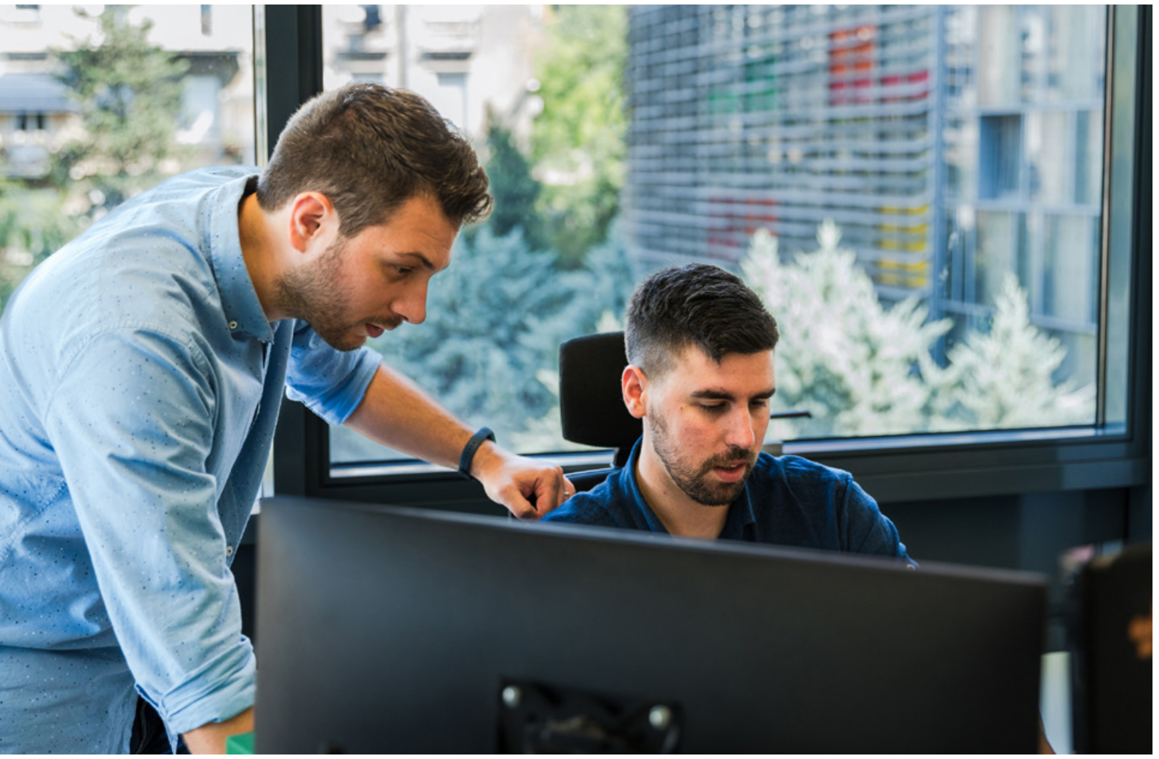
ELIXIRR | Annual Report

2024

The Challenger Consultancy

ELIXIRR,
100 CHEAPSIDE,
LONDON EC2V 6DT

ELIXIRR.COM/INVESTORS



Welcome to Elixirr's 2024 Annual Report & 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 2024.

For more information, please see our website:

www.elixirr.com/investors

Contents

Financial Highlights

£111.3m
Total revenue
FY 23: £85.9m **+30%**

£35.8m
Gross profit
FY 23: £29.3m **+22%**

£31.2m
Adjusted EBITDA
FY 23: £25.4m **+23%**

43.1p
Adjusted diluted EPS
FY 23: 37.2p **+16%**

£28.1m
Free cash flow
FY 23: £16.1m **+74%**

28.0%
Adjusted EBITDA margin
FY 23: **29.6%**

£29.7m
Adjusted profit before tax
FY 23: £24.4m **+22%**

17.8p
Dividend per share
FY 23: 14.8p **+20%**

£7.5m
Net cash
FY 23: £18.1m

Introduction to 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** digital, data and AI consulting firm in the **world**, centred around the **technology of tomorrow**.

2009
Founded

620+
Team members based across the globe

240+
Active clients

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

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

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

Our Story

Experienced management team and Board driving a four-pillar growth strategy.

2009	Established
15	Years of growth
7	Acquisitions to date
590+	Projects completed in 2024
75%	Repeat client rate

'Repeat client' indicates a client that generated revenue in both FY 23 and FY 24.

- **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 acquisition strategy
- **2018** Elixirr named as one of the UK's leading management consultants
- **2019** Den Creative reaches c.200% revenue increase since acquisition
- **2020** Elixirr IPO on AIM of the London Stock Exchange, Coast Digital joins the Group
- **2021** Retearn joins the Group, Stephen Newton named a Global Leader in Consulting
- **2022** iOLAP joins the Group, a specialist technology and data consultancy, marking our first US acquisition and largest acquisition to date
- **2023** Responsum, a generative AI company, and Insigniam, pioneers in organisational change and transformation, join the Group
- **2024** Hypothesis, a research and insights company, joins the Group

hypothesis

Our Locations

620+
Entrepreneurial team members working with a global client base

United Kingdom
France
Croatia
South Africa
United States
Mexico

Team based
Projects delivered

Our Work

A selection of our clients

DIAGEO	Allianz	Bloomberg
MARS		GSK
zumiez	McDonald's	OLDMUTUAL
TACO BELL	LVMH	Google
McCain	mastercard foundation	Hitachi Energy
HSBC	USTA	MAYO CLINIC
PEPSI	iRobot	Johnson&Johnson

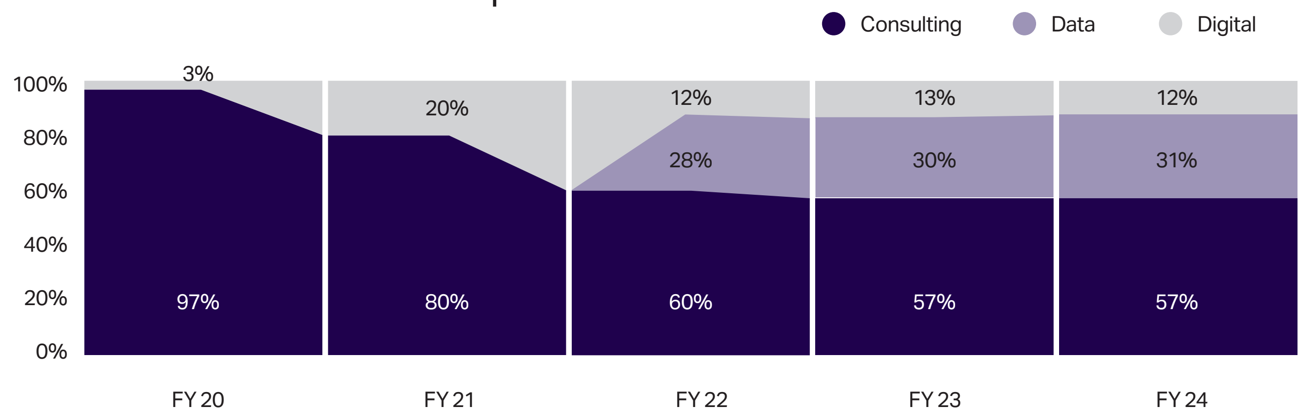
"Over the years I have worked with McKinsey, Bain, Accenture, BCG, Oliver Wyman, plus the big four accountancy firms – there is no way I'd look past Elixirr to select one of those firms because the quality of the team is simply light years ahead. You won't be left feeling like just another client because you will be important to them – your success will be a big deal to Elixirr."

CEO
Financial Services

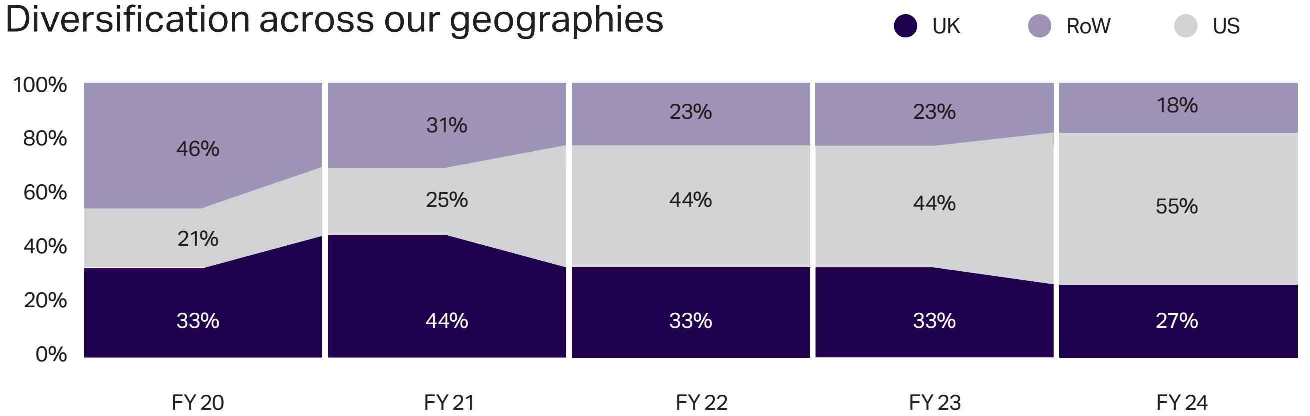
Diversified Growth

FY 20	FY 21	FY 22	FY 23	FY 24
£30.3m	£50.3m	£71.7m	£85.9m	£111.3m

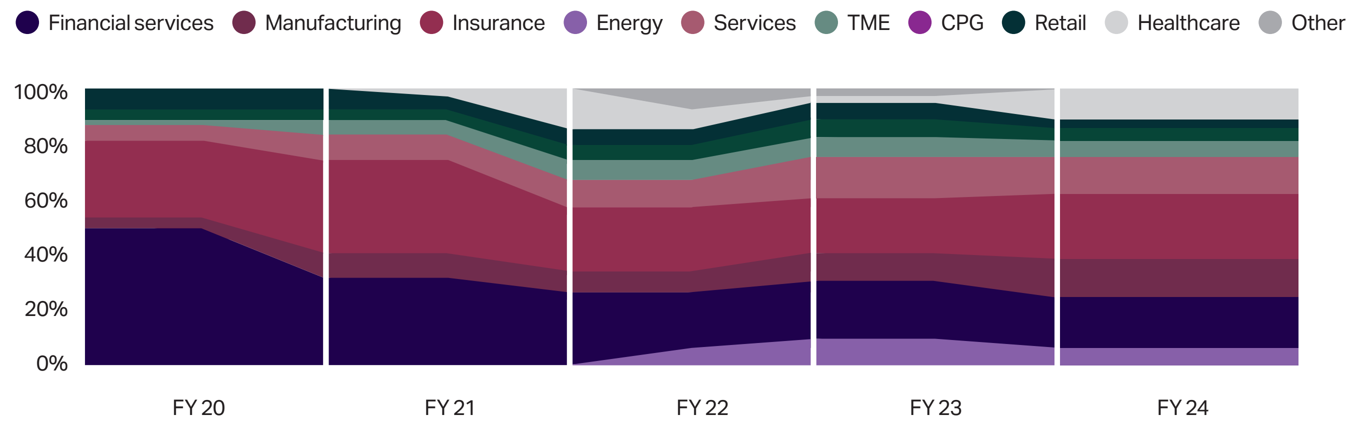
Diversification across our capabilities



Diversification across our geographies



Diversification across our industries



Since our AIM IPO we have built significant diversification across our capabilities, geographies and industry verticals

Elixirr's diversified capabilities allow us to support clients across all market conditions, bull or bear, and adapt to macro challenges. As priorities evolve, we stay in step, delivering value for our clients through every turn.

At IPO, we set out to expand in the US. Today, it's our largest market, accounting for 55% of revenue. While growing in the US, we've maintained strength in core regions, giving us global reach and diverse capabilities to support clients through changing market conditions.

Through organic and inorganic growth, we've expanded into new industries while growing in existing ones. In 2020, c.80% of our revenue came from Insurance and Financial Services. In 2024, these industries accounted for c.40% of our revenue, reflecting our diversification.

Non-Executive Chairman's Report

"Elixirr's outstanding performance in FY 24 reinforces the strength of our growth strategy and the resilience of our business. Despite an evolving market landscape, the Group has delivered exceptional results, driven by fantastic clients, strong leadership, a clear strategic vision and incredible people. As we continue to expand and invest in our future-fit strategy and technology advisory capability, we remain well-positioned to seize new opportunities and sustain our upwards momentum."

Gavin Patterson
Non-Executive Chairman

OVERVIEW

I am pleased to introduce Elixirr's 2024 Annual Results, a year which highlighted the exceptional growth potential of the Group and its ability to deliver high-quality services to its global client base.

Elixirr leveraged its broad service offering throughout 2024 to solve complex client challenges, supported by its strong foundation in data, technology, and innovation. The Group saw great success in scaling its existing client base, significantly increasing the number of clients generating >£1 million revenue in a single year. This underscores the continued demand for Elixirr's expertise across a broad spectrum of services, industries, and geographies, while also reflecting the deepening of client relationships driven by the Group's increasingly relevant and diversified offerings.

The Group grew both organically and inorganically during the year, benefiting from its strong market positioning and growing brand recognition. This was further validated by several industry accolades, demonstrating Elixirr's growing reputation as a leader in its field. A key milestone was the acquisition of Hypothesis Group ("Hypothesis"), a market research and customer insights firm, which has expanded the Group's core capabilities. This acquisition is highly complementary to Elixirr's existing offering and aligns with its commitment to providing best-in-class advisory services.

