4.51 per cent, Avanza Pension with 4.14 per cent, Ocampo International SA with 3.97 per cent, Kjetil Holta with 3.69 per cent, Nordent Pension Insurance 1.98 per cent and Martin Larsson (Chalex, AB) 1.92 per cent. The ten largest shareholders held an aggregate of 73.34 per cent of total number of shares in issue at 31 December 2024.

Further details on the company's largest shareholders and ownership structure can be found on the page 117 of this report.

2025 Annual General Meeting

The forthcoming annual general meeting ('AGM') of Physitrack will be held on Friday June 27, 2025, it will be a hybrid physical and virtual meeting as permitted in the articles of association.

Information about the 2025 Annual General Meeting, with all relevant documentation, is published on Physitrack's website, www.physitrackgroup.com. The notice of meeting for the AGM will be posted on this website no later than 21 days before the date of the meeting.

Nomination Committee

The nomination committee assists the board in reviewing the structure, size and composition of the board of directors. It is also responsible for reviewing succession plans for the directors, including the Chairperson and CEO and other senior executives.

The UK Corporate Governance Code recommends that a majority of the nomination committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment.

The current members of the nomination committee in Physitrack are:

- Henrik Molin
- Arup Paul
- Jasper Zwartendijk
- Anne-Sophie D'Andlau

The nomination committee met once during the current financial year to appoint Anne-Sophie D'Andlau as chairman.

Physitrack PLC adopted the UK Corporate Governance Code in June 2021, since the adoption a formal evaluation of the Board using an external evaluator has not been performed. The Board will continue to assess the requirement for such an evaluation as the company grows and becomes more complex.

Board of directors

The Board is ultimately responsible for the governance of the company, its proper administration and management, and general supervision of its affairs. Among the purposes of the Board are to enhance the value of the company, promote the well-being of the company, and serve the legitimate interests of the company including on matters of sustainability.

The Board determines the strategy, targets and fundamental management policies, and supervises the affairs of the company. The Board continuously oversees the performance of the duties of the CEO and executive management and evaluates Physitrack's financial position and results. Furthermore, the Board ensures that the company has appropriate policies and procedures in place to ensure that the company, its management and employees adhere to the highest standards of corporate conduct and comply with applicable laws, regulations and ethical standards. Board members are accountable for their performance to the shareholders of Physitrack.

The company's board of directors consist of four directors including the chairperson, who are appointed for the period until the end of the next annual shareholders' meeting.

Subject to the UK Companies Act, the articles of association and to any directions given by special resolution of the company, the business of the company will be managed by the board of directors, which may exercise all the powers of the company, whether relating to the management of the business or not. The directors have a fiduciary duty owed to the company.

In summary, directors owe a duty to:

- Act within the powers conferred by the company's constitution;
- Promote the success of the company; and
- Exercise independent judgment, reasonable care, skill and diligence, avoid conflicts of interest, not accept benefits from third parties and declare interests in (proposed) transactions or arrangements.

Directors also owe a duty of confidentiality to the company, and the terms on which they are engaged by the company, especially in the case of executive directors, may impose or give rise to further duties and obligations.

In accordance with the articles of association, a director must declare to the directors any potential conflict of interest, so the directors can decide on how to address the conflict. The directors may decide to authorise matters presented by a director that would, if not authorised, involve a breach under the UK Companies Act. If authorised to act in conflict of interest, the director will be obliged to conduct him/herself in accordance with any terms and conditions imposed by the directors.

Subject to the company's articles of association, the company may by ordinary resolution appoint a person who is willing to be a director. The board of directors also have the power at any time to appoint any person who is willing to act as a director.

In line with the UK Corporate Governance, at each annual general meeting every director shall retire from office and each retiring director may offer himself for re-appointment by the members. A director that is re-appointed will be treated as continuing in office without a break until the next annual general meeting where he shall again be eligible for re-election.

The roles and responsibility of each board director is set out within the Director's terms of reference.

Refer to page 45 to 46 for further information on members of the board.

Chair of the Board

The Chair of the Board is responsible for organizing and leading the work of the Board, presiding over the meetings of the Board and ensuring that the Board operates in an organized and efficient manner and fulfils its legal obligations. In consultation with the CEO and other Board members, the Chair is responsible for drawing up proposed agendas for Board meetings and ensures that the Board receives sufficient information and documentation to conduct its work. The Chair is elected by the shareholders of the company and holds office no longer than the end of the next annual general meeting.

Board meetings

The work of the Board is organized in accordance with the rules set under the UK Corporate Governance Code, the Companies Act and the company's articles of association. All Board meetings follow an agenda which, together with other materials which may be prepared for a meeting, is distributed to the Board members and other invitees (if any) prior to the meetings. The work of the Board is organized in such manner to ensure that all matters requiring Board's attention are addressed at the meetings and that the Board receives all relevant information. The Chairperson of the Board leads the meetings and supervises the work of the Board. During the current financial year, the Board of the company held 6 Board meetings during 2023, with all board members present. In addition to the Board members, the Board meetings were regularly attended by a secretary and the chief financial officer (CFO) of the company. The Board from time to time invited other persons to deliver presentations or participate in discussions on certain topics when such persons had the required expertise to make a valuable contribution to the Board's work.

The Board meetings are regularly convened to manage and oversee the company's business, set the overall goals and strategy of the company, and continuously monitor financial performance, major developments and the company's key performance indicators.

The company's interim reports are reviewed and approved quarterly, while the Annual Report, the budget and the yearly business plan are considered and approved at Board meetings convened for this initiatives to improve the company's offering, potential acquisitions and other investment opportunities, and strategic partnerships and other major projects of the company. Key developments within the company and industry are regularly discussed at the Board meetings, including regulatory developments and the company's compliance with applicable regulations, opportunities to expand the customer base, consideration of sustainability initiatives, risk assessments, consideration of the company's financing arrangements, and reviews of existing and potentially new markets.

The Directors also have substantive communication between meetings, which include meetings without the CEO being present.

As outlined within the Director's biographies on pages 45 to 46, the Director's also have other external appointments. The Directors have confirmed that their time commitments for these other external appointments do not prejudice their ability to perform their Physitrack director role.

Board committees

The Board is empowered through the articles of association of the company to delegate any of its powers, authorities or discretions to any committee or committees as it sees fit. In accordance with such authority, the Board has established two committees: the Audit and nomination Committee (established in June 2021).

Audit committee

Refer to the Audit Committee Report on page 43.

Remuneration committee

The Board of Directors has not established a Remuneration Committee in accordance with Provision 32 of the Code and consequently does not also comply with provisions 33, 35, 36, 40 and 41 of the Code.
In light of the size of the company and its simple remuneration structure, which does not include any formulaic bonuses or share incentive schemes, all matters related to director and senior management remuneration will initially be considered by the Board as a whole (subject to the requirements of the Articles and the UK Companies Act). All of the current Board

and Senior Management remuneration arrangements were in place before the company became subject to the requirements of the UK Corporate Governance code. The company will keep the decision whether to establish a Remuneration Committee under review in light of its existing and potential future remuneration structure.

CEO and management

The Chief Executive Officer (CEO) and co-founder of Physitrack is primarily responsible for the company's day-to-day management and reports to the Board. The CEO is responsible for leading, organizing and developing the business of the company in such ways that the strategic targets set by the Board are achieved and that the value of the company is enhanced. The CEO must prepare and present issues that are outside the scope of day-to-day management to the Board and the Board may instruct the CEO on how certain matters are to be handled or decided.

The CEO is required to keep the Board and the Chair informed of the company's performance, financial position and important developments. The CEO is also responsible for preparing budget proposals, business plans, financial reports and is generally responsible for preparing materials for the Board meetings as required by the Board to take decisions on matters falling within its area of responsibility.

The company's CEO heads and leads the work of the management team, currently consisting of two members:

the CEO and Chief Financial Officer (CFO). The CEO and management of Physitrack are presented in the Annual Report on page 47 and the company's website https://www.physitrackgroup.com/about#founders

Remuneration and incentive programs

Board Remuneration

The ordinary remuneration of the Board is in accordance with the articles of association of the company determined by the Board, provided that such remuneration does not exceed an aggregate annual amount as determined by an ordinary resolution of the shareholders.

The Board's remuneration can be divided among the Board members as they agree, unless specified by an ordinary resolution by the shareholders. The articles of association of the company further stipulate that any Board member who holds any executive office (including for this purpose the office of chairman or deputy chairman, whether or not such office is held in an executive capacity), or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Board member, may be paid such extra remuneration or may receive such other benefits as the Board may determine.

CEO and Management Remuneration

As outlined within note 24 remuneration of the CEO is by way of a monthly fee charged by a third party company Camelot Solutions, a Company incorporated in Monaco. Additional performance bonuses are charged periodically based on both individual and company targets. Remuneration to other senior executives consists of market-based salary, variable remuneration (mostly in the form of performance bonuses) on both a quarterly and annual basis, customary fringe benefits and other benefits and pension. The balance between fixed and variable remuneration is generally proportionate to the executive's responsibilities, seniority, authority expertise, experience and performance.

A summary of the CEO remuneration alongside the other senior management during the year ended 31 December 2024 is as follows:

	EUR
CEO	291,849
Total senior management remuneration (including all directors)	605,576

Internal controls and risk management

Physitrack's internal control system has been designed to provide assurance that approved principles for financial reporting are applied, and that the company's financial reports are accurate, reliable, and produced in accordance with legislation, applicable accounting standards and other requirements for listed companies. Soundly devised internal control not only creates conditions for reliable financial reporting and compliance with applicable laws and regulations, but also contributes to a healthy and sustainable business, with greater profitability as a result.

Control environment

The Board is ultimately responsible for internal control and risk management of Physitrack PLC. The Audit Committee has been established to support the Board on matters relating to financial reporting, auditing and risk management, including reviewing and monitoring the integrity of the company's financial statements and the effectiveness of the company's internal controls.

The Audit Committee consists of non-executive Board members who are appointed by and are responsible to the Board for carrying out their duties.

While the Board bears overarching responsibility for establishing an efficient internal control system, certain responsibilities have been delegated to the CEO and the management team reporting to the CEO. The CEO, together with the CFO and the Group's finance department, is responsible for ensuring that the necessary internal controls and adequate monitoring are conducted. This includes the control of the company's and the Group's organisation, procedures, policies and practices.

The Group's finance function reports to the CFO, while the CFO in turn reports to the CEO, the Board and the Audit Committee. The Board continuously evaluates the information provided by the company's management. The process includes monitoring profits and revenues versus budget and plans, analysis of key figure and developments, and reporting at Board meetings.

The CEO and CFO regularly provide the Board with the information required to monitor the company's financial law and applicable accounting standards, that the company's assets are protected and that other related regulatory requirements are met.

In addition to ensuring compliance with the regulatory requirements, the system for internal control is also intended to monitor compliance with the company's internal policies and instructions. Internal control also includes risk assessment and implementation of corrective measures.

Risk assessment

Physitrack conducts a structured annual risk assessment to identify, assess and mitigate or manage the risks that affect the company and its business. The risk assessment is conducted with the aim of identifying and assessing the principal risks that can affect the company and its business, based on the likelihood that they arise and the degree to which such risks would affect the company's objectives and long-term strategy, if they were to occur.

Each identified risk has a risk owner within the company, who has the responsibility of ensuring that measures and controls are in place and implemented. The risk owner is also responsible for monitoring, following-up and reporting changes in the company's risk exposure to identified risks. The risk assessment is updated annually and presented to, and discussed by, the Board of the company.

In addition to the structured annual risk assessment, the principal risks are regularly evaluated and discussed by the Board members during the Board meetings, while the financial risks are also monitored by the Audit Committee. For a more detailed description of the industry and business-related risks that affect Physitrack, see the separate section "Risk management" on pages 22 to 27 of this report.

Monitoring compliance

As part of its internal control activities, the company regularly monitors compliance with the applicable rules and legislation, as well as the internal policies of the company, to ensure that risks have been satisfactorily observed and addressed. This includes ongoing monitoring whether the financial reporting of the company is reliable and done in accordance with the

FRS, applicable laws and regulations, as well as other standards that companies listed on Nasdaq First North Premier Growth Market are required to apply. In connection with the listing on Nasdaq First North Premier Growth Market, the company engaged a certified adviser, approved by Nasdaq, to guide the company through the application process, and to provide support and help the company to ensure that it continuously complies with the applicable Nasdaq First North Premier Growth Market rules and regulations. Physitrack's Certified Adviser is FNCA Sweden AB.

Investor Relations

Physitrack strives to uphold good communication with its shareholders and provide correct, clear, credible, timely and relevant information. Physitrack communicates the relevant information to the market primarily through the annual reports, interim reports, press releases and the company's website(www.physitrackgroup.com). In accordance with the Market Abuse Regulation and Nasdaq First North Growth Market Rulebook. In addition to the disclosure requirements imposed by Nasdaq and those emanating from the Market Abuse Regulation, Physitrack has adopted internal policies and procedures designed to ensure that accurate information is communicated in a timely fashion to shareholders, the market, employees and other stakeholders. The company's obligations with respect to inside information are also regulated in the internal insider policy. Regular interim and annual reports are published in English, while certain publications are released in both English and Swedish.

Company secretary

Physitrack has appointed an external company secretary, which provides the Director's with a reference point for any Company Secretarial advice the Directors may require.

Audit committee report

Committee membership and meetings

Committee member	
Jasper Zwartendijk (Chair)	Independent
Arup Paul	Independent
Sophie D'Andlau	Independent

The UK Corporate Governance Code recommends that all members of the audit committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Code recommends that the Chair of the Board should not be a member of the Audit committee, the Board currently believe given the size of the Board and the Chair's experience it is appropriate that the Chair be a member of the Audit Committee. This decision will be assessed annually.

4 audit committee meetings were held during 2024 with all members being present.

Activities of the audit committee

The Committee has continued to play a vital role in assisting the Board in its oversight responsibility and monitoring of the integrity of the financial information for the benefit of our shareholders.

This included monitoring of the Company's governance framework and providing independent challenge and oversight of the accounting, financial reporting and internal control and risk management processes. The Committee Terms of Reference can be found at **https://www.physitrackgroup.com/governance**.

The Committee met on four occasions during 2024. Our focus has been on supporting management to continue to improve ways of working and financial/internal control processes and building on progress made since the IPO. Activities in relation to the twelve months ended 31 December 2024, including significant issues considered by the audit committee include:

Financial reporting

- Monitoring the integrity of the annual and interim financial statements, the accompanying reports to shareholders and corporate governance statements including any significant financial reporting judgments contained in them.
- Providing advice to the Board on whether the Annual Report and financial statements, when taken as a whole, is fair, balanced and understandable and provides all the necessary information for shareholders to assess the Company's performance, business model and strategy.

Risk management and internal controls

- In conjunction with the Board reviewing and monitoring the effectiveness of the Group's internal control and risk-management systems, including reviewing the process for identifying, assessing and reporting all key risks. see the separate section "Risk management" on pages 22 to 27 of this report.

External audit

- To review and monitor the external auditors' independence, objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

Key discussions in the year

The significant areas considered by the Committee were:

Key financial controls

The Committee reviewed the adequacy and appropriateness of the Group’s system of controls and the establishment of a risk and control framework.

Internal audit

Based on the size and complexity of Physitrack PLC the Audit Committee determined that an internal audit function was not required. This will be assessed on an ongoing basis.

Prior year restatement

As outlined in note 1, a misstatement relating to the 2022 and 2023 financial years was identified on the finalisation of the 2024 numbers. The Audit Committee has closely monitored the process, ensuring corrective actions were taken and appropriate controls established to address this misstatement. Further details on the restatement and financial impact are provided in Note 1 to the financial statements.

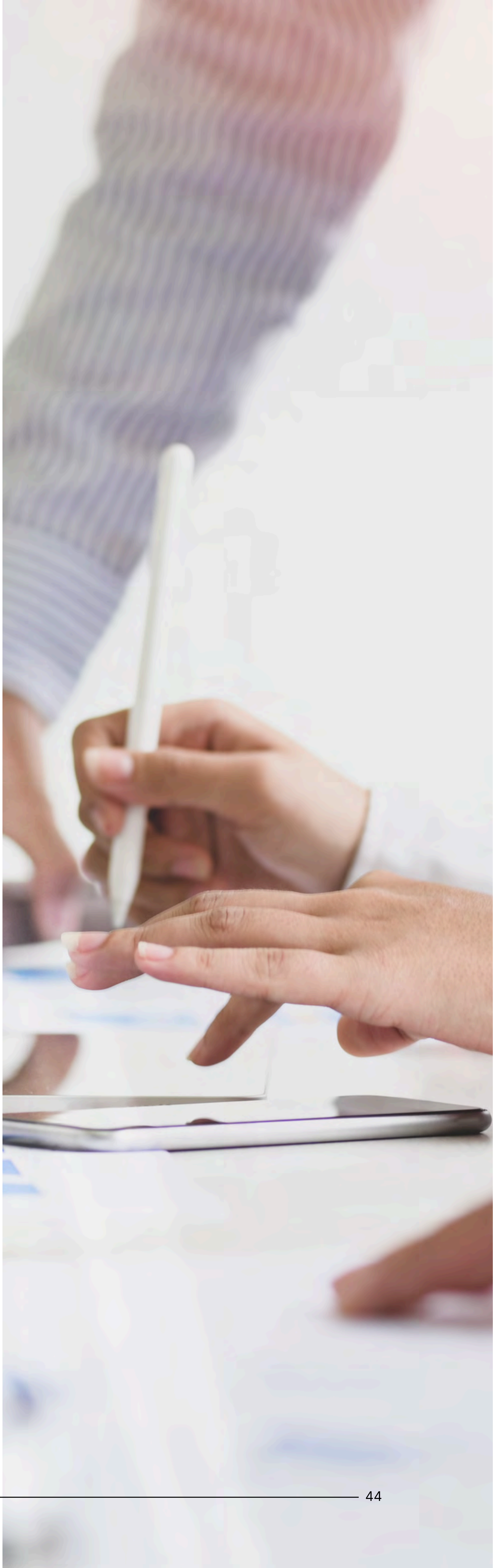
External Auditor

The auditor of the company is appointed by the Audit Committee and approved by the shareholders at the general meeting. Among other duties, the auditor reviews the company’s annual accounts and accounting practices, as well as the management of the company by the Board, the CEO and the management team. According to the Code, the auditor should take part in at least one Board meeting a year without management presence. The auditor participates in the meetings of the audit committee and speaks regularly with members of the Board. Following each financial year, the auditor submits an audit report and a consolidated audit report to the annual general meeting of the company.

