



Annual Report

ELIXIRR INTERNATIONAL PLC

2022

The
Challenger
Consultancy



The
Challenger
Consultancy

Welcome to Elixirr's 2022 Annual Report and Accounts

Elixirr International plc, headquartered in the UK and quoted on the AIM market of the London Stock Exchange, is an established, global, award-winning challenger consultancy. We are pleased to report our annual results for the year ended 31 December 2022.

For more information, please see our website:

www.elixirr.com/investors



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Financial Highlights

£70.7m

Total revenue

FY 21: £50.6m **+40%**

£23.2m

Gross profit

FY 21: £17.7m **+31%**

£20.5m

Adjusted EBITDA

FY 21: £15.7m **+30%**

30.5p

Adjusted diluted EPS

FY 21: 24.2p **+26%**

£14.6m

Free cash flow

FY 21: £13.6m **+7%**

29%

Adjusted EBITDA margin

FY 21: **31%**

£15.7m

Profit before tax

FY 21: £12.2m **+29%**

10.8p

Dividend per share

FY 21: 4.1p **+163%**

£20.4m

Net cash

FY 21: £31.8m

Introducing Elixirr

Elixirr is an established, global, award-winning management consultancy.

We are never satisfied with the status quo.
We set new benchmarks.

We set our clients apart...
and we are driven by a purpose:

To be the best consulting firm in the world.

1

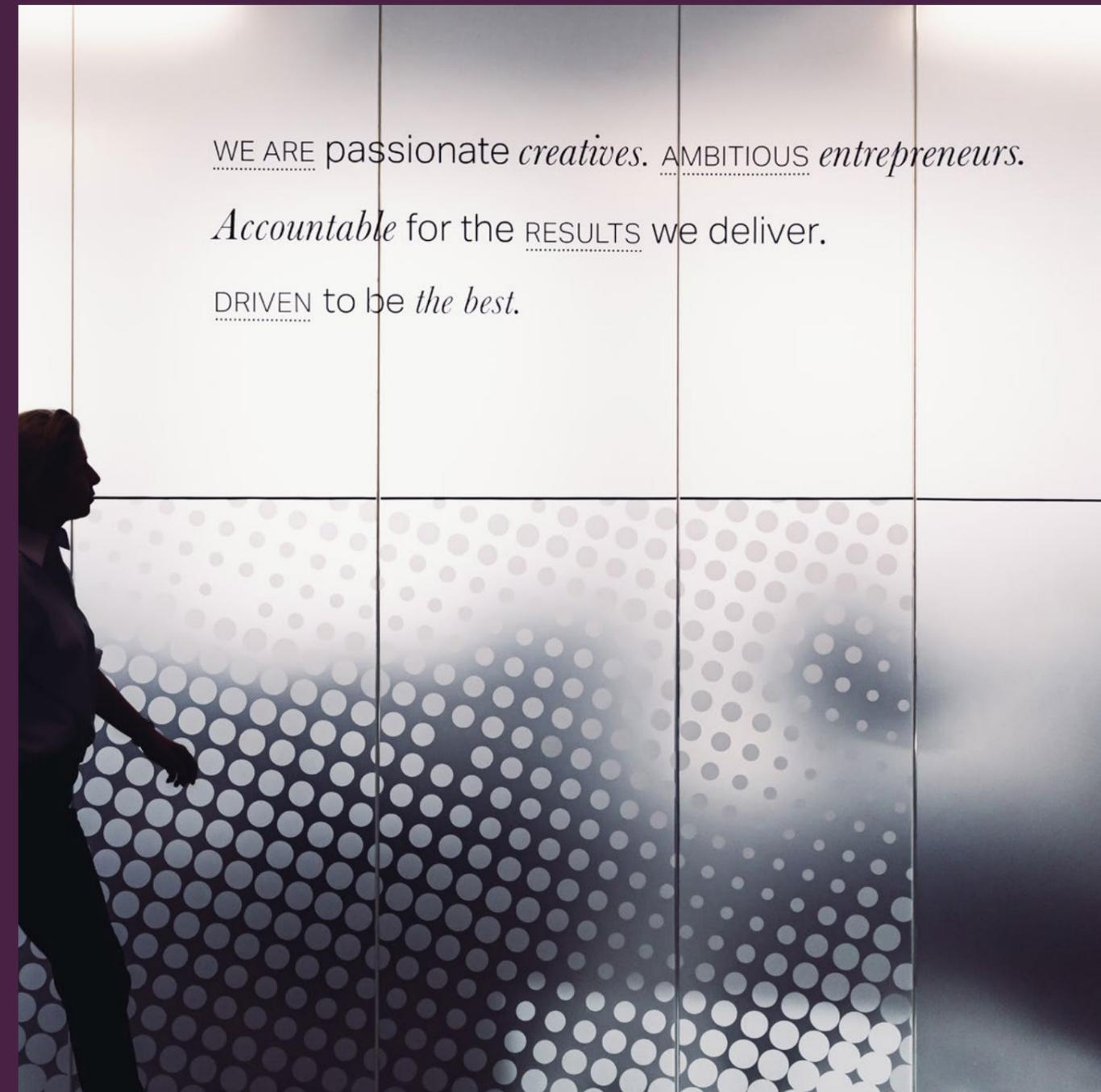
We are all owners of our **business**, and are accountable for the results we deliver.

2

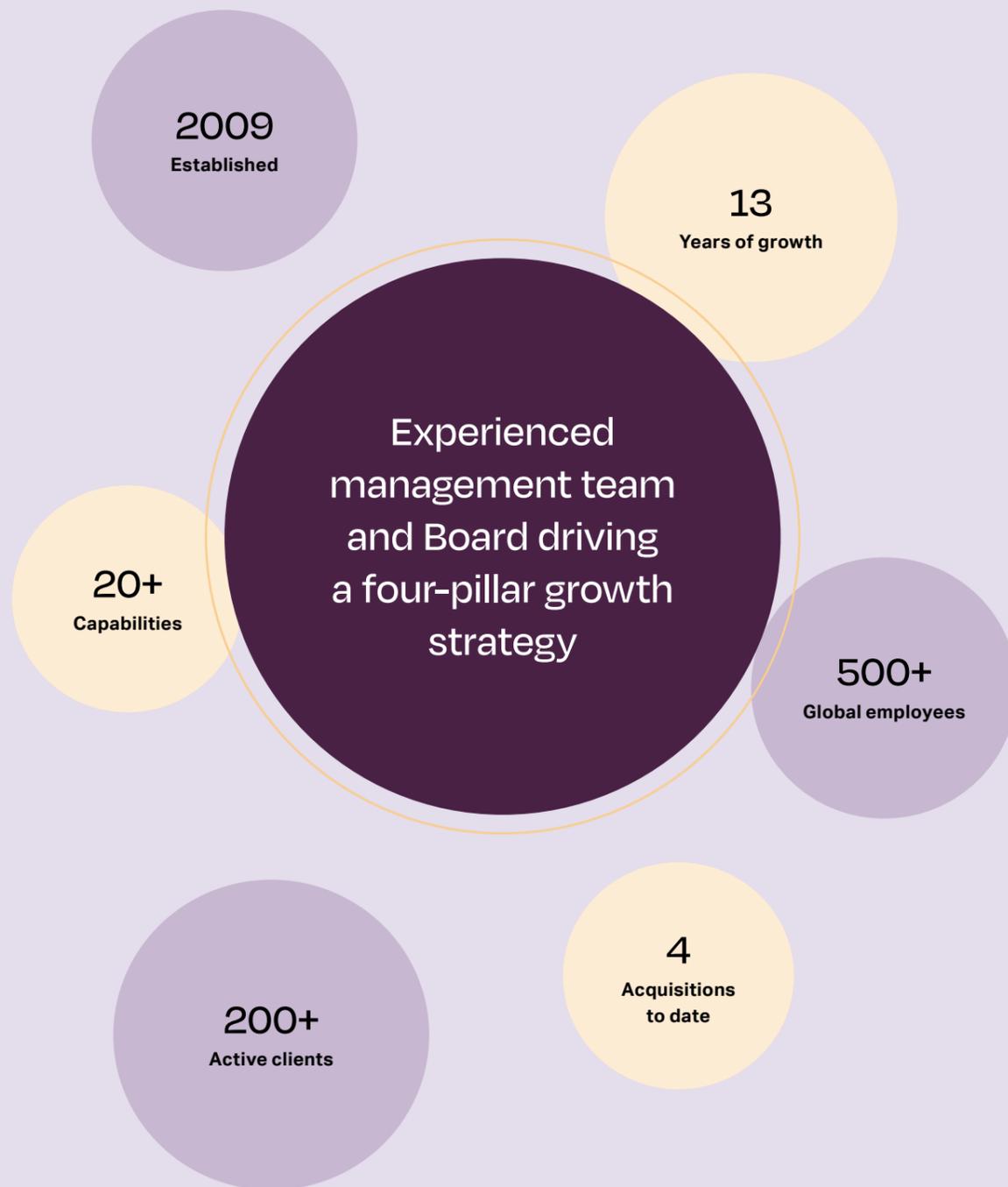
We don't hide behind **hierarchy**, and know that our clients' long term success drives ours.

3

We embrace **innovation** and take the **right route**, not the easy route, to pioneer change on a global scale.



Our Story



- **2009** Elix-IRR founded
- **2010** First US client
- **2011** First South African client
- **2012** Retail business launches
- **2013** 150% growth on prior year's revenue
- **2014** Named 'Best New Consultancy'
- **2015** Elix-IRR rebrands as Elixirr
- **2016** US business launches
- **2017** Den Creative becomes an Elixirr company, initiating our multi-brand strategy
- **2018** Elixirr named as one of the UK's leading management consultants
- **2019** Den Creative reaches c.200% revenue increase since acquisition, Airtime launches
- **2020** Elixirr lists with AIM on the London Stock Exchange, Coast Digital joins our brands
- **2021** Retearn joins our brands, marking our 2nd acquisition since listing on the London Stock Exchange, Stephen Newton named a Global Leader in Consulting
- **2022** iOLAP joins our brands, a specialist technology and data consultancy, marking our first US acquisition and largest acquisition to date

2022
iOLAP joins our brands, a specialist technology and data consultancy, marking our first US acquisition and largest acquisition to date



Our Values

Collaborative

We share the same purpose – to serve our clients impartially, with no hidden agenda, and to make them more successful by aligning our goals. We believe in the power of real partnerships. We work closely with our clients – we’re easy to engage with and are a natural extension of their team. We work in close partnership with each other and are fully immersed in our innovation ecosystem. We take the time to understand each other’s expertise, learn from it and call on it when there’s value to be had for our client’s business, or our own.

Creating a legacy

We are creating a different type of consultancy – the firm that we want. We help our clients change the game in their industries and we are changing the game in our own. Everything that we do leads to the highest quality service and greater success for our clients, our firm and our people. We believe that our newest recruit will one day lead the firm.

Entrepreneurial

We support entrepreneurial businesses and that’s how we run our own. We have a relentless desire to deliver better and better solutions for our clients and our business through continuous innovation. We are a culture of thinkers and makers, empowered by the freedom to get things done. Building businesses is what we do best.

Beyond expectations

We deliver beyond our clients’ expectations every time – adding real value is what matters to us. We are only as good as our last piece of work. We are not complacent and our next piece of work will be even better. We are not restricted by the conventional view of what a consulting firm should be – we welcome new ways to grow our business.



Our Locations

● Team based ● Projects delivered

500+
Entrepreneurial team members
working with a global client base



California

Texas

Mexico

New York

United Kingdom

Croatia

Johannesburg

Our Work

A selection of our clients

DIAGEO

MARS

AT&T

NatWest

DELTA DENTAL

Mercedes-Benz

HSBC

ABB

SELFRIDGES&CO

WILLSCOT

LVMH

FARFETCH

AVIS

Vitality

Bloomberg

Schroders
personalwealth

OLDMUTUAL

Lincoln
Financial Group

Hitachi Energy

USTA

BANK OF AMERICA



“ Elixirr’s collaborative approach helped our teams to think differently about the tools and systems they launch, enabling us to address issues limiting adoption, and creating engaging campaigns that have helped to drive improvements in return on investment. ”

Head of IT Strategy
US Insurer

A Diverse Client Base

We focus on building long-term, trusted relationships with our diverse client base – spanning multiple industries, geographies and capabilities.

200+

Active clients in FY 22

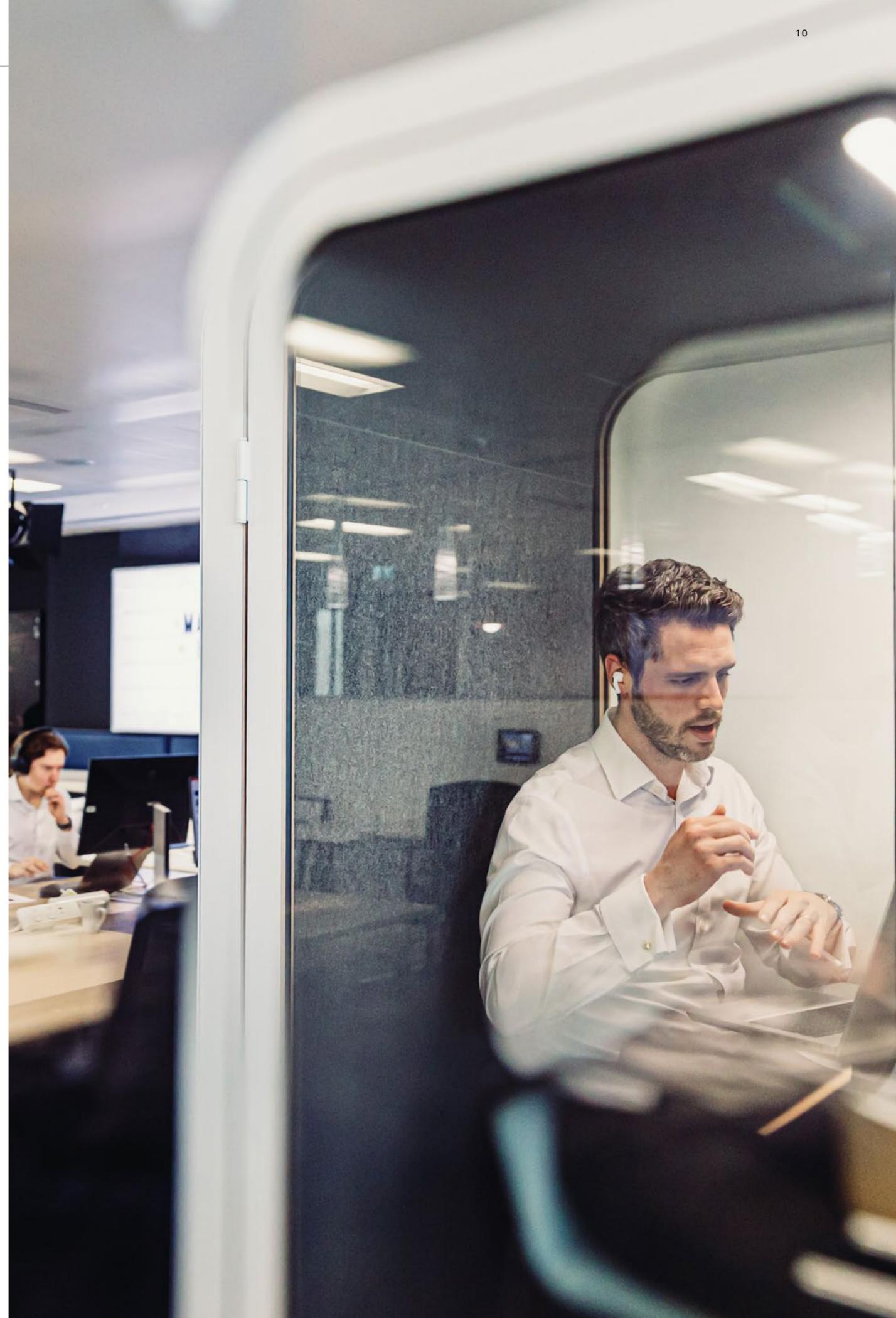
+21%

Number of gold accounts*

FY 22 Top 10 clients

#	Industry	Location	Define & execute the strategy	Build & launch new businesses	Transform existing businesses	Improve business performance	Length of relationship (years)	Gold client (>£2m)
1	Insurance	US	✓	✓		✓	4	✓
2	Insurance	UK / Europe	✓		✓	✓	5	✓
3	Logistics	US	✓			✓	4	✓
4	Financial services	US	✓			✓	4	✓
5	Engineering	UK / Europe	✓	✓	✓		4	✓
6	Financial services	South Africa	✓		✓	✓	8	✓
7	Pharma	US				✓	3	✓
8	Energy	US				✓	7	✓
9	Robotics	US				✓	7	✓
10	Financial services	UK / Europe	✓		✓	✓	1	✓

*'Gold' accounts – accounts with annual revenue of over £1 million

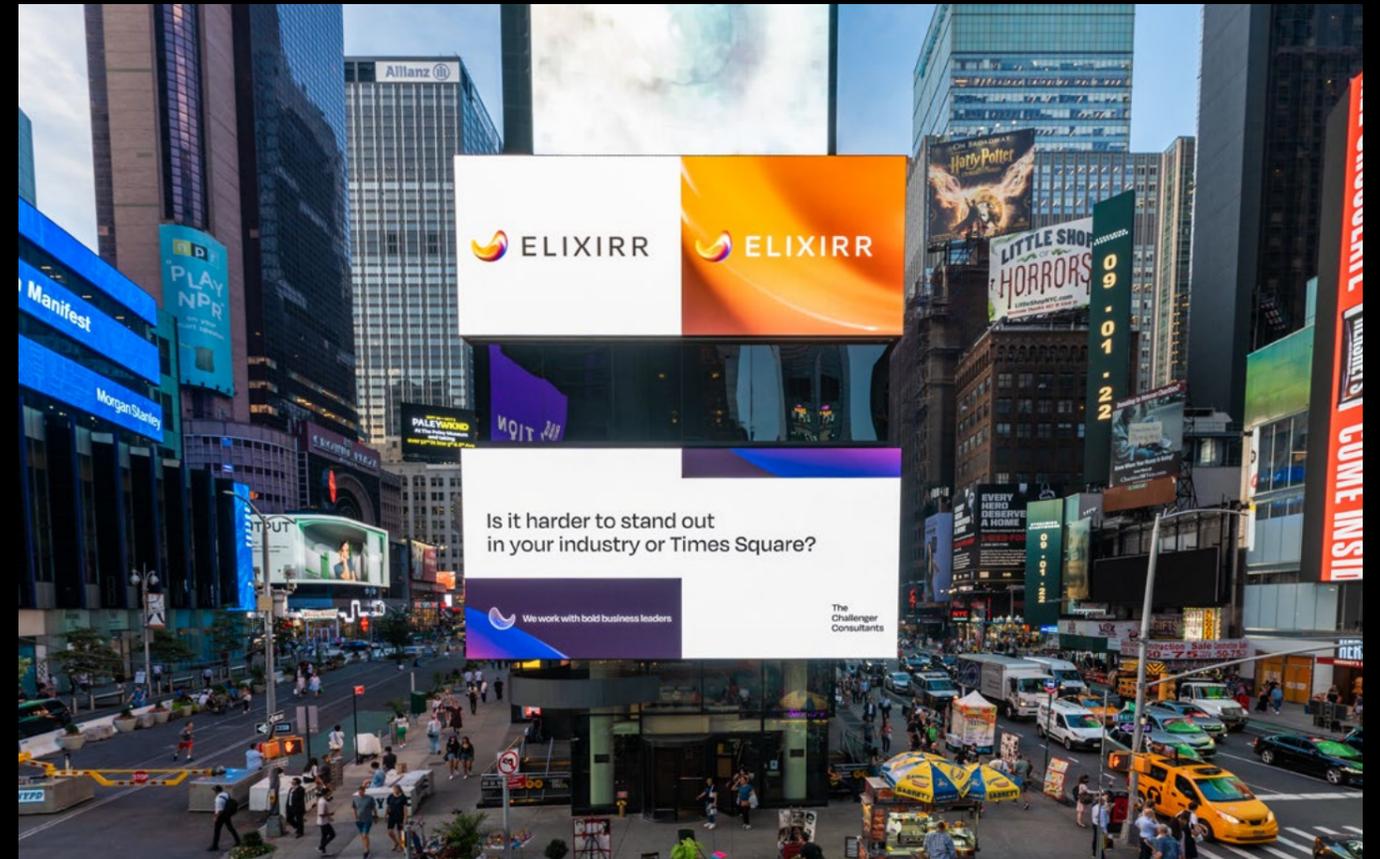


For the Bold Business Leaders

As a consulting firm of challengers, we have been on a mission to do things differently from the start - including building a world-class brand. 2022 saw our most successful year in marketing to date, supported by the launch of our biggest campaign and Times Square takeover.