Additionally, the acquisition has accelerated Elixirr's expansion into the US, a key strategic priority, with the region now generating more than half of the Group's revenue. This progress underscores the firm's ability to scale effectively while maintaining its strong cultural and operational foundation, positioning it well to help clients identify, navigate and capitalise on disruptive market trends.

This success has led to the Board's decision to move onto the Main Market of the London Stock Exchange later this year. This move is an important step in Elixirr's evolution, and one that should set Elixirr up perfectly for the future as we continue to grow towards our stated ambition of becoming a consulting unicorn, with a market capitalisation exceeding $1 billion.

STRATEGY

The Board continues to have confidence in Elixirr's growth strategy, which balances organic and inorganic expansion to drive sustained growth through a focus on four pillars. This strategy demonstrates Elixirr's commitment to leveraging its exceptional internal talent today as well as developing future-fit leaders of tomorrow, expanding its Partner network, and pursuing strategic acquisitions.

Elixirr Partner performance is continually enhanced through the diversification of service offerings, expanded market and client access, and sustained investment in attracting and developing top talent. This holistic approach enables the firm to elevate Partner performance, which in turn supports the ongoing ability to stretch revenue targets. The Group also advances internal talent by promoting high-performing Principals to Partner roles, reinforcing leadership continuity and cultural alignment amongst the Partner and broader leadership team. Elixirr further strengthens its market presence by bringing in experienced industry specialists and focusing on strategic acquisitions that enhance capabilities, deepen industry expertise, and expand geographic reach, particularly across the US, Europe and Africa. Together, these pillars drive Elixirr's growth while preserving its cultural and operational integrity.

The Board remains confident that Elixirr's strategy will continue to drive growth for the Group in the future. Partners and employees across the Elixirr Group are highly incentivised to support the Group's growth ambition through the equity incentive schemes that the Group has in place. Additionally, there is a strong pipeline of new acquisition targets that represent significant inorganic growth potential.

DIVIDEND

The Group policy is to pay two dividends a year, with an interim dividend in February and a final dividend in August. An interim dividend of 6.3p per Ordinary share was paid to shareholders on 17 February 2025.

The Board is pleased to recommend a final Ordinary share dividend for FY 24 of 11.5p per share, payable in August making a total dividend of 17.8p for the FY 24 financial year, a 20% increase on the FY 23 dividend. The final dividend will be recommended to shareholders at the AGM in June 2025. The FY 24 final dividend will have a total cash cost of £5.5 million.

GOVERNANCE

The Board continues to function within a strong governance framework and, throughout FY 24, has maintained the Group's adherence to the Quoted Companies Alliance (QCA) corporate governance code. This involves ensuring a well-balanced mix of skills and expertise within the Group to support its strategic direction and growth ambitions. Additionally, the Board and its subcommittees comprise independent non-executive members with diverse backgrounds and experience. Demonstrating the Group's commitment to internal succession, I welcome Graham Busby's promotion to Deputy CEO and Nicholas Willott's appointment as CFO.

Ongoing monitoring of governance remains a key priority for the Board.

OUTLOOK

Given the Group's exceptional track record, the Board is optimistic about the outlook for FY 25. Elixirr's success to date, driven by the support of shareholders, clients and our team, provides a solid foundation for sustaining its strong performance and future growth.

Gavin Patterson
Non-Executive Chairman
25 April 2025

Chief Executive Officer's Report

"FY 24 has been an exceptional year for Elixirr. Our continued strong growth, record-breaking revenues, and industry-leading profitability is a testament to the commitment of our team and the trust our clients place in us. As we expand our market access through our growing client base, we remain dedicated to building a firm that is focused on helping our clients navigate the technology of today and tomorrow, including leveraging AI to optimise our internal operations and enhance the value we deliver. Our momentum is stronger than ever, and with our planned move to the Main Market, we are well-positioned to unlock even greater opportunities for our shareholders, clients and our people in the years ahead."

Stephen Newton
Chief Executive Officer

OVERVIEW

Elixirr's strong growth in FY 24 demonstrates the continued attractiveness of our offering to our global client base. By combining strategy-led advisory and our technology-focused approach, we help businesses navigate digital transformation, AI adoption, and data-driven decision-making. Our firm's greatest strength remains the exceptional talent of our people, and the dedication and commitment of our expanding teams worldwide to supporting clients solve their toughest business challenges continues to differentiate us.

Elixirr performed well in FY 24, with revenue growing at a compound annual growth rate ("CAGR") of 38% from 2020 to 2024. This growth can be attributed to the continued diversification of our services and a proposition that combines the agility and specialisation of a boutique consultancy with the scale and credibility of larger firms. Our advisory model, underpinned by cutting edge technology, is winning market share in a market increasingly driven by tech-led solutions. Since our AIM IPO in 2020, Elixirr has emerged as one of the most successful companies on AIM, consistently outperforming other publicly listed consultancies. This track record of stellar, profitable growth underscores our ability to navigate economic cycles while driving long-term value. It has also meant Elixirr is the only listed consultancy company which achieves the Rule of 40 and Rule of 50 – metrics that combine revenue growth with profitability margin to measure company performance. This is a significant achievement that validates our approach to serving clients, positioning in the market and our growth strategy and vision.

Elixirr's successful track record to date is attributable to our relentless focus on quality, clients and a purposeful growth strategy. This strategy is structured around four pillars which balance organic and inorganic expansion to drive growth. The Group increased its number of "gold clients" (where revenue exceeds £1 million in one year) from 19 in FY 23 to 27 in FY 24, demonstrating the effectiveness of the Elixirr Partners in deepening existing client relationships. The acquisition of Hypothesis in FY 24 strengthened our research and insights capabilities across the Group and further enhanced our presence in the US – our key growth market. The Hypothesis acquisition demonstrates an inorganic growth strategy centred on acquiring businesses that provide complementary and in-demand capabilities, strengthens our presence in a key geography, and expands Elixirr's industry expertise in and access to blue-chip clients in additive sectors such as Technology, Media and Entertainment.

MOVE TO MAIN MARKET

We are excited to announce our intention to transition from AIM to the Main Market of the London Stock Exchange in 2025. This move marks the natural next step in Elixirr's evolution as a high-growth listed business and reflects the scale, maturity, and ambition of our firm. Since our AIM IPO in 2020, we have delivered significant revenue and EBITDA growth, expanded our global footprint and completed a series of strategic acquisitions that have diversified and strengthened our service offering. As we enter our next phase of growth, the leadership team believes that the Main Market provides a stronger platform to elevate our brand profile, attract global talent, and compete more credibly with the world's largest consulting firms.

A Main Market listing will enable access to broader and deeper pools of capital, including institutional and non-UK investors who are currently unable to invest in AIM-listed companies. It also positions Elixirr for potential future inclusion in indices such as the FTSE 250, which would drive passive investment and improve trading liquidity. This transition aligns with our commitment to deliver long-term value to shareholders by increasing visibility, narrowing our valuation gap relative to peers, and reinforcing confidence in our continued high performance. With our unique culture, entrepreneurial mindset, and proven track record, we are excited to take this next step forward in our growth journey.

FY 24 PERFORMANCE

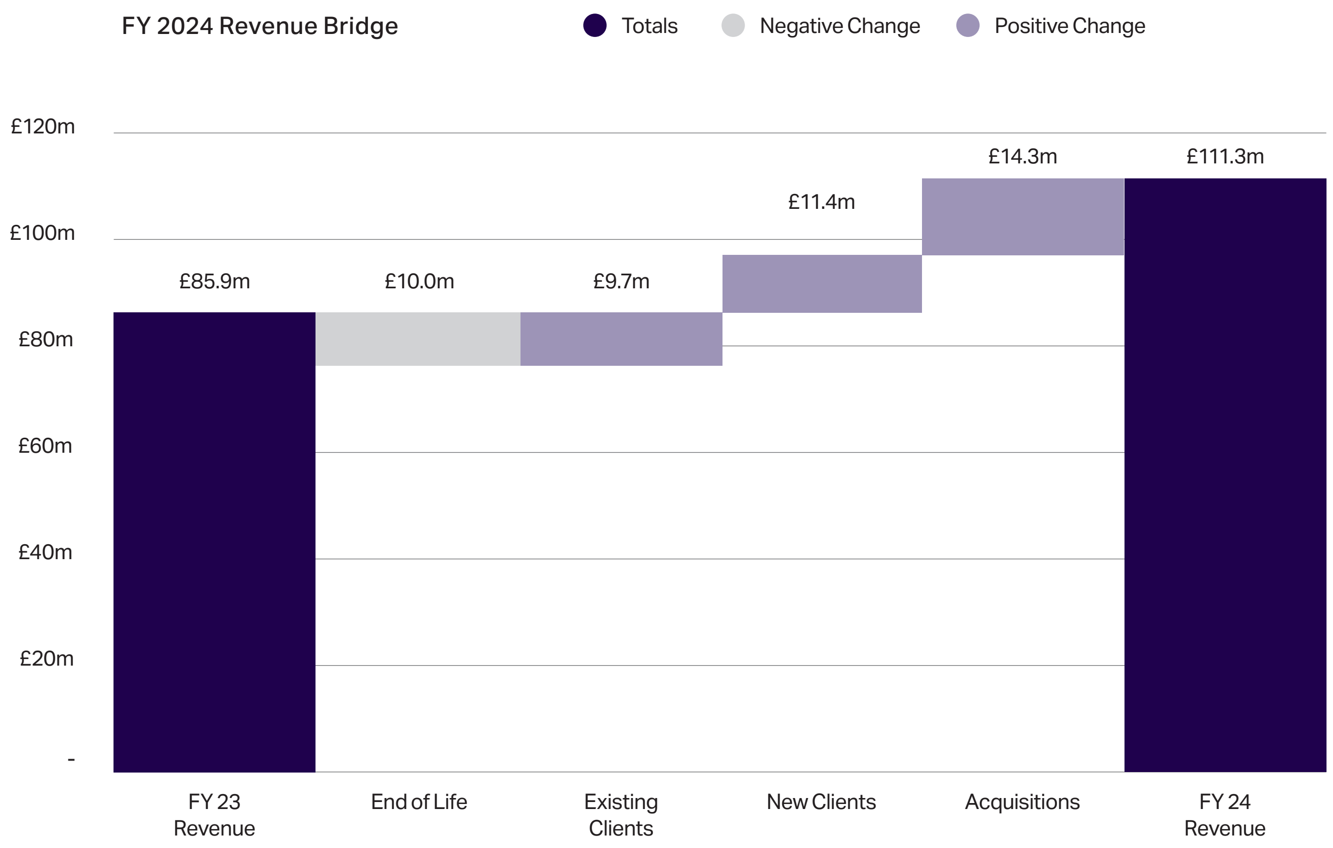
In FY 24, the business generated revenue of £111.3 million – a 30% increase from the prior year (£85.9 million). We focused on both further diversifying our capabilities to enhance our service offering to clients and deepening market access in both high growth industry sectors and key geographies such as the US. The US generated 55% of revenue in FY 24 – an 11PP increase since FY 23, reflecting the success of our US growth strategy and delivering on our promise at IPO to make the US a key geography we invest in.

Elixirr delivered a diversified service offering to its global client base in FY 24, spanning multiple industries, capabilities and geographies. The Group worked with over 240 active clients in FY 24 and completed over 590 projects in this time period. With a deep understanding of emerging technologies and boardroom challenges, Elixirr remains committed to driving long-term success for its clients.

The FY 24 revenue bridge graph shows the elements of the growth in revenue from £85.9 million in FY 23 to £111.3 million in FY 24.

Organic revenue growth was 13% year on year (net +£11.1 million revenue), with £9.7 million growth from existing clients and £11.4 million growth from new clients. This was partially offset by end-of-life projects which accounted for £10.0 million of revenue foregone.

The acquisition of Hypothesis in October 2024 and Insigniam's revenue from 11 months of the year added £14.3 million to revenue overall in FY 24.



Elixirr achieved Adjusted EBITDA of £31.2 million in FY 24 – an increase in absolute terms of 23% from FY 23 (£25.4 million). This FY 24 Adjusted EBITDA represented 28.0% of revenue (FY 23: 29.6%). This is in the middle of our guidance range of 27 - 29% and includes the dilutive impact of Hypothesis.

DELIVERING OUR FOUR-PILLAR GROWTH STRATEGY

Elixirr's growth strategy is built on four key pillars – Stretch, Promote, Hire, and Acquire – that balance organic and inorganic expansion to fuel growth. This approach supports the Group's ultimate ambition of becoming the world's leading digital, data, and AI consultancy. These pillars reflect Elixirr's dedication to developing internal talent, expanding its Partner network, and pursuing strategic acquisitions.

STRETCHING EXISTING PARTNERS

As part of its organic growth approach, Elixirr has continued to focus on increasing the performance and revenue contribution of its existing Partner team. In FY 24, revenue per Partner increased by 6% from £3.9 million in FY 23 to £4.1 million in FY 24. This continues the growth in this metric in each year since listing in 2020, driven by a multi-faceted approach that includes strategic rate card increases, stronger client relationship management, a diversified and expanding service offering, and a robust incentivisation model.

This growth is further supported by stretching performance targets and a rising number of "gold" clients – those generating over £1 million in revenue – which increased from 19 in FY 23 to 27 in FY 24. Unlike growth driven by new hires or promotions, this pillar reflects the increased productivity and commercial success of our established Partner team.