In 2024, the remuneration to the company’s auditor amounted to EUR 175,728 (2023: EUR 124,183) and related fees amounted to EUR Nil. Physitrack's auditor is Forvis Mazars LLP, an international audit, tax and advisory firm, with Gavin Barclay as responsible auditor. Gavin is a Chartered Accountant who has worked with smaller capitalisation listed entities within the entrepreneurial business sector for his entire career.

Forvis Mazars LLP
30 Old Bailey, City of London,
London EC4M 7AU
United Kingdom

In the year the external auditors performed assurance services in relation to grants applied to as part of project inclusion from Business Finland.



Board of directors and executive management

Board of directors

At 31 December 2024 Physitrack's board consisted of four directors, including the Chair of the Board of the Directors, elected until the annual general meeting 2025. The board of directors are presented in detail below. The information regarding the directors' current and prior positions does not include any such positions held in Group companies. The information on the directors' respective holdings is provided as at 31 December 2024.

			Independent in relation to	
Name	**Position**	**Director since**	**The company and its management**	**Major shareholders**
Anne-Sophie D'Andlau	Non-Executive Chair of the board	2022	Yes	Yes
Henrik Molin	Executive Director and CEO	2012	No	No
Jasper Zwartendijk	Senior Independent Non-Executive Director	2021	Yes	Yes
Arup Paul	Non-Executive Director	2021	Yes	Yes

Anne-Sophie D'Andlau (born 1972)
Non-executive Chair of the board
Member of Physitrack Plc Audit and nomination committee

Background and education: MSc in Finance from Neoma Business School in France
Current positions: Co-Founder & Deputy CEO, CIAM
Prior positions (past five years): Equity Portfolio Manager, Systeia Capital Management (Amundi) Manager in Corporate Finance, PriceWaterhouseCoopers (PwC)
Holdings in the Company (including related parties): 16,000 shares.

Henrik Molin (born 1975)
Executive Director and CEO

Background and education: MSc in Accounting and Economics, Umeå School of Business, Economics and Statistics (Sweden). Co-founder of Physitrack and previously Director of Marketing at SkyBridge Capital A.G. and Head of Business Development of FQS Capital Management (Cayman) Limited.
Henrik has over 20 years of experience in business development and entrepreneurship. He started his career with Reuters Plc where he developed and marketed financial information and risk management systems before moving into banking and finance.
Current positions: CEO and Co-Founder Physitrack PLC
Prior positions (past five years): CEO and Co-Founder Physitrack PLC
Holdings in the Company (including related parties): 4,032,701 shares.

Jasper Zwartendijk (born 1977)
Senior independent non-executive Director of the board
Chair of Physitrack Plc Audit committee and member of Physitrack Plc nomination committee

Background and education: MSc in Economics, Erasmus University Rotterdam (the Netherlands). Finance professional with extensive financial management and M&A experience.
Current positions: Chief Strategy and M&A Officer for Creative Clicks
Prior positions (past five years): Director of Virgin Media Ireland Limited, Virgin Media Television Limited, UPC Broadband Ireland Limited, Channel6 Broadcasting Limited, Kish Media Limited, Tullamore Beta Limited, TV Three Enterprises Limited, TV Three Sales Limited, Ulana Business Management Limited, Cullen Broadcasting Limited, Casey Cablevision Limited and PBN Holdings Limited. CFO of Virgin Media Ireland.
Holdings in the Company (including related parties): 6,345 shares.

Arup Paul (born 1977)
Non-executive Director of the board
Member of Physitrack Plc Audit and nomination committee

Background and education: MBBS, BSc in Molecular Medicine and Developmental Neurobiology, King's College London (UK); MSc in Healthcare Commissioning, the University of Birmingham (UK). Extensive experience in the design and delivery of healthcare systems and local, national and international levels
Current positions: Chief Clinical Strategy Officer in an international health-tech start up.
Prior positions (past five years): Deputy Chief Medical Officer at AXA PPP Healthcare; Chief Medical and Operating Officer and Director with Health Case Management Limited. Director of Ballard Investment.
Holdings in the Company (including related parties): Nil

Executive management team

The Company's executive management team is presented in detail below. The information regarding their current and prior positions does not include current or prior positions held in Group companies. The information on the executive management team's holdings is provided as at 31 December 2024.

Name	Position	Employed since
Henrik Molin	CEO	2012
Charlotte Goodwin	CFO	2021

Henrik Molin (born 1975)
Executive Director and CEO

Background and education: MSc in Accounting and Economics, Umeå School of Business, Economics and Statistics (Sweden). Co-founder of Physitrack and previously Director of Marketing at SkyBridge Capital A.G. and Head of Business Development of FQS Capital Management (Cayman) Limited.
Henrik has over 20 years of experience in business development and entrepreneurship. He started his career with Reuters Plc where he developed and marketed financial information and risk management systems before moving into banking and finance.
Current positions: CEO and Co-Founder Physitrack PLC
Prior positions (past five years): CEO and Co-Founder Physitrack PLC
Holdings in the Company (including related parties): 4,032,701 shares.

Charlotte Goodwin (born 1989)
CFO

Background and education: Master's Degree in Natural Sciences, University of Cambridge (UK). Chartered Accountant and member of the Institute of Chartered Accountants of England and Wales. Experience from various positions within Wilmington plc, e.g., as Group Accountant, Group Financial Controller and Director of Group Finance, trained at PwC.
Current positions: CFO Physitrack PLC
Prior positions (past five years): Director of Group Finance at Wilmington plc.
Holdings in the Company (including related parties): 4,540 shares.

Other information on the board of directors and senior executives

There are no family ties between any of the board members or senior executives. None of the Company's board members or senior executives have any private interests that could conflict with those of the Company. However, as described above, several board members and senior executives have financial interests in the Company through their shareholdings. None of the board members or senior executives have been chosen or elected as a result of a specific arrangement with major shareholders, customers, suppliers or other parties.

None of the board members or senior executives in the Company have during the past five years, (i) been convicted in relation to fraudulent offences, (ii) been a director of a company that has been subject to bankruptcy, receivership, liquidation or put into administration, (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Directors' report

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2024.

Dividends

No dividends were recommended by the board or paid during the year (2023: nil).

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 22. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

Information shown in the Strategic Report

Information around the Group's performance in the year as well as its developments are shown in the Strategic Report. This information is not shown in the Directors Report in accordance with s414C (11) of the Companies Act 2006.

Research & development

Physitrack team remains committed to strong innovation to make sure we keep staying ahead of the innovation curve in our industry. During 2024 the Company continued to invest heavily in understanding and implementing AI tools in both the platform and to ensure all business processes are efficient. This will provide further enhancements to the platforms and service offerings. Investment in the period into the Group's technology platform was €3.5m (2023: €3.4m)

Financial instrument policy and risk

The Group is exposed to price risk, credit risk, liquidity risk, foreign exchange risk and cash flow risk deriving from the financial instruments it holds. Note 21 details how the Company manages risk in these areas, alongside the financial risk management objectives and policies of the Group.

Events after the reporting period

There were no events after the reporting period.

Directors

The Directors, who served during or throughout the year were as follows:

H P Molin

A Paul

J A Zwartendijk

AS D'Andlau

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The Directors have conducted a detailed going concern assessment, considering board-approved trading budgets for FY2025 and long-term forecasts through to December 2029. Two scenarios were prepared: a base case assuming revenue growth in both Lifecare and Wellness, and a downside case assuming no revenue growth across the Group. Under both scenarios, the Group remains in a cash surplus position, though the downside case highlights a remote risk of a covenant breach in early 2025, which is mitigated by cost reduction initiatives seen at the end of 2024 and beginning of 2025.

The Group's revolving credit facility (RCF) with Santander extends until May 2029 and has covenants related to leverage, liquidity, recurring revenue, and cash EBITDA. The Directors confirm that, based on forecasts, no covenants are breached, with cost optimisation measures further strengthening headroom. Taking into account the current financial position, restructuring actions, and access to liquidity, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. As a result, the going concern basis of accounting has been applied in preparing the financial statements.

Further information on the Directors going concern assessment is outlined in note 1.

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Forvis Mazars LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of Directors on and signed on its behalf by:

HP. Molin

Henrik Molin

Director / CEO & co-founder

Directors’ responsibilities

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

The directors are responsible for the maintenance and integrity of the Group’s website. Legislation in the UK governing the preparation and dissemination of historical financial information may differ from legislation in other jurisdictions.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

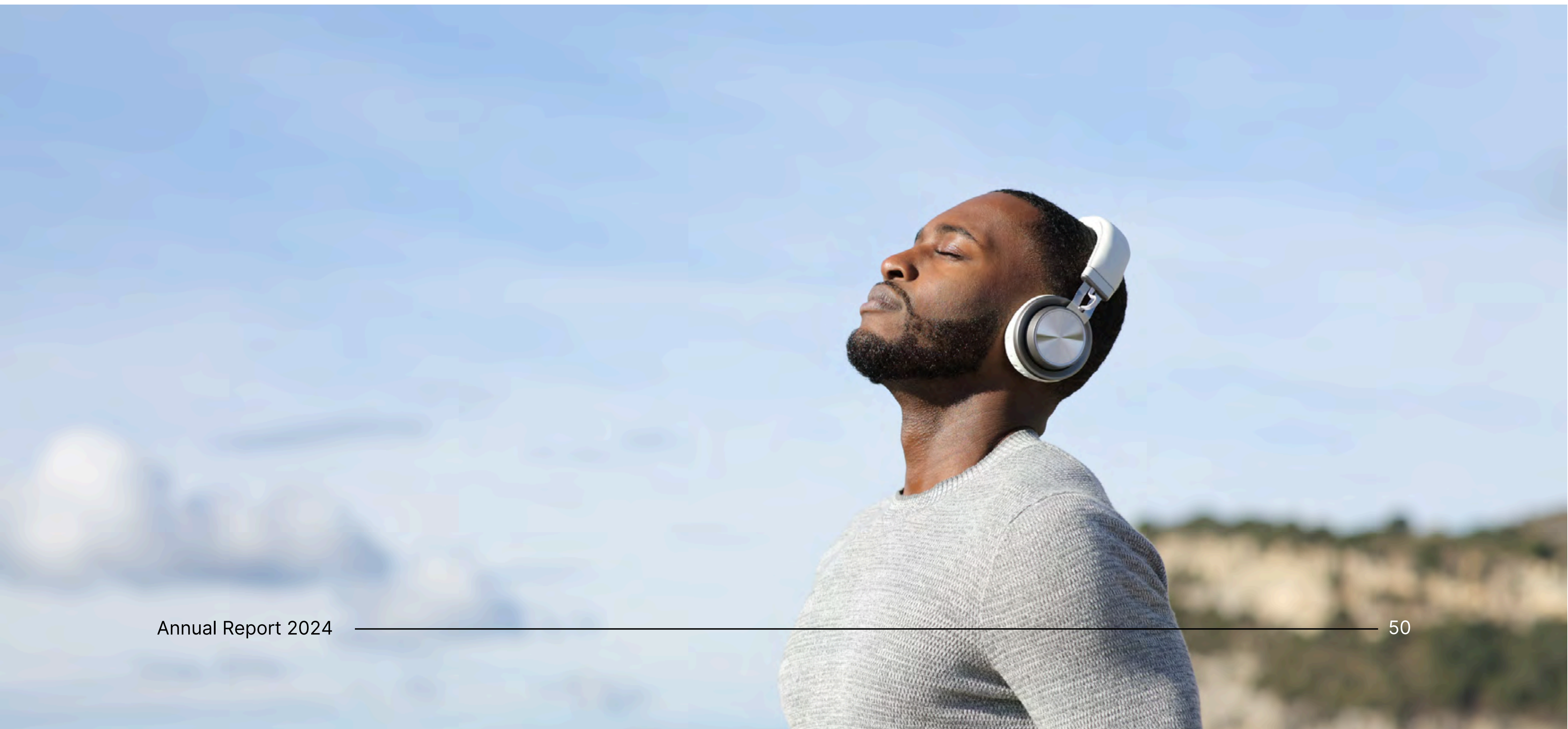
Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.
In preparing the group financial statements, Directors are required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

- properly select and apply accounting policies.
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company 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 Group’s website. Legislation in the UK governing the preparation and dissemination of historical financial information may differ from legislation in other jurisdictions.

The Director’s confirm that they have complied with all of these responsibilities.



Independent auditor’s report to the members of Physitrack PLC

Opinion

We have audited the financial statements of Physitrack PLC (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 December 2024 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and notes to the financial statements, includingmaterial accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2024 and of the group’s loss for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- 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 the 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 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.

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 audit procedures to evaluate the directors’ assessment of the group’s and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group’s and the parent company’s ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors’ going concern assessment;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the group’s and the parent company’s future financial performance;
- Reviewed and challenged management’s going concern assessment, including evaluating the reasonableness of the underlying assumptions and assessing the consistency with cashflow forecasts used elsewhere;;
- Assessed the terms of financing facilities in place including checking forecast headroom and compliance with any covenants;
- Evaluated the historical accuracy of cash flow forecasts to assess the accuracy of the forecasting process.;
- Considering the consistency of the directors’ forecasts with other areas of the financial statements and our audit; and
- Reviewed the adequacy and appropriateness of the financial statement disclosures. This included whether the going concern disclosures in note 1 to the financial statements gives a full and accurate description of identified risks and mitigating actions. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s and the 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.

In relation to Physitrack PLC’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the director’s considered it appropriate to adopt the going concern basis of accounting.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter	How our scope addressed this matter
Fraud risk on revenue recognition (relating to both the group and parent company) The Group's accounting policy for revenue recognition is set out in the revenue accounting policy note on page 68.. Further disclosures on revenue are set out in the revenue accounting policy note on page 74 and note 3 respectively For Physitrack PLC we initially see the risk of fraud in revenue recognition as being principally in relation to; Cut off: The Group enters various contractual arrangements where revenue is billed in advance, deferred, and recognized over time in the statement of comprehensive income. These arrangements primarily include subscription and maintenance contracts. There is a risk that revenue is recognised in the incorrect period including revenue not being appropriately deferred where received in advance of the service being provided.	Our audit procedures included, but were not limited to: • the review of the methodology applied in relation to revenue recognition for services provided under contractual arrangements, and • the assessment of the design and implementation of controls that we considered to be key in the determination of revenue to be recognised. • Performing analytical procedures to identify any unusual trends or inconsistencies in revenue recognition. •Reviewing disclosures in the financial statements for compliance with IFRS 15. Substantive procedures included, but were not limited to: **Subscription income** ·We formed an expectation of revenue in the year based on number of clients and the price list. We compared this to the ledger and followed up any discrepancies. We agreed a sample of clients back to contracts to check the inputs for our expectation were appropriate. To support this testing we obtained and reviewed SOC reports on the IT systems used to onboard and store customer subscriptions. ·Reviewing deferred revenue balances and assessing whether the timing of revenue recognition was appropriate. ·Inspecting contractual terms to determine whether revenue was recognized in line with the substance of the agreements. **Non-subscription income** ·For non-subscription income, we tested a sample of revenue transactions near the year-end to check they were recorded in the correct period. **Our observations** Based on the results of our procedures performed, we consider revenue recognition is appropriate.
Impairment of Group Goodwill and Parent Company Investments Impairment of Group Goodwill and Parent Company Investments The Group's accounting policy for goodwill is set out in the relevant accounting policy note on page 67. The Parent's policy for investments is noted on page 105. Further disclosures on goodwill and investments are set out in the relevant accounting policy notes on pages 85 and 107 respectively and notes 13 and 27 respectively During the year under audit, management recognised an impairment of EUR 7,629,000 in relation to the Wellnow cash generating unit (CGU), this is explained in Note 13 of the financial statements. The impairment of goodwill and investments is a Key Audit Matter as the determination of the recoverable value for the impairment assessment involves significant management judgement and estimation, both in identifying indicators of impairment and in calculating any resulting impairment. Given the net assets of the group were noted as higher than the market capitalisation in addition to the global economic factors that have caused a decline across global markets there was noted some indicators of impairment regarding the goodwill asset of £17,859,000 and investment asset of £14,241,000 are overstated and thus valuation was our significant risk.	Our audit procedures over goodwill and investments included procedures on the methodology adopted and the related control environment, in addition to substantive testing. These procedures included but were not limited to; •Obtaining an understanding of the parent company's processes and controls to address the risk associated with impairment of investment in subsidiaries and assessing the design and implementation of the relevant controls; Performing the following procedures over management value-in-use calculation; • Obtaining the impairment calculation and assess whether the carrying value of CGU exceeds its recoverable amount; • Assessing the appropriateness of the discounted cashflow models based on the applicable accounting standards: IAS 36 Impairment of assets; • Critically assessing the appropriateness of the key underlying assumptions such as growth rate and discount rate; • Agreed cash flow and profit forecasts to the latest budgets approved by the Board; • Cross referencing the information back to our work on going concern to ensure consistent; • Challenging the historical accuracy of forecasting by the business; • Confirming the mathematical accuracy of the impairment models and agreeing the relevant data with the latest budgets, actual past results and other supporting documents; • We engaged the services of our inhouse experts, the Valuations team for challenging the appropriateness of any discount rates used; • Performing sensitivity analysis on key assumptions, such as revenue growth and terminal value; Performing a stand back review by considering relevant internal and external factors including disconfirming information in our assessment of the appropriateness of the methodology used in management's calculation; and • Evaluating the adequacy of the disclosures made in the financial statements and ensuring they comply with the disclosure requirements of IAS 36 Impairment of Assets. **Our observations** Based on the results of our procedures performed, we consider that the carrying value of goodwill and investments and their related disclosures in the financial statements is appropriate.