>100% Increase in marketing leads



Non-Executive Chairman's Report



"Elixirr's growth strategy has facilitated great performance for the business again in FY 22 – the momentum it is building in the market is clear to see. Another year of consistent results can be attributed to the continued strength of the Group's leadership and its proven four-pillar growth strategy."

Gavin Patterson

Non-Executive Chairman

OVERVIEW

I am pleased to introduce Elixirr's 2022 Annual Results, a year which demonstrated another robust period of growth for the Group. Despite market volatility in the last twelve months, under a strong and experienced leadership team, the Group has continued to deliver.

Elixirr's diverse offering made it well-placed to adapt to the changing needs of its clients, and as a result, combined with its growing industry reputation, the business performed well in both attracting new business alongside scaling its existing client-base. This continues to position the Group strategically as a client-led consultancy that can address a broad spectrum of key boardroom challenges.

Whilst continuing to expand in all its key geographies, the Group achieved its goal of increasing its US footprint substantially with the acquisition of data, technology and analytics consultancy, iOLAP, in March 2022. This significant acquisition has proven to be highly complementary to Elixirr's core consulting offering and provides the Group with additional services where there is high client demand.

STRATEGY

The Board continues to be fully supportive of the Group's four-pillar growth strategy which has proven its value in FY 22. By continuing to make strategic investments in new people and acquisitions, in parallel with organic growth, the overall success of this strategy has been well demonstrated throughout the year.

Through a well-structured Partner incentivisation model, the selling of additional services across the wider client base has been firmly established throughout the Group, utilising services from Elixirr Digital, The Retearn Group Limited ('Retearn') and the addition of iOLAP during the year. Clients have benefited from our ability to support them from strategy through to execution which has enabled scalability both in size and duration of projects for the business – and this is something we expect to increase with further inorganic growth.

Going forward, we see clear pathways to further success in each of the four growth pillars with increased Partner targets, a pipeline of talent of both new Partner

hires and promotions, as well as the continued pursuit of high-quality acquisition targets from our dedicated M&A team.

DIVIDEND

Given the strong performance of the business in FY 22 and the year-end cash position, the Board is pleased to recommend a final dividend for FY 22 of 10.8p per share. This will be recommended to shareholders at the AGM in June 2023. The FY 22 final dividend represents an increase of 163% on the FY 21 final dividend with a total cash cost of £5.0 million, which will be met from the Group's existing cash reserves.

GOVERNANCE

The Board recognises the importance of operating within a robust governance framework. Throughout the period the Group has continued to comply with the corporate governance code of the Quoted Companies Alliance (QCA). This includes ensuring that we have an appropriate balance of diverse skills and experience to deliver our strategic vision and objectives. The Board and its subcommittees include independent non-executive members with varying backgrounds and experience. The Board continues to monitor this on a regular basis.

OUTLOOK

The Board is optimistic about the outlook for FY 23, given the Group's strong foundations and a variety of opportunities for further growth. The performance of the business to date, combined with the support of our shareholders, clients and people position Elixirr well to continue on its growth trajectory.



Gavin Patterson

Non-Executive Chairman

31 March 2023

Chief Executive Officer's Report



"2022 proved Elixirr's consistent ability to perform from both a revenue and profit perspective. This year we continued to leverage, and further invest in, our four-pillar growth strategy, enabling us to deliver exceptional growth despite challenging market conditions. Our equity incentive model is reinforcing an entrepreneurial culture of exceptional quality as we scale and this, combined with the breadth of our capabilities, will continue to set us apart from our industry in FY 23 and beyond."

Stephen Newton

Founder and Chief Executive Officer

OVERVIEW

Our performance in FY 22 has again displayed Elixirr's ability to consistently deliver strong revenue and profitability growth – despite challenging market conditions. I'd like to thank our teams across the globe for their contribution to these results and their continued dedication in providing the excellent service that our firm has become renowned for.

The consulting industry grew at 8% CAGR from 2017 to 2021 (source: Gartner). We have proven our ability to gain market share since listing, with revenue growing at a CAGR of 42% from 2019 to 2022, an acceleration of our long term CAGR of 32% since 2012. This can be attributed to the broadening of our offering and ability to address a widening spectrum of key boardroom challenges, whilst retaining the bespoke, high-quality approach we have always had with clients since starting the firm in 2009.

In 2022, Elixirr's strong performance in both organic and inorganic growth was the result of progress in all the pillars of our four-pillar growth strategy. This has enabled us to further our goal of building a business that is resilient to turbulent market conditions, while providing our clients with exceptional service that evolves with their changing demands.

FY 22 PERFORMANCE

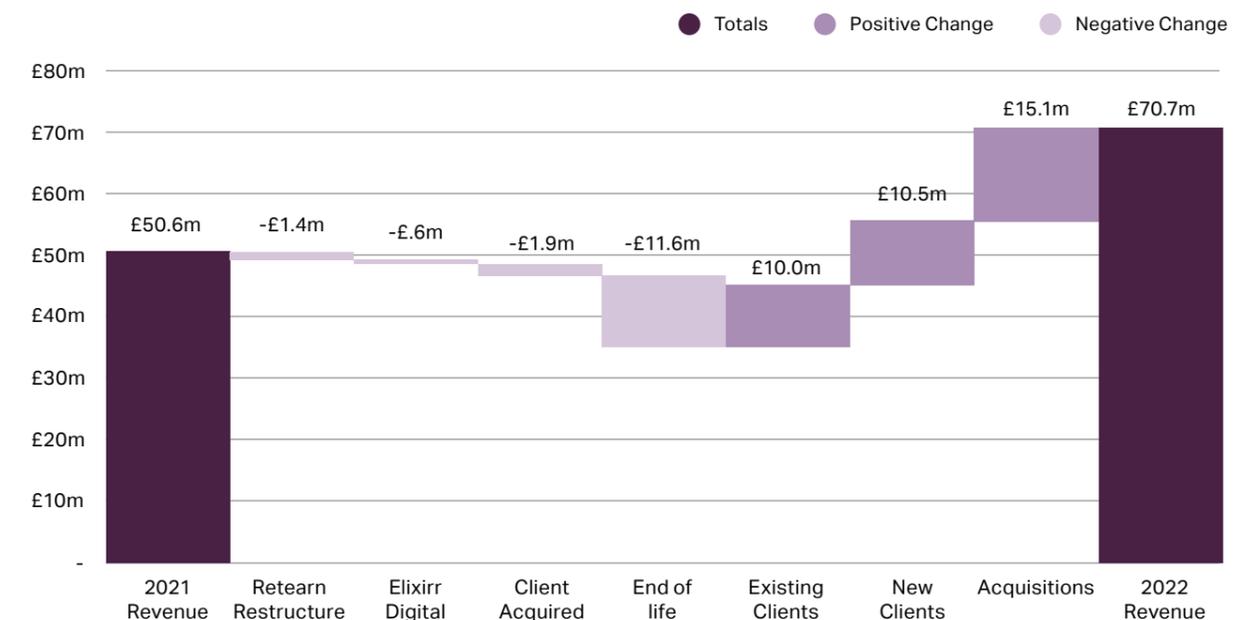
In FY 22, the business performed strongly, resulting in record revenue of £70.7 million – a 40% increase from the prior year (£50.6 million). We continued to focus both on bringing in new clients and building on our existing relationships, increasing client retention year-on-year. We have seen an increase in the number of 'gold' accounts – accounts with annual revenue of over £1 million – and, through focus on building out our services to these clients, have also seen an increase in the number of £2+ million revenue accounts.

Trading during the year was strong, with Elixirr's 20+ services making it well placed to support clients with a range of challenges, including business transformation and cost-reduction which have become increasingly critical to clients as the macro-economic environment has worsened.

The revenue bridge below shows the elements of the growth in revenue from £50.6 million in FY 21 to £70.7 million in FY 22.

The acquisition of iOLAP in March 2022 added £15.1 million to revenue. In addition, management made the decision to exit lower margin revenue in Retearn and Elixirr Digital to sustain the quality of the Group's earnings (-£2.0 million) and two clients were subject to take overs which impacted progress in those accounts (-£1.9 million).

FY 22 Revenue Bridge



Underlying organic revenue growth was 18% year-on-year (net +£8.9 million revenue), with £10.0 million growth from existing clients and £10.5 million growth from new clients, partially offset by an abnormally high value of end of life projects (-£11.6 million). This included the impact of one major client change programme coming to an end, without which organic growth would have been 29%.

FY 22 saw us maintain consistently strong levels of profitability, demonstrating the value that clients see from our premium service and delivery quality. Each of our Partners are required to manage their project profitability margins closely, and the wider business continued to deliver on this front. This resulted in Adjusted EBITDA of £20.5 million, above market expectations and an increase in absolute terms of 30% from FY 21 (£15.7 million). The Adjusted EBITDA margin continued to be market-leading at 29% (FY 21: 31%).

DELIVERING OUR FOUR-PILLAR GROWTH STRATEGY

Our four-pillar growth strategy has a proven track record, with the capacity to support our long-term ambitions for the Group, and in FY 22 Elixirr made great momentum in each facet of stretching existing Partners, bringing new Partners into the business, promoting Partners from within and acquiring new businesses.

This resulted in revenue per Partner increasing by 13% from £3.15 million in FY 21 to £3.57 million in FY 22, as set out in the Partner revenue bridge below. This continues the growth in this metric in every year since listing.

STRETCHING EXISTING PARTNERS

As we grow our Partner team, we are looking for each member of the team to maximise their revenue contribution, supporting the Group’s overall performance. The established Partners in our firm generated average revenue of £4.0 million each in FY 22, an increase of 20% compared to £3.4 million in FY 21. The additional capabilities provided by our acquisitions have expanded the range of services that our Partners can sell to their clients.

We have increased Partner revenue targets for FY 23, reflecting our expectations for further growth in this metric.

HIRING NEW PARTNERS

Bringing new talent into the Partner team is an important pillar in the Group’s overall growth – a great route to bringing on board new clients and entering new, or increasing the penetration of, existing markets. We successfully hired two Partners who have established

a great base in two clients that we expect to become gold clients during FY 23. Both these candidates came through the existing network of our Partner team and had extensive prior consulting experience, factors which have contributed to their strong performance since joining.

As a high-performing business we expect each of our Partners to meet a minimum threshold for revenue performance. As a consequence, we exit Partners who underperform – with their equity position forfeited. We will continue to take decisive action to protect the overall business and quality of earnings.

We continue to use our networks to bring in new talent and in April 2023 we will welcome a new Partner to the team. He brings extensive experience in change management and transformation programmes, with an impressive network including major clients in the healthcare industry. We continually progress a warm pipeline of potential Partner candidates.

PROMOTING PARTNERS FROM WITHIN

Growing talent from within is of great importance to the firm – ensuring that we retain our existing culture and quality as we scale. Our strategy is to give promoted Partners a ‘runway’ to develop their Partner-level experience before officially joining the Partner team which has proven to be of great success in FY 22, with our promoted client-facing Partner achieving £3.5 million revenue.

2023 saw two further promoted Partners officially join the Partner team, Danielle Croucher and Ben Gower. We expect both to play roles in expanding key areas of the business – Danielle supporting our ambitions to further scale Elixirr’s US business and Ben helping to increase our presence in the insurance space, both in the UK and globally.

Later in the year, we will welcome two more of our own to the Partner team, Dan Coral and Rory Farquharson, effective October 2023. Both have been instrumental in our expansion in the US in recent years and, as Partners, they will continue contributing to the Group’s success worldwide. We are also particularly pleased to have just made our first promotion to Partner in one of our acquired businesses – Nick Larsen is a longstanding member of the iOLAP team where he leads the AWS

practice, providing data services to a number of major clients, and he will join the Partner team from January 2024.

ACQUIRING NEW BUSINESSES

Buying new businesses with expertise and experience in growing markets that are complementary to the Group’s existing capabilities remains a key part of Elixirr’s growth strategy.

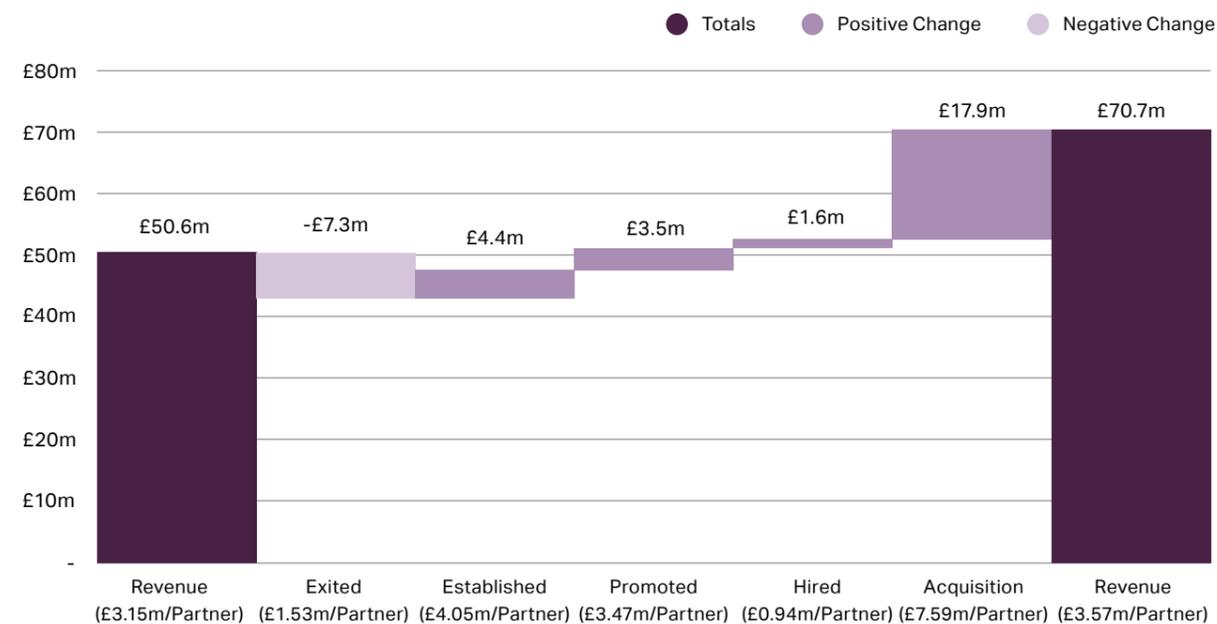
In March 2022 our acquisition of iOLAP marked our biggest deal to date, bringing in a capability of key importance in the current business landscape. Data is a more leveraged service than strategy consulting and iOLAP added the annual equivalent of £7.6 million of revenue per acquisition Partner. This highlights an additional opportunity for our organic Partners to get more leverage from this data proposition – as well as future acquisitions.

In addition to bringing in a key service offering, the acquisition of iOLAP has brought strong leaders into our business. Given the calibre of iOLAP leadership, we have mutually agreed to change their earn-out targets for FY 23 onwards to target them on growth in our overall US business including iOLAP, rather than on the performance of iOLAP alone. This again proves the entrepreneurial way our Partners work together for mutual benefit.

We were pleased to complete the acquisition of iOLAP from the internal cash resources of the Group, without any dilution of shareholders’ equity. In FY 23, we have settled 50% of the iOLAP earn-out consideration, again from our internal cash resources without any dilution of shareholders. We continue to protect shareholders from dilution where possible and have not had a dilution event since April 2021.

Our internal M&A team continue to generate a pipeline of strong prospects, focused on bringing in additional capabilities that will help us to support clients in their key boardroom issues. They remain focused on bringing in businesses of the highest quality that meet our exacting criteria, having scouted 3,000+ firms since Elixirr’s IPO.

FY 22 Revenue Bridge by Partner





OUR FIRM

Whilst I am very pleased to see the mechanisms we have put in place result in the growth Elixirr has enjoyed in FY 22, it is the nature of our people and boldness of our clients that truly set our firm apart in the market.

Our equity scheme is continuing to fulfil our objectives of building a high performing team with long-term commitment to the business. Our Employee Share Purchase Plan ("ESPP") had high levels of participation again for the new financial year – over 50% for the Group and over 75% for the consulting business for FY 23, highlighting the longevity and conviction our teams have as part of the firm. This is further proven by the increases we have seen in employee retention, particularly pleasing given employment market conditions.

Our pool of talent continues to be highly diverse in skillset and experience, and we remain committed to creating a firm of equal opportunity, with individuals measured purely by the quality of the work that they do. We continue to source talent through the world's best universities, start-ups and from industry to sustain our high-performing global team. This strategy continues to be enhanced by the talent we bring in from acquisitions, and we were delighted to welcome the expertise of iOLAP's data engineers and consultants earlier this year.

During the year we continued to uphold our company values, one of which; '*Beyond expectations*' is crucially important – helping to maintain the quality of delivery and industry expertise as we scale and deliver our growth ambitions. In 2022 we were pleased to receive multiple accolades including being listed as one of Consulting Magazine's '*Fastest Growing Firms 2022*', being selected for the 2022 Global Outsourcing 100®, the annual list of the world's best outsourcing service providers and advisors, and two team members recognised as '*Rising Stars of the Profession*'.

In addition to industry accolades our brand is becoming increasingly recognised as a challenger in the consulting industry. Our 'Con-sulting' campaign was nominated for '*Best B2B Brand Campaign*' at the 2022 Drum Awards. This campaign helped to support an overall increase in brand awareness and leads. In FY 22, the business saw an increase of over 100% in marketing

leads resulting in a record year of revenue generated from this source. It is fantastic to see the investment we have made in building a great brand paying off.

OUTLOOK

This year Elixirr has again proven both its resilience and growth potential, notwithstanding a turbulent macroeconomic backdrop. Our positioning in the market and ability to address clients' key challenges have continued to result in our services being in high demand.

The momentum we built in FY 22 has accelerated in the first quarter of 2023. In Q1 2023, we have had three record revenue months with absolute revenue growth of 52% and underlying organic revenue growth of 19%.

Combined with a strong pipeline thereafter, and a proven four-pillar growth strategy, I am incredibly bullish about FY 23 and beyond. We are therefore pleased to upgrade our target revenue for FY 23 to £85m-£90m, whilst maintaining our Adjusted EBITDA margin in the range of 28-30%.

Stephen Newton
 Founder and Chief Executive Officer
 31 March 2023

Our Four-Pillar Growth Strategy

Our four-pillar growth strategy has a proven track record, with the capacity to support our long-term ambitions. In FY 22 Elixirr continued to make great progress in each aspect of this...



Stretch existing Partners

As we grow our Partner team, we aim for each team member to maximise their revenue contribution, supporting the firm's overall performance. The additional capabilities provided by our acquisitions have expanded the range of services that our Partners can offer to clients, and this helped to increase revenue per Partner in FY 22.



Promote Partners from within

We are fostering a culture of people who aim to maximise their potential, and with the support of an established Partner team, promoting Partners from within is continuing to be a core aspect of Elixirr's growth. In FY 22 we promoted a further three talented Principals to join our senior team.