HIRING NEW PARTNERS

A crucial aspect of our growth strategy is hiring external Partners who bring specialised expertise and established networks. In FY 24 new Partner hires included Nick Billington, a Partner with over 35 years of experience in the financial services and insurance sectors (including previous leadership positions at Accenture, KPMG and Capita), and Joe Hubback, a former McKinsey Partner and cybersecurity specialist, with over 20 years of experience in the cybersecurity, technology and industrial sector. These candidates came through the network of the existing Partner team, and their extensive experiences and strategic vision will be invaluable as Elixirr continues to expand its services.

In March 2025 we announced a further addition to the Elixirr Partner team, Tej Patel, who brings over 20 years' expertise in financial services to the firm. He will focus on deepening and expanding our client relationships with our financial services industry vertical.

To uphold our well-established standards of quality, underperforming Partners are transitioned out, resulting in the forfeiture of their equity positions. Management remains committed to making strategic decisions that safeguard the strength of our business and the integrity of our earnings. We continually progress a warm pipeline of potential Partner candidates, ensuring that focus remains on bringing in high-quality individuals to the Partner grade.

PROMOTING PARTNERS FROM WITHIN

Since our inception, Elixirr has upheld the philosophy of "growing our own timber," with a strong focus on nurturing and advancing talent from within. In FY 24, Nick Larsen joined the Elixirr Partner team, marking our first promotion to Partner from one of our acquired businesses. This milestone is a key achievement in our acquisition strategy, highlighting the successful integration of iOLAP (now 'Elixirr Digital') into the Elixirr Group.

Additionally, in January 2025 it was announced that three Elixirr Principals (Portia Thornhill, Natasha Rostance and Nick Greenwood) have been promoted to Partner, effective January 2025 for Portia and October 2025 for Natasha and Nick. Portia's promotion to Partner follows her appointment to General Counsel in July 2024, and underscores the firm's ongoing commitment to nurturing internal talent and supporting professional growth. Portia formerly served as the firm's Associate General Counsel since 2021. Natasha and Nick have both been instrumental in the firm's growth, nurturing top talent and driving impactful client engagements. As Partners, they will continue contributing to Elixirr's expansion on a global scale.

ACQUIRING NEW BUSINESSES

Elixirr's acquisition strategy is a key pillar of its overall growth approach, with the firm targeting one to two high-quality acquisitions annually. Elixirr focuses on firms that would contribute approximately 10-20% to its enterprise value, a proven programmatic approach that has significantly enhanced Eixirr's growth in terms of revenue, capabilities, industries, sectors and geographies. Its dedicated M&A team plays a crucial role in this process, and screened 1,200+ potential acquisitions in FY 24 alone. Of these, approximately 15% were engaged – reflecting the firm's high quality bar when determining acquisitions to pursue.

In FY 24, Elixirr completed the acquisition of Hypothesis, a US-based insights, strategy, and design consultancy, strengthening Elixirr's customer insights and research capabilities. Hypothesis' expertise in qualitative and quantitative research, brand strategy, and data science allows Elixirr to provide deeper market and customer insights to clients. Hypothesis also provides deep expertise in the technology, media and entertainment industries and works with five of the 'Magnificent Seven'. Elixirr worked closely alongside Hypothesis on a client engagement prior to the acquisition, validating the cross-sell potential of the combined proposition.

The Group also agreed a £45.0 million revolving credit facility ("RCF") with NatWest to support delivery of our organic and inorganic growth strategy, whilst limiting equity dilution. As such, the Group's inorganic strategy remains a crucial component of our growth, and the Group's M&A team will continue to source compelling and complementary acquisition opportunities in FY 25.

OUR FIRM

I am incredibly proud of the continued commitment and entrepreneurial spirit demonstrated by our team, who have once again delivered exceptional value for our clients and driven the growth of the Group throughout the year.

The equity schemes offered by Elixirr reinforce our culture of ownership, ensuring that every team member can share in the success of the business. Through our equity incentive programmes, employees actively contribute to, and benefit from, the Group's achievements, fostering a long-term mindset that drives sustainable growth. This approach strengthens the alignment between our people and our vision, reinforcing Elixirr's reputation as a firm built by entrepreneurs, for entrepreneurs. Our Employee Share Purchase Plan ("ESPP") had high levels of participation again for the new financial year – over 50% for the Group and over 80% for the consulting business for FY 25.

Attracting and retaining top-tier talent remains a key priority for Elixirr. To ensure we continue bringing the best minds into our business, we have built strong recruitment networks across leading universities in the UK and US, including Oxford University, Cambridge University, the University of California, Berkeley, and Columbia University. Alongside these partnerships, our growing brand reputation drives a high-quality pipeline of candidates. This year alone, we received over 14,000 applications – equating to more than 100 applicants per role – and successfully welcomed 128 new hires into the business, reinforcing the strength of our employer brand and our selectivity across the Group.

Innovation remains at the heart of everything we do across the Group. As we scale, we are enhancing our internal operations through AI-driven automation, embedding efficiencies that allow our teams to work smarter and focus on delivering exceptional client outcomes. We are actively developing AI-powered tools to enhance our back-office operations through AI-driven automation, streamlining knowledge management, statement of work generation, and proposal creation. These initiatives support our broader ambition to build a technology-enabled operational backbone that optimises our ways of working, allowing our teams to access information faster and optimise business processes with AI-driven insights.

As part of our continued investment in talent and commitment to our communities, we are proud to have launched our Data and AI Academy in South Africa in 2024, a key milestone that reflects both our entrepreneurial mindset and global outlook. South Africa has been a fundamental part of Elixirr's heritage since winning our first client there in 2011. The Academy, a free 8-week IT programme based in Cape Town, provides graduates with hands-on experience, mentorship, and the opportunity to secure full-time roles with Elixirr. With an initial focus on Data & Analytics, we are leveraging our Croatian Centre of Excellence to support and upskill high-potential South African talent. Our goal is twofold: to diversify our Centre of Excellence talent pool by building a strong base in a key market that aligns with our time zones, language and culture, and to give back to the local community by investing in the next generation of technology leaders. This initiative exemplifies our core values and reinforces our commitment to driving sustainable growth through innovation and inclusion.

Elixirr's achievements continue to be recognised across the industry, and we were proud to receive multiple accolades in 2024. In 2024 we were named on Forbes' World's Best Management Consulting Firms list for the first time, a testament to our performance across a broad range of industries and consulting disciplines. We were also recognised by Consultancy.uk as a Top Consulting Firm in the UK, achieving platinum and gold rankings across service lines including Finance, Innovation, IT Strategy and Digital. Additionally, our Deputy CEO was honoured at the Global CFO Awards 2024, recognising excellence in financial leadership and strategic direction. These awards reflect the dedication, expertise, and passion of our team, and we remain focused on delivering continued impact for our clients, our people, and our business.

OUTLOOK

Elixirr's standout financial performance in FY 24, combining high growth with exceptional profitability, highlights the firm's strong potential. Momentum has continued into FY 25, with Q1 2025 being a record revenue quarter for the Group, and April 2025 expected to be a record revenue month. Given the revenue contracted to date and our expectations of client demand, we are confident in delivering FY 25 trading results in line with management expectations. Due to Elixirr's planned move to the Main Market, no revenue and EBITDA margin guidance will be given directly by the Company at this time in line with market norms.

Our diversification by geography, capability and industry vertical make the business resilient in a range of market conditions. Looking ahead, emerging technology is expected to significantly reshape the consulting industry and the services that clients demand. Given our strategic focus on technology, this presents a substantial growth opportunity for Elixirr's core offerings. Our investments in this space position us well to capitalise on these trends and drive long-term success.

The planned transition to the Main Market further strengthens our outlook, enhancing our profile, investor confidence, and access to deeper capital pools. This move aligns with our long-term strategy, supporting sustainable growth and maximising shareholder value.

Stephen Newton
Founder & Chief Executive Officer
25 April 2025

"Elixirr have been forward thinking, innovative and dynamic. They helped us build a product way better than we thought, knew or understood we could."

CEO & Co-Founder
Property Marketplace

Section 172 Statement

FOR THE YEAR ENDED 31 DECEMBER 2024

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 upheld through our core values: 'Entrepreneurial', 'Collaboration', 'Creating a Legacy', and 'Beyond Expectations'. These values, together with our leadership behaviours, form the foundation of our culture, ensuring that through strong governance, our conduct and decision-making align with doing the right thing for the business and our stakeholders. The Board strives to maintain a balance between short-term success and long-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 mentoring for every employee
- Two-day cultural immersion event for all new joiners
- Formal business updates from the CEO, Deputy CEO and CFO
- Monthly business updates involving all brands
- Global travel and secondment opportunities to work alongside team members in different locations and in different capabilities
- Cultural assessments of potential acquisitions to assess suitability
- Partner-led forums by grade

Shareholders

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

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
- Meetings with external investors – both institutional and retail investors
- Investor feedback via NOMAD, retail platforms and directly

" 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, marketing and research 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 clients' changing needs
- End-to-end advisory offering
- 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
- Regular assessment of client needs
- Rigorous hiring assessment of all new hires
- Acquiring new companies with new capabilities
- Continuous client satisfaction monitoring

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, are committed to providing a rewarding workplace and maintaining a strong, meritocratic and entrepreneurial culture. 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
- Training and development
- Career development 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
- Leadership training for Manager and Principal grades
- 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. The Group is committed to driving success in the communities that have been foundational to our success, including supporting and partnering with organisations in those communities. We promote 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
- Supporting local businesses, including budding entrepreneurs
- Charitable initiatives aligned to our core values
- Supporting the growth of talent from underprivileged backgrounds

FORM OF ENGAGEMENT

- Dedicated internal Elixirr Foundation team
- Partnerships with charities across our key geographies
- Strategic partnerships to train charities in key business acumen, including:
    - Supporting digital training initiatives designed to embed participants in the workforce in South Africa
    - Supporting an entrepreneurship programme in the US
    - Supporting coding workshops and training sessions for participants in Croatia
- Volunteer days for each team member
- Not-for-profit services through our consulting services
- Partnership with Harris Westminster who provide top level education to students from all socio-economic backgrounds
- Training and mentorship programmes for IT graduates in South Africa and Croatia

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 communications and consistent payment processes
- Regular supplier reviews

Task Force on Climate-Related Financial Disclosures

This report has been produced in line with the climate-related financial disclosure requirements of Section 414CB of the Companies Act 2006, which are aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD").

This is the first year the Group has reported in accordance with TCFD. This exercise has supported our ability to identify, assess and monitor the potential impacts of climate-related risks and opportunities on our business. Where certain TCFD recommended disclosures are not included, this is because they are not considered necessary for an understanding of the Group's business at this time, as permitted under the Companies Act. A clear rationale for this is set out below.

The Audit and Risk Committee undertakes an annual assessment of risks to the Group, including emerging ESG considerations. No climate-related risks were identified as principal risks to the business in FY 24.

GOVERNANCE

The Group's governance framework for risk management is described in detail in the Audit and Risk Committee Report.

Responsibility for oversight of climate-related issues resides with the Board of Directors. Operational execution is delegated to the Audit and Risk Committee, which meets at least annually to review the Group's risk register and identify any emerging risks, including those related to climate. ESG-related factors are monitored operationally by management as part of our enterprise-wide risk framework.

STRATEGY

Elixirr operates an asset-light, low-carbon business model, with minimal direct environmental impact. However, we recognise that climate change may influence our operating environment through regulatory, market, and stakeholder shifts, particularly as it relates to our clients.

The Group considers climate-related risks and opportunities over the short (1–2 years), medium (3–5 years), and long term (5+ years). We have identified the following potential strategic considerations: transition risks, including evolving regulation (such as mandatory client disclosures), carbon pricing and investor expectations; and opportunities, such as increasing demand from clients for ESG-aligned consulting and support in navigating sustainability transitions.

While none of these have materially impacted our financial or strategic planning to date, the Group continues to monitor the changing climate and regulatory landscape, particularly as we expand globally and move to the Main Market of the London Stock Exchange.

While Elixirr has not undertaken detailed quantitative scenario analysis, the Group has qualitatively assessed risks under low-carbon and high-emission pathways and does not anticipate material exposure in the short to medium term.

RISK MANAGEMENT

Climate-related risks and opportunities are assessed within the Group's overarching risk management framework, which incorporates formal governance, internal controls and enterprise risk awareness across all levels of the organisation.

Although the Group's direct exposure is limited, the risk of indirect impacts through client demand, reputational expectations or workforce preferences is acknowledged and monitored. Any emerging issues are escalated through our existing issue identification and escalation process, and considered during the Group's annual risk register review.

Climate-related risks have been considered as part of the Group's principal risk assessment, but are not currently classified as principal risks. This will be reassessed annually.

METRICS AND TARGETS

The Group currently monitors Scope 1, Scope 2 and Scope 3 greenhouse gas ("GHG") emissions, disclosed in the Streamlined Energy and Carbon Report ("SECR"). Our emissions remain modest due to the nature of our operations.

At this time, the Group has not adopted specific climate-related KPIs or emissions-reduction targets. This is because: our emissions profile is inherently low; there is no material financial exposure to transition risks requiring decarbonisation commitments; and our strategy is not currently constrained by climate-related physical or regulatory risks.

We will continue to monitor the relevance and necessity of setting quantitative climate-related targets and key performance indicators in line with the evolving materiality of such risks and stakeholder expectations.