Our application of materiality and an overview of the scope of our audit

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

Materiality

Overall materiality	Consolidated group; €283,000 Parent company; €139,000
How we determined it	This was based on 1.8% of total revenues.
Rationale for benchmark applied	Revenue is considered the most appropriate benchmark for the business and this the performance indicator is used by the board of directors to monitor the group's performance. The threshold of 1.8% is considered a mid-point of a generally accepted range, selected to reflect the fact that the group is newly listed.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at 75% of overall materiality, this equated to the following; Consolidated group; €212,000 Parent company; €104,000
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit over 3% of overall materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements in addition to components deemed material under ISA 600R. Based on our risk assessment, we performed a full scope audit on all components except PT Courses Inc which was considered immaterial. The component auditor reported to us on Physiotools Oy, as part of our procedures for the component we prescribed group instructions and materiality, reviewed their audit file to ensure compliant with our own methodology and attended meeting with the component auditors throughout the audit.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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 those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with the Nasdaq First North Premier Growth Market listing rules, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the parent company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with the Nasdaq First North Premier Growth Market listing rules.

Matters on which we are required to report by exception
In 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 director's 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
- a corporate governance statement has not been prepared by the parent company; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement
The NASDAQ First North Premier Growth Market listing rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to Physitrack PLC's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 49;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on page 28;
- Directors' statement on fair, balanced and understandable, set out on page 50;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on pages 22 to 27;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 43; and;
- The section describing the work of the audit committee, set out on pages 43 to 44.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 50, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation and tax regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the group and the parent company, the industry in which they operate, and the structure of the group, and considering the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations, including fraud;

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Nasdaq First North Premier Growth Market listing rules.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Substantively testing revenue recognition.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

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

Other matters which we require to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with our additional report to the audit committee.

Use of audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Gavin Barclay (Mar 28, 2025 17:41 GMT)

Gavin Barclay (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
Forvis Mazars LLP
30 Old Bailey, City of London,
London EC4M 7AU
United Kingdom
28 March 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 €	Year ended 31 December 2023 Restated €
Revenue	3	**16,180,498**	14,746,287
Operating expenses		(18,192,556)	(15,691,691)
Impairment of goodwill and intangible assets	5	(7,629,166)	(3,293,784)
Fair value movement of deferred contingent consideration	5	3,136,584	7,250,357
Operating (loss) / profit	4, 5	**(6,504,640)**	**3,011,169**
Net finance costs	6	(487,154)	(350,858)
(Loss) / profit before taxation		**(6,991,794)**	**2,660,311**
Taxation	10	537,202	160,207
(Loss) / profit after taxation		**(6,454,592)**	**2,820,518**
Exchange differences on translation of foreign operations		505,827	(5,533)
Total comprehensive (loss) / profit for the year		**(5,948,765)**	**2,814,985**
Basic earnings per share	**9**	**(0.40)**	**0.17**
Diluted earnings per share	**9**	**(0.40)**	**0.17**

All results in the current financial year derive from continuing operations.

The other comprehensive income figure represents exchange differences on translation.

The accounting policies and notes on pages 62 to 101 form part of the financial statements.

Consolidated Statement of Financial Position as at 31 December 2024

Assets	Note	Year ended 31 December 2024 €	Year ended 31 December 2023 Restated €	1 January 2022 Restated €
Non-current assets				
Goodwill	13	17,859,230	23,882,146	27,245,637
Intangible assets	13	8,371,042	10,187,463	10,296,548
Property, plant and equipment	12	86,374	83,623	97,916
Financial assets measured at FVOCI/FVTPL	14	96,495	98,264	98,264
Total non-current assets		**26,413,141**	**34,251,496**	**37,738,365**
Current assets				
Trade and other receivables	15	2,976,975	3,360,657	2,862,339
Deferred tax asset	11	377,663	-	-
Inventory	16	14,668	34,718	46,540
Cash and cash equivalents		723,386	536,029	577,742
Total current assets		**4,092,692**	**3,931,404**	**3,486,621**
Total assets		**30,505,833**	**38,182,900**	**41,224,986**
Liabilities				
Non-current liabilities				
Borrowings	17	(4,808,183)	(3,578,217)	(831,663)
Contract liability	19	(61,718)	(123,435)	-
Deferred tax	11	(973,312)	(1,187,351)	(1,414,271)
Deferred contingent consideration	18	(151,250)	(2,428,910)	(7,931,889)
Total non-current liabilities		**(5,994,463)**	**(7,317,913)**	**(10,177,823)**
Current liabilities				
Contract liability	19	(1,949,267)	(2,077,543)	(2,060,824)
Trade and other payables	20	(3,077,123)	(2,460,035)	(2,051,661)
Corporation tax payable		(46,730)	(101,070)	(143,030)
Deferred contingent consideration	18	(272,250)	(1,111,574)	(4,491,869)
Total current liabilities		**(5,345,370)**	**(5,750,222)**	**(8,747,384)**
Net assets		**19,166,000**	**25,114,765**	**22,299,779**
Equity				
Share capital	22	64,075	64,075	64,075
Share premium	22	24,935,421	24,935,421	24,935,421
Translation reserve		(527,076)	(1,032,903)	(1,027,370)
Retained earnings		(5,306,420)	1,148,172	(1,672,347)
		19,166,000	**25,114,765**	**22,299,779**

The accounting policies and notes on pages 62 to 101 form part of the financial statements. The financial statements for Physitrack PLC, Company registration number: 08106661 were approved and authorised for the issue by the Board of Directors and were signed on its behalf on 28 March 2025:

HP. Molin

Henrik Molin

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Share premium	Currency translation reserve	Retained earnings	Total
	€	€	€	€	€
Balance at 31 December 2022 (as previously reported)	**64,075**	**24,935,421**	**(1,030,920)**	**(1,598,308)**	**22,370,268**
Prior Period Adjustment (2022)	-	-	-	(74,039)	(74,039)
Balance at 31 December 2022 (restated)	**64,075**	**24,935,421**	**(1,027,370)**	**(1,672,347)**	**22,299,779**
Profit for the Year (2023) (as previously reported)	-	-	-	3,204,826	3,204,826
Prior Period Adjustment (2023)	-	-	-	(384,308)	(384,308)
Profit for the Year (2023) (restated)	-	-	-	2,820,518	2,820,518
Other Comprehensive Income for the Year (2023)	-	-	(5,533)	-	(5,533)
Total Comprehensive Income for the Year (2023) (restated)	-	-	(5,533)	2,820,518	2,814,985
Balance at 31 December 2023 (restated)	**64,075**	**24,935,421**	**(1,032,903)**	**1,148,172**	**25,114,765**
Loss for the Year (2024)	-	-	-	(6,454,592)	(6,454,592)
Other Comprehensive Income for the Year (2024)	-	-	505,827	-	505,827
Total Comprehensive Loss for the Year (2024)	**-**	**-**	**505,827**	**(6,454,592)**	**(5,948,765)**
Balance at 31 December 2024	**64,075**	**24,935,421**	**(527,076)**	**(5,306,420)**	**19,166,000**

The accounting policies are notes on pages 62 to 101 from part of the financial statements.

Consolidated cashflow statement for the year ended 31 December 2024

	Note	12 Month period ended 31 December 2024	Year ended 31 December 2023 Restated
Operating activities		**€**	**€**
(Loss)/profit for the period		(6,454,592)	2,820,518
Adjustments for:			
Depreciation and amortisation		4,418,651	3,620,358
Foreign exchange gain		152,670	115,763
Taxation	10	(537,202)	(160,207)
Adjusting items	5	5,989,560	(3,154,990)
Net finance cost	6	487,153	350,858
Operating cash flows before movements in working capital		**4,056,240**	**3,592,300**
Increase in trade and other receivables		(240,900)	(412,114)
(Decrease) / increase in trade and other payables and deferred revenue		(202,340)	336,913
Cash generated by operations before cash payment of adjusting items		**3,613,000**	**3,517,099**
Corporation tax paid		(9,568)	(67,382)
Cash payment of adjusting items		(476,591)	(801,583)
Net cash from operating activities		**3,126,841**	**2,648,134**
Investing activities:			
Purchases of intangible assets	13	(3,449,415)	(3,396,448)
Purchases of property, plant and equipment	12	(40,969)	(25,468)
Payment of deferred consideration	18	-	(1,614,124)
Net cash used in investing activities		**(3,490,384)**	**(5,036,040)**
Financial activities:			
Drawdown of borrowings	17	1,380,476	2,850,665
Repayment of borrowings	17	(120,034)	(230,151)
Loan extension fees		(315,399)	-
Interest expense		(407,251)	(278,401)
Net cash generated by financing activities		**537,792**	**2,342,113**
Cash at the beginning of the period		536,029	577,742
Net movement		174,249	(45,793)
Gain on exchange rate		13,108	4,080
Cash at the end of the period		**723,386**	**536,029**
Available facility		877,193	1,904,367
Available liquidity		1,600,579	2,440,396

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1.Accounting policies

General Information

Physitrack PLC ("the Company") is a Company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act and is registered in England and Wales, registration number 08106661. The address of the Company's registered office is Bastion House 6th Floor, 140 London Wall, London, England, England, EC2Y 5DN.

Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with both "international accounting standards in conformity with the requirements of the Companies Act 2006" and "international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union".

The Company has elected to prepare its parent Company financial statements in accordance with FRS 101 Reduced Disclosure Framework and the Companies Act 2006; these are presented on pages 102 to 115.

The accounting policies set out below have been applied consistently to all years presented in these Group financial statements. Information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position is set out in the Chief Executive Officer's Review on pages 4 to 6 and the Principal Risks and Uncertainties section on pages 22 to 27. The financial position of the Group, its cash flows and liquidity position are described in the Chief Financial Officer Review on pages 14 to 21.

In addition, note 21 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk, foreign exchange risk and liquidity risk.

Presentational currency

The financial results of the Group are presented in Euro. The exchange rates used for the report are as follows:

	Balance sheet	Income statement
GBP:EUR	1.210	1.182
SEK:EUR	0.087	0.087
USD:EUR	0.966	0.924

The lifecare division comprising, Physitrack, Physiotools and PT Courses have been high-margin, cash generative business since their formation and have not relied on raising external capital to fund its day-to-day business. Over the past three financial years, Physitrack started a M&A programme in order to grow and diversify the business.

To support this programme alongside further investment in the platforms, in June 2021 Physitrack went through an IPO on Nasdaq First North Stockholm. Net of fees, Physitrack raised c.€18m.

The IPO proceeds were utilised through the acquisition of Fysiotest, Wellnow and PTcourses in Q3 2021 and Q1 2022, alongside investing further in the Lifecare division as well as providing investment to recent acquisitions to position them for future growth.

In May 2022 Physitrack acquired Champion Health. On 27 July 2022 Physitrack PLC entered into a three-year GBP 5m revolving credit with Santander PLC. This ensured Physitrack could continue to invest in the business and service the Champion health acquisition as well as provide cash headroom for the group. This facility was extended for a further five years in May 2025 through to May 2029. Attached to these borrowings are financial covenants as outlined within note 18. Should one of these covenants be breached then this may cause issues over the Group's ability to continue as a going concern.

The Group has performed its going concern assessment based on board approved detailed trading budgets for the twelve months ended 31 December 2025, alongside longer-term forecasts through to 31 December 2029, including detailed cash flow forecasts and covenant calculations. Two forecasts were prepared – a base case and a neutral case. The base case is the minimum the directors expect the group to achieve. However, they acknowledge that the performance of the Group has not been in-line with expectations during FY2024 and have prepared a neutral forecast. This represents revenue and costs remaining at the Q4 2024 run-rate, with a small growth in Physitrack revenue offset by a decline in Wellness revenue factoring in churn of 2025 renewals. This model is seen as a pessimistic "down-side" scenario.

As part of its assessment of going concern, management has considered the Group's available financing facilities and liquidity position. As at 31 December 2024, the Group had a GBP 5.0 million facility, of which GBP 4.3 million was drawn, leaving an undrawn amount of GBP 0.7 million (EUR 0.9 million). In addition, the Group had a cash balance of EUR 0.7 million, resulting in total available cash of EUR 1.6 million at year-end. The Group's going concern forecast has incorporated its cash flow projections and balance sheet position, taking into account the available facility and cash reserves. While management remains mindful of cash availability, the key focus of its going concern assessment is on the covenants which includes a minimum liquidity covenant, which is structured to ensure sufficient funding headroom and takes into account cash and borrowing balances. The forecast indicates that the Group is expected to generate excess cash flow over the going concern period, enabling a partial repayment of the facility. This is expected to enhance the liquidity covenant position and further increase available cash, supporting the Group's ability to meet its obligations as they fall due.

The results of the assessment are outlined below:

Covenant assessments:
The Directors confirm that, based on forecasts, no covenants are breached during the going concern period and that based on the neutral scenario there is a remote possibility cash EBITDA covenant maybe breached. Key considerations include leverage, minimum liquidity, recurring revenue and cash EBITDA. Under both scenarios at Q1 2025 there is EUR 0.1m headroom on the cash EBITDA covenant. As we realise additional cost optimisation initiatives in H1 2025 it is expected that headroom will increase to acceptable thresholds.

The forecast period's least headroom is as follows:
Leverage: 1.39x in March 2025 vs. a threshold of 2.0
Minimum Liquidity: EUR 1.0m in June 2025 vs. a threshold of EUR 0.5m
Recurring Revenue: EUR 13.1m in March 2025 vs. a threshold of EUR 10.0m
Cash EBITDA: EUR 0.45m in March 2025 vs. a threshold of EUR 0.35m

Consideration of external factors:
Directors assessed potential external factors that could impact the company's ability to continue as a going concern. These factors, detailed in the principal risks and uncertainties (pages 24-27), include current macroeconomic pressures, future performance, solvency and liquidity of the Group. Nonetheless, the global health and wellness market is projected to grow to USD 7 trillion by 2026, up from USD 4.3 trillion in 2022 (Statista), providing significant growth opportunities.

Sensitivities:
Directors referenced the neutral case budget, identifying minimum liquidity thresholds of EUR 1.0m and Cash EBITDA of EUR 0.45m as having the lowest headroom during March 2025. However, headroom is expected to expand over the forecast period. To address limited headroom, Directors initiated plans to rebalance the cost base and anticipate additional upside following the resolution of the dispute with Champion Health founders, further increasing the headroom in place.

The deferred contingent consideration payment to Champion Health is included within the forecast.

Whilst remote if this situation was to occur then the Directors have a number of mitigating actions including cost and technology freezes, capital raising and further refocus of the Wellness division.

Acquisitions

There are currently no future acquisitions being considered by the Board. Any future acquisitions would require approval from Santander which would involve providing proof of sufficient funds.

All existing acquisition earn outs are built into the cashflow forecasts.

The Directors have, at the time of approving the financial statements, therefore conclude there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As such, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

Measurement convention

The financial statements are prepared on the historic cost basis except for the following assets and liabilities stated at their fair value: financial instruments classified as fair value through the Statement of Comprehensive Income, or profit or loss.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Equity investments

Equity investments are held in entities which have not been classified as a subsidiary, associate or joint arrangement are accounted for at fair value. These equity investments are not held for trading purposes and represent strategic investments. The Group has elected at initial recognition to present value changes within the fair value through other comprehensive income (“FVOCI”) reserve. Any dividends received from these equity investments will be recognised within the Consolidated Statement of Profit or Loss. On disposal of these equity investments, any related balance previously recognised within the FVOCI reserve is reclassified to retained earnings.

Business combinations

The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in the Consolidated Statement of Profit or Loss. Transactions costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with business combinations are expensed as incurred.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate relevant at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Consolidated Statement of Financial Position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Profit or Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the Consolidated Statement of Financial Position date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Translation movements are recognised within the Statement of Comprehensive Income and in the foreign currency translation reserve. As share capital, share premium are denominated in sterling, these are translated into presentational currency at the historic rate prevailing on the date of each transaction.

The functional currencies of some of the Company's subsidiaries differ from the consolidated Group Euro presentation currency. Below is a table showing the functional currencies of each Company:

Physia	GBP	Physitrack Sweden	SEK	Champion Health	GBP
Physitrack	GBP	Fysiotest	SEK		
Physiotools	EUR	Physitrack Inc	USD		
Champion Health Plus	GBP	Champion Health GmbH	EUR		

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Receivables

Trade receivables and other receivables are measured at amortised cost because the payments are solely payments of principal and interest is held to collect. Impairment is determined by reference to expected credit loss.

Other long-term receivable and investments

The Group previously held a convertible loan note which it subsequently converted to an investment in the 2021 financial year. The convertible loan note was recognised as a financial asset at fair value through profit or loss, with any movements in the fair value of this instrument recognised within the profit or loss. On conversion to an investment, the Group irrevocably elected to recognise this investment at fair value through other comprehensive income, with any movement in the fair value of the investment recognised within other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash amounts in transit due from credit cards which are settled within seven days from the date of the reporting period.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial assets and financial liabilities at FVPL:

Financial instruments in this category are recognised initially and subsequently at fair value. Transaction costs are expensed in the Consolidated Statement of Profit or Loss. Gains and losses arising from changes in fair value are presented in the Consolidated Statement of Profit or Loss. Financial assets and financial liabilities at fair value through profit or loss are classified as current, except for the portion expected to be realised or paid beyond 12 months of the Consolidated Statement of Financial Position date, which is classified as non-current. Embedded derivative features identified within contractual arrangements are separately recognised where it is assessed that they are not closely related to the terms of the contract, where such features are considered closely related, they are not separately recognised.

Financial instruments at FVOCI:

At initial recognition, the Group can make an irrevocable election to classify equity instruments at FVOCI, with all subsequent changes in fair value being recognised in OCI.

These assets are assessed annually for impairment which includes understanding if there are any internal or external factors which could have caused a measurable decrease in the fair value of the asset. Should there be a significant or prolonged decline in the fair value of the asset below its cost, then this indicates impairment. The impairment is determined by comparing the current fair value with its amortised cost. If the fair value is less than the amortised cost, the difference is considered an impairment loss. The impairment loss is recognised in OCI and is not subsequently reclassified to profit or loss. The impairment loss reduces the carrying amount of the asset.