Hire new Partners

Bringing talent into the firm with existing networks and additive expertise helps to continually build out our capabilities and expand into new industries and geographies. In FY 22 we brought in two key individuals with ESG and financial services expertise. We hired an additional Partner, joining in April 2023 with additive industry access in Healthcare.



Acquire new businesses

Elixirr's inorganic growth strategy continues to diversify the business on a wider scale, bringing in capabilities to ensure we can continue to address clients key boardroom challenges. In March 2022, we welcomed iOLAP to the Group, marking our biggest acquisition to date, and bringing in highly relevant data expertise.



“There’s many tropes around consulting. I haven’t had that experience with Elixirr. We’ve consistently utilised their expertise in a small and focused way. They never tried to pull a blanket over a problem. They’re not there to be your toy soldier army, but they are there when you have specific challenges that need support.”

Head of Infrastructure, Delivery and Performance
Global Energy Provider

Section 172 Statement

FOR THE YEAR ENDED 31 DECEMBER 2022

As required by Section 172 of the Companies Act, a Director of a Company must act in the way he or she considers, in good faith, would likely promote the success of the Company for the benefit of the shareholders. In doing so, the Director must have regard, amongst other matters, to the following issues:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers/customers and others;
- impact of the Company's operations on the community and environment;
- the Company's reputation for high standards of business conduct; and
- need to act fairly between members of the Company.

The Directors remain committed to engaging with the Group's stakeholders and considering their interests when making key strategic decisions. The Board considers its key stakeholders to be its shareholders, its employees, its clients, its suppliers and the communities in which the Group operates.

Culture

The culture of Elixirr is promoted through our core values: 'Entrepreneurial', 'Collaboration', 'Creating a Legacy' and 'Beyond Expectations'. Our values and leadership behaviours are a vital part of our culture to ensure that through good governance, our conduct and decision making we do the right thing for the business and our stakeholders. The Board aims to achieve a balance between short-term success and longer-term prosperity.

KEY PRIORITIES

- Maintaining the quality of the team
- Maintaining our core values as we scale
- Deep understanding of our mission and growth goals across our employees

FORM OF ENGAGEMENT

- Partner coaches for every employee
- Two-day cultural immersion event for all new joiners
- Monthly team informal business updates involving all brands
- Formal business updates from the CEO
- Global travel and secondment opportunities to work alongside team members in different locations
- Cultural assessments of potential acquisitions to assess suitability

Shareholders

All Directors and Partners hold equity interests in the Company to ensure strong alignment of interests with shareholders. For the same reason, we have a share option scheme and optional ESPP scheme for all employees. The primary mechanism for engaging with our shareholders is through the Company's AGM and also through the publication of the Group's financial results for the half year and full year.

KEY PRIORITIES

- Sustainable financial performance
- Governance and transparency
- Confidence and trust in the Board
- Dividends for shareholders

FORM OF ENGAGEMENT

- Dedicated area of the Company's website
- Half yearly reporting
- AGM, where we encourage our shareholders to ask questions, and engage in a dialogue with the Directors
- Regular investor communications
- Investor feedback via NOMAD, retail platforms and directly
- Meetings with external investors



“ Working at Elixirr has enabled me to gain knowledge and experience in multiple industries, having worked on a range of global projects. The opportunities here are truly endless, and the experience I have gained in the first two years of my career is invaluable. The cherry on the cake is that everyone is super friendly and willing to offer support and guidance at the drop of a hat! ”

Analyst
Elixirr

Clients

Understanding our clients and their different challenges is key to the success of Elixirr. The Group’s agility enables us to move with the market and provide tailored innovative solutions which meet the specific needs of our clients, covering a broad range of strategy, design, operational, transformation, data, creative and marketing capabilities. Elixirr focuses on building long term, trusted relationships with clients and providing a service that is both bespoke, and of exceptional quality.

KEY PRIORITIES

- High quality services
- Exceptional delivery
- Evolving capabilities and expertise to meet client’s changing needs
- Emphasis on building deep, long-term relationships with clients

FORM OF ENGAGEMENT

- Senior level management on every engagement
- Project monitoring and reviews with client feedback
- Staying at the forefront of relevant industry news and insights
- Rigorous hiring assessment of all hires
- Acquiring new companies with new capabilities

Employees

A key to the Group’s continual success has been the quality of its teams across the globe. Elixirr aims to attract, retain and develop the very best talent, to ensure the quality bar of the Company is continually raised. The Directors, alongside our Management team, work hard to provide a collaborative and empowering working environment – we invest in our employees from the outset, working with them to achieve their ambitions and to grow within the firm.

KEY PRIORITIES

- Retaining and developing talent
- Career growth opportunities for the team
- Maintaining a safe and collaborative environment
- Health and safety for all employees

FORM OF ENGAGEMENT

- Dedicated Partner coaches for individuals
- Formal performance monitoring and mentoring
- Peer to peer mentoring
- Competitive equity incentives and schemes
- Partner-led forums by grade
- Knowledge sharing and learning sessions



Community, social and the environment

Creating a real and sustainable impact is what matters to us. We support the Elixirr Foundation which seeks to enrich the quality of life of the communities we operate in by giving our time, money and services. We strive to empower, providing our consulting services to the charity and not-for-profit sector, offering business support and strategic advice to charities and organisations where our services and advice have the greatest impact.

KEY PRIORITIES

- Creating positive sustainability outcomes at material scale for our clients
- Ensuring our carbon footprint is minimal and always improving
- Supporting local businesses, including budding entrepreneurs
- Charitable initiatives aligned to our core values
- Supporting the growth of talent from underprivileged backgrounds
- Building awareness around diversity and inclusion

FORM OF ENGAGEMENT

- Working with clients to ensure sustainability is at the core of their business strategy
- Dedicated internal sustainability team and individual initiatives
- Strategic partnerships to train charities in key business acumen
- Fundraising and team events for charities
- Not-for-profit services through our consulting services
- Partnership with Harris Westminster who provide top level education to students from all socio-economic backgrounds recruiting our first full time Analyst from the scheme in FY 22
- Volunteer days for each team member

Suppliers

We have long-standing relationships with suppliers and treat all suppliers fairly. We ensure that our contractual commitments to suppliers are met within a timely manner.

KEY PRIORITIES

- Maintaining strong and fair relationships
- Supporting sustainability with buying decisions

FORM OF ENGAGEMENT

- Prompt communication and consistent payment processes
- Regular supplier reviews

ESG Review

We were founded with the ambition to be the best consulting firm in the world. Part of our ethos for our clients, and ourselves is to adapt to ever-changing market conditions, and to make a material impact in the markets we operate in.

As a growing business, advising global brands, we continue to focus our efforts on creating real sustainable change. We believe ESG needs to be embedded into the core of a company's strategy and innovation of new products and services to create *real* change, rather than focusing on incremental improvements to satisfy regulation.

Highlights of our activity in FY 22

In August, we made the team hire of ESG purpose-led consultancy KIT. This bolstered our ESG offering while also increasing the size of our offshore banking expertise and coupled with our existing expertise, enabled us to develop a 'systems thinking' approach to sustainability with our clients.



One of our clients met over 30 different organisations within Elixirr's global innovation network during an immersion week to identify their ability to deliver meaningful impact. An example of the ESG themes that were explored were:

- 'Green Future' (Environmental) and 'Visibility of energy consumption', and identifying the potential opportunities to reduce it.
- Employee experience (Social and Governance): using analytics for existing internal applications with reporting and insights to understand and improve user engagement.

We worked with a global insurance, risk management and consulting company to develop a strategy for driving external value and revenue growth through Climate Change and Environmental, Social, and Governance market trends (CESG).

We pride ourselves on connecting our clients to the latest technology helping to futureproof their business, and ESG startups are a key part of our innovation ecosystem. We have therefore curated an ESG-focussed executive immersion programme and have hosted some of our global clients on this throughout 2022.

One of the world's largest investment management companies wanted to further its ESG focus and compliance needing a solution to automate the data points currently underpinning their ESG-related shareholder voting decision making and portfolio company ratings. Elixirr was engaged to analyse the vendor market and facilitate our unique selection process to select an appropriate provider to partner with.

Streamlined Energy and Carbon Report ('SECR')

Greenhouse gas emissions are reported using the following parameters to determine what is included within the reporting boundaries:

Scope 1

Direct UK energy emissions, of which the Group does not have any to report at this time.

Scope 2

Indirect UK energy emissions, which includes purchased electricity and heat.

Scope 3

Other indirect energy emissions that occur in the UK through business travel and transportation.

The Group has used the UK Government GHG Conversion Factors for the Company Reporting to convert activity data such as kWh consumption and distance travelled into total CO₂e emissions.

SCOPE	ACTIVITY	FY 22 tCO ₂ e	FY 21 tCO ₂ e
2	Purchased Heat & Electricity	26.18	26.12
3	Business Travel & Commuting	5.21	2.03
TOTAL		31.39	28.15

SCOPE	ACTIVITY	FY 22 mWh	FY 21 mWh
2	Purchased Heat & Electricity	139.20	123.04
3	Business Travel & Commuting	n/a	n/a
TOTAL		139.20	123.04

INTENSITY METRIC	FY 22	FY 21
£m revenue	23.64	22.38
tCO₂e per £m revenue	1.33	1.26



Financial Review

	FY 22	FY 21	% CHANGE
Revenue	£70.7m	£50.6m	+40%
Gross profit	£23.2m	£17.7m	+31%
Adjusted EBITDA*	£20.5m	£15.7m	+30%
Adjusted EBITDA margin*	29%	31%	-7%
Profit before tax	£15.7m	£12.2m	+29%
Adjusted diluted earnings per share*	30.5p	24.2p	+26%
Dividend per share	10.8p	4.1p	+163%
Free cash flow	£14.6m	£13.6m	+7%
Net cash	£20.4m	£31.8m	-36%

* In order to provide better clarity to the underlying performance of the Group, Elixirr uses adjusted EBITDA and adjusted earnings per share ('EPS') as alternative performance measures ('APMs'). Please refer to note 3 of the Group and Company Financial Statements for further details.

GROUP RESULTS

The Board is pleased to report that the Group has delivered an exceptionally strong year, continuing to grow revenue and profits despite global macro uncertainty. The growth has demonstrated the continued effectiveness of our four-pillar growth strategy which enables the Group to deliver robust performance in all market conditions.

The Group delivered strong growth in FY 22, both organically and through the acquisition of iOLAP. Our full range of services positioned us optimally to adapt to the changing needs of our clients, as we continued to deliver high-quality client service to a growing customer base. The Group successfully acquired iOLAP in FY 22, integrating their product offerings and teams into the Group and delivering enhanced capabilities to our client base. The Group has maintained healthy margins and good cash generation, ending the year in a strong financial position. In FY 22 the Group delivered revenue of £70.7 million and profitability continues to be strong with Adjusted EBITDA of £20.5 million at a 29% margin.

REVENUE

Revenue increased by 40% to £70.7 million in FY 22 compared with £50.6 million in FY 21, with four record months of revenue achieved during the year. Revenue growth was driven by both underlying organic revenue growth of 18% and the impact of the acquisition of iOLAP.

Revenue growth was achieved across all geographic regions (UK, USA and Rest of World) in which the Group operates, and we have significantly increased our US footprint, having more than doubled revenues in FY 22 following the acquisition of iOLAP. US revenue now accounts for 44% of Group revenue (FY 21: 25%). We are also pleased to report that revenue per client-facing Partner grew by 13% during the year, despite the difficult market environment, reflecting the quality and resilience of our Partner team and how the additional capabilities provided by our acquisitions have expanded the range of services that our Partners can sell to their clients.

The double-digit growth in revenues is testament to the Group's relentless focus on continuing to build long-term, trusted relationships with our clients by consistently delivering innovative, impactful solutions to solve our clients' key business challenges. The Group's revenue growth is reflective of continuing strong demand for its existing service offering as well as the leveraging of new service capability to clients from acquisitions. The iOLAP business has proven to be highly complementary to Elixirr's core consulting offering and provides the Group with additional services where there is high client demand.

GROUP PROFITABILITY

The Group's revenue growth was matched with strong growth in profits too. Group gross profit was £23.2 million (FY 21: £17.7 million), increasing by £5.5 million or 31% over the previous year. The gross profit margin decreased slightly to 33% from 35% in FY 21. The decrease was driven by the resumption of travel and business development activities to normalised levels compared to the unusual lockdown environment in FY 21.

Administrative expenses increased by 33% to £6.9 million, principally reflecting the acquisition of iOLAP and the resulting non-cash acquired intangible asset amortisation.

Group Adjusted EBITDA grew 30% and was delivered at a 29% margin (FY 21: 31%). The Adjusted EBITDA margin reflects the increased costs referred to in relation to gross profit above.

Group profit before tax grew by 29% to £15.7 million (FY 21: £12.2 million) and was in line with the growth in Adjusted EBITDA.

NET FINANCE EXPENSE

Net finance expense of £1.2 million for FY 22 includes interest on the contingent consideration discount unwinding for iOLAP of £0.9 million and £0.3 million for the Group office leases liability. The increase in net finance expense was principally driven by the iOLAP contingent consideration discount unwinding. As at 31 December 2022 the Group has no interest rate risk exposure.



The Group enjoyed strong cash generation with net cash flow generated from operations of £15.7 million in FY 22 (FY 21: £14.3 million). The increase in operating cash flow compared to FY 21 was less than the increase in EBITDA due to the increase in cash tax (as explained above) and lower payables (on a like for like basis excluding iOLAP) compared with FY 21.

Net cash utilised for acquisitions reflects £18.1 million net initial cash consideration for the acquisition of iOLAP (net of cash of £0.8 million acquired on acquisition) plus contingent consideration of £0.2 million for Coast Digital Limited ('Coast Digital').

Net cash utilised in financing activities of £8.9 million represents net purchases of shares for the EBT of £4.4 million, net Partner loans (including associated section 455 tax) of £0.5 million, dividend payment of £1.9 million, repayment of iOLAP bank loans on acquisition of £1.1 million and office lease payments of £0.9 million.

STATEMENT OF FINANCIAL POSITION

Net assets as at 31 December 2022 totalled £95.9 million (FY 21: £86.0 million). The increase in net assets is as a result of foreign currency translation benefit of £1.8 million, share premium of £0.6 million for gains on sale of shares by the EBT, retained profit for the year of £12.4 million (after FY 21 final dividend of £1.8 million offset by £1.3 million add back of share-based payments charge and related tax), partially offset by net EBT share purchases of £5.0 million.

DIVIDENDS

No interim Ordinary share dividends were paid in relation to FY 21 or FY 22. The Company paid a final Ordinary share dividend in respect of FY 21 of 4.1 pence per Ordinary share in August 2022. The Directors are proposing a final Ordinary share dividend in respect of FY 22 of 10.8 pence per Ordinary share, representing a 163% increase in dividend per share compared with FY 21.

TAXATION

The Group's tax charge for FY 22 was £2.9 million, reflecting a marginally higher effective tax rate of 18% compared with 17% in FY 21. The increase was largely driven by higher tax rates in the US as, following the acquisition of iOLAP, the US business comprised a larger proportion of profit before tax. The Group's cash tax payment in the year was £3.8 million (FY 21: £2.5 million), with the increase partly due to certain subsidiary companies becoming liable to pay corporation tax on a quarterly basis rather than annually in arrears. For further detail on taxation see notes 7 and 8 of the Group and Company Financial Statements. Adjusted profit after tax, used in calculating adjusted EPS, is shown after adjustments for the applicable tax on adjusting items as set out in note 3.

EARNINGS PER SHARE

Adjusted diluted EPS increased by 26% to 30.5p, with the calculation reflecting potential additional dilution from shares that could be issued as contingent consideration for the iOLAP acquisition. As reported

in note 13 of the Group and Company Financial Statements of this report, the Group retains the option to satisfy this consideration through a cash payment with a commitment to buy shares from the EBT in order to minimise dilution. Adjusting items and their tax impacts are set out in note 3 of the Group and Company Financial Statements.

CASH FLOW

The Group's net cash position decreased to £20.4 million (FY 21: £31.8 million) primarily due to the initial consideration paid for the acquisition of iOLAP (£18.1 million) and net purchases of shares for the EBT (£4.4 million) which can be used to settle future deferred consideration obligations. As stated above, the Group retains the option to satisfy the remaining iOLAP contingent consideration through cash payments with a commitment of the sellers to buy shares from the EBT in order to minimise dilution. Free cash flow increased by 7% due to improved operating cash flow generation driven by business growth and efficient working capital management.



Our Key Performance Indicators ('KPIs')

The Directors are of the opinion that the Group's KPIs are revenue, gross profit, adjusted EBITDA, profit before tax, free cash flow and adjusted diluted EPS. These KPIs are linked to the Group's growth strategy and used to monitor the performance of the business. Further information on the KPIs is available in these Financial Statements and summarised on the financial highlights section earlier in this report. The Board monitors progress against plan on a regular basis.



Principal Risks and Uncertainties

The Board has the primary responsibility for identifying the major risks facing the Group and developing appropriate policies to manage those risks. The Board has assessed the Group's emerging and principal risks and how they are being managed or mitigated. The risk assessment has been completed in the context of the overall strategic objectives of the Group and the table below outlines the principal risks and uncertainties that have been identified. These are not the only risks that may affect the Group, however they are the principal risks that the Board considers would potentially have the most significant impact if they were to occur. There may possibly be further risks that materialise over time that the Group has not yet identified or deemed to have a potentially material adverse impact on the Group.

POTENTIAL RISK	DESCRIPTION / IMPACT	MITIGATING FACTORS
<p>Demand for services in markets and sectors in which the Group operates</p>	<p>The Group operates in multiple geographies and industry sectors and demand for its services can be affected by global, regional, industry specific or national macro-economic conditions.</p> <p>The Group operates in a competitive environment, where other consulting firms seek to provide similar services.</p> <p>Changes in demand for the Group's services can significantly impact revenues and profits.</p>	<ul style="list-style-type: none"> • The entrepreneurial culture and focus on helping clients build businesses, new products and customer experiences are key differentiators of the Group's service offering. • Elixirr is considered 'The Challenger Consultancy', offering an alternative to the traditional consulting models. • The consulting market is resilient in bull and bear markets, and we offer a range of services relevant to different market conditions. We operate a flexible model and can deploy staff to areas of higher demand to optimise utilisation. • The consulting market has continued to grow despite macro-economic challenges in the last 12 months and this has resulted in continued strong client demand. • The Group's inorganic growth strategy, acquiring new businesses and their respective capabilities contributes to continued diversification in different markets and sectors.
<p>Reputation, key client relationships and contractual terms</p>	<p>The success of the Group's business depends on the preservation of good client relationships and its reputation for providing high-quality consulting services.</p> <p>Failure of the Group to develop and retain client relationships could result in a reduction in revenues.</p> <p>Potential unforeseen contractual liabilities and loss of client relationships may arise from client engagements that are not completed satisfactorily.</p>	<ul style="list-style-type: none"> • The Group has relentless focus on customer service and exceeding client expectations. This combined with our bespoke solutions frequently embed Elixirr within our clients over the long term. • The Board believes that the Group offers a range of services, approach and quality of people which is not replicated collectively by our competitors. • Employee options vest only for high performance. This incentivises our people to perform at a high level to the benefit of our clients. • Potential contractual liabilities from client engagements are managed through quality assurance over services and review of contractual terms by experienced legal professionals. • As the business has grown, dependence on particular key accounts has decreased. The track record of the business has demonstrated our ability to grow and replace revenue if a major client is lost. Typically, our top 3 clients differ year on year.