OMITTED DISCLOSURES – EXPLANATION

In line with the "comply or explain" provisions under UK law and the TCFD framework, the Group has not disclosed the following recommended items:

- Processes for managing climate-related risks in detail: Climate risk is assessed via our broader enterprise risk framework. No separate processes are considered necessary at this time due to low exposure.
- Integration into the overall risk framework: Climate risk is considered within our standard enterprise-level controls and governance.
- KPIs beyond GHG emissions: Additional climate-related KPIs are not currently material or relevant to our operating model.
- Climate-related targets: Given our low emissions profile, no emissions reduction targets have been set. The need for targets will be reassessed annually.

FUTURE CONSIDERATIONS

As we transition to the Main Market, we will re-evaluate the materiality of climate-related risks and opportunities, particularly in light of changing stakeholder expectations, regulatory requirements, and market dynamics.

Streamlined Energy and Carbon Report

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; and

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 CO_2e emissions.

Table 1: Scope 1, 2 and 3 Emissions

SCOPE	ACTIVITY	FY 24 tCO_2e	FY 23 tCO_2e
2	Purchased Heat & Electricity	32.04	30.97
3	Business Travel & Commuting	7.30	10.01
TOTAL		**39.34**	**40.98**

SCOPE	ACTIVITY	FY 24 mWh	FY 23 mWh
2	Purchased Heat & Electricity	163.29	154.53
3	Business Travel & Commuting	n/a	n/a
TOTAL		**163.29**	**154.53**

INTENSITY METRIC	FY 24	FY 23
£m revenue	35.06	32.07
tCO_2e per £m revenue	**1.12**	**1.28**

These emissions metrics support the Group's disclosure in line with the TCFD recommendations, included in the Strategic Report, TCFD section.

Financial Review

Table 2: Financial Results Summary

	FY 24	FY 23	% CHANGE
Revenue	**£111.3m**	£85.9m	+30%
Gross profit	**£35.8m**	£29.3m	+22%
Adjusted EBITDA*	**£31.2m**	£25.4m	+23%
Adjusted EBITDA margin*	**28.0%**	29.6%	-1.6PP
Adjusted profit before tax*	**£29.7m**	£24.4m	+22%
Adjusted diluted earnings per share*	**43.1p**	37.2p	+16%
Dividend per share	**17.8p**	14.8p	+20%
Free cash flow	**£28.1m**	£16.1m	+74%
Net cash	**£7.5m**	£18.1m	-58%

* In order to provide better clarity to the underlying performance of the Group, Elixirr uses Adjusted EBITDA, Adjusted profit before tax 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 another strong year of growth for the Group, both organic and inorganic through the FY 24 acquisition of Hypothesis and the successful integration of the FY 23 acquisitions of Responsum and Insigniam. The Group achieved double-digit growth in revenue, gross profit and Adjusted EBITDA in FY 24; a testament to the continued effectiveness of our four-pillar growth strategy.

Our premium end-to-end service offering, deep knowledge of emerging technologies and industry specific expertise meant that Elixirr continued to be well placed to support an expanding client base with a variety of business-critical challenges. During FY 24 we delivered a diverse range of solutions to our clients across numerous industries and geographies, aided by the acquisition of Hypothesis. This acquisition opened doors to new blue-chip clients, markets, and capabilities, and has generated significant growth potential for future years. The Group also agreed a £45.0 million revolving credit facility with NatWest to support delivery of the Group's organic and inorganic growth strategy and for general corporate and working capital purposes, whilst limiting equity dilution.

The Group delivered healthy, industry-leading margins and strong cash generation, closing out the year in a financially sound position with debt drawn under the Group's RCF to partially fund the acquisition of Hypothesis fully repaid.

REVENUE

Revenue increased by 30% to £111.3 million in FY 24 compared with £85.9 million in FY 23, with six record months of revenue achieved during the year. Revenue growth was driven by both organic revenue growth of 13% and the impact of the acquisitions.

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 following the acquisitions of Hypothesis in FY 24 and Insigniam and Responsum in FY 23. US revenue accounted for 55% of Group revenue in FY 24 (FY 23: 44%) – an increase of 11PP since FY 23. Revenue per client-facing Partner grew 6%, from £3.9m in FY 23 to £4.1m in FY 24. This reflects the quality and resilience of our Partner team and how the growing suite of capabilities provided by our acquisitions have expanded the range of services that our Partners can sell to their clients. This continues the growth in this metric every year since IPO.

The significant increase in the Group's revenue from FY 23 highlights persistent high demand for its current service portfolio, coupled with the strategic integration of new service capabilities acquired through acquisitions. The Hypothesis business has proven to be highly complementary to the Group's consulting, digital, data and technology offerings, providing a range of additional solutions that meet client needs.

GROUP PROFITABILITY

The Group's revenue growth was matched by similarly strong growth in profits. Group gross profit reached £35.8 million in FY 24, marking a notable £6.5 million increase or 22% growth compared to the previous year's £29.3 million.

Administrative expenses increased by 28% to £11.0 million, principally reflecting the inclusion of Insigniam and Hypothesis, including the amortisation of non-cash intangible assets.

FY 24 Group Adjusted EBITDA increased by 23% from FY 23 and was delivered at a 28% margin (FY 23: 30%). This is in the middle of our guidance range of 27-29% and includes the dilutive impact of Hypothesis when compared to FY 23 Group Adjusted EBITDA margin.

PROFIT BEFORE TAX

Group Adjusted profit before tax increased by 22% to £29.7 million (FY 23: £24.4 million) and was driven by the increase in Adjusted EBITDA.

Group statutory profit before tax increased by 4% to £22.9 million (FY 23: £22.1 million). This increase is less than the increase in Adjusted EBITDA principally as a result of non-recurring M&A-related items – FY 23 included a £2.9 million credit adjustment to contingent consideration and FY 24 included a £0.5 million debit adjustment to contingent consideration.

NET FINANCE EXPENSE

Net finance expense of £0.8 million for FY 24 includes the finance cost of contingent consideration (£0.8 million), the Group office leases liability (£0.2 million) and the RCF (£0.2 million), partially offset by £0.4 million of finance income on bank deposits. The increase in net finance expense was principally driven by the RCF. As at 31 December 2024, the Group has no interest rate risk exposure.

TAXATION

The Group's tax charge for FY 24 was £6.5 million, reflecting a higher effective tax rate on Adjusted profit before tax of 24.7% compared with 23.1% in FY 23. The increase was largely driven by the full year impact of the increase in the UK corporate tax rate from 19% to 25% (effective April 2023 onwards). 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 16% to 43.1p. This was the result of the 19% increase in Adjusted profit after tax slightly offset by a higher weighted average number of shares due to the share issues for the acquisition of Hypothesis in FY 24 and Insigniam and Elixirr AI (formerly "Responsum") in FY 23. 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 £7.5 million (FY 23: £18.1 million), with debt drawn under the RCF fully repaid at year end. This reflects a net reduction in cash of only £10.6 million for the year, despite £21.0 million of acquisition payments for Hypothesis.

The Group continued to benefit from strong cash generation with increased net cash flow generated from operations of £29.4 million in FY 24 (FY 23: £16.8 million).

The increase in operating cash flow compared to FY 23 was greater than the increase in EBITDA due to positive working capital performance.

Net cash utilised for acquisitions reflects a total of £21.2 million, which is comprised of £21.0 million initial cash consideration for the acquisition of Hypothesis (net of £0.6 million cash acquired on acquisition) and £0.2 million Elixirr AI earn-out payments.

Net cash utilised in financing activities of £18.6 million represents a dividend payment of £6.9 million, net purchase of shares by the EBT of £8.1m, net Partner loans (including associated section 455 tax) of £0.9 million, net interest on and repayment of borrowing of £1.4 million and office lease payments of £1.4 million.

STATEMENT OF FINANCIAL POSITION

Net assets as at 31 December 2024 totalled £132.1 million (FY 23: £119.6 million). The increase in net assets is as a result of retained profit for the year of £8.8 million, a £3.8 million increase in share premium for the share issue associated with the Hypothesis acquisition, net of loss on sale of shares by the EBT, foreign currency translation gains of £1.1 million, less the increase in cost of shares held by the EBT of £1.2 million.

DIVIDENDS

The Company paid an interim Ordinary share dividend in respect of FY 23 of 5.3p per share on 15 February 2024 and a final Ordinary share dividend in respect of FY 23 of 9.5p per share on 20 August 2024.

An interim Ordinary share dividend in respect of FY 24 of 6.3p per share was paid on 17 February 2025. The Board is pleased to recommend a final Ordinary share dividend for FY 24 of 11.5p per share, making a total dividend of 17.8p for the FY 24 financial year, a 20% increase on the FY 23 dividend.

The final dividend will be recommended to shareholders at the AGM in June 2025. The FY 24 final dividend will have a total cash cost of £5.5 million.

Our Key Performance Indicators ('KPIs')

The Directors are of the opinion that the Group's KPIs are revenue, gross profit, adjusted EBITDA, adjusted 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 within the Financial Highlights section of 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 Table 3 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.

Table 3: Principal Risks and Uncertainties

PRINCIPAL RISKS	DESCRIPTION / IMPACT	MITIGATING FACTORS
Demand for services in markets and sectors in which the Group operates	The Group's ability to win new client mandates is critical for its success and growth. Revenue growth is reliant on the ability to cross-sell and up-sell new services to existing clients. Changes in demand for the Group's services can significantly impact revenues and profits. 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. The Group operates in a competitive environment, where other consulting firms seek to provide similar services.	• 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.
Recruitment and retention of talented employees	The Group's ability to attract and retain key personnel is critical to its success and growth. Failure to recruit or retain talented individuals could result in disruption to client relationships, reduced capacity to deliver on client engagements and potential loss of institutional knowledge.	• The Group's strong brand reputation generates a consist recruitment pipeline, enabling Elixirr to be selective and ensuring that only the highest quality applicants are hired. • 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. • Our equity incentive model incentivises key people to remain with the Group, with the returns from the ESPP and share option schemes having 4-6 year vesting terms to incentivise retention. • The Group's Partner model of single count and double count Partners ensures that client relationships are not limited to one individual – mitigating the impact of the loss of any one person. • There are contractual notice periods for all key staff, with longer periods for senior team members.

PRINCIPAL RISKS	DESCRIPTION / IMPACT	MITIGATING FACTORS
Recruitment and retention of talented employees *(cont.)*		• Staffing levels are monitored weekly in accordance with revenue, and additional resources with appropriate expertise and experience recruited as required. • All employees are assigned a Partner coach to help their progression in the business.
M&A and integration	The Group's growth strategy has in the past included and is expected to continue to include acquisitions, which involve risks and uncertainties. Failure by the Group to successfully integrate an acquired business may have a detrimental impact on the Group's financial performance.	• A dedicated internal acquisition team is responsible for identifying opportunities and bringing targets through the pipeline. • Due diligence and risk assessment is performed on all potential acquisitions, including ensuring strategic and cultural fit and validating the business case. The Company has entered due diligence with a number of businesses and subsequently decided not to proceed given issues identified during diligence. Any risks identified are mitigated through the deal structure or other mitigating actions or controls. • A proportion of acquisition consideration is typically deferred and contingent on performance. This aligns acquired Partners with the wider Partner team, as performance can earn 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.
Professional reputation, key client relationships and contractual terms	The Group's ability to remain competitive depends in part on its ability to protect its brand and reputation as a consultancy providing exceptional service to clients. Failure of the Group to develop and retain client relationships could result in a reduction in revenues. Potential unforeseen contractual liabilities and loss of client relationships may arise from client engagements that are not completed satisfactorily.	• The Group has a relentless focus on customer service and exceeding client expectations. This combined with our bespoke solutions frequently embeds us within our clients over the long term. • Every project is overseen by one or more Partners, whose responsibilities include monitoring client satisfaction and ensuring exceptional quality. • Employee options vest only for high performance. This incentivises our people to perform at a high level to the benefit of our clients. • Individual performance is monitored quarterly with each team member rated on a yearly basis. This supports the Group's ability to ensure that clients consistently receive high quality service. • Every contractual agreement is reviewed by an experienced legal team led by the General Counsel to ensure that the risk profile is acceptable.

PRINCIPAL RISKS	DESCRIPTION / IMPACT	MITIGATING FACTORS
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.	• Utilisation targets are set annually and monitored monthly. • Allocation of employees to projects and available capacity is reviewed weekly. • Project profitability is tracked against approved target margins, with an element of Partner remuneration based on achieving profitability targets. • The profitability of each business unit is reviewed regularly by the CFO and the COO.

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 & Deputy CEO
25 April 2025

Nicholas Willott
Chief Financial Officer
25 April 2025

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 25 April 2025.

Stephen Newton
Founder & Chief Executive Officer
25 April 2025

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 2024, and up to the date of this report, the Company has applied the principles of the Quoted Companies Alliance (QCA) Code and complied with its detailed provisions throughout the period under review. Following the Move to the Main Market later in FY 25, the Company will henceforth adopt and report against the UK Corporate Governance Code (UKCG).

Full details of our approach to governance are set out in this Corporate Governance Report 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 is Chair, formerly serving as Chief Executive Officer of the BT Group from 2013 to 2019. During his tenure, Gavin led the completion of the UK rollout of the superfast fibre network and started the development of ultrafast fibre. Gavin led the £15 billion acquisition of EE, launched BT Sport and expanded BT's cyber security business. He joined BT in 2004 as Managing Director of Consumer and joined the PLC board in 2008 as Chief Executive BT Retail. Prior to BT, Gavin spent four years at Virgin Media and nine years at Procter & Gamble. Most recently, Gavin's final executive role was at Salesforce from 2019 to 2023, predominantly as President and Chief Revenue Officer responsible for worldwide sales and distribution of products and services.