Further details on the Group’s financial instruments can be found in note 21.

Impairment of financial assets

The Group measures expected credit losses using a lifetime expected loss allowance for all current trade and other receivables. Loss allowances will be measured on either of the following bases:

1. 12-month expected credit losses (“ECLs”) are the ECLs that result from possible default events within 12 months after the reporting date; and
2. lifetime ECLs which are ECLs that result from all possible default events over the expected life of a financial instruments.

The expected loss rates are based on current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. All assets are classified as Machinery and equipment and depreciated over a useful life of 5 years on a straight-line basis. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

Goodwill and other acquired intangible assets

Identifiable intangibles are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is not amortised but is tested annually for impairment. Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each Statement of Financial Position date.

Other intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

- Brands – 5 – 10 years
- Customer relationships – 4 – 10 years
- Development costs and Software – 3 – 7 years

Internally generated intangible assets

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- the intention to complete the intangible asset and use or sell it.
- the ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and measure on a straight-line basis. The useful economic life of an intangible asset is 3 years.
Management review for impairment on the intangible asset on a periodic basis. Impairment would be shown within administrative expenses on the statement of comprehensive income.

Impairment

The carrying amounts of the Group's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill assets and other intangibles which have an indefinite useful economic life, the recoverable amount is estimated at each Statement of Financial Position date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit ('CGU') exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other intangible assets in the unit on a pro-rata basis. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount, including a change in fair value less costs to sell. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the First-In, First-Out ("FIFO") principle. Cost comprises expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, and net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling costs.

Defined contribution pension plans

Attached to employee's remuneration is a defined contribution. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Profit or Loss in the periods which services are rendered by employees.

Revenue

Revenue represents the total amount receivable for goods sold and services provided, excluding sales-related taxes and intra-group transactions. All the Group's revenue is received from the sale of goods and services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. No costs are incurred to obtain or fulfil a contract with a customer. The Group disaggregates revenue into the following revenue streams which are made up of the following:

Subscription fee – The Group charges a monthly service fee for access to its platforms for businesses in both the Lifecare (Physitrack, Physiotools and PT Courses Inc) and Wellness (Champion Health) divisions. The Lifecare platforms include an underlying App and add-on services such as telehealth allowing virtual physiotherapy sessions to take place and data analytics for practitioners to understand a patient's adherence to rehabilitation programmes. PT Courses Inc provides a subscription service to a Learning and Development platform for practitioners to earn CPD credits. Champion Health platform includes an underlying App with access to integrated pathways to other elements of the Wellness division. For all subscription fees customers will lock in their subscription for up to twelve months. Revenue is recognised over the life of the subscription on a straight line basis. Refer to early termination section for below in relation to the subscription fee returns policy.

Custom app's – Physitrack's Custom app product is a white label solution which provides customers with additional features. Enhanced personalisation and branding. On delivery of the custom app to the customer, revenue will be recognised as a set-up fee at that point in time. Attached to a custom app, is an on-going maintenance fee. Revenue associated with this maintenance fee will be recognised over time, being the length of the subscription period.

Wellness – With the exception of Champion Health subscription revenue, revenue associated with these businesses relates to the provision of physiotherapy sessions and a holistic health and wellness programme provided to companies. Revenue from the physiotherapy sessions is recognised at the point the service is provided. This results in a contract asset being recognised for each session provided up to the point the rehabilitation course is completed when the customer will be billed for all services provided. Revenue from the provision of the health and wellness programme is recognised over the programme length. Champion also provides wellbeing training to corporates for a one-off fee which is recognised on delivery of the training.

Early termination – All customers pay for their subscription in advance. Should a customer wish to terminate their subscription early, the Group will refund the value of the unused subscription. The level of early termination requested has historically not been material and as such no provision in recognised.

Deferred revenue

Deferred revenue represents revenue from subscription fee, custom app maintenance and Wellness service fees which has been received in advance of services not yet provided.

Net financing costs

Net financing costs comprise finance income and expenses as detailed in the note 6.

Items affecting comparability

Items affecting comparability are charges and credits which are a non-recurring item that is outside the Group's normal course of business and material by size or nature. Adjustments have been made for specific costs associated with the impact of the IPO in the prior period, M&A and integration activity, impairment and fair value movement of deferred contingent consideration as detailed in note 5.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the Statement of Financial Position method, providing temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Consolidated Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. At 31 December 2024 a deferred tax asset has been recognised in relation to taxable 2024 losses within all UK entities. The Group believes it is probable future taxable profits will be available against which the asset can be utilised.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Reporting segments

Reportable segments are the Group's operating segments or aggregations of operating segments.

Government grants

Government grants are included within deferred government grants in the balance sheet and credited to the profit and loss account on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The Company has elected to present grants related to income as a reduction to the related expense line within operating expenses.

Critical accounting judgements

The following are areas where critical judgements by the Directors have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the primary financial statements.

Capitalisation of internally generated intangible assets

As described in Note 1, an internally generated intangible asset is only recognised if management determines that it meets the relevant criteria under the applicable accounting standards. For each expense capitalised, management applies judgement to assess whether the cost incurred directly relates to the enhancement of the platform.

In making this determination, management considers factors such as:

- Whether the expenditure contributes directly to the development or improvement of the platform's functionality.
- If the cost incurred aligns with planned development phases and objectives.
- The extent to which the expenditure results in identifiable and measurable future economic benefits.

Based on this assessment, expenses that meet the capitalisation criteria are recognised as an internally generated intangible asset. If the costs incurred do not meet the definition, they are expensed within the profit and loss statement. Importantly, no estimates or assumptions are applied in making this judgement; instead, it is based on a direct evaluation of the expenditure's nature and purpose.

Recognition of Deferred Tax Asset

The recognition of a deferred tax asset in the financial statements requires management to assess the probability that sufficient future taxable profits will be available to utilise the deferred tax asset. This involves significant judgement, particularly in evaluating future financial performance, the availability of taxable income, and the timing of reversal of temporary differences.

In the current year, the Group has recognised a deferred tax asset amounting to EUR 377,663 primarily arising from 2024 tax losses carried forward in the Physitrack PLC, Champion Health and Champion Health Plus statutory entities. The recognition is based on management's assessment that it is probable the Group will generate sufficient taxable profits in future periods to utilise the deferred tax asset.

This assessment has involved consideration of various factors, including historical performance, forecasted earnings, the nature and timing of expected taxable income, and relevant tax legislation. Management has also evaluated potential risks and uncertainties that may impact the ability to realise the deferred tax asset. The recognition of the deferred tax asset will be reviewed at each reporting date, and any changes in circumstances or estimates may result in adjustments to the carrying amount.

Key sources of estimation uncertainty

The key areas involving a high degree of judgement or complexity, or areas where assumptions are significant to the primary financial statements are as follows.

Useful economic life of internally generated asset

Amortisation for the internally generated asset is spread over the useful economic life of the asset. As the asset is continuously maintained and new features are included, management needs to provide an estimate of the useful economic life to be able to recognise amortisation over the period. Management uses both historical and current evidence of the period in which features are being replaced and to determine estimate the useful economic life to mitigate the risk of a material misstatement. The key assumption made regarding the amortisation of intangible assets is that they are amortised over 3 years from the addition date, which the Directors believe to be the average period in which features are upgraded. The carrying amount for internally generated intangibles for the year in the Group are EUR 8,201,752 (2022: EUR 7,944,462). Should the replacement of features speed up or slow down by a year and useful life changed as a result, then depreciation of EUR 1,366,963 will increase / decrease per annum.

Impairment of goodwill and intangible assets

The Group determines whether goodwill and intangible assets are impaired on at least an annual basis. This requires an estimate of the value in use of the cash-generating unit "CGU" to which the goodwill is allocated. The Group has identified six CGUs as part of its impairment testing. The carrying values of these CGU's are outlined in Note 13:

To estimate the value in use, the Group estimates the expected future cash flows from the CGU and discounts them to their present value at a determined discount rate. Forecasting expected cash flows and selecting an appropriate discount rate inherently requires estimation. A sensitivity analysis has been performed over the estimates (see Note 13). The resulting calculation is sensitive to the assumptions in respect of future cash flows including the applied revenue growth rates and the discount rate applied. The Directors consider that the assumptions made represent their best estimate of the future cash flows generated by the CGUs, and that the discount rate used is appropriate given the risks associated with the specific cash flows.

Despite the current economic and geo-political headwinds, due to the fact the Group operates in a number of territories and is not dependent on a single market, the Group is diversified to withstand these challenges and the Directors do not believe they have a significant impact on the outcomes of the impairment assessment.

Prior year restatement

Background and nature of restatement

During the 2024 financial year, the Group identified an overstatement of accrued revenue within Champion Health Plus Limited for 2022 and 2023, necessitating a prior year restatement. Initially, a EUR 121k release of accrued revenue was booked in 2024, as the amount identified was considered immaterial. However, further balance sheet reconciliations revealed that the overstatement was larger than initially assessed, with EUR 430k overstated in 2023 and EUR 90k overstated in 2022 resulting in a total adjustment to trade receivables of EUR 522k. Factoring in the total tax impact of these adjustment of EUR 64k, this resulted in a total adjustment of EUR 458k to the Group's opening reserves for 2024. Given the materiality of this adjustment, a decision was made to restate prior period figures to ensure accurate financial reporting. This adjustment also takes account of the EUR 121k release of accrued revenue booked in 2024 and prior Q42024 quarters have been restated to take into account of this release

Nature of restatement

The overstatement relates to the historic physiotherapy appointments revenue stream in the business and the error arose due to issues with data extraction from the appointment booking system, which have been addressed going forward. These issues have now been corrected, with enhanced controls and review processes implemented to prevent recurrence.

Impact of restatement and correction of the error

As a result, adjustments have been made to restate the 2022 and 2023 financial statements. The 2022 revenue and tax overstatement has been corrected through an adjustment to opening retained earnings EUR 74k, while the 2023 revenue and tax overstatement has been adjusted against reported revenue and tax for that year. While this restatement does not impact compliance with the Group's banking covenants, covenants have been retrospectively recalculated. The following table summarises the impact on both a quarterly and for the financial year:

	31/12/2023		**31/12/2023**
	As previously reported	2023 Adjustment	As restated
P&L			
Revenue	15,176,582	(430,295)	14,746,287
Operating profit	3,441,464	(430,295)	3,011,169
Profit before tax	3,090,606	(430,295)	2,660,311
Taxation	114,220	45,987	160,207
Profit after taxation	3,204,826	(384,308)	2,820,518
Balance sheet			
Trade and other receivables	3,882,323	(521,666)	3,360,657
Total assets	38,704,566	(521,666)	38,182,900
Corporation tax	(164,424)	63,354	(101,070)
Current liabilities	(5,813,576)	63,354	(5,750,222)
Net Assets	25,573,077	(458,312)	25,114,765
Opening retained Earnings	(1,598,307)	(74,039)	(1,672,346)
Closing retained Earnings	1,606,519	(458,347)	1,148,172

The restatement resulted in a change in basic and diluted earnings per share for the prior year from EUR 0.20 to EUR 0.17

Standards issued and effective for the 2024 financial year:

There were no new standards adopted by the Group in the year, but the following amendments became applicable to the Group during the year:

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

Forthcoming requirements (issued but not yet effective)

- IAS 21 - The effects of changes in foreign exchange rates (Amendment): Lack of Exchangeability - effective 1 January 2025
- Annual improvements to IFRS Accounting Standards - Volume 11 (IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7) - effective 1 January 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements - effective 1 January 2027

These standards have been issued and are effective but are not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

2. Operating segments

In the opinion of the Directors, for the year ended 31 December 2024 the operations of the Group comprise two reporting operating segments – Lifecare and Wellness.

The Lifecare segment is the provision of Lifecare platforms tailored to physiotherapy being made up of the Physitrack PLC, Physiotools OY and Physitrack Sweden AB (previously named Mobilus Digital Rehab AB) "Physiotools" businesses alongside a e-learning platform PT Courses Inc (acquired 26 January 2022).

The Wellness segment relates to the provision of Wellness services including digital platforms to both corporates and individuals. During the current financial year this segment was made up of Champion Health Plus Limited, Fysiotest Europa AB, Wellnow Group GmbH (acquired 23 February 2022) and Champion Health Limited (acquired 6 May 2022).

Expenses classified as Group represent those costs associated with the Group's merger and integration activities, amortisation of intangibles recognised on acquisition and senior management salary. These costs have been classified as Group as they either cannot be allocated appropriately to a segment or do not represent costs associated with the underlying businesses within the operating segment.

Information reported to management for the purposes of segment revenue performance is focused on the geographical location of each segment. In performing these reviews management group these geographical locations into four regions, being the United Kingdom, Europe, North America and Rest of World. However due to the nature and set-up of operations we are unable to provide a geographical split for all reporting lines for operating segments.

The results of these operating segments for the year ended 31 December 2024 is as follows:

	Lifecare	Wellness	Group	Total
Year ended 31 December 2024	**€**	**€**	**€**	**€**
Revenue	**10,486,305**	**5,694,193**	-	**16,180,498**
Depreciation and amortisation	2,915,379	587,614	915,636	4,418,629
Adjusted EBITDA	**4,771,360**	**277,530**	**(1,145,319)**	**3,903,571**
Operating profit / (loss)	1,855,982	(310,107)	(8,050,515)	(6,504,640)
Finance income	21,812	-	-	21,812
Finance expenses	(84,131)	(15,452)	(409,383)	(508,966)
Loss before tax	**1,793,663**	**(325,559)**	**(8,459,898)**	**(6,991,794)**
Income tax (credit) / expense	53,635	269,527	214,040	537,202
Non-current asset additions -	2,711,853	684,595	-	3,396,448
Deferred tax asset	108,136	269,527	-	377,663
Total assets	27,541,795	2,964,038	-	30,505,833
Total liabilities	(9,718,683)	(1,621,150)	-	(11,339,833)

	Lifecare	Wellness	Group	Total
Year ended 31 December 2023	**€**	**€**	**€**	**€**
Revenue	9,518,252	5,228,035	-	14,746,287
Depreciation and amortisation	2,422,093	236,365	961,900	3,620,358
Adjusted EBITDA	**4,401,590**	**(48,755)**	**(876,297)**	**3,476,538**
Operating profit / (loss)	1,979,497	(285,121)	1,316,793	3,011,169
Finance income	24,150	-	-	24,150
Finance expenses	(73,495)	(6,311)	(295,202)	(375,008)
Profit / (loss) before tax	**1,930,152**	**(291,432)**	**1,021,591**	**2,660,311**
Income tax (credit) / expense	(121,826)	55,144	226,889	160,207
Non-current asset additions -	2,711,853	684,595	-	3,396,448
Total assets	35,623,643	2,559,257	-	38,182,900
Total liabilities	(11,284,100)	(1,784,035)	-	(13,068,135)

3. Revenue

Information reported to management for the purposes of segmental revenue is focused on the geographical location of each segment. In performing these reviews management group these geographical locations into four regions, being the United Kingdom, Europe, North America and Rest of World.

Revenue arising from the Group's activities during the period by geography and operating segment were as follows:

	Year ended 31 December 2024	Year ended 31 December 2023 Restated
	€	€
Lifecare		
United Kingdom	2,433,931	2,240,520
Europe	3,733,648	3,240,954
North America	2,082,926	2,290,296
Rest of the world	2,235,800	1,746,482
	10,486,305	**9,518,252**
Wellness		
Europe	2,314,493	2,356,933
United Kingdom	3,379,700	2,871,102
	5,694,193	**5,228,035**
Total	**16,180,498**	**14,746,287**

Revenue by product line		
Subscription fee	9,928,794	8,161,751
Custom app maintenance fee	487,379	391,347
Custom app set-up costs	70,132	703,193
Continued education	-	261,961
Wellness	5,694,193	5,228,035
	16,180,498	**14,746,287**
Revenue is organised as follows		
Overtime	10,416,173	8,553,098
At a point in time	5,764,325	6,193,189

All revenue generated is from external customers. Revenue generated from a single external customer does not represent more than 10% of total revenue and therefore The Group does not have reliance on a single external customer. Refer to Note 19 for a breakdown of contract liabilities recognised during the period.

4. (Loss) / profit for the year

(Loss) / profit for the year is started after charging:

	Year ended 31 December 2024	Year ended 31 December 2023
	€	€
Net foreign exchange gain	152,670	115,763
Amortisation		
Intangibles recognised on acquisition	915,636	961,900
Internally generated intangibles (direct cost)	3,464,797	2,617,278
Depreciation	38,218	41,180
Web hosting / server costs (direct cost)	741,246	754,995
Employee benefit expense	3,720,970	3,251,560
Operating exceptional items	(5,989,560)	3,154,990
Auditors' renumeration		
Amounts received by Auditors in respect of:		
- Audit of financial statements pursuant to legislation	174,710	124,183
- Other assurance services	4,983	3,068

Other assurance services relate to an audit review performed on annual banking covenants in both the current and prior year. In addition to this, in the current year assurance services were performed linked to the project inclusion grant application in Physiotools Oy.

Refer to note 5 for a breakdown of operating exceptional items.

Physiotools Oy received EUR 294,073 (2023: EUR 283,282) in government grants during the current financial year. The grant claimed is associated with the reimbursement of expenditure incurred with Physiotools expanding and enhancing its platform in developing nations. This has been recognised within administrative expenses against the related costs.

5. Alternative performance measures

The Group uses a number of Alternative Performance Measures ("APMs") in addition to those measures reported in accordance with IFRS. Such APMs are not defined terms under IFRS and are not intended to be a substitute for any IFRS measure. The Directors believe that the APMs are important when assessing the underlying financial and operating performance of the Group. The APMs improve the comparability of information between reporting periods by adjusting for factors such as fluctuations in foreign exchange rates, one-off items and the timing of acquisitions.