POTENTIAL RISK	DESCRIPTION / IMPACT	MITIGATING FACTORS
Recruitment and retention of talented employees	The Group's performance is dependent on the recruitment and retention of key personnel to develop and maintain relationships with clients and to deliver high quality services.	<ul style="list-style-type: none"> The Group has remuneration policies and structures that reward excellent performance. For most employees, an element of total remuneration is variable and linked to financial and other performance measures. Senior employees hold equity in the Company with terms that incentivise them not to leave their employment. The majority of our client relationships are not limited to only one Partner, reducing the impact to revenue if any key person is lost. There are contractual notice periods for all key staff, with longer periods for senior and key team members. All employees are eligible to participate in a share option plan and an ESPP (Employee Share Purchase Plan). Our optional ESPP has high levels of participation. This alignment, by way of share participation, of employees' goals with those of the Group aids retention and attraction of talent. Elixirr has an attractive entrepreneurial culture that places people at the heart of the business.
Utilisation and profitability	Employee utilisation rates drive Group profitability and may be adversely impacted by an unexpected decline in client projects or misalignment on the timing of headcount growth.	<ul style="list-style-type: none"> Utilisation targets are set annually and monitored monthly at employee grade level. Allocation of employees to projects and available capacity is reviewed weekly. Project profitability is tracked against agreed target margins with a proportion of Partner bonuses dependent on these metrics.
M&A and integration	The Group could acquire the wrong business or fail to integrate an acquisition successfully, leading to adverse impact on performance.	<ul style="list-style-type: none"> A dedicated internal acquisition team is responsible for identifying opportunities and bringing targets through stages of the pipeline. Detailed due diligence and risk assessment is performed on all potential acquisitions, which includes ensuring strategic and cultural fit and validating the business case. We have reached due diligence stage with a number of businesses, where we have terminated deals due to issues identified in the diligence process. We ensure that any risks identified are mitigated through the structure of the deal or other mitigating actions or controls.

POTENTIAL RISK	DESCRIPTION / IMPACT	MITIGATING FACTORS
M&A and integration (cont.)		<ul style="list-style-type: none"> A proportion of consideration on acquisitions is deferred as earn out. This aligns acquisition Partners with the wider Partner team, as performance earns more equity. In addition, the earn out structure mitigates the financial impact of any poor performance. The performance of an acquired company post acquisition is regularly reviewed to ensure it is on track and aligned with the wider Group, including the achievement of cross sell synergies.
Russia/Ukraine conflict	The conflict and resulting sanctions imposed on Russian companies and individuals have negatively impacted certain business sectors.	<ul style="list-style-type: none"> The Group does not have any current clients or people in Russia or Ukraine. To date, there have not been any adverse impact from the conflict or sanctions.

The Group's and Company's exposure to financial risks (credit risk, liquidity risk, interest rate risk and foreign currency risk) is set out in the notes to the financial statements.

MAIN CONTROL PROCEDURES

Management establishes control policies and procedures in response to each of the key financial and operating risks identified. Control procedures are in place to ensure the integrity of the Group's Financial Statements and are designed to meet the Group's requirements. Control procedures are documented and reviewed by management and the Board on an ongoing basis to ensure control weaknesses are mitigated.

The Group operates a comprehensive annual planning and budgeting system. The annual plans and budgets are approved by the Board. Management reviews the management accounts on a monthly basis where performance against budget is monitored and any significant deviations are identified, and appropriate action is taken.



Graham Busby, Founder and Chief Financial Officer
31 March 2023

The Strategic Report comprises the Non-Executive Chairman's Report, the CEO's Report, the Section 172 Statement, the Financial Review and Our Key Performance Indicators ('KPIs'). The Strategic Report was approved by the Board of Directors for issuance on 31 March 2023.



Stephen Newton, Founder and Chief Executive Officer
31 March 2023

Corporate Governance Report

CORPORATE GOVERNANCE

The Board of the Company is committed to high standards of corporate governance, which it considers are critical to business integrity and to maintaining investors' trust in the Company. For the year ended 31 December 2022, and up to the date of this report, the Company has applied the main principles of the Quoted Companies Alliance (QCA) Code and complied with its detailed provisions throughout the period under review.

Full details of our approach to governance are set out below and, as a Board, we continue to be committed to good standards in governance practices and will continue to review the governance structures in place, to ensure that the current practices are appropriate for our current shareholder base and that, where necessary, changes are made. The key governance principles and practices are described in the statement below, together with the Audit and Risk and Remuneration Committees' reports and the Directors' Report.

Board of Directors



Gavin Patterson

Independent Non-Executive Chairman

Chair of the Remuneration Committee

Gavin joined Elixirr as Non-Executive Chairman in November 2019. Gavin held the position of President and Chief Revenue Officer of Salesforce until January 2023 and prior to this was the Chief Executive at BT Group plc from 2013-2019. He has also worked at Virgin Media and Procter & Gamble. He brings extensive experience in public companies and from the media, advertising, consumer goods, telecoms and technology sectors. Gavin chairs the charity Business in the Community.



Stephen Newton

Chief Executive Officer

Stephen is CEO and Co-Founder of Elixirr and has over 25 years' experience in transformational change and strategy. Prior to founding Elixirr, Stephen was a Managing Partner at Accenture and was previously a Financial Services Partner at IBM. Stephen is a chartered accountant, having qualified at KPMG. Over his career, Stephen has advised boards of some of the world's leading companies across multiple industries. He was listed as a Global Leader in Consulting 2022 by US Consulting Magazine, recognised for 'Excellence in Execution' having previously received the award in 2019 for 'Excellence in Influence'.

Board of Directors



Graham Busby

Chief Financial Officer

Graham is CFO and Co-Founder of Elixirr. He was previously Marketing and Sales Director for Elixirr before moving to his current role in 2019. Graham leads Elixirr's strategic growth plan with a particular focus on leading the inorganic acquisition strategy. Before Elixirr, Graham worked in both Accenture's strategy team and their outsourcing sales team, shaping and selling multi-functional sourcing deals worth over \$500m.



Ian Ferguson

General Counsel

Ian is General Counsel and Co-Founder of Elixirr and has over 35 years' experience advising on commercial transactions across numerous sectors and geographies. Ian has previously been a Partner at Olswang Asia and Pillsbury Winthrop Shaw Pittman, and a senior Partner with Allen & Overy, where he was Global Head of the communications media technology group and co-head of the international outsourcing practice.



Charlotte Stranner

Independent Non-Executive Director

Chair of the Audit and Risk Committee
Member of the Remuneration Committee

Charlotte was appointed as an Independent Non-Executive Director in July 2020, having been a consultant to the Company since April 2020. Charlotte is currently CFO of AIM listed adtech company, Dianomi plc. Charlotte was previously a Partner at formerly AIM-quoted MXC Capital, a technology, media and telecoms investor and adviser. Prior to MXC Capital, Charlotte was a Corporate Finance Director at finnCap Limited. She is a chartered accountant, having qualified at Moore Stephens.



Simon Retter

Independent Non-Executive Director

Member of the Remuneration Committee
Member of the Audit and Risk Committee

Simon joined Elixirr in December 2019 as a corporate finance consultant and was appointed to the Board in July 2020. He has over 10 years' experience working with public companies, particularly AIM listed companies. Simon is currently CFO at AIM-quoted Horizonte Minerals plc. Before this, Simon acted as Finance Director for a number of small cap companies, assisting in a number of listings on AIM. Simon started his career at Deloitte where he qualified as a chartered accountant.



COMPOSITION AND INDEPENDENCE OF THE BOARD

The Board is comprised of three Executive Directors and three Non-Executive Directors, including the Independent Non-Executive Chairman. The Board is of the opinion that its composition continues to represent an appropriate balance between executive and non-executive directors, given the Group's size and operations.

Gavin Patterson has extensive experience as a senior executive and non-executive in other organisations. He is considered independent as he is not involved in the day-to-day running of the business and does not earn any performance-related remuneration.

Simon Retter and Charlotte Stranner both have diverse experience in independent advisory roles, particularly in relation to AIM-listed companies. They are both considered independent as they are not involved in the day-to-day running of the business and do not earn any performance-related remuneration.

Collectively the Board Members have skills and expertise covering a range of areas including general

management, finance, sales, marketing, innovation and M&A. Members have relevant consulting and industry experience. We intend to carry out periodic reviews of the composition of the Board to ensure that its skillset and experience are appropriate for the effective leadership and long-term success of the business as it develops.

APPOINTMENTS TO THE BOARD AND RE-ELECTION

The Board takes decisions regarding the appointment of new Directors following the recommendations of its Remuneration Committee. The task of searching for appropriate candidates and assessing potential candidates' skills and suitability for the role has been delegated to the Remuneration Committee.

The Company's Articles of Association require that Directors hold office only until the first annual general meeting of the Company following such appointment and in accordance with best practice in corporate governance, all the Directors will offer themselves for re-election.

DIVISION OF RESPONSIBILITIES

The Board is responsible for the overall management of the Group including the formulation and approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. While the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters include, amongst other things, approval of major corporate transactions, transactions with related parties and approval of the annual and interim accounts.

The Board meet regularly to review performance. The roles of Chairman and Chief Executive Officer are separate and clearly defined, in line with the recommendations of the QCA Corporate Governance Code. Responsibility for overseeing the Board is the responsibility of the Chairman and the Chief Executive Officer is responsible for overseeing the implementation of the Company's strategy and its operational performance.

EXECUTIVE DIRECTORS

The Executive Directors are encouraged to use their independent judgement and strong knowledge of the Group in the discharging of their duties. They are responsible for the day-to-day management of the business, including its trading, financial and operational performance and the Group's legal undertakings. Issues and progress made are reported to the Board by the Chief Executive Officer.

Executive Directors are full-time employees of the Company and have entered into service agreements with the Company. Directors' contracts are available for inspection at the Company's Head Office.

NON-EXECUTIVE DIRECTORS

The Board considers the Non-Executive Directors to be sufficiently competent and to function effectively as a unit and in their respective Committees. They provide objectivity and substantial input to the activities of the Board, from their various areas of expertise.

HOW THE BOARD OPERATES

The Board retains control of certain key decisions through the Schedule of Matters reserved for the Board. The Board is responsible for:

- Overall management of the business and monitoring performance against objectives;
- Developing the Company's strategy and risk management;
- Major investment and divestment decisions;
- Setting business values, standards and culture;
- Membership and chairmanship of the Board and Board Committees;
- Relationships with shareholders and other stakeholders;
- The Company's compliance with relevant legislations and regulations; and
- Appointment and reappointment of the Company's auditors.

The Board held four scheduled meetings over the course of the year. All Directors were present at each meeting. In addition, other matters reserved for the Board were dealt with through ad hoc Board meetings.

THE MAIN ACTIVITIES OF THE BOARD DURING THE YEAR

Key Board activities during the year included:

- Evaluating the performance of the business;
- Reviewing progress across all the elements of the Group's four pillar growth strategy;
- The acquisition of US data consultancy, iOLAP.

THE BOARD COMMITTEES

The Board delegates authority to two Committees: the Audit and Risk Committee and the Remuneration Committee, to assist in meeting its business objectives. The Committees meet independently of Board meetings.

Each Committee has Terms of Reference setting out their responsibilities, which were reviewed and approved by the Board during the year. The Terms of Reference of each Committee can be found on the Company's corporate website at www.elixirr.com/investors.

The Audit and Risk Committee comprises two Independent Non-Executive Directors. In addition, the CFO, Finance Director and General Counsel attend meetings of the Committee by invitation. The external auditors are invited to attend the Audit and Risk Committee at relevant times of the year and also have direct access to the Chair of the Audit and Risk Committee. The Committee met three times during 2022.

The members of the Remuneration Committee are the three Non-Executive Directors, including the Chairman. Other individuals such as the Chief Executive Officer, may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The Company Secretary acts as the secretary of the Committee. The Committee is responsible for establishing and reporting to the Board, procedures for determining policy on executive remuneration and also the performance-related elements of remuneration, which align the interest of the Directors with those of shareholders. Its remit also includes matters of nomination and succession planning for Directors and senior key executives, with the final approval for appointments resting with the Board. The Committee met in March 2022 and after the year end in March 2023.

EXTERNAL ADVISORS

The Board makes use of the expertise of external advisors where necessary, to enhance knowledge or gain access to particular skills or capabilities. Areas where external advisors are used include and are not limited to: legal advice, corporate finance advice, tax advice and recruitment.

DIRECTORS' INDUCTION, DEVELOPMENT, INFORMATION AND SUPPORT

The Board considers all Directors to be effective and committed to their roles. All Directors receive regular and timely information on the Group's operational and financial performance. Ahead of the Board and Committee meetings, papers are circulated to all Directors to ensure that they are fully informed and can participate fully in discussions. Directors keep their skillset up to date through a combination of attendance

at industry events, individual professional development and experience gained from other Board roles.

The Board is regularly briefed on AIM Rules by its Nominated Advisors, finnCap. Directors are also able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Directors also have direct access to the advice and services of the Company Secretary. The Company Secretary supports the Chairman in ensuring that the Board receives the information and support it needs to carry out its roles.

CONFLICTS OF INTEREST

Outside interests and commitments of Directors, and changes to these commitments are reported to and agreed by the Board. To the date of this report there are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties they may have.

PERFORMANCE EVALUATION

The Chairman considers the operation of the Board and performance of the Directors on an ongoing basis as part of his duties and will bring any areas of improvement he considers are needed to the attention of the Board. The effectiveness of the Board, its Committees and Directors will be reviewed on an annual basis.

ACCOUNTABILITY

Although the Board delegates authority to its Committees and also the day-to-day management of the business to the Executive Directors, it is accountable for the overall leadership, strategy and control of the business in order to achieve its strategic aims in accordance with good corporate governance principles.

RISK MANAGEMENT AND INTERNAL CONTROL

Mitigating the risks that a Company faces as it seeks to create long-term value for its shareholders is the positive by-product of applying good corporate governance. At Elixirr, all employees are responsible

for identifying and monitoring risks across their areas. However, the Board sets the overall risk strategy for the business and is ultimately accountable.

FINANCIAL AND BUSINESS REPORTING

In our interim, final and any other ad hoc reports and other information provided by the Company, the Board seeks to present a fair, balanced and understandable assessment of the Group's position and prospects. The Board receives a number of reports to enable it to monitor and clearly understand the Group's financial position. The Board considers that this Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

SHAREHOLDERS

The Board values the views of our shareholders and recognises their interest in our strategy and performance. We endeavour to update shareholders on the Board's expectations for the outlook of the business as and when this changes. As much as possible, we try to provide information that is relevant to our shareholders on our corporate website; in our Annual Report and Accounts; and through regulatory news announcements throughout the year. We also believe in knowing and understanding our shareholders. We welcome questions from our shareholders at our Annual General Meetings (AGMs).

Audit and Risk Committee Report

As Chair of the Audit and Risk Committee (“the Committee”), I am pleased to present our Audit and Risk Committee Report for the year ended 31 December 2022.

MEMBERSHIP

The Audit and Risk Committee comprises two members, Simon Retter and myself, Charlotte Stranner. Simon Retter and I are Independent Non-Executive Directors of the Company. As Chair of the Committee with a background as a chartered accountant I have significant, recent and relevant financial experience. The Committee’s biographies are set out in the Corporate Governance Report.

MEETINGS AND ATTENDANCE

The Committee met three times during the year ended 31 December 2022 and once prior to the date of this report during 2023. All members of the Committee at the time of each meeting were present. Graham Busby (Executive Director and CFO), Nick Willott (Finance Director and Company Secretary) and Ian Ferguson (Executive Director and General Counsel) also attend meetings by invitation. The external auditor attended the first meeting of 2022 at which the annual audit for 2021 and the 2021 Annual Report and Financial Statements were reviewed, and also the first meeting of 2023 at which the annual audit for 2022 and the 2022 Annual Report and Financial Statements were reviewed.

DUTIES

The full list of the Committee’s responsibilities is set out in its Terms of Reference, which is available on the Company’s website, and is summarised below as follows:

- External audit (including the independence of the external auditor);
- Financial reporting;
- Internal control and risk management; and
- Reporting on activities of the Committee.

The Terms of Reference for the Committee are reviewed annually and approved by the Board.

The main items of business considered by the Committee during the year (and at its meeting in 2023 in relation to the 2022 audit and Annual Report and Financial Statements) included:

- Consideration of the 2021 financial statements of the Group and Company, the external audit report and management representation letter;

- Review and update of the Group’s risk register;
- Review and approval of the 2022 interim financial statements;
- A review of the year-end 2022 audit plan, consideration of the scope of the audit, the risks identified by the external auditor and the external auditor’s fees; and
- Consideration of the 2022 financial statements of the Group and Company, the external audit report and management representation letter.

EXTERNAL AUDITOR

The Committee has the primary responsibility for recommending the appointment of the external auditor and reviewing the findings of the auditor’s work. The external auditor has direct access to me and other members of the Committee, without executive management being present if they wish.

The Company’s external auditor is Crowe U.K. LLP, who were appointed with effect from the period ended 31 December 2019. Having reviewed the auditor’s independence and performance to date, the Committee recommended to the Board that they be reappointed for the Company’s 2022 audit. Crowe U.K. LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditor will be proposed at the next annual general meeting.

POLICIES FOR NON-AUDIT SERVICES

Crowe U.K. LLP were not appointed to provide any non-audit services in the year ending 31 December 2022.

AUDIT PROCESS

The external auditor prepares an audit plan setting out how the auditor will audit the full-year financial statements. The audit plan is reviewed, agreed in advance and overseen by the Committee. The plan includes the proposed scope of the work, the approach to be taken with the audit and also describes the auditor’s assessment of the principal risks facing the business. Prior to approval of the financial statements, the external auditor presents its findings to the Committee, highlighting areas of significant financial judgement for discussion.



INTERNAL AUDIT

The Audit and Risk Committee has considered the need for an internal audit function during the year and is of the view that, given the size and nature of the Company's operations and finance team, there is no current requirement to establish a separate internal audit function.

RISK MANAGEMENT AND INTERNAL CONTROLS

The principal risks facing the Group are summarised in the Principal Risks and Uncertainties section of this Annual Report. The internal controls of the Group are set out in the Financial Reporting Procedures Manual which was reviewed and reported on by the Reporting Accountants in connection with the IPO. The Committee carries out an annual risk assessment and review of mitigating controls.

Charlotte Stranner

Chair of the Audit and Risk Committee

31 March 2023

Remuneration Committee Report

As Chair of the Remuneration Committee (“the Committee”), I am pleased to present our report for the year ended 31 December 2022 which sets out details of the composition and activities of the Committee. Details of the remuneration paid to Directors during the year is set out in the Directors’ Report.

MEMBERSHIP

The Committee currently comprises three independent Non-Executive Directors, Charlotte Stranner, Simon Retter and myself, Gavin Patterson, whose biographies are set out in the Corporate Governance Report.

MEETINGS AND ATTENDANCE

The Committee meets as is necessary to discharge its duties. Other individuals such as the Chief Executive Officer, Stephen Newton, may be invited to attend for all or part of meetings as appropriate and necessary. Nick Willott, Company Secretary, acts as the Secretary of the Committee.

The Committee met on 29 March 2022 and 28 March 2023. All members of the Committee were present at both meetings.

DUTIES

The Committee considers remuneration policy for the Executive Directors and succession plans for future Board roles. The main duties of the Committee are set out in its Terms of Reference, which are available on the Company’s website. They include the following key responsibilities:

- Setting remuneration levels and remuneration policy for all Executive Directors;
- Approving the design of, and determine targets for, any performance-related pay schemes for the Executive Directors; and
- Reviewing the design of share incentive plans for the Executive Directors.

PRINCIPAL ACTIVITIES

The main items of business considered by the Committee at its meeting on 29 March 2022 included:

- Review of the Executive Directors’ performance in the year ended 31 December 2021, which included the delivery of a strong set of financial results, the acquisition of Retearn in April 2021, significant revenue growth and team expansion in the key US market, as well as continued progress across all four strategic growth pillars;
- Cash bonuses payable to the Executive Directors in relation to their performance in the year ended 31 December 2021, as set out in the Directors’ Report;

- Granting of 40,000 share options to the Chief Financial Officer and 30,000 share options to the General Counsel in relation to their performance in the year ended 31 December 2021. The options to have an exercise price equal to market price on the day prior to grant and to vest over five years at 20% per annum; and
- Notional vesting of 23,500 share options held by the Chief Financial Officer and 3,900 share options held by the General Counsel during the year ended 31 December 2021. These share options were granted in May 2020 and have an exercise price of £0.43. Despite the notional vesting, these share options are not exercisable until July 2024.