Gavin is currently a non-executive director at several companies including Wix Inc, Ocado Group, X3T and Malt. He chairs Kahoot! and Kraken Technologies.

Gavin was appointed to the Board in November 2019.

Stephen Newton

Chief Executive Officer

Stephen is Chief Executive Officer and Co-Founder of the Elixirr business and has over 25 years' experience in transformational change and strategy. Prior to forming Elixirr, Stephen was a Managing Partner at Accenture and was previously a Financial Services Partner at IBM. He is a chartered accountant, having qualified at KPMG.

Over his career, Stephen has advised the boards of some of the world's leading companies across multiple industries. Recently he has been listed as a Global Leader in Consulting, recognised for 'Excellence in Influence' by Consulting magazine.

Stephen was appointed to the Board in December 2018.

Graham Busby

Deputy Chief Executive Officer

Graham is Deputy Chief Executive Officer and Co-Founder of the Elixirr business having previously worked for Accenture. Graham was previously Marketing and Sales Director for the Elixirr business before moving to his role as Chief Financial Officer, which he was appointed as in 2019 and remained until January 2025.

Prior to Elixirr, Graham was a member of the Global Mega-Deal Team at Accenture which was an eight-person team responsible for shaping and selling multi-functional transformational deals worth over $500 million to clients in all industries and geographies.

Graham was appointed to the Board in July 2020.

Nicholas Willott

Chief Financial Officer
(Appointed as Director on 1 January 2025)

Nicholas joined Elixirr in 2020, the year of the AIM IPO, and served as the Group's Finance Director and Company Secretary until 2024, before being appointed Chief Financial Officer in January 2025. Prior to joining Elixirr, Nicholas was the Finance Director and an executive board director of the financial services division at a FTSE 250 company.

Nicholas is a chartered accountant, having qualified at Deloitte and previously worked as a director in M&A Advisory.

Nicholas was appointed to the Board in January 2025.

Ian Ferguson

Board Advisor
(Resigned as Director on 31 December 2024)

Ian was an Executive Director of the Company until 31 December 2024. He is a Co-Founder of Elixirr and became a Board Advisor from 1 January 2025, having operated as General Counsel until July 2024. He has over 40 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 is an Independent Non-Executive Director, having been a consultant to the Company since April 2020. Charlotte is currently the Chief Financial Officer for Dianomi plc.

Charlotte was previously a partner at AIM-quoted MXC Capital, a technology, media and telecoms investor and adviser. During her time at MXC Capital she was interim Chief Financial Officer at AIM-quoted IDE Group plc, which is an investee company of MXC Capital. Prior to MXC Capital, Charlotte was a Corporate Finance Director at finnCap Ltd.

Charlotte is currently a non-executive director at Eagle Eye Solutions Group plc and is a chartered accountant, having qualified at Moore Stephens. Charlotte was appointed to the Board in July 2020.

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.

Simon has held many Non-Executive Director and commercial Chief Financial Officer roles over the past few years. Entrepreneurial and commercial, Simon's experience is in setting up and managing both quoted and private companies.

With more than 15 years of experience working with public companies, particularly AIM-quoted companies, Simon has served as Finance Director for several small-cap companies, assisting with multiple AIM admissions. Simon started his career at Deloitte, where he qualified as a chartered accountant.

Simon was appointed to the Board in July 2020.

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 quoted 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.

In January 2025, Nicholas Willott (Chief Financial Officer from January 2025 and Company Secretary) was appointed to the Elixirr Board, while Ian Ferguson resigned as a Director on 31 December 2024 but continues as advisor to the Board.

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.

Current Executive Directors are full-time employees of the Group and have entered into service agreements with the Group. 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 other than one meeting where the Chair was absent. 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 financial performance of the Group's business;
- Reviewing progress across all the elements of the Group's four pillar growth strategy;
- Reviewing promotions to Partner and new Partner hires;
- Reviewing the status of potential acquisitions; and
- Approving the acquisition of US-based strategic insights consultancy, Hypothesis.

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 Deputy CEO, CFO and Board Advisor 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 2024.

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 2024 and in December 2024.

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 Advisor, Cavendish Capital Markets Limited. 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. Across the Group, the Management Team is 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 several reports to enable it to monitor and clearly understand the Group's financial position. The Board considers that this Annual Report and Accounts, 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 2024.

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 2024 and met once prior to the date of this report during 2025. All members of the Committee at the time of each meeting were present. Graham Busby (Deputy CEO), Nicholas Willott (CFO) and Ian Ferguson (Board Advisor) also attended meetings by invitation. The external auditor attended the first meeting of 2025 at which the annual audit for 2024 was reviewed and the first meeting of 2024 at which the annual audit for 2023 was 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 assessing the independence of the external auditor);
- Financial reporting;
- Internal control and risk management; and
- Reporting on activities of the Committee.

The main items of business considered by the Committee during the year (and at its meetings in 2025 in relation to the 2024 audit and Annual Report and Financial Statements) included:

- Consideration of the 2023 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 2024 interim financial statements;
- A review of the year-end 2024 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 2024 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.

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 2025 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

The Committee's policy is not to engage Crowe U.K. LLP to provide any non-audit services other than audit-related and regulatory reporting services permitted by the Financial Reporting Council's Ethical Standard for Auditors.

Crowe U.K. LLP were not appointed to provide any non-audit services in the year ending 31 December 2024.

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 by the Committee and 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 of the financial statements. 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 Committee carries out an annual risk assessment and review of mitigating controls.

Charlotte Stranner
Chair of the Audit and Risk Committee
25 April 2025

Remuneration Committee Report

As Chair of the Remuneration Committee ("the Committee"), I am pleased to present our report for the year ended 31 December 2024 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. Nicholas Willott (Company Secretary) acts as the Secretary of the Committee.

The Committee met on 19 March 2024, 20 December 2024, 20 January 2025 and 25 March 2025. All members of the Committee were present at the 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 19 March 2024 included:

- Review of the Executive Directors' performance in the year ended 31 December 2023, which included the delivery of a strong set of financial results, an increase in revenue per Partner, the acquisition of Responsum in September 2023, the acquisition of Insigniam in December 2023, 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 2023, 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 2023. 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: £959,000
    - Deputy CEO: £373,000
    - Board Advisor: £373,000
- Vesting of share options granted in previous years; and
- A 5% increase in the base salaries of the Executive Directors with effect from 1 January 2024.

The main item of business considered by the Committee at its meeting on 20 December 2024 was the approval of the rules of the Elixirr International plc Restricted Share Plan.

The main items of business considered by the Committee at its meeting on 20 January 2025 included:

- Grants of restricted shares under the Elixirr International plc Restricted Share Plan; and
- Changes to the base salaries of the Deputy CEO and CFO with effect from their appointment to the respective role.

The main items of business considered by the Committee at its meeting on 25 March 2025 included:

- Review of the Executive Directors' performance in the year ended 31 December 2024, which included the delivery of another strong set of financial results, an increase in revenue per Partner, the acquisition of Hypothesis in October 2024, the establishment of a £45 million RCF with National Westminster Bank plc, a £25 million secondary share placement 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 2024, 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 2024. 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: £1,069,000
  - Deputy CEO: £415,000
  - Board Advisor: £311,000
- Vesting of share options granted in previous years; and
- A 5% increase in the base salaries of the Executive Directors with effect from 1 January 2025.

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, and 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 42 to 56.

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.

Annual bonus

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

Share options and restricted share awards

Share options and restricted share awards may be granted for exceptional performance and to align executives' incentives with those of other shareholders. The amounts of shares options and restricted share awards granted to Executive Directors for exceptional performance are set out in the Principal Activities section.

Other benefits

Policies concerning benefits are reviewed annually. Currently taxable benefits comprise private health cover, and life, critical illness 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	1 January 2025	Rolling contract	6 months	6 months
Graham Busby	1 January 2025	Rolling contract	6 months	6 months
Nicholas Willott	1 January 2025	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 2024, the annual fee payable to the Chairman was £90,956 per annum and the annual fees payable to the other Non-Executive Directors were £48,510 per annum.

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
25 April 2025

Directors and Corporate Information

DIRECTORS

Gavin Patterson
Independent Non-Executive Chairman

Stephen Newton
Chief Executive Officer

Graham Busby
Deputy Chief Executive Officer

Nicholas Willott
Chief Financial Officer
(Appointed as Director on 1 January 2025)

Ian Ferguson
Board Advisor
(Resigned as Director on 31 December 2024)

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 and Head Office
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, 55 Ludgate Hill, London, EC4M 7JW

Nominated Advisor and Joint Broker
Cavendish Capital Markets Limited, 1 Bartholomew Close, London, EC1A 7BL

Joint Broker
Peel Hunt LLP, 100 Liverpool Street, London, EC2M 2AT

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 2024.

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 Section 172 Statement, the Task Force on Climate-Related Financial Disclosures, the Streamlined Energy and Carbon Report, the Financial Review and Our Key Performance Indicators ('KPIs').

PRINCIPAL ACTIVITIES

Elixirr International plc is a public limited company which is quoted 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 three operating subsidiaries in the United Kingdom: Elixirr Consulting Limited, Elixirr Digital Limited and The Retearn Group Ltd. The Group has four operating subsidiaries in the United States (Elixirr LLC, Elixirr Digital Inc., Insigniam LLC and Hypothesis Group, LLC) as well as operating subsidiaries or branches in South Africa, France, Jersey and Croatia.

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

RESULTS

The results for the year ended 31 December 2024 are set out in the Group Statement of Comprehensive Income. Revenue for the year was £111.3 million, a 30% increase from £85.9 million in the year ended 31 December 2023. 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 2025 the following parties were interested in 3% or more of the Company's Ordinary share capital:

Table 4: Substantial Shareholdings

Shareholder	Number of Ordinary shares held	% Held
Stephen Alexander Newton	11,432,375	23.7%
Gresham House Asset Management	4,512,573	9.4%
Slater Investments	3,343,049	6.9%
Rathbone Investment Management	2,795,243	5.8%
Ian James Anthony Ferguson	2,240,383	4.6%
Graham Edward Busby	1,745,390	3.6%

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 £7.5 million of cash at 31 December 2024, with no debt drawn under the RCF at year end.

The Directors have prepared cash flow forecasts for the Group from the date of approval of these financial statements to 31 December 2027. 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, are 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 and Redeemable Preference shares of £1 each. 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.

Each Ordinary share carries the right to one vote at general meetings of the Company. 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.

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.

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.

DIVIDENDS

The Company paid an interim Ordinary share dividend in respect of FY 23 of 5.3p per Share on 15 February 2024 and a final Ordinary share dividend of 9.5p per Share on 20 August 2024, making a total dividend of 14.8p for the FY 23 financial year.

The Company paid an interim Ordinary share dividend in respect of FY 24 of 6.3p per Share on 17 February 2025.

The Board is pleased to recommend a final Ordinary share dividend of 11.5p per share, making a total dividend of 17.8p for the FY 24 financial year, a 20% increase on the FY 23 dividend. The final dividend will be recommended to shareholders at the AGM in June 2025. The FY 24 final dividend will have a total cash cost of £5.5 million.

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 2024 and the year ended 31 December 2023, in line with the Companies Act 2006 requirement:

Table 5: Directors' Remuneration FY 24 and FY 23

		SALARY	BONUS	BENEFITS	PENSION	TOTAL
	NAME	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
FY 24						
	Gavin Patterson	91	-	-	-	91
	Stephen Newton	331	1,423	11	1	1,766
	Graham Busby	276	552	7	1	836
	Ian Ferguson	207	414	13	-	634
	Charlotte Stranner	49	-	-	-	49
	Simon Retter	49	-	-	-	49
	TOTAL	**1,003**	**2,389**	**31**	**2**	**3,425**
FY 23						
	Gavin Patterson	87	-	-	-	87
	Stephen Newton	315	1,276	11	1	1,603
	Graham Busby	263	496	7	1	767
	Ian Ferguson	263	496	12	-	771
	Charlotte Stranner	46	-	-	-	46
	Simon Retter	46	-	-	-	46
	TOTAL	**1,020**	**2,268**	**30**	**2**	**3,320**

Benefits comprise private health cover, and life, income protection and critical illness insurances. 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 2024 and 31 December 2023, together with share options granted during the year were as follows:

Table 6: Directors' Interests in Shares and Options

	FY 24		FY 23		FY 24	
NAME	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 24 grant (p)
Gavin Patterson	285,833	-	616,670	-	-	-
Stephen Newton	11,702,544	317,612	13,239,895	153,400	164,212	584
Graham Busby	1,269,390	303,974	1,374,800	334,104	63,870	584
Ian Ferguson	2,240,383	212,974	2,594,082	164,704	63,870	584
Charlotte Stranner	269,670	-	370,005	-	-	-
Simon Retter	242,083	-	376,733	-	-	-
TOTAL	**16,009,903**	**834,560**	**18,572,185**	**652,208**	**291,952**	**1,752**

During FY 24, Graham Busby exercised 94,000 options and Ian Ferguson exercised 15,600 options. The options had an exercise price of £0.43365 and the share price at the time of exercise was £5.74.

All the interests detailed in Table 6 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.

On 14 January 2025, Gavin Patterson sold 50,000 Ordinary shares at a price of £7.00 per Ordinary share. At 25 April 2025, Gavin Patterson's shareholding was 235,833 Ordinary shares.