The APMs are used internally in the management of the Group's business performance, budgeting and forecasting. The APMs are also presented externally to meet investors' requirements for further clarity and transparency of the Group's financial performance. Where items of profits or costs are being excluded in an APM, these are included elsewhere in our reported financial information as they represent actual income or costs of the Group.

There are however inherent limitations within these APMs. As such these measures are not comparable across companies and profit related APMs frequently exclude significant recurring business transactions. For example, integration costs, acquisition-related costs that impact financial performance and cash flows.

Other commentary within the Annual Report and Accounts (such as the Chief Financial Officer Review on pages 14 to 21), should be referred to in order to fully appreciate all the factors that affect the business.

The Group's Alternative Performance Measures are set out below.

Alternative key performance indicators	Definition	Purpose
EBITDA	Operating profit before depreciation and amortisation, financial items and tax.	EBITDA provides an overall picture of profit generated by the operating activities before depreciation and amortisation. This is the principle operating measure reviewed by the board and shows the users of the report the underlying profitability of the Group excluding non-cash accounting entries such as depreciation and amortisation, financial items and tax. EBITDA can be used as a proxy of the underlying cash profitability for the Group.
EBITDA margin (%)	EBITDA as a percentage of revenue.	EBITDA margin is a useful measurement together with net sales growth to monitor value creation. This measure provides the users of the report a snapshot of the short-term operational efficiency. This is due to the fact the margin ignores the impacts of non-operating factors such as interest expenses, taxes or intangible assets. This results in a metric which is a more accurate reflection of the Group's operating profitability.
Items affecting comparability	The costs associated with acquisitions and integrations during the period are identified as 'items affecting comparability'. We use profit measures excluding these items to provide a clearer view of the basis for the future ability of the business to generate profit.	Items affecting comparability is a notation of items, when excluded, shows the Company's earnings excluding items that are non-recurring in ordinary operations By excluding these items, the users of the report are able to view normalised KPIs.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	The measurement is relevant in order to show the Company's results generated by the operating activities, excluding items which affect comparability. By standardising EBITDA through removing nonrecurring, irregular and one-off items which distort EBITDA, it provides the users with a normalised metric to make comparisons more meaningful across a variety of companies.
Adjusted EBITDA margin (%)	Adjusted EBITDA as a percentage of revenue.	The measurement is relevant in order to provide an indication of the Company's underlying results as a share of net sales generated by operating activities, excluding items which affect comparability. By standardising EBITDA margin through removing non-recurring, irregular and one-off items which distort EBITDA margin, it provides the users with a normalised metric to make comparisons more meaningful across a variety of companies.
Cash generated by operations before adjusting items	Cash generated by operations before cash payment of adjusting items and taxation.	Adjusted cash flow, which reflects the cash generation of our underlying business, is calculated on our statutory cash generated from operations and adjusted for exceptional items, net of capital expenditure on property, plant and equipment and intangible assets and tax payments.
Churn rate	Churn is calculated as the rolling 12-month Monthly Recurring Revenue (MRR) of customers who have left the platform, divided by the average MRR over the same period. This metric reflects the proportion of recurring revenue lost due to customer attrition.	Churn is a key measure of customer retention and revenue stability. It helps assess the effectiveness of customer engagement strategies and provides insight into potential areas for improving long-term revenue growth.
Adjusted operating profit / (loss)	Operating profit / (loss) excluding items affecting comparability	The measurement is relevant in order to show the Company's results which exclude non-recurring items. This provides a standardised metric which can be used to make more meaningful comparisons

Alternative key performance indicators	Definition	Purpose
Adjusted operating margin (%)	Operating profit / (loss) excluding items affecting comparability as a percentage of revenue.	Operating margin excluding non-recurring items is a useful measurement together with revenue growth to monitor value creation. This provides a standardised metric which can be used to make more meaningful comparisons.
Net debt	The sum of current and non-current interest-bearing liabilities towards credit institutions with deductions for cash and cash equivalents.	Net debt is a measurement showing the Company's total indebtedness. Net debt is a liquidity metric used to determine how well the Group can pay all of its debts if they were due immediately. Net debt shows how much cash would remain if all debts were paid off and if the Group has enough liquidity to meet its debt obligations.
Proforma	Proforma revenue for 2022 represents the prior year results restated to reflect the current Group structure as if it had been in place for the full comparative period. This metric is only applicable to prior year comparatives where 2023 revenue was compared to 2022 pro-forma revenue and does not apply to the current year. PT Courses For the year ended 31 December 2022, this includes twelve month results for PT Courses acquired during Q1 2022. Wellnow For the year ended 31 December 2022, this includes twelve month results for Wellnow acquired during Q1 2022. Champion Health For the year ended 31 December 2022, this includes twelve month results for Champion Health acquired during Q2 2022.	Proforma provides a useful comparison to understand movement from the prior year on a like-for-like basis.
Organic revenue	Organic revenue represents current year revenue, adjusted to restate revenue at prior year exchange rates to neutralise currency fluctuations. This provides a like-for-like comparison by removing the impact of exchange rate movements. To calculate organic revenue, we: • Translate each legal entity's current year monthly revenue into Euro using the corresponding GBP-EUR, USD-EUR, and SEK-EUR exchange rates applied in the prior year for each month. • For businesses with significant geographical revenue splits, such as Physiotools and Physitrack, we account for the impact of regional exchange rate fluctuations as follows: ◦ Revenue is categorised monthly by geographical region, as outlined in Note 3. ◦ This revenue is first translated from Euro or GBP into the functional currency of each respective region. ◦ It is then retranslated into Euro using the prior year's average monthly functional currency-to-Euro exchange rate. ◦ This methodology ensures that organic revenue reflects the underlying operational performance of the business, excluding the distorting effects of currency movements.	Organic revenue isolates underlying business growth, providing a clearer measure of operational performance without the influence of currency volatility.
Free cash flow	Cash generated by operations less capital expenditure and interest expense.	Free cash flow provides a clear picture of the Company's financial health and liquidity by showing the actual cash available after operational expenses and capital expenditures.
Adjusted EBITDA less CAPEX	Adjusted EBITDA less capital expenditure	Adjusted EBITDA less CAPEX provides an indication of the Company's operational cash flow by taking into account a standardised EBITDA alongside the capital expenditure. It shows how efficient a company is in generating cash from its operations after accounting for necessary capital expenditure.

	Year ended 31 December 2024	Year ended 31 December 2023 Restated
	€	€
Operating (loss) / profit	(6,504,641)	3,011,169
Operating margin	**(40%)**	**20%**
Depreciation and amortisation	4,418,651	3,620,358
EBITDA	**(2,085,990)**	**6,631,527**
EBITDA margin	**(13%)**	**45%**
Items affecting comparability		
M&A and integration costs	1,496,978	801,583
Goodwill and intangible asset impairment	7,629,166	3,293,784
Fair value movement on contingent consideration	(3,136,584)	(7,250,357)
Total items affects comparability	5,989,560	(3,154,990)
Adjusted EBITDA	**3,903,570**	**3,476,537**
Adjusted EBITDA margin	**24%**	**24%**
CAPEX	**(3,490,384)**	**(3,417,287)**
Adjusted EBITDA less CAPEX	**413,186**	**59,250**
Depreciation and amortisation	(4,418,651)	(3,620,358)
Adjusted operating profit	**(515,081)**	**(143,821)**
Adjusted operating margin	**(3%)**	**(1%)**

Items affecting comparability

Adjusting items refer to events and transactions whose effect on profits are important to note. Particularly when comparison of periodical profits comprise non-recurring costs in ordinary operations relating to the following:

Adjusting item	Definition	Current period costs	Prior year costs relate to
Integration costs	Associated costs of integrating acquisitions	Integration costs of both Lifecare and Wellness acquisitions into the existing business.	Integration costs of both Lifecare and Wellness acquisitions into the existing business.
Fair value movement on consideration	Contingent consideration is recognised at fair value and revalued at each reporting period. The fair value movement is recognised within the profit and loss.	Fair value movement on deferred contingent consideration attached to the Wellnow and Champion Health acquisitions in 2022.	Fair value movement on deferred contingent consideration attached to the Wellnow and Champion Health acquisitions in 2022.
Impairment	Impairment of the carrying value of a subsidiary to its recoverable amount (Forecast future cash-flows discounted to present value)	Impairment of the carrying value of Wellnow acquisition in 2022 to its recoverable amount.	Impairment of the carrying value of Fysiotest acquisition in 2021 to its recoverable amount.

It is expected adjusting items in future years would be of a similar nature to those above including those costs attached to major acquisitions, disposals and equity or fund raises. As the above costs are non-operating or recurring cost, these have been added back to arrive at adjusted EBITDA.

6. Net finance cost

	Year ended 31 December 2024	Year ended 31 December 2023
	€	**€**
Financial income		
Interest income	21,812	24,150
Financial expense		
Interest on borrowings	373,029	272,836
Amortisation of capitalised borrowing costs	79,901	72,457
Other interest expense	56,036	29,715
	508,966	**375,008**
Net finance costs	**487,154**	**350,858**

7. Staff numbers and costs

The monthly average number of persons employed by the Group (including Directors) during the period was as follows:

	Yer ended 31 December 2024	Year ended 31 December 2023
	Number	**Number**
Number of staff	86	85

All staff are full-time, administrative employees.

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	€	**€**
Wages and salaries	3,104,351	2,713,096
Social security costs	451,597	400,825
Other pension costs	165,021	137,639
	3,720,970	**3,251,560**

8. Director's and key management personnel remuneration and transactions

Directors' remuneration

	Year ended 31 December 2024	Year ended 31 December 2023
	€	**€**
Emoluments	116,600	136,124
Sums paid to third parties in respect of directors' services	280,032	294,041
	396,632	**430,165**
Remuneration of the highest paid director:		
Emoluments	11,817	11,500
Sums paid to third parties in respect of directors' services	280,032	294,041
	291,849	**305,541**

No directors are members of a money purchase pension or defined contribution pension scheme. The Group does not operate a Long-Term Incentive Plan or issue Director's or staff with share options. Remuneration to key management personnel including all Directors for the period was EUR 605,576 (2023: EUR 739,318).

9. Earnings / (loss) per share

Basic earnings / (loss) per Share is calculated by dividing the (loss) / profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted Earnings Per Share is calculated by dividing the (loss) / profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares plus any dilutive ordinary shares.

	Year ended 31 December 2024	Year ended 31 December 2023
	€	**€**
Ordinary earnings per share		
Net (loss) / profit	(6,454,592)	2,820,518
Weighted average number of shares		
Ordinary	16,260,766	16,260,766
Dilutive	16,260,766	16,260,766
Earnings per share		
Basic	(0.40)	0.17
Diluted	(0.40)	0.17
Weighted average number of shares reconciliation		
Weighted average number of shares in issue	16,260,766	16,260,766
Basic Earnings Per Share denominator	16,260,766	16,260,766
Dilutive options	-	-
Diluted Earnings per Share denominator	16,260,766	16,260,766
Shares in issue at year end	16,260,766	16,260,766

10. Income tax

	Year ended 31 December 2024	Year ended 31 December 2023
	€	**€**
Corporate income tax		
Current year	(54,501)	(66,682)
Deferred tax		
Recognition of tax losses	377,663	-
Unwind of deferred tax liability recognised on acquired intangibles	214,040	226,889
Total	**537,202**	**160,207**
Profit before tax on continuing operations	(6,991,794)	2,660,310
Profit before tax multiplied by the UK rate of taxation 25% (2023: 23.5%)	1,747,948	(625,173)
Effects of:		
Differences in overseas tax rates	10,691	23,605
Adjustments in relation to prior year returns	(11,188)	-
Permanently disallowed exceptional items	(1,134,401)	854,480
Other permanent differences	(93,251)	(68,742)
Utilisation of tax loses	18,834	(28,050)
Foreign exchange	(1,431)	4,087
Total tax charge for the year	**537,202**	**160,207**

As of 31 December 2024, the Company recognised tax losses of EUR 377,663 (2023: EUR NIL) in relation to losses generated for the year for Physitrack Plc, Champion Health and Champion Health Plus statutory entities. Based on board approved budgets, management expect that these losses will be utilised against future profits

On acquisition of Wellnow Group GmbH, the company had substantial tax losses, however on acquisition date it was not probable that Wellnow would generate future profits to offset these losses and no deferred tax asset was recognised. Wellnow will offset these tax losses as and when taxable profit is generated. The utilisation of tax losses in the current year relates to tax losses in Wellnow Group GmbH.

An uncertain tax position was recognised in the 2021 financial year of EUR 57,939. In-line with IFRIC 23 an uncertain tax position has been recognised in relation to a difference in interpretation of a Double Taxation Agreement between the relevant tax authority and the Group. In measuring the uncertain tax position management has applied the expected value method, by applying a range of scenarios to the interpretation of the taxation agreement. This provision remains in place at 31 December 2024.

The Finance Act 2021 confirmed an increase of UK corporation tax rate from 19% to 25% with effect from 1 April 2023 a blended rate of 23.5% has been applied when calculating the tax credit for the prior financial year.

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following

	Assets		Liabilities		Net	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	€	€	€	€	€	€
Tax loses	377,663	-	-	-	377,663	-
Other	-	-	(2,036)	(2,036)	(2,036)	(2,036)
Recognised on acquisition of subsidiaries	-	-	(971,276)	(1,185,316)	(971,276)	(1,185,316)
Tax assets / (liabilities)	377,663	-	(973,312)	(1,187,351)	(595,649)	(1,187,351)

Deferred taxation provided for in the Consolidated Financial Statements at the period-end represents provision at the local tax rates on the above items. A review of the deferred tax is performed at each Balance Sheet date and adjustments made in the event of a change in any key assumptions.

Deferred tax liabilities and assets are attributable to the following:

	31 December 2023	Recognised in P&L	Recognised against	Foreign exchange	31 December 2024
	€	€	€	€	€
Tax losses	-	377,663	-	-	377,663
Tax Assets	**-**	**377,663**	**-**	-	**377,663**
Other	(2,036)	-	-	-	(2,036)
Recognised on acquisition of subsidiaries	(1,185,316)	214,040	-	-	(971,276)
Tax liabilities	**(1,187,351)**	**214,040**	**-**	**-**	**(973,312)**

Deferred tax liabilities recognised on acquisition of subsidiary relate to the deferred tax liability associated with the intangible assets recognised on acquisition. Deferred tax assets have been recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. In estimating future taxable profits, the Group has considered its forecast performance in line with its going concern analysis.

12. Property, plant and equipment

	Plant & Machinery
	€
Cost	
Balance as at 31 December 2022	131,917
Additions	25,468
Acquisition of subsidiary	-
Foreign exchange movement	2,183
Balance as at 31 December 2023	**159,568**
Additions	38,516
Acquisition of subsidiary	-
Foreign exchange movement	5,324
Balance as at 31 December 2024	**203,408**
Accumulated depreciation	
Balance as at 31 December 2022	34,001
Charge for the year	41,180
Foreign exchange movement	764
Balance as at 31 December 2023	**75,945**
Charge for the year	38,218
Foreign exchange movement	2,871
Balance as at 31 December 2024	**117,034**
Net book value as at 31 December 2024	**86,374**
Net book value as at 31 December 2023	83,623
Net book value as at 31 December 2022	97,916

13. Intangible assets

	Internally generated intangible asset	Software	Brand	Customer relationships	Goodwill	Total
EUR (€)						
Cost						
At 31 December 2022	14,250,751	523,434	887,204	1,360,960	27,245,637	44,267,986
Additions	3,289,758	106,690	-	-	-	3,396,448
Impairment	-	-	-	-	(3,293,784)	(3,293,784)
Exchange differences	271,141	8,208	(20,376)	(32,061)	(69,707)	157,205
At 31 December 2023	**17,811,650**	**638,332**	**866,828**	**1,328,899**	**23,882,146**	**44,527,855**
Additions	3,356,693	92,722	-	-	-	3,449,415
Impairment	(576,601)	-	(270,852)	(369,903)	(6,411,810)	(7,629,166)
Exchange differences	782,817	18,491	(1,407)	2,208	388,894	1,191,003
At 31 December 2024	**21,374,559**	**749,545**	**594,569**	**961,204**	**17,859,230**	**41,539,107**
Amortisation						
At 31 December 2022	6,306,289	90,424	122,752	206,336	-	6,725,801
Change for the period	3,165,201	95,735	108,740	209,502	-	3,579,178
Exchange differences	138,408	14,859	-	-	-	153,267
At 31 December 2023	**9,609,898**	**201,018**	**231,492**	**415,838**	**-**	**10,458,246**
Change for the period	3,961,236	116,776	110,095	192,326	-	4,380,433
Exchange differences	460,739	9,417	-	-	-	470,156
At 31 December 2024	**14,031,873**	**327,211**	**341,587**	**608,164**	**-**	**15,308,835**
Net book value						
At 31 December 2022	7,944,462	433,010	764,452	1,154,624	27,245,637	37,542,185
At 31 December 2023	8,201,752	437,314	635,336	913,061	23,882,146	34,069,609
At 31 December 2024	7,342,686	422,334	252,982	353,040	17,859,230	26,230,272

The internally generated intangible asset are directly attributable costs incurred in building and developing the SaaS platform.

Software assets are directly attributable costs incurred in the implementation of new finance and operating systems within the Group.

Brand, customer relationships and Goodwill balances were recognised on acquisition of subsidiaries in prior periods.

Impairment testing

For the purpose of testing goodwill and other intangible assets for impairment, it is acceptable under IAS 36 to group CGUs, in order to reflect the level at which goodwill is monitored by management. The Group has the following CGUs for the purpose of testing goodwill, with the carrying value of the CGU's including, goodwill, intangibles and other working capital balances at 31 December 2024 being:

	31 December 2024 €'000			
	Goodwill	Intangibles	PPE + Working capital	Total
Lifecare platform (Compromising Physitrack, Physiotools, PT Courses, Tanila and Physitrack Sweeden)	7,196	4,890	(1,616)	10,470
Champion Health	5,938	2,811	(688)	8,061
Champion Health Plus	3,358	104	436	3,898
Champion Health GmbH (formally Wellnow)	6,412	1,559	(81)	7,890
Fysiotest	1,367	225	(38)	1,554
Total	**24,271**	**9,589**	**(1,987)**	**31,873**

CGU's are determined based at the level at which the business which make up the respective goodwill balances are managed. The operations of the Lifecare entities (Comprising Physitrack, Physiotools, PT Courses and Physitrack Sweden) have been centralised and are now managed by collectively by one Lifecare team. Results of the Lifecare business are monitored on a consolidated basis of the entitles comprising the group. For the entities within the Wellness operating segment, these all have separate management and operational teams and the results are monitored on an entity basis. Therefore for the purposes of goodwill impairment testing we identify each entity within the Wellness segment as a Individual CGU. No judgements have been exercised in determining CGU's for goodwill impairment testing.