The main items of business considered by the Committee at its meeting on 28 March 2023 included:

- Review of the Executive Directors’ performance in the year ended 31 December 2022, which included the delivery of a strong set of financial results in challenging market conditions, an increase in revenue per Partner, the acquisition of iOLAP in March 2022, as well as continued progress across all four strategic growth pillars;
- Cash bonuses payable to the Executive Directors in relation to their performance in the year ended 31 December 2022, as set out in the Directors’ Report;
- Granting of share options to the Executive Directors in relation to their performance in the year ended 31 December 2022. The share options to have an exercise price equal to market price on the day prior to grant and to vest over five years at 20% per annum. The number of share options granted to be equivalent to the following value of shares:
 - CEO: £767,000
 - CFO: £298,000
 - GC: £298,000
- Vesting of 28,100 share options held by the Chief Financial Officer and 11,900 share options held by the General Counsel during the year ended 31 December 2022. These share options were granted in April 2021 and have an exercise price of £5.45;
- Notional vesting of 23,500 share options held by the Chief Financial Officer and 3,900 share options held by the General Counsel during the year ended 31 December 2022. These share options were granted in May 2020 and have an exercise price of £0.43. Despite the notional vesting, these share options are not exercisable until July 2024; and
- A 5% increase in the base salaries of the Executive Directors with effect from 1 January 2023.

DIVERSITY

It is the Board's view that recruitment, promotion and any other selection exercises are conducted on the basis of merit against objective criteria that avoid discrimination on any criteria. The Board recognises the benefits of diversity, including gender diversity, on the Board, although it believes that all appointments should be made on merit, whilst ensuring there is an appropriate balance of skills and experience within the Board. The Board currently consists of 17% (one) female and 83% (five) male Board members. The Board's age demographic ranges from 40 to 63.

REMUNERATION POLICY

The objective of the remuneration policy is to promote the long-term success of the Company, giving due regard to the views of shareholders and stakeholders. In formulating remuneration policy for the Executive Directors, the Committee:

- Considers Directors' experience and the nature and complexity of their work in order to pay a competitive salary that attracts and retains Directors of the highest quality;
- Considers pay and employment conditions within the Company relative to comparable businesses in similar industries and that are performing at a similar level to the Group; and
- Considers Directors' personal performance, and links individual remuneration packages to the Group's long-term performance and continued success of the business through the award of annual bonuses and share-based incentive schemes.

EXECUTIVE DIRECTORS

Base salary

Executive Directors' base salaries are reviewed annually by the Committee, taking into account the responsibilities, skills and experience of each individual, pay and employment conditions within the Company and the salary levels within comparable businesses. During the year ended 31 December 2022, no changes were made to Executive Directors' salaries.

Annual bonus

Executive Directors receive discretionary performance-related annual cash bonuses. The amounts are set out in the Directors' Report.

Share options

Share options may be granted for exceptional performance and to align executives' incentives with those of other shareholders. In April 2022, shares options were granted to two Executive Directors for exceptional performance in the year ended 31 December 2021, as set out above.

Other benefits

Policies concerning benefits are reviewed annually. Currently taxable benefits comprise private health cover, and life and income protection insurance. A defined contribution pension scheme is also available and statutory minimum contributions are made for directors unless they opt out of the scheme. No changes were made to benefits during the year.

Service agreements

Details of the Executive Directors' service agreements are set out below.

Director	Date of contract	Unexpired term	Notice period by the Company	Notice period by the Director
Stephen Newton	01 July 2020	Rolling contract	6 months	6 months
Graham Busby	01 July 2020	Rolling contract	3 months	3 months
Ian Ferguson	01 July 2020	Rolling contract	3 months	3 months

NON-EXECUTIVE DIRECTORS

The remuneration payable to Non-Executive Directors (other than the Non-Executive Chairman) is decided by the Chairman and Executive Directors. The remuneration payable to the Non-Executive Chairman is decided by the other Board members. Fees are designed to ensure the Company attracts and retains high calibre individuals. They are reviewed on an annual basis and account is taken of the level of fees paid by other companies of a similar size and complexity.

During the year ended 31 December 2022, the annual fee payable to the Chairman was increased to £82,500 per annum and the annual fees payable to the other Non-Executive Directors were increased to £44,000 per annum. These increases were the first changes to the remuneration of the Non-Executive Directors since IPO.

Non-Executive Directors do not participate in any annual bonus, share options or pension arrangements. The Company repays the reasonable expenses that Non-Executive Directors incur in carrying out their duties as Directors.

Terms of appointment

Each of the Non-Executive Directors signed a letter of appointment on 3 July 2020 which can be terminated by either party giving to the other prior written notice of three months.



Gavin Patterson
Chair of the Remuneration Committee
31 March 2023

Directors and Corporate Information

DIRECTORS

Gavin Patterson

Independent Non-Executive Chairman

Stephen Newton

Chief Executive Officer

Graham Busby

Chief Financial Officer

Ian Ferguson

General Counsel

Charlotte Stranner

Independent Non-Executive Director

Simon Retter

Independent Non-Executive Director

CORPORATE

Company Secretary

Nicholas Willott

Company Registered Number

Registered in England Number: 11723404

Registered Office

12 Helmet Row, London, EC1V 3QJ

Head Office

Elixirr, 100 Cheapside, London, EC2V 6DT

Legal Advisors

Osborne Clarke LLP, One London Wall,
London, EC2Y 5EB

Penningtons Manches Cooper LLP,
31 Chertsey Street, Guildford, Surrey, GU1 4HD

Auditor

Crowe U.K. LLP, Riverside House, 40-46 High Street,
Maidstone, Kent, ME14 1JH

Nominated Advisor

finnCap Limited, 1 Bartholomew Close,
London, EC1A 7BL

Broker

finnCap Limited, 1 Bartholomew Close,
London, EC1A 7BL

Registrars

Neville Registrars Limited, Neville House,
Steelpark Road, Halesowen, B62 8HD



Directors' Report

The Directors present their Annual Report together with the audited consolidated and Company Financial Statements for the year ended 31 December 2022.

The Group's business review along with future developments and the principal risks and uncertainties facing the Group are outlined in the Strategic Report which comprises the Non-Executive Chairman's Report, the CEO's Report, the Director's Section 172 Statement, the Environmental Review, the Financial Review and Our Key Performance Indicators ('KPIs').

PRINCIPAL ACTIVITIES

Elixirr International plc is a public limited company which is listed on AIM, the market of that name operated by the London Stock Exchange. The Company is a holding company, limited by shares, registered (and domiciled) in England registered number 11723404. The Company has four operating subsidiaries in the United Kingdom: Elixirr Consulting Limited, Den Creative Limited, Coast Digital Limited and The Retearn Group Limited. It also has two operating subsidiaries in the United States (Elixirr LLC and iOLAP Inc.) as well as operating subsidiaries in Jersey and Croatia. In addition, the Group has foreign branches in South Africa and Australia.

The Group is principally engaged in the provision of consulting services, delivering innovative and bespoke solutions to a globally-recognised client base, including creative, marketing and transformation services.

RESULTS

The results for the year ended 31 December 2022 are set out in the Group Statement of Comprehensive Income. Revenue for the year was £70.7 million, a 40% increase from £50.6 million in the year ended 31 December 2021. The financial position of the Group and Company is set out in the Group and Company Statements of Financial Position. Future developments are set out in the CEO's Report.

DIRECTORS' INDEMNITIES

The Company maintained liability insurance for its Directors and officers during the financial year and up to the date of approval of the Annual Report and Accounts. The Company has also provided an indemnity for its Directors and the Company Secretary, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

SUBSTANTIAL SHAREHOLDINGS

The Company has been notified that at close of business on 28 February 2023 the following parties were interested in 3% or more of the Company's Ordinary share capital:

Shareholder	Number of Ordinary shares held	% Held
Stephen Alexander Newton	13,235,895	28.7%
Rathbone Investment Management	4,342,901	9.4%
Slater Investments	3,570,203	7.7%
Ian James Anthony Ferguson	2,594,082	5.6%
Gresham House Asset Management	1,652,226	3.6%
Graham Edward Busby	1,374,800	3.0%
Andrew Roger Curtis	1,367,651	3.0%



GOING CONCERN

At the date of these financial statements, the Group continues to be profitable and cash-generative. The Group is well capitalised and held £20.4m of cash at 31 December 2022, with no debt other than office leases capitalised under IFRS 16.

The Directors have prepared cash flow forecasts for the Group from the date of approval of these financial statements to 31 December 2025. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance.

Having considered these forecasts, the Directors remain confident in the long-term future prospects for the Company and the Group, and their ability to continue as going concerns for the foreseeable future. They therefore adopt the going concern basis in preparing the financial statements of the Group and Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation. Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Company Financial Statements in accordance with UK adopted international accounting standards. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing the Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK adopted international standards have been followed subject to any material departures disclosed and explained in the Financial Statements;

- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' Report is approved:

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

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash, and various items, such as trade receivables, trade payables, etc. that arise directly from its operations. The Group does not enter into derivatives transactions or otherwise speculatively trade in financial instruments.

FINANCIAL RISK MANAGEMENT

Financial risk is managed by the Group and more information on this can be found within the notes to the Financial Statements.

PERSONNEL POLICIES

Elixirr is committed to eliminating discrimination and encouraging diversity amongst our workforce. The purpose of personnel policies is to provide equality and fairness for all in our employment and not to discriminate on grounds of sexual orientation, marital or civil partner status, gender reassignment, race, religion or belief, colour, nationality, ethnic or national origin, disability or age, pregnancy or maternity (together the Protected Characteristics) or trade union membership or the fact that they are a part-time worker or a fixed-term employee. We oppose all forms of unlawful and unfair discrimination. All employees have personal responsibility for the practical application of our Equal Opportunities Policy. All employees, whether part time, full time or temporary, are treated fairly and with respect. We are committed to ensuring that our employees and applicants for employment shall not be disadvantaged by any policies or conditions of service which cannot be justified as necessary for operational purposes. We will appoint, train, develop, reward and promote on the basis of merit and ability.

Our commitments are:

- Every employee is entitled to a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment is tolerated;
- Equality in the workplace is good management practice and makes sound business sense;
- To regularly review all our employment practices and procedures to ensure fairness;
- Breaches of our equality policy are regarded as misconduct and may lead to disciplinary proceedings;
- These policies will be monitored and reviewed on a regular basis.

The Group places importance on the contributions made by all employees to the progress of the Group and aims to keep them informed via regular formal and informal meetings.

ARTICLES OF ASSOCIATION

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Articles of Association may be amended by a special resolution of the Company's shareholders.

SHARE CAPITAL

The share capital of the Company comprises Ordinary shares of 0.005p each. Each share carries the right to one vote at general meetings of the Company. The issued share capital of the Company, together with movements in the Company's issued share capital, is shown in the notes to the Financial Statements.

Ordinary shareholders are entitled to receive notice and to attend and speak at general meetings. Each shareholder present in person or by proxy (or by duly authorised corporate representatives) has, on a show of hands, one vote. On a poll, each shareholder present in person or by proxy has one vote for each share held. Other than the general provisions of the Articles (and prevailing legislation) there are no specific restrictions of the size of a holding or on the transfer of the Ordinary shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

CHANGE OF CONTROL – SIGNIFICANT AGREEMENTS

There are a number of agreements that may take effect, alter or terminate on a change of control of the Company. None of these are considered to be significant in their likely impact on the business as a whole.

POLITICAL DONATIONS

The Company has made no political donations during the year.

INDEPENDENT AUDITORS

A resolution to reappoint the auditors, Crowe U.K. LLP, will be proposed at the forthcoming Annual General Meeting.

DIVIDEND

The Company paid a final Ordinary share dividend in respect of FY 21 of 4.1p per Ordinary share on 22 August 2022.

A resolution to approve a final Ordinary share dividend in respect of FY 22 of 10.8p per Ordinary share will be proposed at the forthcoming Annual General Meeting.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting will be sent out to shareholders separately to this Annual Report and Accounts.

DIRECTORS' REMUNERATION

The following table summarises the Directors' remuneration for the year ended 31 December 2022 and the year ended 31 December 2021, in line with the Companies Act 2006 requirement:

	SALARY	BONUS	BENEFITS	PENSION	TOTAL
NAME	£000's	£000's	£000's	£000's	£000's
FY 22					
Gavin Patterson	63	-	-	-	63
Stephen Newton	300	1,123	8	1	1,432
Graham Busby	250	437	5	1	693
Ian Ferguson	250	437	8	-	695
Charlotte Stranner	43	-	-	-	43
Simon Retter	43	-	-	-	43
TOTAL	949	1,997	21	2	2,969

FY 21

Gavin Patterson	50	-	-	-	50
Stephen Newton	300	1,350	7	1	1,658
Graham Busby	250	525	4	1	780
Ian Ferguson	250	525	8	-	783
Charlotte Stranner	40	-	-	-	40
Simon Retter	40	-	-	-	40
TOTAL	930	2,400	19	2	3,351

Taxable benefits comprise private health cover, and life and income protection insurance. A defined contribution pension scheme is also available and statutory minimum contributions are made for Directors unless they opt out of the scheme.

There were no payments to former Directors made during the year.



DIRECTORS' INTERESTS

Interests of the Directors in the shares of the Company and share option awards outstanding as at 31 December 2022 and 31 December 2021, together with share options granted during the year were as follows:

NAME	FY 22		FY 21		FY 22	
	Number of Ordinary shares held	Number of share options held	Number of Ordinary shares held	Number of share options held	Number of share options awarded	Exercise price of FY 22 grant (p)
Gavin Patterson	616,670	-	651,153	-	-	-
Stephen Newton	13,235,895	-	13,999,833	-	-	-
Graham Busby	1,374,800	274,504	1,466,638	234,504	40,000	738
Ian Ferguson	2,594,082	105,104	2,660,321	75,104	30,000	738
Charlotte Stranner	370,005	-	370,005	-	-	-
Simon Retter	368,833	-	370,005	-	-	-
TOTAL	18,560,285	379,608	19,517,955	309,608	70,000	-

No share awards made to Directors were exercised during the current or prior years. All the interests detailed above are beneficial. Apart from the interests disclosed above no Directors were interested at any time in the year in the share capital of any other Group Company.

There were no changes in the Directors' interests in shares between 31 December 2022 and 31 March 2023.

On behalf of the Board

Stephen Newton,
Founder and Chief Executive Officer

100 Cheapside, London, EC2V 6DT
31 March 2023

Independent Auditors' Report to the Members of Elixirr International plc

OPINION

We have audited the financial statements of Elixirr International plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2022, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2022;
- the Group and parent company statements of financial position as at 31 December 2022;
- the Group and parent company statements of changes in equity for the year then ended;
- the Group and parent company statements of cash flows for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted International Accounting Standards.

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 2022 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards;
- 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained and reviewed management's trading budget for the year ended 31 December 2023 and cash flow forecast to 31 December 2025. In addition to the testing of the arithmetical accuracy, we also discussed and challenged the key assumptions with management and ensured they are reasonable with our understanding of the business and sector. The trading budget and cash flow forecast show the Group as being profitable and cash generative throughout the forecast period.
- We reviewed the Board minutes and discussed with management any matters not documented in the minutes.
- We enquired with management whether there are any significant subsequent events that may impact on our going concern.

In addition to the above, we noted that the Group has significant net assets and cash reserves at 31 December 2022.

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 or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OVERVIEW OF OUR AUDIT APPROACH

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial

statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £800,000 (FY21 £650,000), based on profit before tax. The parent company materiality was set at £500,000 (FY21 £500,000) based on net assets and restricted so as not to exceed Group materiality.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £560,000 (FY21 £455,000) for the Group and £350,000 (FY21 £350,000) for the parent company.

Where considered appropriate performance materiality may be reduced to a lower level, such as for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £25,000 (FY21: £17,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audit procedures have been carried out solely by Crowe U.K. LLP. We performed an audit of the complete financial information of Elixirr International Plc and its UK subsidiaries. The overseas subsidiaries were audited using a component materiality for the purposes of the consolidation only. No separate audit opinion will be issued on these entities.

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) that we identified. These matters included 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.

This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER

HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Acquisition accounting (note 13)

During the year, the Group acquired the entire share capital of iOLAP Inc.

There is a risk that the acquisition has not been accounted for in accordance with IFRS 3 "Business Combinations" and / or adequate disclosures have not been made.

We have obtained a copy of the share purchase agreement and have ensured that the acquisition has been correctly accounted for in accordance with IFRS 3 in the financial statements.

At the Group level we have audited goodwill and intangibles that arise from the acquisition. All assumptions made have been audited using our knowledge of the Group, similar clients and the wider sector. We have discussed and challenged management on the assumptions used for their calculations and identification of intangible assets and have agreed the underlying numbers to supporting evidence.

For deferred consideration we have ensured that this has been correctly calculated and that any changes in the estimates have been correctly reflected within the financial statements.

We have ensured that the disclosures required by IFRS 3 have been made completely and accurately.

We have completed our testing in conjunction with our corporate finance team, utilising their specialised expertise.

Carrying value of goodwill and intangibles (note 12)

The Group has a high level of intangible assets and goodwill from previous acquisitions and the acquisition of iOLAP Inc in 2022.

There is a risk that these assets may be impaired.

For goodwill we have audited the impairment review prepared by management.

We have examined in detail the basis of the impairment model and the inputs used to ensure that the amounts included are consistent with our knowledge of the business and the sector it operates in with reference to the treatment used by other similar entities.

For intangible assets we have assessed the amortisation rates used to ensure that the amounts included are consistent with our knowledge of the business and the sector it operates in.

As there was no sign of impairment, such as client losses or financial losses, an impairment review of intangible assets was not required from management.

We have reviewed the disclosures within the financial statements to ensure they are complete and accurately stated in line with appropriate accounting standards.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

OTHER INFORMATION

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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 directors' report.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the directors' responsibilities statement set out on page 40, 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 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focussing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of board meeting minutes;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatement in the financial statements, even though we have properly planned and performed our

audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

USE OF OUR 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.

Mark Sisson (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP
Statutory Auditor
Riverside House
40-46 High Street
Maidstone
Kent, ME14 1JH

31 March 2023

Group and Company Financial Statements

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

		YEAR ENDED 31 DECEMBER 2022	YEAR ENDED 31 DECEMBER 2021
	NOTE	£'000s	£'000s
Revenue	4	70,703	50,611
Cost of Sales		(47,547)	(32,913)
Gross profit		23,156	17,698
Administrative expenses		(6,852)	(5,161)
Operating profit before M&A-related items	5	16,304	12,537
Depreciation		1,061	670
Amortisation of intangible assets		2,004	1,378
Share-based payments		1,159	1,152
Adjusted EBITDA	3	20,528	15,737
M&A-related items	5	600	(154)
Operating profit	5	16,904	12,383
Finance income		54	29
Finance costs		(1,213)	(246)
Net finance expense	6	(1,159)	(217)
Profit before taxation	5	15,745	12,166
Taxation	7	(2,876)	(2,022)
Profit for the period		12,869	10,144
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss:			
Currency translation on foreign currency net investments		1,827	123
Other comprehensive income, net of tax		1,827	123
Total comprehensive income		14,696	10,267
Basic earnings per Ordinary share (p)	10	27.86	22.04
Diluted earnings per Ordinary share (p)	10	24.78	20.01

All results relate to continuing operations.