On 17 January 2025, Stephen Newton sold 270,270 Ordinary shares at a price of £7.40 per Ordinary share. At 25 April 2025, Stephen Newton's shareholding was 11,432,375 Ordinary shares.

On 22 January 2025, Graham Busby received a restricted share grant of 476,000 Ordinary shares. Following the grant, Graham Busby's shareholding was 1,745,390 Ordinary shares.

There were no other changes in the Directors' interests in shares between 31 December 2024 and 25 April 2025.

On behalf of the Board

Stephen Newton
Founder & Chief Executive Officer

100 Cheapside, London, EC2V 6DT
25 April 2025

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 2024, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2024;
- the Group and Parent Company statements of financial position as at 31 December 2024;
- 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 material 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 2024 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 and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's assessment and verified key supporting statements to underlying data and assessed whether these are in line with our understanding of the business and sector.
- We obtained and reviewed management's cash-flow forecast to 31 December 2027 as well as a cash-flow budget for the year ended 31 December 2025. The forecasts and budget show the group as being profitable and cash generative throughout the applicable periods. 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 the sector.
- We reviewed a sample of post year end committed revenue to underlying contracts to support forecast revenue.
- 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 their assessment of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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 at the planning stage, we determined overall materiality for the Group financial statements as a whole to be £1,190,000 (2023 £970,000), based on approximately 5% of the draft profit before tax. We reviewed whether this was still appropriate based on final profit before tax and concluded no revisions to this figure were required. Materiality for the Parent Company financial statements as a whole was set at £1,000,000 (2023: £500,000) based on net assets.

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 £833,000 (2023: £679,000) for the group and £700,000 (2023: £350,000) for the parent.

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 £60,000 (2023: £26,000). 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 remotely by the Group Audit Team using a component materiality for the purposes of the consolidation only.

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 member's interest in Hypothesis Group LLC. 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. Specifically, there is judgement applied in both the valuation of intangibles that arise upon acquisition and recognition of potential contingent or deferred consideration. The risk of misstatement is elevated due to potential management bias.	We obtained a copy of the members interest purchase agreement (MIPA) and have ensured that the acquisition has been correctly accounted for in accordance with IFRS 3 in the financial statements. We audited both the assets and liabilities acquired as well as the consideration paid. We considered, using valuation experts, the intangible assets that arise upon this acquisition and reviewed the residual goodwill recognised at the group level. All assumptions made were audited using our knowledge of the group, similar clients and the wider sector. We discussed and challenged management on the assumptions used for their calculations and identification of intangible assets and agreed the underlying numbers to supporting evidence. We completed our testing in conjunction with our internal valuation specialists. Elements of the purchase consideration are still subject to finalisation and management therefore included an estimate of these amounts. We agreed these to supporting calculations including those prepared by a third party. We ensured that the disclosures required by IFRS 3 have been made completely and accurately.
Carrying value of goodwill (note 12)	
In accordance with IFRS the Group is required to test goodwill annually for impairment, or more frequently if there are indications that they might be impaired. Goodwill represents £120m of the intangible assets recognised at year end. Management apply judgement within their impairment assessment for example identification of CGUs (cash generating unit) and apply a number of assumptions including the discount rate and long-term growth rate. There is a risk of misstatement due to potentially inappropriate judgements applied.	We obtained and reviewed the impairment assessment prepared by management along with the supporting forecasts. We examined in detail the basis of the impairment model including reviewing management's assessment of the various CGUs and the associated carrying values upon which the headroom is considered. We consulted with internal valuation specialists who reviewed the appropriateness of the discount rate calculation compared to market expectations and industry data. We reviewed and challenged key assumptions, inputs and estimations made by management in their forecasts and tested their appropriateness by comparing it to past results and external sources of information. This included a review of long-term growth and applied margin rate assumptions as well as working capital assumptions. We also challenged as to how micro and macro-economic risks, (such as inflation), have been factored into the model. We also inspected evidence of the internal review of the forecasts by management and the Board.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Carrying value of goodwill (note 12) cont.	
There are detailed disclosures required under IAS 36 and thus there is a risk of inadequate disclosure.	We performed a retrospective review to assess the accuracy of management's forecast process and assess whether it is susceptible to management bias. In doing so, we reviewed the arithmetical accuracy of the forecasts and the resulting net present value of the resulting future cash flows. To understand the resilience of the business and identify scenarios where an impairment would be required, we reviewed management's sensitivity analysis as well as conducted our own plausible yet downside scenario. We reviewed the disclosures made in respect of impairment, including those made as significant estimates and judgements to ensure compliance with the underlying accounting standards.
Revenue recognition on open ended contracts in the acquisition entity Hypothesis Group LLC	
The accounting policy on revenue recognition applied within Hypothesis recognises revenue over time, in line with the requirements of IFRS 15 and the group's accounting policy, however the processes used to determine the revenue to be recognised is different to the rest of the group. We considered there to be a greater element of judgement made by management in determining the appropriate revenue recognition point and hence an elevated risk of material misstatement in respect of revenue recognition on Hypothesis contracts that were open at the year end.	We challenged management on the appropriateness of the accounting policy applied and considered the systems and controls in place to minimise inappropriate recognition. We held discussions direct with the project managers on some of the larger open contracts, who sit outside of the finance team and ultimately have no control of the revenue recognition, to gain an understanding of the status of open contracts and an assessment of the percentage complete. We performed reasonability assessments to determine whether the difference between the current accounting policy and the Group's accounting policy is likely to lead to a material misstatement. We also obtained, where possible, third party communications with customers as close to the year end as possible to help support the most recent deliverable provided. We then compared this to the stage of completion reported by management's system to enable us to assess the accuracy of this system.

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 MATTERS 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 72 to 73, 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;
- review of accounting estimates for biases; and
- assessing the design and implementation of controls and approval processes in significant risk or judgemental areas.

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 out 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.

Matthew Stallabrass (Senior Statutory Auditor)
for and on behalf of

Crowe U.K. LLP
Statutory Auditor
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

25 April 2025

Group and Company Financial Statements

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTE	YEAR ENDED 31 DECEMBER 2024 £'000s	YEAR ENDED 31 DECEMBER 2023 £'000s
Revenue	4	111,344	85,885
Cost of sales	4	(75,537)	(56,621)
Gross profit		**35,807**	**29,264**
Administrative expenses		(11,040)	(8,607)
Operating profit before M&A-related items	5	**24,767**	**20,657**
Depreciation		1,485	1,140
Amortisation of intangible assets		2,388	1,652
Share-based payments		2,550	1,967
Adjusted EBITDA	3	**31,190**	**25,416**
M&A-related items	5	(1,074)	1,966
Operating profit	5	**23,693**	**22,623**
Finance income		394	365
Finance costs		(1,198)	(889)
Net finance expense	6	**(804)**	**(524)**
Profit before taxation	5	**22,889**	**22,099**
Taxation	7	(6,510)	(4,861)
Profit for the year		**16,379**	**17,238**
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss:			
Currency translation on foreign currency net investments		1,079	(1,500)
Other comprehensive income, net of tax		**1,079**	**(1,500)**
Total comprehensive income		**17,458**	**15,738**
Basic earnings per Ordinary share (p)	10	34.80	37.53
Diluted earnings per Ordinary share (p)	10	31.64	34.16

All results relate to continuing operations.

The notes on pages 93 to 132 form part of these accounts.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		GROUP		COMPANY	
		31 DECEMBER 2024	31 DECEMBER 2023	**31 DECEMBER 2024**	31 DECEMBER 2023
	NOTE	**£'000s**	£'000s	**£'000s**	£'000s
Assets					
Non-current assets					
Intangible assets	12	130,334	100,905	-	-
Property, plant and equipment	14	4,927	5,612	-	-
Investments	15	-	-	117,317	95,287
Other receivables	16	3,023	1,985	2,469	1,520
Loans to shareholders	16	7,399	7,604	7,399	7,604
Deferred tax asset	8	3,830	3,477	-	-
Total non-current assets		**149,513**	**119,583**	**127,185**	**104,411**
Current assets					
Trade and other receivables	16	18,385	16,686	782	261
Corporation tax receivable	7	467	-	-	-
Cash and cash equivalents	17	7,527	18,130	1,837	6,659
Total current assets		**26,379**	**34,816**	**2,619**	**6,920**
Total assets		**175,892**	**154,399**	**129,804**	**111,331**
Liabilities					
Current liabilities					
Trade and other payables	18	25,675	19,056	13,487	6,909
Lease liabilities	19	1,530	1,150	-	-
Corporation tax		-	268	80	3
Other creditors	20	5,564	1,144	-	-
Total current liabilities		**32,769**	**21,618**	**13,567**	**6,912**
Net current assets		**(6,390)**	**13,198**	**(10,948)**	**8**
Non-current liabilities					
Lease liabilities	19	3,366	4,214	-	-
Deferred tax liability	8	3,632	2,000	-	-
Other non-current liabilities	20	4,012	7,005	-	-
Total non-current liabilities		**11,010**	**13,219**	**-**	**-**
Total liabilities		**43,779**	**34,837**	**13,567**	**6,912**
Net assets		**132,113**	**119,562**	**116,237**	**104,419**

		GROUP		COMPANY	
		31 DECEMBER 2024	31 DECEMBER 2023	**31 DECEMBER 2024**	31 DECEMBER 2023
	NOTE	**£'000s**	£'000s	**£'000s**	£'000s
Equity					
Share capital	21	52	52	52	52
Share premium	21	33,702	29,922	33,702	29,922
Capital redemption reserve		2	2	2	2
EBT share reserve	22	(2,897)	(1,745)	(2,897)	(1,745)
Merger relief reserve	21	46,870	46,870	46,870	46,870
Foreign currency translation reserve		1,457	378	-	-
Retained earnings		52,927	44,083	38,508	29,318
Total shareholders' equity		**132,113**	**119,562**	**116,237**	**104,419**

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 £18.0 million (FY 23: £7.6 million).

The notes on pages 93 to 132 form part of these accounts.

The Financial Statements on pages 87 to 132 were approved and authorised for issue by the Board of Directors on 25 April 2025 and were signed on its behalf by:

Stephen Newton
Director & Chief Executive Officer

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

GROUP	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	EBT share reserve £'000s	Merger relief reserve £'000s	Foreign currency translation reserve £'000s	Retained earnings £'000s	TOTAL £'000s
As at 31 December 2022 and 01 January 2023	**52**	**25,599**	**2**	**(7,147)**	**46,870**	**1,878**	**28,661**	**95,915**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	17,238	17,238
Other comprehensive income	-	-	-	-	-	(1,500)	-	(1,500)
Transactions with owners								
Ordinary share issues	-	5,417	-	-	-	-	-	5,417
Dividends	-	-	-	-	-	-	(4,940)	(4,940)
Share-based payments	-	-	-	-	-	-	1,694	1,694
Deferred tax recognised in equity	-	-	-	-	-	-	1,430	1,430
Sale of Ordinary shares	-	(1,094)	-	9,322	-	-	-	8,228
Acquisition of Ordinary shares	-	-	-	(3,920)	-	-	-	(3,920)
As at 31 December 2023 and 01 January 2024	**52**	**29,992**	**2**	**(1,745)**	**46,870**	**378**	**44,083**	**119,562**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	16,379	16,379
Other comprehensive income	-	-	-	-	-	1,079	-	1,079
Transactions with owners								
Ordinary share issues	-	6,402	-	-	-	-	-	6,402
Dividends	-	-	-	-	-	-	(6,907)	(6,907)
Share-based payments	-	-	-	-	-	-	2,021	2,021
Deferred tax recognised in equity	-	-	-	-	-	-	(156)	(156)
Current tax recognised in equity	-	-	-	-	-	-	1,419	1,419
Sale of Ordinary shares	-	(2,622)	-	10,911	-	-	(3,912)	4,377
Acquisition of Ordinary shares	-	-	-	(12,063)	-	-	-	(12,063)
As at 31 December 2024	**52**	**33,702**	**2**	**(2,897)**	**46,870**	**1,457**	**52,927**	**132,113**

The notes on pages 93 to 132 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 2024

COMPANY	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	EBT share reserve £'000s	Merger relief reserve £'000s	Retained earnings £'000s	TOTAL £'000s
As at 31 December 2022 and 01 January 2023	**52**	**25,599**	**2**	**(7,147)**	**46,870**	**24,974**	**90,350**
Comprehensive income							
Profit for the period	-	-	-	-	-	7,590	7,590
Transactions with owners							
Ordinary share issues	-	5,417	-	-	-	-	5,417
Dividends	-	-	-	-	-	(4,940)	(4,940)
Share-based payments	-	-	-	-	-	1,694	1,694
Sale of Ordinary shares	-	(1,094)	-	9,322	-	-	8,228
Acquisition of Ordinary shares	-	-	-	(3,920)	-	-	(3,920)
As at 31 December 2023 and 01 January 2024	**52**	**29,922**	**2**	**(1,745)**	**46,870**	**29,318**	**104,419**
Comprehensive income							
Profit for the period	-	-	-	-	-	17,988	17,988
Transactions with owners							
Ordinary share issues	-	6,402	-	-	-	-	6,402
Dividends	-	-	-	-	-	(6,907)	(6,907)
Share-based payments	-	-	-	-	-	2,021	2,021
Sale of Ordinary shares	-	(2,622)	-	10,911	-	(3,912)	4,377
Acquisition of Ordinary shares	-	-	-	(12,063)	-	-	(12,063)
As at 31 December 2024	**52**	**33,702**	**2**	**(2,897)**	**46,870**	**38,508**	**116,237**