The recoverable amounts of Lifecare platform, PT Courses, Champion Health, Champion Health Plus, Wellnow and Fysiotest have been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period (with the exception of Champion Health which uses a six-year period forecast). Year-five cash-flows are then extrapolated into perpetuity using a growth rate of 2 per cent. We have applied a growth rate of 2 per cent when extrapolating these cash-flows as we believe year-five cash-flows represent normalised cash-flows for the respective CGU's. Management are confident based on past experience to accurately forecast cash-flows past the five year horizon. The five-year forecast annual Adjusted EBITDA, as defined in Note 5, was used as the basis of the future cash flow calculation.

Cash flows for the first five years are in-line with management's long-term forecasts. For Champion Health beyond the first five-year period cash-flows are normalised over a two-year period to the level management expects cash-flows to reach in perpetuity. The post-tax discount rates applied for all value-in-use models is as follows:

	Post tax rate %	Pre tax rate %
Lifecare platform (Compromising Physitrack, Physiotools, PT Courses, Tanila and Physitrack Sweden)	14.4	16.9
Champion Health	15.4	17.1
Champion Health Plus	15.4	17.1
Champion Health GmbH (formally Wellnow)	15.4	18.3
Fysiotest	15.4	19.5

The rates used are considered to reflect the risks associated with the relevant cash flows for each CGU Group.

The Group has obtained these rates from independent external consultants who specialise in the calculation of discount rates.

Calculating the value-in-use of the CGU's requires judgement and includes key sources of estimation uncertainty as outlined in note 1.

During the current financial year, the Company conducted an impairment assessment under IFRS 36 due to a strategic shift in its business focus of the Wellnow CGU. The launch of the Champion Health Germany platform has led to a transition away from reliance on the cash flows associated with the original acquisition, which was used to value the Goodwill and intangible balances of this CGU. As the full value of these cash flows are no longer expected to be realised, an impairment assessment was necessary.

The recoverable amount of the affected cash-generating unit (CGU) was determined based on its value in use, calculated at EUR 520,689. Given the CGU's prior carrying value of EUR 7,889,511, an impairment loss of EUR 7,629,166 was recognised in the current year. This impairment has been allocated as follows; Goodwill (EUR 6,411,810), Development Expenses (EUR 576,601), Customer Relationships (EUR 369,903), and Brand (EUR 270,852).

The impairment charge has been recorded in the statement of profit or loss.
The impairment assessment required significant judgment, including future cash flow projections, discount rate determinations, and market condition evaluations. These estimates reflect the management's best assessment based on available data and strategic direction. The total impairment loss has resulted in a decrease in total assets and net profit by EUR 7,629,166, impacting overall financial performance.

Management will continue monitoring these assets for potential further impairments or reversals should business conditions change. The Company remains committed to accurate financial reporting in line with IFRS 36 and will provide additional disclosures if there are material developments affecting asset valuations.

Sensitivity analysis
For each of the above CGU's the following sensitivities have been applied within the impairment models, assessing the impact on the value in use calculation to the carrying value of CGU's which includes both Goodwill and intangible assets.

- Decrease in growth rate by 10 percent.
- Increase in discount rate by 10 percent.

Should forecast cashflows decline by 10 per cent per annum then the only CGU's to show an impairment are Champion Health Plus (EUR 380,141) and Champion Health (EUR 602,927).

Should discount rates increase by 10 per cent from their current applied levels then an impairment would be recognised in Champion Health Plus (EUR 1,035,611), Fysiotest (EUR 306,638) and Champion Health (EUR 1,325,990).

Breakeven analysis was also performed to determine at what rate the discount rate would need to be for an impairment to be recognised as follows:

	%
Lifecare platform (Compromising Physitrack, Physiotools, PT Courses, Tanila and Physitrack Sweden)	28.1
Champion Health	18.4
Champion Health Plus	16.7
Fysiotest	18.0

Amortisation

An amortisation charge of EUR 4,380,433 has been recognised within administrative expenses in the current period (2023: EUR 3,579,178).

14. Financial assets measured at FVOCI/FVTPL

During 2021, the Group elected to convert a bond issued by Goodlife Technology OY to shares within Goodlife Technology OY representing 12 per cent of the share capital of Goodlife Technology OY. Management believes the fair value of this investment on conversion was approximate to its cost. Given Goodlife Technology OY achieved similar profit levels as the prior year and there are no significant events impacting the operations management deem that the current year fair value is approximate to the prior year value and no fair value movement has been recognised.

The Group irrevocably elected at initial recognition to recognise the investment in Goodlife Technology OY as FVOCI. This is a strategic investment, and the Group considers this classification to be more relevant, than financial assets at fair value through profit or loss.

During the year, the Group took out a interest rate swap attached to it's borrowing facilities. The Group irrevocably elected at initial recognition to recognise the interest rate swap as FVTPL.

Financial assets measured at FVOCI/FVTPL are broken down as follows:

	31 December 2024	31 December 2023
	€	€
Financial assets measured at FVTPL		
Long term loan receivables	15,467	19,676
Interest rate swap	2,440	-
Financial assets measured at FVOCI		
Unlisted securities	-	-
Goodlife Technology OY	78,588	78,588

Refer to note 21 as to how the fair value of the above financial assets has been measured.

15. Trade and other receivables

	31 December 2024	31 December 2023
	€	€
Trade receivables	1,977,315	2,913,135
Expected credit loss	(152,898)	(200,753)
Contract asset	329,366	157,345
Trade receivables and contract asset net of expected credit loss	**2,153,783**	**2,869,727**
Prepayments	384,871	160,519
Other receivables	438,321	330,411
	2,976,975	**3,360,657**

Standard credit terms granted to customer is between 7 to 30 days, however for sales of Custom App's those customers have bespoke payment plans which are spread over a maximum of 24 months. The percentage of trade receivables past due date is 27 per cent (2023 35 per cent). The percentage of trade receivables outstanding more than 90 days is 24 per cent (2023 32 per cent). Trade receivables is net of an expected credit loss of EUR 152,898 (2023: EUR 200,753).

Contract asset represents accrued income from the Wellness business for physiotherapy sessions performed but not yet billed. This will be billed upon patient discharge.

The following schedule reflects the changes in the allowance for trade receivables and contract asset during the year:

	31 December 2024	31 December 2023
Operating loss allowance	**200,753**	94,446
Additional allowance	-	123,627
Amounts written off	(47,855)	(17,320)
Closing loss allowance	**152,898**	**200,753**

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables and contract assets and forward-looking macroeconomic factors. The historical expected credit loss rate varies depending on whether, and the extent to which, settlement of the trade receivables is overdue. Reference is made to the Fitch Group Global Default rate as the forward-looking macroeconomic rate to be applied within the ECL calculation. The Group uses the Fitch Group Global Default rate as it operates globally, and this rate reflects both current economic conditions and estimates of future conditions.

To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The Group's primary customer base is of a similar bracket and share the same characteristics, as such these have been treated as one population.

In determining the recoverability of a trade receivable and contract assets, the Group considers any changes in the credit quality of the trade receivable and contract assets from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and un-related. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Other receivables are non-trade receivables and are non-interest bearing. The above amounts do not bear interest and the Directors consider that the carrying amount is equivalent to their fair value.

16. Inventory

	31 December 2024	31 December 2023
	€	€
Goods for resale	14,668	34,718

Inventory recognised in administrative expenses in the period amounted to EUR 256,325 (2023: 193,070). No stock was written off or impaired during the period.

17. Borrowings

Amounts due after one year:

	31 December 2024	31 December 2023
	€	€
Non-Current		
Back facility net of issue costs of debt amortised	4,808,183	3,578,217

The terms and conditions of outstanding secured interest bearing borrowings were as follows:

				31 December 2024		31 December 2023	
	Currency	Nominal interest rate	Year of maturity	Face value €	Carrying value €	Face value €	Carrying value
Revolving credit facility	GBP	SONIA + margin of between 3.0-4.5%	2029	5,172,414	4,808,183	3,635,175	3,578,217

On 13 May 2024 Physitrack PLC extended for a further five year's it's GBP 5m revolving credit facility with Santander PLC. Dependent upon the Group's leverage, Interest is charged on the amount drawn down at a rate between 3.0- and 4.5 per cent (the 'Margin') above SONIA. The Group also pays a fee of 40 per cent of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft.

EUR 225,000 of costs were incurred in initially establishing this facility made up of EUR 120,000 arrangement fees and EUR 105,000 of legal fees. These costs were being amortised over the term of the facility and will now be amortised over the extended period. On refinance EUR 315,000 of costs were incurred made up of establishment fee of EUR 146,000, EUR 96,000 of legal fees and EUR 73,000 of other costs directly associated with securing the refinance. A amortisation charge of EUR 79,901 was recognised in the current year (2023: EUR 72,457). At 31 December 2024 the carrying value of capitalised borrowing costs was EUR 364,943 (2023: 115,107)

At 31 December 2023 the Group had drawn down GBP 4,275,000 / EUR 5,172,000 on this facility and had total available liquidity of EUR 1.6m.

Attached to the revolving credit facility are the following covenants:

(i) Leverage: Total Debt on the last day of each Relevant Period to Adjusted EBITDA for that Relevant Period shall not exceed the required ratio for that Relevant Period as detailed in the table below

Financial	Relevant Period	Required ratio
Leverage	Each Relevant Period ending within the period commencing on 30 September 2022 and ending on 30 June 2023	Less than or equal to 2.5:1
Leverage	Each Relevant Period ending within the period commencing on 30 September 2023 and ending on 30 March 2024	Less than or equal to 2.25:1
Leverage	Each Relevant Period ending within the period commencing on 30 June 2024 and ending on 31 December 2024	Less than or equal to 2.00:1
Leverage	Each Relevant Period ending within the period commencing on 31 March 2025 and ending on 30 September 2026	Less than or equal to 1.75:1
Leverage	The Relevant Period expiring 31 December 2026 and each Relevant Period thereafter	Less than or equal to 1.50:1

(ii) Liquidity: Cash and the undrawn amount of the Facility on the last day of each Relevant Period commencing with the Relevant Period ending on 30 June 2024, shall not be less than:
(A) EUR 500,000, if no earn-out payments were made in respect of any acquisition by any Obligor during the Relevant Period; or
(B) EUR 300,000, if any earn-out payments were made in respect of any acquisition by any Obligor during the Relevant Period.

(iii) Projected Liquidity: at all times during the twelve months following the last day of each Relevant Period (each such period being a "Projected Liquidity Period"), commencing with the Relevant Period ending on 30 June 2024, the forecast amount of Cash and the undrawn amount of the Facility shall not be less than:
(A) EUR 500,000, if no earn-out payments are projected to be made by any Obligor in respect of any acquisition during the Projected Liquidity Period; or
(B) EUR 300,000, if any earn-out payments were made in respect of any acquisition by any Obligor during the Relevant Period.

(iv) Recurring Revenue: Recurring Revenue for the last month of each Relevant Period set out in the table below shall not be less than the required amount for that Relevant Period as detailed in the table below:

Financial	Relevant Period	Amount (Eur)
Recurring revenue	The Relevant Period expiring on 30 June 2024 and ending on 31 December 2025	10,000,000
Recurring revenue	The Relevant Period expiring on 30 June 2026 and ending on 31 March 2027	11,000,000
Recurring revenue	The Relevant Period expiring on 30 June 2027 and ending on 31 March 2028	12,000,000
Recurring revenue	The Relevant Period expiring 30 June 2028 and each Relevant Period thereafter	13,000,000

(iv) Cash EBITDA: Cash EBITDA in respect of each Relevant Period set out in the table below shall not be less than the required amount for that Relevant Period as detailed in the table below:

Financial	Relevant Period	Amount (Eur)
Cash EBITDA	The Relevant Period expiring on 30 June 2024 and ending on 30 September 2024	250,000
Cash EBITDA	The Relevant Period expiring on 31 December 2024 and ending on 30 June 2025	350,000
Cash EBITDA	The Relevant Period expiring on 30 September 2025 and ending on 31 December 2026	500,000
Cash EBITDA	The Relevant Period expiring 31 March 2027 and each Relevant Period thereafter	750,000

Reconciliation of changes in liabilities arising from financing transactions

Net Debt is defined as total liabilities from financing, excluding directors' loans, net of cash at bank and in hand. A reconciliation of movements in Net Debt from 1 January 2023 is provided below:

	Interest bearing liabilities €	Cash and cash equivalents €	Net debt €
As at 1 January 2023	(831,663)	577,742	(253,921)
Drawdown of loan	(2,850,665)	-	(2,850,665)
Repayment of loan	230,151	-	230,151
Non-cash movement	(72,457)	-	(72,457)
Cash movement	-	(45,793)	(45,793)
Foreign exchange	(53,583)	4,080	(49,503)
As at 31 December 2023	**(3,578,217)**	**536,029**	(3,042,188)
Drawdown of loan	(1,380,476)	-	(1,380,476)
Repayment of loan	120,034	-	120,034
Costs incurred for loan extension	315,399	-	315,399
Repayment of loan	-	-	-
Non-cash movement	(79,901)	-	(79,901)
Cash movement	-	174,247	174,247
Foreign exchange	(205,022)	13,110	(191,912)
As at 31 December 2024	**(4,808,183)**	**723,386**	**(4,084,797)**

Cash flows from interest bearing liabilities is made up of the following:

	31 December 2024	31 December 2023
	€	€
Repayment of bank loans and overdrafts	120,034	230,151
Draw down of bank loans	(1,380,476)	(2,850,665)
Debt issuance costs paid	315,399	-
Interest expense	407,251	**278,401**
	(537,792)	**(2,342,113)**

Non-cash movement represents the current year amortisation of debt issuance costs.

18. Deferred contingent consideration

	€
Balance as at 31 December 2023	3,540,484
Payment of deferred contingent consideration	-
Fair value movement on deferred contingent consideration	(3,136,584)
Foreign exchange	19,600
Balance as at 31 December 2024	**423,500**

Current	272,250
Non-Current	151,250
	423,500

At 31 December 2024, based on board approved forecast's, the Group concluded that no further milestones attached to the Wellnow deferred contingent consideration would be met and as a result released EUR 1,398,00 of deferred contingent consideration attached to this acquisition.

On 27 December 2024 the Group announced the settlement of the Champion Health Share Purchase agreement. The settlement agreed to paid the previous shareholders of Champion Health GBP 350,000 / EUR 423,500 over a nine-month period commencing on 31 August 2025. This resulted in a release of EUR 1,719,000 of deferred contingent consideration attached to this acquisition.

19. Contract liability

	31 December 2024	31 December 2023
	€	€
Subscription income received in advance	2,010,985	2,200,978

Within the Lifecare division, for large enterprise customers, the Group typically bills twelve months in advance for subscription services to its platform. Within the Wellness division, Champion Health typically bills twelve – thirty six months in advance for subscription services to its platform. As outlined in note 1, subscription income is recognised over the period to which the service is provided. Therefore, the contract liability at 31 December 2024 and 31 December 2023, relates to subscription income received in advance for services to be provided for in the future. The increase in the contract liability balance from prior year is due to an overall increase in performance, alongside the differences in year-on-year billing cycles.

EUR 2,077,543 (2023: EUR 2,060,824) of the prior year contract liability balance was recognised in the current year. Of the contract liability at 31 December 2024, EUR 1,945,209 (2023: EUR 2,077,543) relates to subscriptions to be provided within the next 12 months. EUR 61,718 (2023: EUR 123,435) relates to subscriptions to be provided within the 2026 financial year.

20. Trade and other payables

	31 December 2024	31 December 2023
	€	€
Trade payables	(1,243,650)	(1,131,022)
Accrued expenditure	(1,333,427)	(479,395)
Other payables	(407,400)	(119,749)
Social security and other taxes	(92,646)	(729,869
	(3,077,123)	**(2,460,035)**

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing. For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is chargeable on the outstanding balances at various interest rates.

The Group has financial risk management policies in place to ensure that payables are paid within the credit timeframe. Due to the short-term nature of the trade payables the carrying amount approximates fair value.

Other payables are non-trade payables and are non-interest bearing. The above amounts do not bear interest and the Directors consider that the carrying amount is equivalent to their fair value.

21. Financial instruments

A summary of financial instruments by category is as follows:

	31 December 2024	31 December 2023
	€	€
Financial assets at amortised cost	3,315,488	3,736,167
Financial liabilities at amortised cost	(3,123,853)	(2,460,034)
Financial assets at FVPL	17,907	19,675
Financial assets at FVOCI	78,589	78,589

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's Risk Management Framework. The Group has in place a risk management programme and regular reports are made to the Audit Committee, which is tasked with general oversight. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks by the Group.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Management believes the credit risk on cash and cash equivalents is low because the counterparties are banks with high credit ratings.

Accounts receivable include trade and other receivables. Trade receivables are amounts billed to customers for the sale of services and represent the maximum exposure to credit risk of those financial assets, exclusive of the allowance for doubtful accounts. Normal credit terms for amounts due from customers call for payment within 30 days. Trade receivables are monitored closely, and provisions are made for expected credit loss where appropriate. The creditworthiness of customers is assessed prior to opening new accounts and on a regular basis for significant customers. Other receivables include amounts due from suppliers and landlords and other miscellaneous amounts. The Group's credit risk is primarily related to its trade receivables, as other receivables generally are recoverable through ongoing business relationships with the counterparties.