The notes on pages 49 to 70 form part of these accounts.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	NOTE	GROUP		COMPANY	
		31 DECEMBER 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
		£'000s	£'000s	£'000s	£'000s
Assets					
Non-current assets					
Intangible assets	12	83,581	56,193	-	-
Property, plant and equipment	14	5,662	5,496	-	-
Investments	15	-	-	85,426	63,807
Other receivables	16	1,293	1,535	876	1,104
Loans to shareholders	16	4,734	3,991	4,723	3,991
Deferred tax asset	8	1,719	1,197	-	-
Total non-current assets		96,989	68,412	91,025	68,902
Current assets					
Trade and other receivables	16	11,234	6,963	403	1,928
Cash and cash equivalents	17	20,433	31,795	6,340	13,576
Total current assets		31,667	38,758	6,743	15,504
Total assets		128,656	107,170	97,768	84,406
Liabilities					
Current liabilities					
Trade and other payables	18	13,304	12,055	7,215	134
Loans and borrowings	19	750	485	-	-
Corporation tax		381	1,150	-	11
Other creditors	20	6,765	436	203	436
Total current liabilities		21,200	14,126	7,418	581
Net current assets		10,467	24,632	(675)	14,923
Non-current liabilities					
Loans and borrowings	19	4,393	4,760	-	-
Deferred tax liability	8	1,435	623	-	-
Other non-current liabilities	20	5,713	1,620	-	1,370
Total non-current liabilities		11,541	7,003	-	1,370
Total liabilities		32,741	21,129	7,418	1,951
Net assets		95,915	86,041	90,350	82,455

	NOTE	GROUP		COMPANY	
		31 DECEMBER 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
		£'000s	£'000s	£'000s	£'000s
Equity					
Share capital	21	52	52	52	52
Share premium	21	25,599	24,952	25,599	24,952
Capital redemption reserve		2	2	2	2
EBT share reserve	22	(7,147)	(2,193)	(7,147)	(2,193)
Merger relief reserve	21	46,870	46,870	46,870	46,870
Foreign currency translation reserve		1,878	51	-	-
Retained earnings		28,661	16,307	24,974	12,772
Total shareholders' equity		95,915	86,041	90,350	82,455

As permitted by section 408 of the Companies Act 2006, a separate statement of comprehensive income of the parent Company has not been presented. The Company's profit for the year was £13.1 million (FY 21: £4.0 million).

The notes on pages 49 to 70 form part of these accounts.

The Financial Statements on pages 46 to 70 were approved by the Board of Directors on 31 March 2023 and were signed on its behalf by:



Stephen Newton
Director

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital	Share premium	Capital redemption reserve	EBT share reserve	Merger relief reserve	Foreign currency translation reserve	Retained earnings	TOTAL
GROUP	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
As at 31 December 2020 and 01 January 2021	52	19,729	2	(1,248)	46,870	(72)	5,355	70,688
Comprehensive income								
Profit for the period	-	-	-	-	-	-	10,144	10,144
Other comprehensive income	-	-	-	-	-	123	-	123
Transactions with owners								
Share issue as consideration for a business combination	-	2,154	-	-	-	-	-	2,154
Dividends	-	-	-	-	-	-	(1,014)	(1,014)
Share-based payments	-	-	-	-	-	-	1,152	1,152
Deferred tax recognised in equity	-	-	-	-	-	-	670	670
Sale of Ordinary shares	-	3,069	-	2,705	-	-	-	5,774
Acquisition of Ordinary shares	-	-	-	(3,650)	-	-	-	(3,650)
As at 31 December 2021 and 01 January 2022	52	24,952	2	(2,193)	46,870	51	16,307	86,041
Comprehensive income								
Profit for the period	-	-	-	-	-	-	12,869	12,869
Other comprehensive income	-	-	-	-	-	1,827	-	1,827
Transactions with owners								
Dividends	-	-	-	-	-	-	(1,855)	(1,855)
Share-based payments	-	-	-	-	-	-	975	975
Deferred tax recognised in equity	-	-	-	-	-	-	365	365
Sale of Ordinary shares	-	647	-	9,743	-	-	-	10,390
Acquisition of Ordinary shares	-	-	-	(14,697)	-	-	-	(14,697)
As at 31 December 2022	52	25,599	2	(7,147)	46,870	1,878	28,661	95,915

The notes on pages 49 to 70 form part of these accounts. Please refer to note 28 for explanations of reserve accounts.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital	Share premium	Capital redemption reserve	EBT share reserve	Merger relief reserve	Retained earnings	TOTAL
COMPANY	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
As at 31 December 2020 and 01 January 2021	52	19,729	2	(1,248)	46,870	8,780	74,185
Comprehensive income							
Profit for the period	-	-	-	-	-	4,006	4,006
Transactions with owners							
Share issue as consideration for a business combination	-	2,154	-	-	-	-	2,154
Dividends	-	-	-	-	-	(1,014)	(1,014)
Share-based payments	-	-	-	-	-	1,152	1,152
Deferred tax recognised in equity	-	-	-	-	-	(152)	(152)
Sale of Ordinary shares	-	3,069	-	2,705	-	-	5,774
Acquisition of Ordinary shares	-	-	-	(3,650)	-	-	(3,650)
As at 31 December 2021 and 01 January 2022	52	24,952	2	(2,193)	46,870	12,772	82,455
Comprehensive income							
Profit for the period	-	-	-	-	-	13,082	13,082
Transactions with owners							
Dividends	-	-	-	-	-	(1,855)	(1,855)
Share-based payments	-	-	-	-	-	975	975
Deferred tax recognised in equity	-	-	-	-	-	-	-
Sale of Ordinary shares	-	647	-	9,743	-	-	10,390
Acquisition of Ordinary shares	-	-	-	(14,697)	-	-	(14,697)
As at 31 December 2022	52	25,599	2	(7,147)	46,870	24,974	90,350

The notes on pages 49 to 70 form part of these accounts. Please refer to note 28 for explanations of reserve accounts.

GROUP AND COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2022

	NOTE	GROUP		COMPANY	
		31 DECEMBER 2022	31 DECEMBER 2021	31 DECEMBER 2022	31 DECEMBER 2021
		£'000s	£'000s	£'000s	£'000s
Cash flows from operating activities:					
Cash generated from operations	24	19,583	16,856	20,364	4,265
Taxation paid		(3,855)	(2,527)	(18)	(86)
Net cash generated from operating activities		15,728	14,329	20,346	4,179
Cash flows from investing activities:					
Purchase of property, plant and equipment		(329)	(98)	-	-
Payment for acquisition of subsidiary, net of cash acquired		(18,276)	(3,179)	(203)	(4,000)
Investment in subsidiary		-	-	(20,643)	-
Interest received		71	33	59	32
Net cash utilised in investing activities		(18,534)	(3,244)	(20,787)	(3,968)
Cash flows from financing activities:					
EBT Ordinary share purchases		(14,697)	(3,649)	(14,697)	(3,649)
EBT Ordinary share sales		10,257	5,774	10,257	5,774
Loans to shareholders		(3,011)	(4,500)	(3,000)	(4,500)
Loans repaid by shareholders		2,268	8,293	2,268	7,181
s455 tax refunded/(paid) re loans to shareholders		245	(1,104)	232	(1,104)
Repayment of borrowings		(1,143)	-	-	-
Lease liability payments		(651)	(448)	-	-
Interest paid		(262)	(246)	-	-
Ordinary share dividends paid to shareholders		(1,855)	(1,014)	(1,855)	(1,014)
Net cash (utilised)/generated from financing activities		(8,849)	3,106	(6,795)	2,688
Net (decrease)/increase in cash and cash equivalents		(11,655)	14,191	(7,236)	2,898
Cash and cash equivalents at beginning of the period		31,795	17,503	13,576	10,678
Effects of exchange rate changes on cash and cash equivalents		293	101	-	-
Cash and cash equivalents at end of the period		20,433	31,795	6,340	13,576

The notes on pages 49 to 70 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

1.1. General information

Elixirr International plc (the "Company") and its subsidiaries' (together the "Group") principal activities are the provision of consultancy services.

The Company is a public limited company incorporated in England and Wales and domiciled in the UK. The address of the registered office is 12 Helmet Row, London, EC1V 3QJ and the Company number is 11723404.

1.2. Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards.

1.3. Basis of consolidation

These financial statements consolidate the financial statements of the Company and its subsidiary undertakings as at 31 December 2022.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The acquisition method of accounting has been adopted. The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

1.4. Measurement convention

The financial statements have been prepared under the historical cost convention, except as otherwise described in the accounting policies.

The preparation of the consolidated financial information in compliance with UK adopted international accounting standards requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 2.1.

1.5. Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. The Group's forecasts and projections, taking into account reasonable possible changes in trading performance, show that the Group has sufficient financial resources, together with assets that are expected to generate cash flow in the normal course of business. Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements of the Group and Company, which have been applied consistently to the period presented, are set out below.

2.1. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the financial statements. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

In the process of applying the Group's accounting policies, the Directors have made no judgements (excluding those involving estimations), which are considered to have a significant effect on the amounts recognised in the financial statements for the year ending 31 December 2022.

The key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

- Revenue is recognised in line with time worked on a project unless the engagement is conditional or contingent. Management review accrued revenue to determine whether there is any likelihood of any amendments or provisions required based on project progress and relationship with the client.
- Full provision is made for loss making projects in the period in which the loss is first foreseen, and for the cost of conditional or contingent engagements prior to the event occurring. Estimation is required of costs to complete and the provision necessary.
- The Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.
- Provisions for dilapidations are accrued based on estimation of the cost expected to crystallise on vacating leased premises.
- In determining the fair value of intangible assets arising on business combinations, management is required to estimate the timing and amount of future cash flows applicable to the intangible assets being acquired.
- Amortisation periods of trademarks, customer relationships and order book intangibles are estimates based on the expected useful lives and are assessed annually for any changes based on current circumstances.
- Management has estimated the share-based payments expense under IFRS 2. In determining the fair value of share-based payments, management has considered several internal and external factors in order to judge the probability that management and employee share incentives may vest and to assess the fair value of share options at the date of grant. Such assumptions involve estimating a number of future performance and other factors.
- The Coast Digital and iOLAP contingent consideration calculations under IFRS 3 contain estimation uncertainty, as the earn-out potentially payable in each case is linked to the future performance of the acquiree. In estimating the fair value of the contingent consideration, at both the acquisition date and financial year end, management has estimated the potential future cash flows of the acquirees and assessed the likelihood of an earn-out payment being made. These estimates could potentially change as a result of events over the coming years.

2.2. Revenue recognition

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, excluding discounts and Value Added Tax. Variable consideration is included in revenue only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining the level of variable consideration are resolved.

This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.
- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.
- Contingent-fee contracts, over and above any agreed minimum fee, are recognised at the point in time that the contingent event occurs and the Group has become entitled to the revenue.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price. Where these are not directly observable, they are estimated based on expected cost-plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone selling price of each performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision became known.

For time-and-materials and fixed-fee contracts, fees are normally billed on a monthly basis. For performance-fee and contingent-fee contracts, fees are normally billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Group exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Contract assets are reclassified as receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

The Group's standard payment terms require settlement of invoices within 30 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

2.3. Business combinations, goodwill and consideration

Business combinations

The Group applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, 'Business Combinations'.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as operating expenses. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

On 17 March 2022, the Group acquired 100% of the share capital and voting interests of iOLAP, a US-headquartered technology and data firm. The acquisition brings specialist data and analytics capabilities, including artificial

intelligence (AI) and machine learning (ML), into the Group where there is existing demand for these services. The difference between the fair value of the purchase consideration of £28.4 million and the fair value of the identifiable assets acquired and liabilities assumed of £5.0 million was recognised as goodwill of £23.4 million. The goodwill is attributable to the company's workforce and working methodologies. The tax cost base of the goodwill is deductible for tax purposes. Please refer to note 13 for further details.

On 9 April 2021 the Group acquired 100% of the share capital and voting interests of Retearn, a procurement, transformation and insights consultancy firm. The difference between the fair value of the purchase consideration of £7.4 million and the fair value of the identifiable assets acquired and liabilities assumed of £2.1 million was recognised as goodwill of £5.3 million. The goodwill is attributable to the company's workforce and working methodologies and it is not deductible for tax purposes.

Goodwill

Goodwill is initially measured at cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The Group performs impairment reviews at the reporting period end to identify any goodwill or intangible assets that have a carrying value that is in excess of its recoverable amount. Determining the recoverability of goodwill and the intangible assets requires judgement in both the methodology applied and the key variables within that methodology. Where it is determined that an asset is impaired, the carrying value of the asset will be reduced to its recoverable amount with the difference recorded as an impairment charge in the income statement.

In accordance with IAS 36, the Group has tested goodwill for impairment at the reporting date. No goodwill impairment was deemed necessary as at 31 December 2022. For further details on the impairment review please refer to note 12.

Contingent and non-contingent deferred consideration on acquisition

Contingent and non-contingent deferred consideration may arise on acquisitions. Non-contingent deferred consideration may arise when settlement of all or part of the cost of the business combination falls due after the acquisition date. Contingent deferred consideration may arise when the consideration is dependent on future performance of the acquired company.

Deferred consideration associated with business combinations settled in cash is assessed in line with the agreed contractual terms. Consideration payable is recognised as capital investment cost when the deferred or contingent consideration is not employment-linked. Alternatively, consideration is recognised as remuneration expense over the deferral or contingent performance period, where the consideration is also contingent upon future employment. Where the contingent consideration is settled in a variable number of shares or cash, the consideration is classified as a liability and measured at fair value through profit and loss.

2.4. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profits as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.5. Foreign currency translation

The presentational currency of these financial statements and the functional currency of the Group is pounds sterling.

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the Group's and Company's functional currency and presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.6. Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired in a business combination are initially measured at their fair value (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset under IAS 38. Such assets are only recognised if either:

- They are capable of being separated or divided from the company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the company intends to do so; or
- They arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The cost of such intangible assets is the fair value at the acquisition date. All intangible assets acquired through business combinations are amortised over their estimated useful lives. The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of the intangibles acquired in business combinations are as follows:

INTANGIBLE ASSET	USEFUL ECONOMIC LIFE	VALUATION METHOD
Trademark	33.33% reducing balance	Relief from Royalty method
Customer relationships	10 - 25% reducing balance	Multi-Period Excess Earnings method
Order book	Over order term	Multi-Period Excess Earnings method

2.7. Tangible assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses.

Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

TANGIBLE FIXED ASSET	USEFUL ECONOMIC LIFE
Leasehold improvements	Over the life of the lease
Computer equipment	3 years
Fixtures and fittings	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Low value equipment including computers is expensed as incurred.

2.8. Impairments of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

2.9. Employee benefits

Post-retirement benefits

The Group pays into defined contribution pension schemes on behalf of employees that are operated by third parties. The assets of the schemes are held separately from those of the Group in independently administered funds.

The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of share options, is recognised as an employee benefit expense in the statement of profit and loss.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market based vesting conditions) at the grant date. Fair value is measured by use of Black Scholes option valuation model.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market based vesting conditions to reflect conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the statement of profit or loss, with a corresponding adjustment to equity.

The Group has the obligation to pay employers' national insurance on the exercise of certain UK employee options. The Group has opted to account for the tax obligation under IFRS 2 as a cash-settled share-based payment arrangement as the amount of employers' national insurance due at the time of exercise is based on the share price of the equity instruments of the Company. The cash-settled share-based payment liability is estimated at each period end using the closing share price of the Company and the prevailing employers' national insurance rate. The number

of awards expected to vest are consistent with the treatment for equity-settled share-based payments. The cost of employers' national insurance is included within share-based payments expense in the statement of comprehensive income.

Please refer to note 23 for further details.

2.10. Earnings per share

The Group presents basic and diluted EPS on an IFRS basis. In calculating the weighted average number of shares outstanding during the period, any share restructuring is adjusted to allow comparability with other periods.

Basic EPS is calculated by dividing the profit attributable to the Group's Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

The calculation of diluted EPS assumes conversion of all potentially dilutive Ordinary shares, which arise from share options outstanding. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value from the future assumed proceeds of the outstanding share options.

2.11. Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are de-recognised on the trade date when the Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade and other receivables and trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Unbilled revenue

Unbilled revenue is recognised at the fair value of consultancy services provided at the reporting date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. This is included in contract assets.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with terms up to 95 days. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

Contingent consideration

Contingent deferred consideration may arise on acquisitions where the consideration is dependent on the future performance of the acquired company. In circumstances where the acquiree will receive contingent consideration in a variable number of shares and is not employment-linked, the Group has recognised a financial liability at the fair value of the contingent consideration. Subsequent changes to the fair value of the contingent consideration are recognised in the statement of comprehensive income.

At the balance sheet date the contingent consideration liability represents the fair value of the remaining contingent consideration valued at acquisition. The contingent consideration liability for acquisitions under IFRS 3 contains estimation uncertainty as they relate to future expected performance of the acquired business. In estimating the fair value of the contingent consideration, management have assessed the potential future cash flows of the acquired business and the likelihood of an earn-out payment being made.

2.12. Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2.13. Right-of-use assets: Leases

The Group leases two properties in the UK from which it operates and iOLAP has a further two properties outside the UK that it leases.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the lessee's incremental borrowing rate on commencement of the lease is used. This has been estimated at 5.0 per cent.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2.14. Financing income and expenses

Financing expenses comprise interest payable, finance leases recognised in the income statement using the effective interest method and the unwinding of the discount on contingent consideration.

Financing income includes interest receivable on funds invested.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

2.15. Standards issued but not yet effective

At the date of authorisation of these financial statements, there are no standards that are issued but not yet effective that would be expected to have a material impact on the Group or Company's financial statements in the current or future reporting periods and on foreseeable future transactions.

3. ALTERNATIVE PERFORMANCE MEASURES

In order to provide better clarity to the underlying performance of the Group, Elixirr uses adjusted EBITDA and adjusted EPS as alternative performance measures. These measures are not defined under IFRS. These non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but have been included as the Directors consider adjusted EBITDA and adjusted EPS to be key measures used within the business for assessing the underlying performance of the Group's ongoing business across periods.

Adjusted EBITDA excludes the following items from operating profit: non-cash depreciation and amortisation charges, share-based payments and non-recurring M&A-related items. Adjusted EPS excludes the following items from profit after tax: amortisation charges, share-based payments, non-recurring M&A-related items, M&A-related non-cash finance costs and their related tax impacts.

The table below sets out the reconciliation of the Group's adjusted EBITDA and adjusted profit before tax from profit before tax:

	FY 22	FY 21
GROUP	£'000s	£'000s
Profit before tax	15,745	12,166
Adjusting items:		
M&A-related items (note 5)	(600)	154
Amortisation of intangible assets	2,004	1,378
Share-based payments	1,159	1,152
Finance cost - iOLAP contingent consideration	951	-
Adjusted profit before tax	19,259	14,850
Depreciation	1,061	670
Net finance cost (excluding iOLAP contingent consideration)	208	217
Adjusted EBITDA	20,528	15,737

The table below sets out the reconciliation of the Group's adjusted profit after tax to adjusted profit before tax:

	FY 22	FY 21
GROUP	£'000s	£'000s
Adjusted profit before tax	19,259	14,850
Tax charge	(2,876)	(2,022)
Tax impact of adjusting items	(531)	(566)
Adjusted profit after tax	15,852	12,262

Adjusted profit after tax is used in calculating adjusted basic and adjusted diluted EPS. Adjusted profit after tax is stated before adjusting items and their associated tax effects.

Adjusted EPS is calculated by dividing the adjusted profit after tax for the period attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period. Adjusted diluted EPS is calculated by dividing adjusted profit after tax by the weighted average number of shares adjusted for the impact of potential Ordinary shares.

Potential Ordinary shares are treated as dilutive when their conversion to Ordinary shares would decrease EPS. Please refer to note 10 for further details.