The notes on pages 93 to 132 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 2024

		GROUP		COMPANY	
		31 DECEMBER 2024	31 DECEMBER 2023	**31 DECEMBER 2024**	31 DECEMBER 2023
	NOTE	**£'000s**	£'000s	**£'000s**	£'000s
Cash flows from operating activities:					
Cash generated from operations	24	35,456	21,988	11,392	7,080
Taxation paid		(6,058)	(5,195)	(68)	(22)
Net cash generated from operating activities		**29,398**	**16,793**	**11,324**	**7,058**
Cash flows from investing activities:					
Purchase of property, plant and equipment		(84)	(62)	-	-
Software development costs		(242)	(65)	-	-
Payment for acquisition of subsidiary, net of cash acquired		(21,178)	(15,063)	-	-
Investment in subsidiary		-	-	-	(4,621)
Interest received		394	365	303	253
Net cash utilised in investing activities		**(21,110)**	**(14,825)**	**303**	**(4,368)**
Cash flows from financing activities:					
EBT Ordinary share purchases		(12,178)	(3,773)	(12,178)	(3,773)
EBT Ordinary share sales		4,105	8,356	4,105	8,356
Loans to shareholders		(2,500)	(2,500)	(2,500)	(2,500)
Loans repaid by shareholders		2,592	1,130	2,592	1,130
s455 tax paid re loans to shareholders		(949)	(644)	(949)	(644)
Proceeds from borrowings		13,723	-	6,800	-
Interest and transaction costs paid on borrowings		(660)	-	(612)	-
Repayment of borrowings		(14,419)	(687)	(6,800)	-
Lease liability payments		(1,103)	(770)	-	-
Interest paid		(288)	(236)	-	-
Ordinary share dividends paid to shareholders		(6,907)	(4,940)	(6,907)	(4,940)
Net cash utilised in financing activities		**(18,584)**	**(4,064)**	**(16,449)**	**(2,371)**
Net (decrease)/increase in cash and cash equivalents		**(10,296)**	**(2,096)**	**(4,822)**	**319**
Cash and cash equivalents at the beginning of the period		18,130	20,433	6,659	6,340
Effects of exchange rate changes on cash and cash equivalents		(307)	(207)	-	-
Cash and cash equivalents at the end of the period		**7,527**	**18,130**	**1,837**	**6,659**

The notes on pages 93 to 132 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 company limited by shares 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 2024.

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. Please refer to the Directors' Report for further disclosures on going concern.

2. MATERIAL 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 judgements which are considered to have a significant effect on the amounts recognised in the financial statements for the year ending 31 December 2024. These judgements involve estimations for contingent consideration on acquisitions and the recognition of intangibles on acquisitions, including applying the Multi-period Excess Earnings method to estimate the fair value of customer relationships and order books.

The key source of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period is contingent consideration arising on business combinations under IFRS 3. Contingent consideration contains estimation uncertainty as the earn-out potentially payable 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. Please refer to note 13 for specifics of the estimation uncertainty relating to the contingent consideration for the acquisition of Hypothesis. As at 31 December 2024, the maximum potential contingent consideration payable is £13.4 million, of which £8.5 million has been recognised by management.

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 Sales Taxes. 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 or performance-related elements 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.

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.

Fees are normally billed on a monthly basis. 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. 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. 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.

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 2024. 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; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

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.

Software development

Expenditure on software development activities is recognised as an intangible asset when the Group can demonstrate: the technical feasibility of completing the software so that it will be available for use or sale; its intention to complete and its ability to use or sell the asset; how the asset will generate future economic benefits; the availability of resources to complete the asset; and the ability to reliably measure the expenditure during development. Capitalised software development costs are amortised on a straight-line basis over the estimated useful life of 5 years.

Intangible assets acquired in a business combination

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.

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.

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.

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with terms up to 90 days.

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 and seven properties outside the UK.

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for leases of low value assets.

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.

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 on borrowings, interest on lease liabilities 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 24	FY 23
GROUP	**£'000s**	£'000s
Profit before tax	**22,889**	**22,099**
Adjusting items:		
M&A-related items (note 5)	1,074	(1,966)
Amortisation of intangible assets	2,388	1,652
Share-based payments	2,550	1,967
Finance cost – contingent consideration	757	636
Adjusted profit before tax	**29,658**	**24,388**
Depreciation	1,485	1,140
Net finance cost/(income) – excluding contingent consideration	47	(112)
Adjusted EBITDA	**31,190**	**25,416**

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

	FY 24	FY 23
GROUP	**£'000s**	£'000s
Adjusted profit before tax	**29,658**	**24,388**
Tax charge	(6,510)	(4,861)
Tax impact of adjusting items	(819)	(761)
Adjusted profit after tax	**22,329**	**18,766**

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 24	FY 23
GROUP	**p**	p
Adjusted EPS	47.44	40.86
Adjusted diluted EPS	43.14	37.19

4. SEGMENTAL REPORTING

	FY 24	FY 23
GROUP	**£'000s**	£'000s
Revenue from contracts with customers arises from:		
United Kingdom	29,622	28,520
USA	61,181	37,533
Rest of World	20,540	19,832
TOTAL REVENUE	**111,343**	**85,885**

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 24	FY 23
GROUP	**£'000s**	£'000s
Depreciation of property, plant and equipment:		
- Owned assets	269	233
- Leased assets	1,216	907
Amortisation of intangible assets	2,388	1,652
Share-based payments	2,550	1,967
Foreign exchange (gains)/losses	(192)	388
M&A-related items	1,074	(1,966)
- Transaction costs	592	956
- Employment-related contingent consideration	6	-
- Adjustment to contingent consideration	476	(2,922)

The M&A-related cost of £1.1 million in FY 24 includes adjustments to contingent consideration associated with the acquisition of Elixirr AI, employment-related contingent consideration and other non-recurring costs associated with the acquisition of Hypothesis, as well as other non-recurring costs in respect of M&A activity. The M&A-related net credit of £2.0 million in FY 23 includes adjustments to contingent consideration associated with the acquisition of iOLAP, less non-recurring costs associated with the acquisitions of Insigniam and Elixirr AI, as well as other M&A activity.

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

	FY 24	FY 23
GROUP	**£'000s**	£'000s
Services provided by the Company's auditors:		
Audit fees - parent Company and consolidated accounts	50	43
Audit fees - subsidiary companies	117	107

6. NET FINANCE EXPENSE

	FY 24	FY 23
GROUP	**£'000s**	£'000s
Finance income:		
On short term deposits and investments	394	365
	394	**365**
Finance costs:		
Finance cost – contingent consideration	(757)	(640)
On lease liability	(246)	(249)
Finance cost – revolving credit facility	(195)	-
	(1,198)	**(889)**
Net finance expense	**(804)**	**(524)**

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge:

	FY 24	FY 23
GROUP	**£'000s**	£'000s
Current tax		
In respect of the current year	6,804	5,035
Adjustments in respect of prior periods	-	47
Total current tax	**6,804**	**5,082**
Deferred tax		
In respect of the current year	(294)	(221)
Total deferred tax	**(294)**	**(221)**
Income tax expense	**6,510**	**4,861**

The total current and deferred tax recognised directly in equity in relation to share-based payments was as follows:

	FY 24	FY 23
GROUP	**£'000s**	£'000s
Current tax		
In respect of the current year	(1,419)	-
Total current tax	**(1,419)**	**-**
Deferred tax		
In respect of the current year	156	(1,430)
Total deferred tax	**156**	**(1,430)**
Tax credit in equity	**(1,263)**	**(1,430)**

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 25%.

	FY 24	FY 23
GROUP	**£'000s**	£'000s
Profit before taxation	22,889	22,099
Profit on ordinary activities multiplied by the weighted average rate of corporation tax in UK of 25% (FY 23: 23.5%)	5,722	5,193
Effects of:		
M&A-related items not deductible/(taxable)	396	(606)
Expenses not deductible	400	324
Difference in overseas tax rates	(8)	(97)
Adjustments in respect of prior periods	-	147
R&D tax relief in respect of prior periods	-	(100)
Total taxation	**6,510**	**4,861**

8. DEFERRED TAX

Net deferred tax asset:

The balances comprise temporary differences attributable to:

	GROUP		COMPANY	
	FY 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Deferred tax liability				
Property, plant and equipment	(50)	(78)	-	-
Intangible assets	(3,582)	(1,922)	-	-
Total deferred tax liability	**(3,632)**	**(2,000)**	**-**	**-**
Deferred tax asset				
Share-based payments	3,160	3,117	-	-
Short-term timing differences	670	360	-	-
Total deferred tax asset	**3,830**	**3,477**	**-**	**-**
Net deferred tax asset	**198**	**1,477**	**-**	**-**

The deferred tax liability on intangible assets relates to customer relationships, order book and goodwill 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 be exercised. 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 2022	(105)	(1,330)	1,400	319	284
Acquisition of business	-	(493)	-	-	(493)
Credited to equity	-	-	1,429	-	1,429
Credited/(charged) to profit and loss	27	(152)	288	58	221
Exchange rate difference	-	53	-	(17)	36
At 31 December 2023	(78)	(1,922)	3,117	360	1,477
Acquisition of business	-	(1,355)	-	-	(1,355)
Charged to equity	-	-	(156)	-	(156)
Credited/(charged) to profit and loss	28	(237)	199	304	294
Exchange rate difference	-	(68)	-	6	(62)
At 31 December 2024	**(50)**	**(3,582)**	**3,160**	**670**	**198**

9. ORDINARY DIVIDENDS

The Company paid an interim Ordinary share dividend in respect of FY 23 of 5.3 pence per Ordinary share on 15 February 2024 and a final Ordinary share dividend in respect of FY 23 of 9.5 pence per Ordinary share on 20 August 2024, making a total dividend of 14.8p for FY 23.

An interim Ordinary share dividend in respect of FY 24 of 6.3 pence per Ordinary share was paid on 17 February 2025.

The Board is pleased to recommend a final dividend for FY 24 of 11.5 pence per share, making a total dividend of 17.8 pence for FY 24.

The final dividend will be recommended to shareholders at the AGM in June 2025. The FY 24 final dividend will have a total cash cost of £5.5 million.

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 24	FY 23
Basic and Diluted EPS		
Profit attributable to the Ordinary equity holders of the Group used in calculating basic and diluted EPS (£'000s)	16,379	17,238
Basic earnings per Ordinary share (p)	34.80	37.53
Diluted earnings per Ordinary share (p)	31.64	34.16

	FY 24	FY 23
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)	22,329	18,766
Adjusted basic earnings per Ordinary share (p)	47.44	40.86
Adjusted diluted earnings per Ordinary share (p)	43.14	37.19

	FY 24	FY 23
	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	47,070,665	45,933,062
Number of dilutive shares	4,691,462	4,531,375
Weighted average number of Ordinary shares used as the denominator in calculating non-adjusted and adjusted diluted EPS	51,762,127	50,464,437

11. EMPLOYEES AND DIRECTORS

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

	FY 24	FY 23
GROUP	**Number**	Number
Directors, management and Partners	38	32
Provision of services	454	397
Administration	72	55
	565	**484**

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 24	FY 23
GROUP	**£'000s**	£'000s
Wages and salaries	49,337	37,830
Social security costs	5,522	4,334
Pension costs	1,110	862
Share-based payment charge	2,550	1,967
	58,518	**44,993**

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 £1.1 million for FY 24 (FY 23: £0.9 million). Contributions amounting to £0.3 million (FY 23: £0.1 million) were payable to the fund as at 31 December 2024 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 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Aggregate emoluments including short term employee benefits	6,069	5,511	210	200
	6,069	**5,511**	**210**	**200**

The share-based payment charge in respect of key management personnel was £0.3 million (FY 23: £0.3 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	Software	TOTAL
GROUP	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Cost						
At 31 December 2022	76,975	7,135	4,554	1,149	-	89,813
Acquisition of business	18,312	-	1,546	466	364	20,688
Additions	-	-	-	-	65	65
Gains/(losses) from foreign exchange	(1,626)	-	(161)	(67)	4	(1,850)
At 31 December 2023	93,661	7,135	5,939	1,548	433	108,716
Acquisition of business (note 13)	24,658	-	4,666	752	-	30,076
Additions	-	-	-	-	242	242
Gains from foreign exchange	1,210	-	231	49	61	1,551
At 31 December 2024	**119,529**	**7,135**	**10,836**	**2,349**	**736**	**140,585**
Amortisation						
At 31 December 2022	-	(4,950)	(776)	(506)	-	(6,232)
Charge for the year	-	(627)	(653)	(372)	-	(1,652)
Gains from foreign exchange	-	-	37	36	-	73
At 31 December 2023	-	(5,577)	(1,392)	(842)	-	(7,811)
Charge for the year	-	(447)	(1,117)	(708)	(116)	(2,388)
Losses from foreign exchange	-	-	(30)	(22)	-	(52)
At 31 December 2024	**-**	**(6,024)**	**(2,539)**	**(1,572)**	**(116)**	**(10,251)**
Net book value						
At 31 December 2023	93,661	1,558	4,547	706	433	100,905
At 31 December 2024	**119,529**	**1,111**	**8,297**	**777**	**620**	**130,334**

The Company has no intangible assets.

Goodwill

Goodwill arising on the acquisition of a business in FY 24 relates to the acquisition of Hypothesis 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 23 relates to the acquisition of Elixirr AI and Insigniam.