Due to the nature of its receivables, the Group defines default when a counterpart fails to make contractual payments under the terms of the specific contract. Given the nature and number of transactions involving credit risk, events of default are not considered to be high risk and are assessed on specific basis for each asset held at the reporting date.

The Group grants credit to customers in the normal course of business. The Group typically does not require collateral or other security from customers; however, credit evaluations are performed prior to the initial granting of credit when warranted and periodically thereafter. The Group records a reserve for estimated uncollectable amounts, which management believes reduces credit risk. See Note 1, for policy on Impairment of financial assets.

The ageing profile of the Group's trade receivables is as follows:

	31 December 2024	31 December 2023
	€	€
Within 30 days	1,357,820	1,732,614
Between 30 and 60 days	91,423	166,435
Between 60 and 90 days	62,446	78,024
Over 90 days	465,626	936,062
	1,977,315	**2,913,135**

The Group adopts the simplified approach in determining expected credit losses. The assessment of credit quality of trade receivables and how expected credit losses are calculated is outlined in Note 15.

There is no material expected credit losses against contract assets, cash or other receivables. Due to the Group's diversified client base, management believes the Group does not have a significant concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements. The amounts disclosed in the table are contractual undiscounted cash flows, including interest payments calculated using interest rates in force at each reporting date, so will not always reconcile with the amounts disclosed on the Consolidated Statement of Financial Position.

	Carrying amount €	Contractual cash flows €	6 months or less €	6-12 months €	1-5 years €
31 December 2024					
Non-derivative financial liabilities					
Trade payables	3,077,123	3,077,123	3,077,123	-	-
Borrowings	4,808,183	4,895,599	-	-	4,895,599
Deferred contingent consideration	423,500	423,500	-	272,250	151,250
Total non-derivative financial liabilities	**8,308,806**	**8,396,222**	**3,077,123**	**272,250**	**5,046,849**

	Carrying amount €	Contractual cash flows €	6 months or less €	6-12 months €	1-5 years €
31 December 2023					
Non-derivative financial liabilities					
Trade payables	2,460,035	2,460,035	2,460,035	-	-
Borrowings	3,578,217	3,635,157	-	-	3,635,157
Deferred contingent consideration	3,540,484	3,780,000	-	1,140,000	2,640,000
Total non-derivative financial liabilities	**9,578,736**	**9,875,192**	**2,460,035**	**1,140,000**	**6,275,157**

Current year borrowings related to a GBP 5.0m revolving credit facility of which GBP 4.275m / EUR 5.172m is currently drawn down. This facility matures in May 2029 at which point any funds drawn down would be repayable.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

Physitrack operates globally which increases its exposure to currency risk. Wherever possible, overseas operations will fund their day-to-day working capital requirements in local currency with cash generated from operations, naturally hedging the currency risk exposure to the Group. Management will continually monitor the level of currency risk exposure and consider hedging where appropriate. Currently the Group considers the currency risk on consolidation of the assets and liabilities of its foreign entities to be of low materiality, no hedging has been undertaken.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Euro against the relevant foreign currencies. 10 per cent is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes the current year financial results in local currency and adjusts their average translation rate applied for the year ended 31 December 2024 for a 10 per cent changes in foreign currency rates. A negative number below indicates a decrease in profit where the Euro strengthens 10 per cent against the relevant currency. For a 10 per cent weakening of the Euro against the relevant currency, there would be an equal and opposite impact on profit. There have been no changes in the assumptions applied in comparison to the prior year sensitivity analysis.

	GBP impact		SEK impact		USD impact	
	2024 €	**2023 €**	**2024 €**	**2023 €**	**2024 €**	**2023 €**
Profit / (Loss)	**163,865**	74,005	**38,851**	24,805	**22,342**	20,867

Interest rate risk

Interest rate risk arises from the Group's borrowing facilities in which a variable rate of interest is charged. Interest on the Group's current borrowings is charged at SONIA plus an applicable margin. The Group is therefore exposed to fluctuations in market interest rates.

On 31 July 2024 the Group entered into a interest rate swap with Santander PLC to hedge the interest rate of GBP 2m / EUR 2.42m of the revolving credit facility at a rate of 4.0775 per cent. GBP 2.275m / EUR 2.75m of the facility remains unhedged.

Fair values

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements:

	Carrying amount 31 December 2024	Fair value 31 December 2024	Carrying amount 31 December 2023	Fair value 31 December 2023
Borrowings including overdraft	4,808,183	4,895,599	3,578,217	3,635,157
Deferred contingent consideration	423,500	423,500	3,540,484	3,540,484
Equity investment	78,588	78,588	78,588	78,588
Other long-term receivables	15,503	15,503	19,676	19,676
Derivative financial instrument	2,440	2,440	-	-
Total	**5,328,214**	**5,415,630**	**7,216,965**	**7,273,905**

Cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities are reflected in the Consolidated Financial Statements at carrying values that approximate fair values because of the short-term maturities of these financial instruments. Short-term debtors, creditors and cash and cash equivalents have been excluded from the above table on the basis that their carrying amount is a reasonable approximation to fair value.

Fair value hierarchy

Under the provisions of IFRS 9, equity investments relate to investments designated as fair value through OCI. Any movement in fair value has been recognised within fair value reserve. The Group holds unquoted equity investment in Goodlife Technology OY and concluded given that there has been no adverse events affecting the investment during the year and that it remains profitable that the fair value is approximate to its fair value in the prior year which represented the initial costs of investment.

The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

In relation to borrowings and bank overdraft, since these were taken out at variable rates or fixed rates that approximate to market rates, the fair value of loans approximates less any costs associated with securing the borrowings represents their carrying value.

Deferred contingent consideration relates to amounts payable to previous shareholders of acquired companies, subject to stretching targets being achieved as outlined within their respective sale and purchase agreements 'SPA'. The initial fair value of this is outlined in the prior year financial statements. The period over which these targets need to be achieved is no more than four years. Deferred contingent consideration is measured at fair value. The initial fair value reflects the discounted value of estimated payments, measured at the time of the acquisition and reflects management's estimate of future performance at that time. Remeasurement of deferred contingent consideration reflecting changes after the acquisition date have been recorded in the profit or loss. Managements projected estimates is based on the acquired companies' revenue and profit forecasts over the payment period. The fair value is based on unobservable inputs and the projected outcome is classified as a level 3 fair value estimate under the IFRS fair value hierarchy.

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

– In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical financial assets or financial liabilities that the Group has the ability to access.
– Fair values determined by Level 2 inputs use inputs other than the quoted prices included in Level 1 that are observable for the financial asset or financial liability, either directly or indirectly. Level 2 inputs include quoted prices for similar financial assets and financial liabilities in active markets, and inputs other than quoted prices that are observable for the financial assets or financial liabilities.
– Level 3 inputs are unobservable inputs for the financial asset or financial liability, and include situations where there is little, if any, market activity for the financial asset or financial liability. The Group's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the financial asset or financial liability.

	Level 1 **€**	**Level 2** **€**	**Level 3** **€**
31 December 2024			
Deferred contingent consideration	-	-	423,500
Equity investment	-	-	78,588
Other long-term receivables	-	-	15,503
Derivative financial instrument	-	-	2,440
31 December 2023			
Deferred contingent consideration	-	-	3,540,484
Equity investment	-	-	78,588
Other long-term receivables	-	-	19,676

Refer to note 18 for movement on deferred contingent consideration during the current year.

Equity investments at 31 December 2024 relate to an investment in an unquoted entity Goodlife Technology OY. This has been classified as an equity investment measured at FVOCI. Other long-term receivables relate to the fair value of interest receivable on the prior year convertible bonds. There have been no movements in these assets in the current year.

In measuring the fair value of the equity investments, management have used the income approach. The income approach refers to discounted forecast cash-flows of Goodlife Technology OY. In obtaining these forecast cash-flows management has liaised with Goodlife Technology OY management and understood and challenged the assumptions they have used. These cashflows have been discounted to present value at a rate of return which accounts for the time value of money and relative risks of Goodlife Technology OY.

Management concluded that the fair value of the equity investment with reference to the discount cash-flow model was approximate to the fair value of the equity investment on conversion and no revaluation was recognised.

In measuring the fair value of other long term receivables management have referred to a discounted cash-flow model reflecting the timing and probability of the payment of this interest. These cashflows have been discounted to present value at a rate of return which accounts for the time value of money and relative risks of Goodlife Technology OY.

In measuring the fair value of deferred contingent consideration management have referred to a discounted cash-flow model reflecting the timing and probability of the payment of this consideration. These cashflows have been discounted to present value at a rate of return which accounts for the time value of money and relative risks of the underlying entities for which this consideration relates too.

There have been no transfers between levels in 2024. No other financial instruments are held at fair value.

The group has performed a sensitivity analysis and noted that a reasonable change in the underlying significant assumptions is not expected to result in a material change in fair value of deferred contingent consideration.

Capital management

The capital structure of the Group consists of cash and cash equivalents, bank borrowings and overdrafts and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as follows:

	31 December 2024	**31 December 2023**
	€	**€**
Cash and cash equivalents	723,386	536,029
Bank borrowings and overdrafts	(4,808,183)	(3,578,217)
Equity attributable and equity holders of the parent	19,166,000	25,114,765
Total	**15,081,203**	**22,072,577**

The Group's objective when managing capital is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business alongside continuing as a going concern.

22. Capital and reserves

Share capital

	No. of shares No.	Share capital €
Issued, authorised and fully paid:		
At 31 December 2021, 2022, 2023 and 2024	**16,260,766**	**64,075**

Share classes

The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. At 31 December 2024 16,260,765 ordinary shares with a nominal value of GBP 0.01 (EUR 0.01) and 1 preference share with a nominal value of GBP 40,000 (EUR 47,814).

On 9 June 2021 the company issued one preference share “Preference Share” with a value of GBP 40,000 to H Molin to facilitate the company meeting the minimum capital requirements for public limited companies set out in section 763 of the UK Companies Act. The Preference Share has no voting rights (other than on any resolution to modify, alter or abrogate the rights of the Preference Share), is non-transferable and has no rights to any assets or profits of the Company including, in particular, no rights to dividend or other distributions. The Preference Share may be redeemed at its nominal amount at any time at the election of the company.

Share Premium

	€
Balance as at 31 December 2021, 2022, 2023 and 2024	**24,935,421**

Reserves

Translation reserve

The translation reserve is due to accumulated foreign exchange translation differences arise on translation of the Group’s operations into a EUR presentational currency. This reserve is not considered to be distributable.

Retained earnings

This is the Group’s accumulated profit/loss.

Dividends

Physitrack intends to re-invest profits and cash flows in organic growth initiatives and for acquisitions to support value enhancing development and does not expect to pay any dividends in the medium term.

As a result, the board have not paid or proposed any dividends to be paid in relation to the current financial year.

23. Contingent liabilities

During 2024, the Company received correspondence from a supplier regarding a dispute over costs invoiced in or around 2018. These costs were in relation to services associated with the development of an intangible asset, which the Company believes were not adequately provided. Historical legal advice has indicated that it is probable no liability exists in relation to this claim. The dispute remains unresolved as of the date of these financial statements.

In light of the supplier’s continued pursuit of the claim and the ongoing legal dispute, the Company has disclosed this as a contingent liability. While the Company remains of the view that the supplier’s claim has no merit, is defending the claim, there is currently a stay on proceedings so that the parties can seek to resolve the matter through mediation. Accordingly, a provision has been recognised for possible pragmatic commercial settlement as it is possible that a payment would be made on a commercial basis in order to reach settlement and avoid further legal costs if the claim were pursued further. The Company will continue to monitor the situation and update its disclosures as appropriate in future reporting periods.

24. Related party transactions

For the period ended 31 December 2024, EUR 280,032 (31 December 2023: EUR 329,246) was paid to Camelot Solutions, a Company incorporated in Monaco. H Molin is a Director of this Company. At 31 December 2024 a balance of EUR 55,607 (31 December 2023: EUR 69,803) was due to Camelot Solutions.

C Sheiban ceased being a related party at 30 September 2024. For the period ended 30 September 2024, EUR 125,506 (31 December 2023: EUR 155,822) was paid to Paloma International Advisors, a Company incorporated in Monaco. C Sheiban is a Director of this Company.

For the period ended 31 December 2024, EUR 296,191 (31 December 2023: EUR 192,650) was paid to Mount Ash Consultants Limited, a Company incorporated in the UK. C Goodwin and J Goodwin are Directors of this Company. At 31 December 2024, a balance of EUR 78,802 (31 December: EUR 19,428), included in trade payables, was due to Mount Ash Consultants Limited.

25. Events after the reporting period

On 28 March 2025, the Group completed a management buyout (MBO) of its German wellness subsidiary, Wellnow, as part of its strategic focus on high-margin, recurring-revenue software solutions. The transaction includes a multi-year earn-out arrangement linked to future profitability.

Company Statement of Financial Position as at 31 December 2024

	Note	31 December 2024	31 December 2023
Asset		**€**	**€**
Non-current assets			
Investments	27	13,978,909	20,195,628
Financial assets held at FVPL	14	2,440	-
Intangible assets	28	4,286,010	4,018,017
Property, plant and equipment		30,681	20,752
Total non-current assets		**18,298,040**	**24,234,397**
Current assets			
Trade and other receivables	29	7,172,498	5,912,723
Cash and cash equivalents		330,811	91,097
Total current assets		**7,503,309**	**6,003,820**
Total assets		**25,801,349**	**30,238,217**
Liabilities			
Non-Current liabilities			
Deferred contingent consideration	32	(151,250)	(2,428,910)
Borrowings	17	(4,808,183)	(3,578,217)
Total non-current liabilities		**(4,959,433)**	**(6,007,127)**
Current liabilities			
Trade and other payables	31	(1,810,393)	(1,163,701)
Contract liability	30	(433,755)	(397,794)
Deferred contingent consideration	32	(272,250)	(1,111,574)
Total current liabilities		**(2,516,398)**	**(2,673,069)**
Net assets		**18,325,518**	**21,558,021**
Equity			
Share capital	22	64,075	64,075
Share premium	22	24,935,421	24,935,421
Translation reserve		1,036,101	(80,192)
Retained earnings		(7,710,079)	(3,361,283)
		18,325,518	**21,558,021**

The Company reported a total comprehensive loss for the financial year ended 31 December 2024 of EUR 3,232,503 (2023: EUR 77,410 loss) which included a loss after tax of EUR 4,348,796 (2023: EUR 721,043 loss)

The accounting policies and notes on pages 104 to 115 form part of the financial statements.

The financial statements for Physitrack Plc, Company registration number: 08106661 were approved and authorised for the issue by the Board of Director's and were signed on its behalf on 28 March 2025:

Henrik Molin

Company Statement of Changes in Equity for the period ended 31 December 2024

	Share capital	Share premium	Currency translation reserve	Retained earnings	Total
	€	€	€	€	€
Balance at 31 December 2022	**64,075**	**24,935,421**	**(712,487)**	**(2,649,510)**	**21,637,499**
Loss for the year	-	-	-	(711,773)	(711,773)
Other comprehensive loss for the period	-	-	632,295	-	632,295
Total comprehensive loss for the period	**-**	**-**	**632,295**	**(711,773)**	**(79,478)**
Balance at 31 December 2023	**64,075**	**24,935,421**	**(80,192)**	**(3,361,283)**	**21,558,021**
Loss for the year	-	-	-	(4,348,796)	(4,348,796)
Other comprehensive loss for the period	-	-	1,116,293	-	1,116,293
Total comprehensive loss for the period	**-**	**-**	**1,116,293**	**(4,348,796)**	**(3,232,503)**
Balance at 31 December 2024	**64,075**	**24,935,421**	**1,036,101**	**(7,710,079)**	**18,325,518**

The accounting policies and notes on pages 104 to 115 form part of the financial statements.

26. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

General information

Physitrack PLC is a public company, limited by shares, incorporated and domiciled in the UK. The address of the Company's registered office is Bastion House 6th Floor, 140 London Wall, London, England, England, EC2Y 5DN.

Basis of Preparation

These financial statements present information about the Company as an individual undertaking and not about its Group. These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). These financial statements have been prepared under the historic cost convention. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of "international accounting standards in conformity with the requirements of the Companies Act 2006". Amendments are made where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a separate Statement of Profit or Loss in line with the section 408 exemption.
- a Cash Flow Statement and related notes.
- disclosures in respect of transactions with wholly owned subsidiaries.
- disclosures in respect of capital management.
- the effects of new but not yet effective IFRSs.
- the requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures", including disclosures in respect of the compensation of key management personnel; and – a separate Statement of Profit or Loss in line with the section 408 exemption.

Presentational currency

The functional currency of the Company is sterling. To aid the users of the Company accounts with consistency of the consolidated Group accounts, the Company's presentational currency is in Euro. The rates used are outlined below.

	Balance Sheet	Income Statement
GBP:EUR	**1.210**	**1.182**

investments
In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for any impairment in value.

Impairment
The Company evaluates its investments for financial impairment where events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value, an impairment in value is recorded. Impairment of investments is performed using similar forecasts and procedures as the goodwill impairment, however are specific to on a company statutory level rather than at group CGU level as outlined in note 13 of the group financial statements.

Acquired intangible assets
Identifiable intangibles are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the Consolidated Statement of Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

Other intangible assets are amortised from the date they are available for use. The estimated useful lives is as follows:

- Software – 3 years

Internally generated intangible assets
An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- the intention to complete the intangible asset and use or sell it.
- the ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and measure on a straight-line basis. The useful economic life of an intangible asset is 3 years.
Management review for impairment on the intangible asset on a periodic basis. Impairment would be shown within administrative expenses on the statement of comprehensive income.

Financial instruments
Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Receivables

Trade receivables and other receivables are measured at amortised cost because the payments are solely payments of principal and interest is held to collect. Impairment is determined by reference to expected credit loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash amounts in transit due from credit cards which are settled within seven days from the date of the reporting period.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Impairment of financial assets

The Company measures expected credit losses using a lifetime expected loss allowance for all current trade and other receivables. Loss allowances will be measured on either of the following bases:

1. 12-month expected credit losses ("ECLs") are the ECLs that result from possible default events within 12 months after the reporting date; and
2. lifetime ECLs which are ECLs that result from all possible default events over the expected life of a financial instruments.
3. For intercompany loan receivables the entity assess whether there is significant increases in credit risk since initial recognition, loss allowance is based on a 12-month ECL if there is no significant increase.