	FY 22	FY 21
GROUP	p	p
Adjusted EPS	34.32	26.64
Adjusted diluted EPS	30.53	24.19

4. SEGMENT REPORTING

	FY 22	FY 21
GROUP	£'000s	£'000s
Revenue from contracts with customers arises from:		
United Kingdom	23,643	22,375
USA	31,088	12,588
Rest of World	15,972	15,648
TOTAL	70,703	50,611

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Group is operated as one global business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. Management therefore consider that the Group has one operating segment. As such, no additional disclosure has been provided under IFRS 8.

The Company is a holding Company operating in the UK with its assets and liabilities given in the Company Statement of Financial Position. Other Company information is provided in the other notes to the accounts.

5. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	FY 22	FY 21
GROUP	£'000s	£'000s
Depreciation of property, plant and equipment:		
- Owned assets	213	138
- Leased assets	848	532
Amortisation of intangible assets	2,004	1,378
Share-based payments	1,159	1,152
Foreign exchange gains	(392)	(16)
M&A-related items	(600)	154
- Transaction costs	486	154
- Adjustment to contingent consideration	(1,086)	-

The M&A-related net credit of £0.6 million in FY 22 includes adjustments to contingent consideration associated with the acquisition of Retearn and iOLAP, less non-recurring costs associated with the acquisition of iOLAP. The M&A-related items totalling £0.2 million in FY 21 include non-recurring costs associated with the acquisitions of Retearn and Coast Digital.

During the year the Group obtained the following services from the Company's auditors as detailed below:

	FY 22	FY 21
GROUP	£'000s	£'000s
Services provided by the Company's auditors:		
Audit fees - parent Company and consolidated accounts	40	22
Audit fees - subsidiary companies	89	67
Other services:		
Due diligence	-	36

6. NET FINANCE EXPENSE

	FY 22	FY 21
GROUP	£'000s	£'000s
Finance income:		
On short term deposits and investments	54	29
	54	29
Finance costs:		
Finance cost - iOLAP contingent consideration	(951)	-
On lease liability	(262)	(246)
	(1,213)	(246)
Net finance expense	(1,159)	(217)

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge:

	FY 22	FY 21
GROUP	£'000s	£'000s
Current tax		
In respect of the current year	3,466	2,926
Adjustments in respect of prior periods	(334)	(398)
Total current tax	3,132	2,528
Deferred tax		
In respect of the current year	(324)	(506)
Change in tax rates	68	-
Total deferred tax	(256)	(506)
Income tax expense	2,876	2,022

The change in deferred tax rates reflects an increase from 19% to 25% for UK corporation tax main rate with effect from 1 April 2023, as announced at the UK Spring Budget 2021.

Numerical reconciliation of income tax expense:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19%.

	FY 22	FY 21
GROUP	£'000s	£'000s
Profit before taxation	15,745	12,166
Profit on ordinary activities multiplied by rate of corporation tax in UK of 19% (FY 21: 19%)	2,992	2,312
Effects of:		
M&A-related items not deductible	-	29
Expenses not deductible	193	65
Difference in overseas tax rates	201	125
Change in deferred tax rate	68	-
Adjustments in respect of prior periods	(62)	51
R&D tax relief in respect of prior periods	(271)	(450)
Deferred tax release re trademarks	(245)	(110)
Total taxation	2,876	2,022

8. DEFERRED TAX

Net deferred tax asset/(liability):

The balances comprise temporary differences attributable to:

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Deferred tax liability				
Property, plant and equipment	(105)	(52)	-	-
Intangible assets	(1,330)	(571)	-	-
Total deferred tax liability	(1,435)	(623)	-	-
Deferred tax asset				
Share-based payments	1,400	966	-	-
Short-term timing differences	319	231	-	-
Total deferred tax asset	1,719	1,197	-	-
Net deferred tax asset/(liability)	284	574	-	-

The deferred tax liability on intangible assets relates to goodwill, customer relationships and order book and those on property, plant and equipment relate to accelerated capital allowances.

The deferred tax asset recognised represents the future tax effect of share-based payment charges in respect of options that are yet to vest. Deductions in excess of the cumulative share-based payment charge recognised in the statement of comprehensive income are recognised in equity.

Movements in deferred tax:

	Property, plant and equipment	Intangible assets	Share-based payments	Short- term timing differences	TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
At 31 December 2020	(64)	(483)	161	-	(386)
Acquisition of business	(2)	(214)	-	-	(216)
Credited to equity	-	-	670	-	670
Credited to profit and loss	14	126	135	231	506
At 31 December 2021	(52)	(571)	966	231	574
Acquisition of business	-	(858)	-	-	(858)
Credited to equity	-	-	365	-	365
Credited/(charged) to profit and loss	(53)	182	69	58	256
Exchange rate difference	-	(83)	-	30	(53)
At 31 December 2022	(105)	(1,330)	1,400	319	284

9. ORDINARY DIVIDENDS

No interim Ordinary share dividends were paid in relation to FY 21 or FY 22. The Company paid a final Ordinary share dividend in respect of FY 21 of 4.1 pence per Ordinary share on 22 August 2022.

The Directors are proposing a final Ordinary share dividend in respect of FY 22. Please refer to post balance sheet events note 27 for final Ordinary share dividend proposed.

10. EARNINGS PER SHARE

The Group presents non-adjusted and adjusted basic and diluted EPS for its Ordinary shares. Basic EPS is calculated by dividing the profit for the period attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

Diluted EPS takes into consideration the Company's dilutive contingently issuable shares. The weighted average number of Ordinary shares used in the diluted EPS calculation is inclusive of the number of share options and ESPP matching awards that are expected to vest (subject to the relevant criteria being met) and the number of shares that may be issued to satisfy contingent M&A deferred consideration.

The profits and weighted average number of shares used in the calculations are set out below:

	FY 22	FY 21
Basic and Diluted EPS		
Profit attributable to the Ordinary equity holders of the Group used in calculating basic and diluted EPS (£'000s)	12,869	10,144
Basic earnings per Ordinary share (p)	27.86	22.04
Diluted earnings per Ordinary share (p)	24.78	20.01
Adjusted Basic and Diluted EPS		
Profit attributable to the Ordinary equity holders of the Group used in calculating adjusted basic and diluted EPS (note 3) (£'000s)	15,852	12,262
Adjusted basic earnings per Ordinary share (p)	34.32	26.64
Adjusted diluted earnings per Ordinary share (p)	30.53	24.19

	FY 22	FY 21
	Number	Number
Weighted average number of shares		
Weighted average number of Ordinary shares used as the denominator in calculating non-adjusted and adjusted basic EPS	46,186,481	46,031,070
Number of dilutive shares	5,740,587	4,655,445
Weighted average number of Ordinary shares used as the denominator in calculating non-adjusted and adjusted diluted EPS	51,927,068	50,686,515

11. EMPLOYEES AND DIRECTORS

The monthly average number of persons employed by the Group during the year, analysed by category, was as follows:

	FY 22	FY 21
GROUP	Number	Number
Directors, Management and Partners	31	25
Provision of services	373	180
Administration	46	20
	450	225

The average number of persons employed and staff costs includes both executive and non-executive directors.

The aggregate payroll costs of these persons were as follows:

	FY 22	FY 21
GROUP	£'000s	£'000s
Wages and salaries	32,702	22,085
Social security costs	3,910	2,748
Pension costs	755	453
Share-based payment charge	1,159	1,152
	38,526	26,438

Defined contribution pension schemes are operated by third parties on behalf of the employees of the Group. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group to the funds and amount to £0.8 million for FY 22 (FY 21: £0.5 million). Contributions amounting to £0.1 million (FY 21: £0.1 million) were payable to the fund as at 31 December 2022 and are included in payables.

Key management personnel include the Directors and senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation (including employers' national insurance) paid in respect of key management personnel for services provided to the Group is as follows:

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Aggregate emoluments including short term employee benefits	4,872	4,773	167	144
	4,872	4,773	167	144

The share-based payment charge in respect of key management personnel was £0.2 million (FY 21: £0.2 million).

Details of the Directors' remuneration, including salary, bonus, share option awards, pension and other benefits are included in the tables within the Directors' Report.

12. GOODWILL AND INTANGIBLE FIXED ASSETS

	Goodwill	Trademarks	Customer relationships	Order book	TOTAL
GROUP	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At 31 December 2020	46,155	7,135	748	-	54,038
Acquisition of business	5,257	-	1,126	-	6,383
At 31 December 2021	51,412	7,135	1,874	-	60,421
Acquisition of business (note 13)	23,391	-	2,453	1,051	26,895
Gains/(losses) from foreign exchange	2,172	-	227	98	2,497
At 31 December 2022	76,975	7,135	4,554	1,149	89,813
Amortisation					
At 31 December 2020	-	(2,838)	(12)	-	(2,850)
Charge for the year	-	(1,233)	(145)	-	(1,378)
At 31 December 2021	-	(4,071)	(157)	-	(4,228)
Charge for the year	-	(879)	(620)	(505)	(2,004)
Gains/(losses) from foreign exchange	-	-	1	(1)	-
At 31 December 2022	-	(4,950)	(776)	(506)	(6,232)
Net book value					
At 31 December 2021	51,412	3,064	1,717	-	56,193
At 31 December 2022	76,975	2,185	3,778	643	83,581

The Company has no intangible assets.

Goodwill

Goodwill arising on the acquisition of a business in FY 22 relates to the acquisition of iOLAP and was calculated as the fair value of initial consideration paid less the fair value of the net identifiable assets at the date of the acquisition (see note 13).

Goodwill arising on the acquisition of a business in FY 21 relates to the acquisition of Retearn and was calculated as the fair value of initial consideration paid less the fair value of the net identifiable assets at the date of the acquisition.

Goodwill impairment review

The breakdown of goodwill by cash-generating unit ('CGU') is listed below:

	FY 22	FY 21
	£'000s	£'000s
Consulting	48,556	48,556
Elixirr Digital	2,856	2,856
iOLAP	25,563	-
	76,975	51,412

During FY 22 there was a reorganisation of the Group's reporting structure resulting in a change in the composition of one or more of the Group's CGUs to which goodwill has been allocated. The Consulting CGU comprises goodwill and other assets of Elixirr Consulting Limited and The Retearn Group Limited, the Elixirr Digital CGU comprises goodwill and other assets of Coast Digital Limited and the iOLAP CGU comprises goodwill and other assets of iOLAP.

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at fair value less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are those regarding:

- number of years of cash flows used and budgeted EBITDA growth rate;
- discount rate; and
- terminal growth rate.

No impairment is indicated for any of the CGUs using the value in use calculation.

Number of years of cash flows used and budgeted growth rate

The recoverable amount of the CGU is based on a value in use calculation using specific cash flow projections over a five-year period and a terminal growth rate thereafter.

The budget for the following financial year forms the basis for the cash flow projections for a CGU. The cashflow projections for the four years subsequent to the budget year reflect the Directors' expectations based on market knowledge, numbers of new engagements and the pipeline of opportunities.

Discount rate

The Group's post-tax weighted average cost of capital has been used to calculate a discount rate of 12% for the Group and Consulting, 12% for iOLAP and 13% for Elixirr Digital. This reflects current market assessments of the time value of money for the period under review and the risks specific to the Group and company acquired.

Terminal growth rate

An appropriate terminal growth rate is selected, based on the Directors' expectations of growth beyond the five-year period. The terminal growth rate used is 2%.

Sensitivity to changes in assumptions

With regard to the value in use assumptions, the Directors believe that reasonably possible changes in any of the above key assumptions would not cause the carrying value of the unit to exceed its recoverable amount. In forming this view, the Directors have considered the following:

	CONSULTING		ELIXIRR DIGITAL		iOLAP	
	FY 22	FY 21	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
On current cash flow projections, the discount rate would need to exceed the % alongside for there to be any impairment; and	30.5%	26.7%	50.0%	30.1%	23.7%	-
In the case of no increase in future cash flows above those projected for the following year, the discount rate would have to exceed the % alongside for there to be any impairment.	25.0%	23.6%	42.7%	26.4%	19.0%	-

Customer relationships

FY 22 additions represent the fair value of customer relationships from the acquisition of iOLAP. Refer note 13 for further details.

FY 21 additions represent the fair value of customer relationships from the acquisition of Retearn.

The fair value has been determined by applying the Multi-Period Excess Earnings method to the cash flows expected to be earned from customer relationships. The key management assumptions are in relation to forecast revenues, margins and discount factors. The fair value represents the present value of the earnings the customer relationships generate.

A useful economic life of 10 years has been deemed appropriate based on the average realisation rate of cumulative cash flows. The projected cash flows have been discounted over this period. The amortisation charge since acquisition is recognised within administrative expenses.

Order Book

Current period additions represent the fair value of the order book from the acquisition of iOLAP. Refer note 13 for further details.

The fair value has been determined by applying the Multi-Period Excess Earnings method to the cash flows earned from the order book.

The key management assumptions relate to forecast margins and discount factors. A useful economic life of 3 years and nine months has been deemed appropriate based on the relevant contractual period. Projected cash flows have been discounted over this period. The amortisation charge is recognised within administrative expenses.

13. BUSINESS COMBINATIONS

On 17 March 2022, the Group acquired 100% of the share capital and voting interests of iOLAP, a US-headquartered technology and data firm. The acquisition brings specialist data and analytics capabilities, including artificial intelligence (AI) and machine learning (ML), into the Group where there is existing demand for these services.

On 3 March 2022, Elixirr Inc. was incorporated in Delaware as a direct subsidiary of Elixirr International Plc. Elixirr Inc. was used as the acquisition vehicle for iOLAP.

The Group acquired iOLAP for a maximum consideration payable of US\$40.0 million (£30.4 million). The consideration consists of:

- An initial cash consideration of US\$25.2 million (£19.2 million);
- Potential earn-out payments of up to US\$14.8 million (£11.3 million) in Ordinary shares which are contingent on iOLAP achieving revenue growth and EBITDA margin targets in periods up to 31 December 2024. This consideration will be satisfied, at Elixirr's option, either from the EBT, subject to sufficient available supply, or otherwise by way of a subscription for new Ordinary shares from Elixirr, or a combination of both.

Of the US\$25.2 million (£19.2 million) initial cash consideration, US\$13.5 million (£10.2 million) was paid to the selling shareholders free of restrictions with US\$0.5 million (£0.4 million) held back for warranties under the sale and purchase agreement. The remaining balance of US\$11.2 million (£8.5 million) was subject to a contractual commitment to use the after-tax amount (US\$8.5 million) to purchase Ordinary shares in Elixirr at a price per share of £6.425. 941,172 Ordinary shares were purchased from the EBT on 11 May 2022. The balance of this element of the cash consideration (US\$2.7 million) was paid to the sellers to settle their tax obligations relating to it.

The total fair value of the contingent consideration payable recognised on the date of acquisition was \$13.2 million (£10.0 million), of which US\$0.5 million (£0.4 million) was the hold back for warranties and US\$12.7 million (£9.7 million) related to the present value of the maximum potential earn-out payments.

The contingent consideration for potential earn-out payments is discounted to fair value and has been estimated by management based on anticipated future revenue growth and EBITDA. Discount unwinding is recognised in finance costs proportionately across the periods until final settlement. During the period, £1.0 million of discount unwinding was expensed as finance costs in relation to the iOLAP acquisition consideration.

On 16 December 2022, the sale and purchase agreement was amended to accelerate US\$2.5 million of the potential earn-out payments given the over achievement of targets for FY 22 and agreement to revise earn-out targets for FY 23 and FY 24 to be based on the combined results of iOLAP and the wider Elixirr US business, rather than on iOLAP alone.

Included within M&A-related items is an amount of £0.3 million for an adjustment to the fair value of the contingent consideration in relation to the accelerated earn-out payments.

As at 31 December 2022, a £11.8 million liability is recorded, of which £6.6 million is a current and £5.2 million is a non-current liability.

Included within M&A-related items is an amount of £0.4 million for legal and advisory fees in relation to the acquisition.

The Ordinary shares purchased by the sellers from the EBT pursuant to the acquisition are subject to a one-year lock-in arrangement and limitations on the Ordinary shares that each seller can sell in each of the following three years.

iOLAP contributed £17.9 million to the Group's revenue and £2.2 million to the Group's profit before tax for the period from the date of acquisition to 31 December 2022.

If the acquisition of iOLAP had been completed on 1 January 2022, Group revenues for the year ended 31 December 2022 would have been £75.1 million and Group profit before tax would have been £16.8 million.

In calculating the goodwill arising, the fair value of the net assets of iOLAP have been assessed, and fair value adjustments were required for the recognition of customer relationship and order book intangibles and the related deferred tax.

Customer relationships and order book intangibles were assessed to be separately identifiable assets, recognised at fair value and are included within intangible assets below. Refer note 12 for further details.

The table below sets out the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed, the consideration and goodwill on the acquisition of iOLAP:

	FAIR VALUE
	£'000s
Assets	
Non-current assets	
Intangible assets	3,504
Property, plant and equipment	827
Loans to shareholders	308
Total non-current assets	4,639
Current assets	
Trade and other receivables	6,524
Cash and cash equivalents	779
Total current assets	7,303
Total assets	11,942

	FAIR VALUE
	£'000s
Liabilities	
Current liabilities	
Trade and other payables	2,567
Loans and borrowings	1,692
Other creditors	1,406
Total current liabilities	5,665
Non-current liabilities	
Loans and borrowings	315
Deferred tax liability	858
Other non-current liabilities	122
Total non-current liabilities	1,295
Total liabilities	6,960
Fair value of net assets acquired	4,982
Goodwill (note 12)	23,391
Fair value of purchase consideration	28,373
Cash and cash equivalents in subsidiaries acquired	779

14. PROPERTY, PLANT AND EQUIPMENT

	Right of use asset	Furniture and Fittings	Leasehold Improvements	Computer Equipment	TOTAL
GROUP	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At 31 December 2020	5,918	72	505	108	6,603
Acquisition of business	-	-	-	14	14
Disposals	-	-	-	(15)	(15)
Additions	509	17	-	81	607
At 31 December 2021	6,427	89	505	188	7,209
Acquisition of business (note 13)	655	56	26	90	827
Additions	-	131	134	64	329
Gains/(losses) from foreign exchange	51	5	2	5	63
At 31 December 2022	7,133	281	667	347	8,428
Depreciation					
At 31 December 2020	(789)	(63)	(149)	(57)	(1,058)
Charge for the year	(532)	(7)	(76)	(40)	(655)
At 31 December 2021	(1,321)	(70)	(225)	(97)	(1,713)
Charge for the year	(848)	(29)	(86)	(98)	(1,061)
Gains/(losses) from foreign exchange	7	-	-	1	8
At 31 December 2022	(2,162)	(99)	(311)	(194)	(2,766)
Net book value					
At 31 December 2021	5,106	19	280	91	5,496
At 31 December 2022	4,971	182	356	153	5,662

The Company has no property, plant and equipment.

The lease liability in respect of the right-of-use asset was £5.1 million (FY 21: £5.2 million) and relates to property leases.

15. INVESTMENTS**GROUP COMPANIES**

COMPANY	£'000s
Cost/carrying value	
At 31 December 2020	55,156
Acquisition of business	7,499
Group companies share-based payments	1,152
At 31 December 2021	63,807
Capitalisation of subsidiary	20,643
Group companies share-based payments	975
At 31 December 2022	85,426

The Group has no investments.

The undertakings in which the Company's interest at the year-end is 20 per cent or more are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Registered office	FY 22	FY 21
Elixirr Consulting Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elix-IRR Consulting Services Limited (indirect)*	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	-	100%
Elix-IRR Consulting Services (South Africa) Limited (indirect)	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr LLC (indirect)	United States	Consultancy	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	100%
Elixirr Creative Limited (indirect)*	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	-	100%
Den Creative Limited	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Services Limited (indirect)	England and Wales	Dormant activities	12 Helmet Row, London, EC1V 3QJ	100%	100%
Coast Digital Limited	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
The Retearn Group Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Consulting (Jersey) Limited	Jersey	Consultancy	3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG	100%	-
Elixirr Inc.	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	-
iOLAP Inc. (indirect)	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	-
iOLAP d.o.o. (indirect)	Croatia	Consultancy	Prolaz Marije Krucifikse Kozulić 1, 51000, Rijeka	100%	-

* Elix-IRR Consulting Services Limited and Elixirr Creative Limited applied to be struck off the Companies House register on 23 December 2021 and were dissolved on 22 March 2022.