The expected loss rates are based on current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Deferred revenue

Deferred revenue represents revenue from subscription fee and custom app maintenance which has been received in advance of services being provided.

Deferred contingent consideration

Deferred contingent consideration arises where an entity agrees to pay additional consideration in the future based on certain conditions being met. The recognition and measurement of deferred contingent consideration require careful consideration to ensure transparency and accuracy in financial reporting. Recognition of deferred contingent consideration occurs when it is probable that the future payment will be made and the amount can be reliably measured.

Measurement of deferred contingent consideration involves estimating the fair value of the obligation at the reporting date. Fair value is determined using appropriate valuation techniques, taking into account relevant factors such as the likelihood of meeting the contingent conditions, time value of money, and any market-based information available. In calculating the fair value the Group assess the forecast results of acquisitions based on board approved budgets over the consideration period, against the consideration details outlined in the purchase agreement, to determine if pay-out hurdles are met. These are then discounted to present value at the implied cost of borrowings of the respective entity, over the consideration period.

Reassessment of the contingent consideration is performed annually at the reporting date, and any changes in the estimated amount is reflected in the profit and loss.

Financial assets and financial liabilities at FVPL:

Financial instruments in this category are recognised initially and subsequently at fair value. Transaction costs are expensed in the Consolidated Statement of Profit or Loss. Gains and losses arising from changes in fair value are presented in the Consolidated Statement of Profit or Loss. Financial assets and financial liabilities at fair value through profit or loss are classified as current, except for the portion expected to be realised or paid beyond 12 months of the Consolidated Statement of Financial Position date, which is classified as non-current. Embedded derivative features identified within contractual arrangements are separately recognised where it is assessed that they are not closely related to the terms of the contract, where such features are considered closely related, they are not separately recognised.

Critical accounting judgements

Capitalisation of internally generated intangible assets

As described in note 1, an internally generated intangible asset is only recognised if management decide that it meets the criteria. For each expense capitalised management applies judgement to determine if the cost incurred directly relates to the enhancement of the platform. If expenses incurred for the internally generated intangible asset do not meet the definition, then the costs are recognised within the profit and loss. No estimates are made within this judgement.

Key sources of estimation uncertainty

The key areas involving a high degree of judgement or complexity, or areas where assumptions are significant to the primary financial statements are as follows.

Useful economic life of internally generated asset

Amortisation for the internally generated asset is spread over the useful economic life of the asset. As the asset is continuously maintained and new features are included, management needs to provide an estimate of the useful economic life to be able to recognise amortisation over the period. Management uses both historical and current evidence of the period in which features are being replaced and to determine estimate the useful economic life to mitigate the risk of a material misstatement. The key assumption made regarding the amortisation of intangible assets is that they are amortised over 3 years from the addition date, which the Directors believe to be the average period in which features are upgraded. The carrying amount for intangibles for the year in the Company are EUR 4,286,010 (2023: EUR 4,018,017).

Impairment of investments

The Company determines whether it's investment in subsidiary companies are impaired on at least an annual basis. This requires an estimate of the value in use to which the investment is allocated. The Company performs impairment testing for it's five subsidiary companies, Physia Limited, Physitrack Inc, Fysiotest Europa AB, Champion Health GmbH and Champion Health Limited. A similar methodology as outlined in note 13 is applied in estimating the value in use.

To estimate the value in use, the Company estimates the expected future cash flows from each investment and discounts them to their present value at a determined discount rate. Forecasting expected cash flows and selecting an appropriate discount rate inherently requires estimation. The Directors consider that the assumptions made represent their best estimate of the future cash flows generated by the investment, and that the discount rate used is appropriate given the risks associated with the specific cash flows.

27. Investments

The Company has investments in the following subsidiary undertakings:

Subsidiary undertaking	Registered office	Country of incorporation	Principal activity	%
Directly Held				
Physia Limited	100 Church Street, Brighton, East Sussex, England, N1 1UJ	UK	Dormant	100
Physiotools Oy	Kehrasaari B, 5th Floor 33200 Tampere FINLAND	Finland	Active	100
Fysiotest Europa AB	Båstad Sportcenter Korrödsvägen 9, SE-269 38 BÅSTAD, Sweden	Sweden	Active	100
Physitrack Inc	850 New Burton Road, Suite 201, Dover, Delaware, 19904	United States	Active	100
Wellnow Group GmbH	Luckenwalder Str. 6b, 10963 Berlin, Germany	Germany	Active	100
Champion Health Limited	Bastion House 6th Floor, 140 London Wall, London, United Kingdom, EC2Y 5DN	UK	Active	100
In-Directly Held				
Physitrack Sweden AB	Wiselgrensgatan 32, 41741 Göteborg, Sweden	Sweden	Active	100
Champion Health Plus Limited	Office 66 - Fareham Innovation Centre Merlin House, 4 Meteor Way, Fareham, Lee-on-the-Solent, England PO13 9FU	UK	Active	100

Champion Health Limited and Champion Health Plus Limited has claimed an audit exemption for the financial year ended 31 December 2024 under Section 479A of the Companies Act 2006.

All shares invested in are ordinary shares or the local equivalent.

Movement on the investment balance during the year is as follows:

	€
At 31 December 2022	**27,042,436**
Additions during the year (cash)	1,593,105
Impairment	(657,813)
Net movement on deferred contingent consideration (note 34)	(8,438,510)
Foreign currency translation movement	656,410
At 31 December 2023	**20,195,628**
Impairment	(4,057,543)
Net movement on deferred contingent consideration (note 34)	(3,136,584)
Foreign currency translation movement	977,408
At 31 December 2024	**13,978,909**

On 30 May 2023, the company provided Fysiotest with a capital contribution of EUR 94,105.

In January 2023 and March 2023, specific hurdles attached to the Wellnow share purchase agreement were achieved, resulting in deferred contingent consideration payment of EUR 1,499,000.

At 31 December 2023 an assessment was performed to identify if there were any indicators that the carrying value of investments was impaired. In-line with the group impairment assessment performed as outlined in Note 13, it was identified that there were indicators of impairment in relation to the Fysiotest investment. As a result the recoverable amount of the CGU was compared to the investment value, with an impairment of EUR 657,813 being recognised.

At 31 December 2024 an assessment was performed to identify if there were any indicators that the carrying value of investments was impaired. In-line with the group impairment assessment performed as outlined in Note 13, it was identified that there were indicators of impairment in relation to the Wellnow investment. As a result the recoverable amount of the CGU was compared to the investment value, with an impairment of EUR 4,057,543 being recognised.

Cash-flows, judgements, assumptions and measurements related to this impairment test are similar to those found in Note 13.

28. Intangibles

	Internally generated intangible asset	Software	Total
Cost	**€**	**€**	**€**
At 31 December 2022	**8,948,335**	**351,369**	**9,299,704**
Additions	2,439,822	39,005	2,478,827
Acquisition of subsidiary	-	-	-
Exchange differences	216,896	8,323	225,219
At 31 December 2023	**11,605,053**	**398,697**	**12,003,750**
Additions	2,610,959	22,701	2,633,660
Acquisition of subsidiary	-	-	-
Exchange differences	625,369	19,886	645,255
At 31 December 2024	**14,841,381**	**441,284**	**15,282,665**
Amortisation			
At 31 December 2022	**5,656,161**	**59,313**	**5,715,474**
Charge for the period	2,044,439	70,514	2,114,953
Exchange differences	140,403	14,903	155,306
At 31 December 2023	**7,841,003**	**144,730**	**7,985,733**
Charge for the period	2,483,044	79,272	2,562,316
Exchange differences	439,692	8,914	448,606
At 31 December 2024	**10,763,739**	**232,917**	**10,996,655**
Net book value			
At 31 December 2022	3,292,174	292,056	3,584,230
At 31 December 2023	3,764,050	253,967	4,018,017
At 31 December 2024	4,077,642	208,368	4,286,010

29. Trade and other receivables

	31 December 2024	31 December 2023
Trade and other receivables	**€**	**€**
Trade receivables	453,678	1,492,011
Expected credit loss	(51,973)	(156,856)
Trade receivables net of expected credit loss	**401,705**	**1,335,155**
Other receivables	89,248	168,823
Prepayments	366,614	143,649
Amounts due from group companies	6,314,931	4,265,096
	7,172,498	**5,912,723**

Trade receivables is recognised net of an expected credit loss provision of EUR 51,973 (2023: 156,856)

Amounts due from group companies relate to intercompany loans issued from Physitrack to subsidiaries within the Group. Loans owed from Group undertakings are repayable at any point at the request of Physitrack. A EUR 498,953 intercompany receivable exists between Physitrack and Physiotools. Interest accrues on this balance quarterly at the prevailing SONIA rate + a margin of between 1.5%-3% reflecting the interest rate the Group pays on it's external borrowings. Other than this intercompany receivable, no interest is charged on the intercompany receivable balances.

Refer to note 15 for calculation of Expected credit losses.

In determining the recoverability of a trade receivable, the Company considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and un-related. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts of EUR 51,973.

Other receivables are non-trade receivables and are non-interest bearing. The above amounts do not bear interest and the Directors consider that the carrying amount is equivalent to their fair value.

30. Contract liabilities

	31 December 2024	31 December 2023
	€	**€**
Subscription income received in advance	(433,755)	(397,794)
	(433,755)	**(397,794)**

For large enterprise customers, the Company typically bills twelve months in advance for subscription services to its platform. As outlined in note 1, subscription income is recognised over the period to which the service is provided. Therefore, the contract liability at 31 December 2023 and 31 December 2024, relates to subscription income received in advance for services to be provided for in the future. The contract liability balance at 31 December 2023 was recognised in the current financial period. It is expected that the contract liability balance at 31 December 2024 will be recognised within the 2025 financial year.

31. Trade and other payables

	31 December 2024	31 December 2023
Trade and other payables	**€**	**€**
Trade payables	657,685	557,911
Other payables	122,032	122,159
Amounts due to group companies	216,313	118,879
Accrued expenditure	814,363	364,752
	1,810,393	**1,163,701**

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing. For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is chargeable on the outstanding balances at various interest rates.
The Company has financial risk management policies in place to ensure that payables are paid within the credit timeframe. Due to the short-term nature of the trade payables the carrying amount approximates fair value.

Other payables are non-trade payables and are non-interest bearing. The above amounts do not bear interest and the Directors consider that the carrying amount is equivalent to their fair value.

32. Deferred contingent consideration

	€
Balance as at 31 December 2022	11,978,993
Recognised on acquisition of subsidiary	-
Payment of deferred contingent consideration	(1,499,900)
Fair value movement on deferred contingent consideration	(6,919,817)
Foreign exchange	(18,792)
Balance as at 31 December 2023	**3,540,484**
Payment of deferred contingent consideration	-
Fair value movement on deferred contingent consideration	(3,136,584)
Foreign exchange	19,600
Balance as at 31 December 2024	**423,500**

Current	272,250
Non-Current	151,250
	423,500

33. Employees

	31 December 2024	31 December 2023
	Number	Number
Administrative staff	8	8

All staff perform management and administrative tasks and are full-time employees within the Company.

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	€	€
Wages and salaries	371,459	352,831
Social security costs	40,522	37,827
Other pension costs	3,552	4,424
	415,533	**395,082**

Details on the Company's director's remuneration is outlined in note 8.

34. Financial Instruments

The Company as outlined in note 21 has exposure to credit, liquidity and market risk. This note presents specific information about the Company's exposure to each of these risks. This note should be read in conjunction with note 21.

Credit risk

The ageing profile of the Company's trade receivables is as follows:

	31 December 2024	31 December 2023
	€	€
Within 30 days	271,630	662,423
Between 30 and 60 days	17,062	66,830
Between 60 and 90 days	12,519	25,622
Over 90 days	152,467	737,136
	453,678	**1,492,011**

Standard credit terms ranted to customer is between 7 to 30 days, however for sales of Custom App's those customers have bespoke payment plans which are spread over a maximum of 24 months. The percentage of trade receivables past due date is 37 per cent (2023 51 per cent). The percentage of trade receivables outstanding more than 90 days is 34 per cent (2023 49 per cent).

There is no material expected credit losses against contract assets, cash or other receivables. Due to the Company's diversified client base, management believes the Company does not have a significant concentration of credit risk.

Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements. The amounts disclosed in the table are contractual undiscounted cash flows, including interest payments calculated using interest rates in force at each reporting date, so will not always reconcile with the amounts disclosed on the Company Statement of Financial Position.

	Carrying amount €	Contractual cash flows €	6 months or less €	6-12 months €	1-5 years €
31 December 2024					
Non-derivative financial liabilities					
Trade payables	1,811,105	1,811,105	1,811,105	-	-
Borrowings	4,808,183	4,895,599	-	-	4,895,599
Deferred contingent consideration	423,500	423,500	-	272,250	151,250
Total non-derivative financial liabilities	**7,042,788**	**7,130,204**	**1,811,105**	**272,250**	**5,046,849**

	Carrying amount €	Contractual cash flows €	6 months or less €	6-12 months €	1-5 years €
31 December 2023					
Non-derivative financial liabilities					
Trade payables	1,163,701	1,163,701	1,163,701	-	-
Borrowings	3,578,217	3,635,157	-	-	3,635,157
Deferred contingent consideration	3,540,484	3,780,000	-	1,140,000	2,640,000
Total non-derivative financial liabilities	**8,282,402**	**8,578,858**	**1,163,701**	**1,140,000**	**6,275,157**

Fair values

Cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities are reflected in the Company's Financial Statements at carrying values that approximate fair values because of the short-term maturities of these financial instruments.

In relation to borrowings and bank overdraft, since these were taken out at variable rates or fixed rates that approximate to market rates, the fair value of loans approximates less any costs associated with securing the borrowings represents their carrying value.

A interest rate swap was taken out in July 2024 attached to the revolving credit facility, to fix the interest rate on GBP 2m of the revolving credit facility. As outlined within Note 21 using level 3 inputs, at 31 December 2024 it had a fair value of EUR 2,440 (2023: EUR NIL)

Deferred contingent consideration is measured at fair value as outlined within Note 21 using level 3 inputs. At 31 December 2024 it had a fair value of EUR 423,500 (2023: EUR 3,540,484)

Capital management

Details of the Company's and Group's capital management is outlined within Note 21 of the Group Consolidated Financial Statements.

35. Capital and reserves

Details of the Company's and Group's capital and reserves, including the Company's dividend policy is outlined within Note 22 of the Group Consolidated Financial Statements.

36. Commitments, Pension commitments, Guarantees and contingencies

The Company had no contractual commitments, pension commitments or guarantees at 31 December 2024 (2023: NIL).

Details of the Company's contingent liabilities is outlined in note 23.

37. Events after the reporting period

See note 25 in the consolidated accounts for events after the reporting period which impact the Group and Company.

04

SHAREHOLDER INFORMATION

Ownership structure

Please see below a list of the top 20 shareholders as of the date of issuing the annual report and accounts:

Ownership structure

Name	Num. of shares	Capital	Votes	Verified
Henrik Molin	4,032,701	24.80%	24.80%	2025-02-26
Nathan Skwortsow	2,450,114	15.07%	15.07%	2025-02-26
Consensus Asset Management	1,480,000	9.10%	9.10%	2025-02-28
Dankea Oü	1,000,000	6.15%	6.15%	2025-02-26
Breht McConville	733,170	4.51%	4.51%	2025-02-26
Avanza Pension	672,517	4.14%	4.14%	2025-02-26
Ocampo International SA	644,848	3.97%	3.97%	2025-02-26
Kjetil Holta	600,000	3.69%	3.69%	2025-02-26
Martin Larsson (Chalex AB)	313,000	1.92%	1.92%	2025-02-26
Nordnet Pension Insurance	304,151	1.87%	1.87%	2025-02-26
Rachel King	278,000	1.71%	1.71%	2025-02-26
Emma Ruspantini	269,000	1.65%	1.65%	2025-02-26
Futur Pension	211,000	1.30%	1.30%	2025-02-26
Janos Pataky	202,528	1.25%	1.25%	2025-02-26
Dr Jill Thompson	100,000	0.61%	0.61%	2025-02-26
Michael Sloniewsky	100,000	0.61%	0.61%	2025-02-26
Agnete Molin	90,000	0.55%	0.55%	2025-02-26
Thomas Nag	80,203	0.49%	0.49%	2025-02-26
Movestic Life Insurance AB	73,238	0.45%	0.45%	2025-02-26
Carla Sheiban	70,000	0.43%	0.43%	2024-03-26
Total 20	**13,704,470**	**84.28%**	**84.28%**	
Others	**2,556,297**	**15.72%**	**15.72%**	
Total number of owners	1,317			2025-03-28
Total number of shares	16,260,767			2025-03-28

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

Annual general meeting
Shareholders are invited to the Annual General Meeting of the Company, which will be held on 27 June 2025 at 10:00 CEST. A notice of meeting with attendance details included will be posted on the investor website on 30 May 2025.

Dividend
The Board of Directors and Chief Executive Officer propose that the Annual General Meeting resolves that no dividend is to be paid for the financial year 2024. This is in-line with the company's dividend policy.

Further information
For further information, please contact:
Henrik Molin, CEO: ir@physitrack.com, +44 208 133 9325
Charlotte Goodwin, CFO: ir@physitrack.com, +44 208 133 9325

Financial calendar

Q4 report (1 January - 31 December 2024) - 28 February 2025
Annual report (1 January - 31 December 2024) - 28 March 2025
Q1 Report (1 January - 31 March 2025) - 13 May 2025
Annual General Meeting - 27 June 2025
Q2 Report (1 January - 30 June 2025) - 12 August 2025
Q3 Report (1 January - 1 September 2025) - 11 November 2025
Q4 Report (1 January - 31 December 2025) - 27 February 2026
Annual report (1 January - 31 December 2024) - 27 February 2026

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