16. RECEIVABLES

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Non-current assets				
Loans to shareholders	4,734	3,991	4,723	3,991
Other receivables	1,293	1,535	876	1,104
	6,027	5,526	5,599	5,095
Current assets				
Trade receivables	10,355	6,432	-	-
Less: allowance for doubtful debts	(8)	-	-	-
Trade receivables - net	10,347	6,432	-	-
Prepayments and deposits	653	487	62	18
Contract assets	26	12	-	-
Amounts owed by group companies	-	-	199	1,908
Other receivables	208	33	142	2
	11,234	6,963	403	1,928

The Company was due £0.2 million as at 31 December 2022 from Elixirr Inc. for costs relating to the acquisition of iOLAP. As at 31 December 2021, the Company was due £1.9 million from Elixirr Consulting Limited for management charges net of costs incurred by Elixirr Consulting Limited on behalf of the Company.

Loans to shareholders represent amounts owed to the Company and Elixirr Consulting Limited in FY 22, and amounts owed to the Company in FY 21 by shareholders, who are senior employees of the Group. The loans to shareholders are interest-free and expected to be repaid beyond one year. Non-current other receivables include property deposits and section 455 tax receivable.

Trade receivables are non-interest bearing and receivable under normal commercial terms. Management considers that the carrying value of trade and other receivables approximates to their fair value. The carrying value of non-current other receivables and loans to shareholders is considered to be a reasonable approximation of their fair value, but has not been discounted to present value.

The expected credit loss on trade and other receivables was not material at the current or prior year ends. For analysis of the maximum exposure to credit risk, please refer to note 25.

The ageing of trade receivables of the Group as at 31 December 2022:

	Gross carrying amount	Loss allowance	Net carrying amount
GROUP	£'000s	£'000s	£'000s
< 31 days	6,171	-	6,171
31-60 days	3,607	-	3,607
61-90 days	450	-	450
91-120 days	1	-	1
121+ days	126	(8)	118
At 31 December 2022	10,355	(8)	10,347

The ageing of trade receivables of the Group as at 31 December 2021:

	Gross carrying amount	Loss allowance	Net carrying amount
GROUP	£'000s	£'000s	£'000s
< 31 days	4,599	-	4,599
31-60 days	1,299	-	1,299
61-90 days	444	-	444
91-120 days	90	-	90
121+ days	-	-	-
At 31 December 2021	6,432	-	6,432

17. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Cash at bank and in hand	20,433	31,795	6,340	13,576
	20,433	31,795	6,340	13,576

Cash at bank includes £3.0 million (FY 21: £4.0 million) on 95-day notice deposit, £1.0 million on 32-day notice deposit and £2.0 million (FY 21: £4.0 million) on 50% instant and 50% 32-day notice deposit, which earned interest at average rates of 1.7%, 2.9% and 1.2% respectively during the year.

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Trade payables	1,178	825	55	32
Other taxes and social security costs	1,540	1,138	7	5
Accruals	8,599	8,081	156	97
Contract liabilities	1,983	2,007	-	-
Other payables	4	3	-	-
Amounts owed to Group companies	-	-	6,997	-
	13,304	12,055	7,215	134

As at 31 December 2022, the Company owed £7.0 million to Elixirr Consulting Limited.

The fair value of trade and other payables approximates to book value at the period end. Trade payables are non-interest bearing and are normally settled monthly.

Trade payables comprise amounts outstanding for trade purchases and ongoing costs.

Contract liabilities arise from the Group's revenue generating activities relating to payments received in advance of performance delivered under a contract. These contract liabilities typically arise on short-term timing differences between performance obligations in some milestone or fixed fee contracts and their respective contracted payment schedules.

19. LOANS AND BORROWINGS

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Current liabilities				
Right of use lease liability	750	485	-	-
	750	485	-	-
Non-current liabilities				
Right of use lease liability	4,393	4,760	-	-
	4,393	4,760	-	-

The movement in the right of use lease liability was as follows:

Right of use lease liability	
GROUP	£'000s
At 31 December 2020	5,285
Additions	407
Interest payable	246
Repayment of lease liabilities	(694)
At 31 December 2021	5,245
Acquisition of business (note 13)	555
Additions	-
Interest payable	262
Repayment of lease liabilities	(913)
Gains/(losses) from foreign exchange	(6)
At 31 December 2022	5,143

The acquisition of business in FY 22 relates to the acquisition of iOLAP. The additions in FY 21 relate to a new property lease signed for Coast Digital.

As disclosed in the summary of significant accounting policies, the discount rate used in determining the present value of the lease liability was 5%.

Maturity analysis of contracted undiscounted cashflows of the right of use lease liability are as follows:

	FY 22	FY 21
	£'000s	£'000s
Lease liability less than one year	932	727
Lease liability greater than one year and less than five years	3,270	3,031
Lease liability greater than five years	1,871	2,632
Total liability	6,073	6,390
Finance charges included above	(930)	(1,145)
	5,143	5,245

20. OTHER CREDITORS AND OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Other creditors				
Contingent consideration	6,765	436	203	436
	6,765	436	203	436
Other non-current liabilities				
Dilapidations	380	250	-	-
Cash-settled share-based payments	139	-	-	-
Contingent consideration	5,194	1,370	-	1,370
	5,713	1,620	-	1,370

Other creditors and other non-current liabilities in FY 22 include earn-out payments which are contingent on performance and arose from the acquisition of Coast Digital and iOLAP.

Other creditors and other non-current liabilities in FY 21 include earn-out payments which are contingent on performance and arose from the acquisition of Coast Digital and Retearn.

Other non-current liabilities include cash-settled share-based payment obligations for the Group's employers' national insurance on options that are yet to vest. Refer note 23 for further details.

Other non-current liability payments fall due beyond 12 months from the reporting date.

21. SHARE CAPITAL, SHARE PREMIUM AND MERGER RELIEF RESERVE

FY 22				
	Issued shares	Par value	Merger relief reserve	Share premium
GROUP AND COMPANY	Number	£	£'000s	£'000s
£0.00005 Ordinary shares	46,186,481	2,309	46,870	25,599
£1 Redeemable Preference shares	50,001	50,001	-	-
	46,236,482	52,310	46,870	25,599

FY 21				
	Issued shares	Par value	Merger relief reserve	Share premium
GROUP AND COMPANY	Number	£	£'000s	£'000s
£0.00005 Ordinary shares	46,186,481	2,309	46,870	24,952
£1 Redeemable Preference shares	50,001	50,001	-	-
	46,236,482	52,310	46,870	24,952

The total number of voting rights in the Company at 31 December 2022 was 46,186,481 (FY 21: 46,186,481).

Ordinary shares

On a show of hands every holder of Ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote. The shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

These rights are subject to the prior entitlements of the Redeemable Preference shareholders.

Movements in Ordinary shares:

	Issued shares	Par value	Merger relief reserve	Share premium
GROUP AND COMPANY	Number	£	£'000s	£'000s
At 31 December 2020	45,642,542	2,282	46,870	19,729
Share issue as consideration for a business combination	543,939	27	-	2,154
Sale of Ordinary shares from the EBT	-	-	-	3,069
At 31 December 2021	46,186,481	2,309	46,870	24,952
Sale of Ordinary shares from the EBT	-	-	-	647
At 31 December 2022	46,186,481	2,309	46,870	25,599

Redeemable Preference shares

The Redeemable Preference shares are entitled to dividends at a rate of 1% per annum of paid up nominal value.

The shares have preferential right, before any other class of share, to a return of capital on winding-up or reduction of capital or otherwise of the Company.

The Redeemable Preference shares are redeemable 100 years from the date of issue or at any time prior at the option of the Company.

22. EBT SHARE RESERVE

The Employee Benefit Trust ('EBT') is accounted for under IFRS 10 and is consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the Company and Group statement of financial position and shares held by the EBT in the Company are presented as a deduction from equity. The EBT share reserve comprises of Ordinary and Redeemable Preference shares bought and held in the Group's EBT.

The below table sets out the number of EBT shares held and their weighted average cost:

FY 22			
	Shares held in EBT	Weighted average cost	Total cost
GROUP AND COMPANY	Number	£	£'000s
Ordinary shares	1,204,965	5.89	7,097
Redeemable Preference shares	50,001	1.01	50
	1,254,966		7,147

FY 21			
	Shares held in EBT	Weighted average cost	Total cost
GROUP AND COMPANY	Number	£	£'000s
Ordinary shares	547,225	3.92	2,143
Redeemable Preference shares	50,001	1.01	50
	597,226		2,193

23. SHARE-BASED PAYMENTS

The Group recognised a total share-based payment expense of £1.2 million (FY 21: £1.2 million) in the current year, comprising £1.0 million (FY 21: £1.2 million) in relation to equity settled share-based payments, and £0.2 million relating to relevant social security taxes.

A cash-settled share-based payment liability is recognised relating to social security tax on share options (refer note 20). The liability has been estimated using a closing share price of £5.10 and employers' national insurance at 13.8%.

The carrying value of the liability as at 31 December 2022 is £0.1 million, with £0.2 million recognised in the P&L and payments amounting to £0.1 million made in the year.

Share Option Plans

The Group operates EMI and unapproved share option plans with time-based and performance-based vesting conditions.

During FY 22, a total of 3,687,080 (FY 21: 7,700,430) share options were granted to employees and senior management. The weighted average fair value of the options awarded in the year is £1.66 per share (FY 21: £1.12)

Details of share option awards made are as follows:

	Number of share options	Weighted average exercise price
	000's	£
Outstanding at the beginning of the year	11,339	2.87
Granted during the year	3,687	6.48
Forfeited during the year	(4,140)	4.38
Outstanding at the year end	10,886	3.47
Exercisable at the year end	121	5.45

No share options were exercised during FY 22.

The options outstanding as at 31 December 2022 had a weighted average remaining contractual life of 3 years (FY 21: 4 years) and a weighted average exercise price of £3.47 (FY 21: £2.87) per share.

The options were fair valued at the grant date using the Black Scholes option valuation model.

The inputs into the model were as follows:

	FY 22	FY 21
Weighted average share price at grant date (£)	5.90	5.07
Weighted average exercise price (£)	6.32	4.52
Volatility (%)	26.54%	21.69%
Weighted average vesting period (years)	5	5
Risk free rate (%)	1.73%	0.34%
Expected dividend yield (%)	0.71%	1.14%

Expected volatility was determined by calculating the historic volatility of comparable companies in the market in which the Group operates. The expected expense calculated in the model has been adjusted, based on management's best estimate, for the effects of non-market-based performance conditions and employee attrition.

Reasonable changes in the above inputs do not have a material impact on the share-based payment charge in FY 22.

Fixed Consideration Options

In addition to the share options set out in the table above, share options with an exercise price of £0.00005 were issued in connection with the acquisitions of Coast Digital and Retearn. These share options are for a fixed monetary consideration where the number of share options is variable and determined with reference to the share price at the date of vesting.

The monetary value of such share options is as follows:

	Value
	£'000s
Outstanding at the beginning of the period	2,494
Forfeited during the year	(1,400)
Exercised during the year	(297)
Outstanding at the year end	797
Exercisable at the year end	-

The share price at the date of exercise of the Coast Digital options during FY 22 was £6.05.

The weighted average remaining contractual life of such options at 31 December 2022 was 1.5 years (FY 21: 2.5 years).

Employee Share Purchase Plan ('ESPP')

On 16 June 2021 an ESPP was implemented. Under the scheme all of the employees of the Group (excluding Partners) are eligible to contribute a percentage of their gross salary to purchase shares in the Company. The Company makes a matching award of shares that will vest over time dependent on continued employment. During FY 22, the Company awarded 89,841 matching shares on the basis of one matching share for every one employee share held on 15 January 2022. The matching shares vest equally over a 5-year period with the first tranche vesting on 31 January 2023.

Details of ESPP awards made are as follows:

	Number of ESPP awards
	000's
Outstanding at the beginning of the period	-
Granted during the year	90
Forfeited during the year	(12)
Outstanding at the year end	78
Exercisable at the year end	-

24. CASH FLOW INFORMATION

Cash generated from operations:

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Profit before taxation	15,745	12,166	13,078	4,051
Adjustments for:				
Depreciation and amortisation	3,065	2,048	-	-
Net finance expense/(income)	1,159	217	(55)	(20)
Share-based payments	1,159	1,152	-	-
Adjustment to contingent consideration	(1,086)	-	(1,400)	-
Foreign exchange	(392)	(16)	-	(2)
Decrease/(increase) in trade and other receivables	975	(1,336)	1,660	531
(Decrease)/increase in trade and other payables	(1,042)	2,625	7,081	(295)
	19,583	16,856	20,364	4,265

Reconciliation of liabilities from financing activities:

	Borrowings	Leases	TOTAL
	£'000s	£'000s	£'000s
At 31 December 2020	-	5,285	5,285
Cash flows	-	(694)	(694)
Other changes	-	654	654
Balance 31 December 2021	-	5,245	5,245
Cash flows	(1,143)	(913)	(2,056)
Other changes	1,143	811	1,954
Balance 31 December 2022	-	5,143	5,143

Other changes in FY 22 include non-cash movements, including borrowings and additional property leases on acquisition of iOLAP and accrued interest expense on leases. Other changes in FY 21 include non-cash movements, including accrued interest expense and an additional property lease.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**Carrying amount of financial instruments**

The Group's and Company's financial instruments may be analysed as follows:

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Financial assets				
Financial assets that are debt instruments measured at amortised cost	37,027	43,795	12,327	20,579
Financial liabilities				
Financial liabilities measured at amortised cost	16,907	16,162	7,208	129
Financial liabilities at fair value through profit and loss	11,959	1,806	203	1,806

Financial assets measured at amortised cost comprise cash, trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise loans and borrowings, trade payables and other payables.

Financial liabilities at fair value through profit and loss comprise contingent consideration on acquisition of iOLAP and Coast Digital.

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as loans and receivables.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below:

Credit risk

Generally, the Group's and Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	GROUP		COMPANY	
	FY 22	FY 21	FY 22	FY 21
	£'000s	£'000s	£'000s	£'000s
Trade receivables	10,347	6,432	-	-
Contract assets	26	12	-	-
Other receivables	6,221	5,557	5,784	7,001
Cash and cash equivalents	20,433	31,795	6,340	13,576
	37,027	43,796	12,124	20,577

Credit risk is the risk of financial risk to the Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of the Group's debtor balances, the time taken for payment by clients and the associated credit risk are dependent on the type of engagement.

The Group's trade and other receivables are actively monitored. The ageing profit of trade receivables is monitored regularly by management. Any debtors over 30 days are reviewed by the entire management group every week and explanations sought for any balances that have not been recovered.

Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with the Group's accounting policy.

Other receivables include amounts owed by senior employees for the acquisition of shares in the Company. The EBT holds legal title to these shares which will not be released to the beneficial owner prior to the repayment of the loan.

Cash and cash equivalents is split across multiple counterparties and the Group actively monitors the exposure to different financial institutions.

The Directors are of the opinion that there is no material credit risk at Group level.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

Contractual maturities of financial liabilities of the Group as at 31 December 2022:

	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cashflows	Carrying amount of liabilities
Trade payables	1,178	-	-	-	-	1,178	1,178
Lease liabilities	496	436	875	2,395	1,871	6,073	5,143
Financial liabilities at fair value through profit and loss	6,765	-	3,073	3,073	-	12,911	11,959
	8,439	436	3,948	5,468	1,871	20,162	18,280

Contractual maturities of financial liabilities of the Group as at 31 December 2021:

	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cashflows	Carrying amount of liabilities
Trade payables	825	-	-	-	-	825	825
Lease liabilities	347	380	761	2,270	2,632	6,390	5,245
Financial liabilities at fair value through profit and loss	436	-	670	700	-	1,806	1,806
	1,608	380	1,431	2,970	2,632	9,021	7,876

Interest rate risk

As at 31 December 2022 the Group has no material interest rate risk exposure.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily US Dollars. The Group monitors exchange rate movements closely and ensures adequate funds are maintained in appropriate currencies to meet known liabilities.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Currency Units, was as follows:

	FY 22					FY 21		
	USD	EUR	ZAR	CAD	HRK	USD	EUR	ZAR
	'000s	'000s	'000s	'000s	'000s	'000s	'000s	'000s
Cash & cash equivalents	6,906	1	1,257	313	270	11,900	2	1,739
Trade receivables	6,709	72	-	28	149	1,450	101	-
Trade payables	(124)	(7)	(132)	-	(649)	(5)	(5)	(63)

The Group is exposed to foreign currency risk on the relationship between the functional currencies of the Group companies and the other currencies in which the Group's material assets and liabilities are denominated. The table below summarises the effect on profit and loss had the functional currencies of the Group weakened or strengthened against these other currencies, with all other variables held constant.

	FY 22	FY 21
	£'000s	£'000s
10% weakening of functional currency	219	925
10% strengthening of functional currency	(219)	(925)

Fair value of financial instruments

The fair values of all financial assets and liabilities approximates to their carrying value.

Capital risk management

The Group defines capital as being share capital plus all reserves, which amounted to £95.9 million as at 31 December 2022 (FY 21: £86.0 million)

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

26. RELATED PARTY DISCLOSURES

Related parties, following the definitions in IAS 24, are the Group's subsidiary companies, members of the Board, key management personnel and their families, and shareholders who have control or significant influence over the Group. Refer to note 11 for key management personnel compensation disclosures. The Directors' Report contains details of Board remuneration.

On 8 April 2022 certain Directors and key management personnel of the Group sold 812,106 Ordinary shares to the EBT at a price of 765 pence (being the closing mid-market share price on 5 April 2022). The purpose of this transaction was to provide the EBT with sufficient shares to satisfy the initial share consideration for the acquisition of iOLAP without any dilution of existing shareholders. Refer note 13 for further details.

Gavin Patterson, independent non-executive chairman of the Board, provided consulting services to the Company totalling £17,708 in FY 22 (FY 21: £25,000). Gavin Patterson's consulting services arrangement terminated on 31 August 2022.

In FY 22, travel and marketing costs include £43,956 (FY 21: NIL) for the hire of an aeroplane from Aviation E LLP. Stephen Newton, a member of the Board, is a member of Aviation E LLP.

Company related party transactions are disclosed in notes 16 and 18.

27. EVENTS AFTER THE REPORTING DATE

In January and February 2023, US\$6.8 million of the iOLAP deferred consideration was settled through a cash payment to the former shareholders of iOLAP, who used US\$5.1 million of the proceeds (the after-tax amount) to purchase 743,400 Ordinary shares in Elixirr from the EBT at a price of £5.50.

The Directors are proposing a final Ordinary share dividend in respect of the financial year ended 31 December 2022 of 10.8 pence per share.

As at 31 March 2023, in accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, the Company continues to have 46,186,481 Ordinary shares in issue, of which none are held in Treasury.

The total number of voting rights in the Company is 46,186,481. This figure of 46,186,481 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

28. RESERVES

Share capital

Share capital represents the nominal value of share capital subscribed.

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at a premium, net of associated share issue costs.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve into which amounts are transferred following the redemption or purchase of the Company's own shares.

EBT share reserve

The EBT share reserve represents the cost of shares repurchased and held in the employee benefit trust ("EBT").

Merger relief reserve

This reserve records the amounts above the nominal value received for shares sold, less transaction costs in accordance with section 610 of the Companies Act 2006.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences that arise on consolidation from the translation of the financial statements of foreign subsidiaries.

Retained earnings

The retained earnings reserve represents cumulative net gains and losses recognised in the statement of comprehensive income and equity-settled share-based payment reserves and related deferred tax on share-based payments.

29. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party as at 31 December 2022.



2022

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