Goodwill impairment review

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

	FY 24	FY 23
	£'000s	£'000s
Consulting	87,229	61,700
Elixirr Digital Limited	2,856	2,856
Elixirr Digital Inc and Elixirr AI	29,444	29,105
	119,529	**93,661**

The Consulting CGU comprises goodwill and other assets of Elixirr Consulting Limited, The Retearn Group Limited, Insigniam and the acquisition of Hypothesis in FY 24 (refer to note 13). The Elixirr Digital Limited CGU comprises goodwill and other assets of Coast Digital Limited. The Elixirr Digital Inc and Elixirr AI CGU comprises goodwill and other assets of Elixirr Digital Inc (formerly iOLAP) and Elixirr AI (formerly Responsum).

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 weighted average cost of capital has been used to calculate a discount rate of 12% for the Group and Consulting, 12% for Elixirr Digital Inc and Elixirr AI and 13% for Elixirr Digital Limited. 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 LIMITED		ELIXIRR DIGITAL INC AND ELIXIRR AI	
	FY 24	FY 23	**FY 24**	FY 23	**FY 24**	FY 23
	£'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	29.0%	28.1%	92.4%	71.4%	26.3%	21.9%
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%	22.7%	88.4%	58.8%	22.2%	17.9%

Customer relationships

FY 24 additions represent the fair value of customer relationships from the acquisition of Hypothesis. Refer to note 13 for further details.

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.

FY 23 additions represent the fair value of customer relationships from the acquisition of Insigniam.

Order Book

FY 24 additions represent the fair value of the order book from the acquisition of Hypothesis. Refer to 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 1 year has been deemed appropriate based on the relevant contractual period.

The amortisation charge is recognised within administrative expenses.

FY 23 additions represent the fair value of the order book from the acquisition of Insigniam.

13. BUSINESS COMBINATIONS

On 18 October 2024, the Group, through its US subsidiary Elixirr Inc, acquired all of the issued and outstanding membership interests of Hypothesis Group, LLC. a US-based insights and strategy firm. The acquisition brings specialist expertise in qualitative research, quantitative research and strategic insights, complementing the Group's existing service offerings and enhancing the Group's ability to support clients from initial research and discovery through to strategy definition and delivery.

The Group acquired Hypothesis for estimated equity value consideration of £28.4 million (US$37.0 million). The consideration consists of:

- An initial consideration of £21.5 million (US$28.2 million) in cash;
- An initial consideration of £6.4 million (US$8.4 million) settled through the issue of 914,604 Ordinary shares at a price of £7.00 per share; and
- Contingent consideration of up to £5.1 million (US$6.7 million) in cash which is payable in FY 25 and FY 26.

The total fair value of the contingent consideration payable recognised in these accounts is £0.4 million (US$0.5 million). This amount represents the Group's current expectation of the contingent consideration payable. As at the date of this report, the amount of the contingent consideration is still subject to finalisation under the terms of the sale agreement. As at 31 December 2024, a £0.4 million liability is recorded, all of which is a non-current liability.

The new Ordinary Shares issued are subject to one-year lock-in arrangements and limitations on the Ordinary Shares that each seller can sell in each of the following three years under nominee agreements.

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 £3.7 million was recognised as goodwill of £24.7 million. The goodwill is attributable to the company's workforce and working methodologies and is deductible for tax purposes.

Included within M&A-related items is an amount of £0.5 million for legal and advisory fees in relation to the acquisition.

Hypothesis contributed £4.4 million to the Group's revenue and £0.3 million to the Group's profit before tax for the period from the date of acquisition to 31 December 2024.

If the acquisition of Hypothesis had been completed on 1 January 2024, Group revenues for the year ended 31 December 2024 would have been £127.5 million and Group profit before tax would have been £26.0 million.

In calculating the goodwill arising, the fair value of the net assets of Hypothesis 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 to note 12 for further details.

The fair value of trade and other receivables approximates carrying value and there is no material difference between fair value and the gross contractual amounts at the acquisition date.

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 Hypothesis:

	FAIR VALUE
	£'000s
Assets	
Non-current assets	
Intangible assets	5,418
Property, plant and equipment	589
Other receivables	60
Total non-current assets	**6,067**
Current assets	
Trade and other receivables	4,132
Cash and cash equivalents	572
Total current assets	**4,704**
Total assets	**10,771**
Liabilities	
Current liabilities	
Trade and other payables	4,528
Loans and borrowings	331
Total current liabilities	**4,859**
Non-current liabilities	
Loans and borrowings	811
Deferred tax liability	1,355
Total non-current liabilities	**2,166**
Total liabilities	**7,025**
Fair value of net assets acquired	3,746
Goodwill (note 12)	24,658
Fair value of purchase consideration	28,404
Cash and cash equivalents in subsidiary acquired	572

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 2022	7,133	281	667	347	8,428
Acquisition of business	400	-	-	-	400
Additions	639	3	4	55	701
Losses from foreign exchange	(23)	(4)	-	(14)	(41)
At 31 December 2023	8,149	280	671	388	9,488
Acquisition of business (note 13)	589	-	-	-	589
Additions	115	16	-	68	199
Losses from foreign exchange	(12)	-	(5)	-	(17)
At 31 December 2024	**8,841**	**296**	**666**	**456**	**10,259**
Depreciation					
At 31 December 2022	(2,162)	(99)	(311)	(194)	(2,766)
Charge for the year	(907)	(42)	(98)	(93)	(1,140)
Gains from foreign exchange	11	5	-	14	30
At 31 December 2023	(3,058)	(136)	(409)	(273)	(3,876)
Charge for the year	(1,216)	(71)	(101)	(97)	(1,485)
Gains/(losses) from foreign exchange	13	(1)	7	10	29
At 31 December 2024	**(4,261)**	**(207)**	**(503)**	**(360)**	**(5,332)**
Net book value					
At 31 December 2023	5,091	144	262	115	5,612
At 31 December 2024	**4,580**	**88**	**162**	**97**	**4,927**

The Company has no property, plant and equipment.

The lease liability in respect of the right-of-use asset was £4.9 million (FY 23: £5.4 million) and relates to property leases.

15. INVESTMENTS

COMPANY	GROUP COMPANIES £'000s
Cost/carrying value	
At 31 December 2022	85,426
Acquisition of business	1,070
Capitalisation of subsidiary	7,098
Group companies share-based payments	1,693
At 31 December 2023	95,287
Capitalisation of subsidiary	20,009
Group companies share-based payments	2,021
At 31 December 2024	**117,317**

The Group has no investments.

The Company has the following subsidiary undertakings at the year end:

Subsidiary undertakings	Country of incorporation	Principal activity	Registered office	FY 24	FY 23
Elixirr Consulting Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	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%
Den Creative Limited	England and Wales	Dormant	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Services Limited (indirect)	England and Wales	Dormant	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr Digital Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
The Retearn Group Ltd	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%	100%
Elixirr Inc.	United States	Holding Company	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	100%
Elixirr Digital Inc. (indirect)	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	100%
Elixirr Digital d.o.o. (indirect)	Croatia	Consultancy	Prolaz Marije Krucifikse Kozulić 1, 51000, Rijeka	100%	100%
Elixirr GmbH	Germany	Dormant	Ronsbachweg 6, 36093, Kuenzell. Germany	100%	100%
Elixirr AI, Inc. (indirect)	United States	Consultancy	2600 Network Blvd Suite 570 Frisco, TX 75034	100%	100%

(Cont.)

Subsidiary undertakings	Country of incorporation	Principal activity	Registered office	FY 24	FY 23
Insigniam LLC (indirect)	United States	Consultancy	301 Woodbine Ave, Narberth, PA 19072	100%	100%
Insigniam SAS	France	Consultancy	36 Rue De Ponthieu, 75008, Paris 8	100%	100%
Hypothesis Group LLC (indirect)	United States	Consultancy	811 West 7th Street, Suite 600, Los Angeles, CA 90017	100%	-

16. RECEIVABLES

	GROUP		COMPANY	
	FY 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Non-current assets				
Loans to shareholders	7,399	7,604	7,399	7,604
Other receivables	3,023	1,985	2,469	1,520
	10,422	**9,589**	**9,868**	**9,124**
Current assets				
Trade receivables	15,665	15,295	-	-
Less: allowance for doubtful debts	(42)	-	-	-
Trade receivables - net	15,623	15,295	-	-
Prepayments and deposits	1,939	840	777	63
Contract assets	804	288	-	-
Other receivables	19	263	5	198
	18,385	**16,686**	**782**	**261**

Loans to shareholders represent amounts owed to the Company 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 rade receivables of the Group as at 31 December 2024:

	Gross carrying amount	Loss allowance	Net carrying amount
GROUP	**£'000s**	**£'000s**	**£'000s**
< 31 days	12,495	-	12,495
31-60 days	2,224	-	2,224
61-90 days	733	-	733
91-120 days	100	-	100
121+ days	113	(42)	71
At 31 December 2024	**15,665**	**(42)**	**15,623**

The ageing of trade receivables of the Group as at 31 December 2023:

	Gross carrying amount	Loss allowance	Net carrying amount
GROUP	**£'000s**	**£'000s**	**£'000s**
< 31 days	9,916	-	9,916
31-60 days	3,451	-	3,451
61-90 days	1,662	-	1,662
91-120 days	36	-	36
121+ days	230	-	230
At 31 December 2023	**15,295**	**-**	**15,295**

17. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	FY 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Cash at bank and in hand	7,527	18,130	1,837	6,659
	7,527	**18,130**	**1,837**	**6,659**

Cash at bank includes £1.8 million on deposit which earned interest at an average rate of 3.6% during the year.

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	FY 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Trade payables	2,293	1,774	136	241
Other taxes and social security costs	1,590	1,899	(86)	8
Accruals	14,536	11,308	233	450
Contract liabilities	6,369	3,938	-	-
Other payables	887	137	-	116
Amounts owed to group companies	-	-	13,204	6,094
	25,675	**19,056**	**13,487**	**6,909**

As at 31 December 2024, the Company owed £13.2 million (FY 23: £6.1 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 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Current liabilities				
Right of use lease liability	1,530	1,150	-	-
	1,530	**1,150**	**-**	**-**
Non-current liabilities				
Right of use lease liability	3,366	4,214	-	-
	3,366	**4,214**	**-**	**-**

During FY 24 the Group agreed a £45 million revolving credit facility with National Westminster Bank Plc to support delivery of the Group's organic and inorganic growth strategy.

The key terms of the facility are:

- £45 million revolving credit facility with the flexibility to be drawn in multiple currencies, including Pound Sterling and United States Dollar;
- Interest rate at a margin of 1.95%-2.60%, dependent on leverage, over SONIA (Sterling Overnight Index Average) or SOFR (Secured Overnight Financing Rate), dependent on currency;
- Revolving facility, with flexibility to be drawn and repaid, with the undrawn portion subject to a commitment fee of 35% of the margin;
- Leverage and interest cover covenants; and
- Four-year term maturing in October 2028, with a one-year extension option if mutually agreed.

The interest rate on the facility includes a margin that is dependent on the consolidated leverage level of the Group in respect of the most recently completed reporting period. For the year ended 31 December 2024, Group leverage was below 1.5:1 with the margin at 1.95%.

At 31 December 2024 the Group had £45 million of the facility unutilised.

Revolving credit facility at 31 December 2024:

Currency	**Amount outstanding**	**Rate**
	£'000s	**%**
GBP	-	SONIA + margin%
USD	-	SOFR + margin%

The movement in liabilities arising from financing activities was as follows:

	Right of use lease liability	**Borrowings under the revolving credit facility**	**Debt related to the business combination of Hypothesis**
GROUP	**£'000s**	**£'000s**	**£'000s**
At 31 December 2022	5,143	-	-
Acquisition of business	395	-	-
Additions	639	-	-
Interest payable	249	-	-
Repayments	(1,006)	-	-
Gains from foreign exchange	(56)	-	-
At 31 December 2023	5,364	-	-
Acquisition of business (note 13)	586	-	556
Additions	115	13,723	-
Interest payable	246	211	-
Repayments	(1,391)	(13,864)	(556)
Gains from foreign exchange	(24)	(70)	-
At 31 December 2024	**4,896**	**-**	**-**

The acquisition of business in FY 24 relates to the acquisition of Hypothesis. The right of use lease liability additions in FY 24 relate to a new property lease signed by Insigniam.

The acquisition of business in FY 23 relates to the acquisition of Insigniam. The right of use lease liability additions in FY 23 relate to a new property lease signed by Elixirr Digital d.o.o. (formerly iOLAP d.o.o.).

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

	FY 24	FY 23
	£'000s	£'000s
Lease liability less than one year	1,574	1,334
Lease liability greater than one year and less than five years	3,560	3,721
Lease liability greater than five years	346	1,092
Total liability	5,480	6,147
Finance charges included above	(584)	(783)
	4,896	**5,364**

20. OTHER CREDITORS AND OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	FY 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Other creditors				
Contingent consideration	5,558	1,144	-	-
Employment-related contingent consideration	6	-	-	-
	5,564	**1,144**	**-**	**-**
Other non-current liabilities				
Dilapidations	373	377	-	-
Cash-settled share-based payments	724	360	-	-
Contingent consideration	2,915	6,268	-	-
	4,012	**7,005**	**-**	**-**

Contingent consideration in FY 24 includes earn-out payments which are contingent on performance and arose from the acquisition of Elixirr Digital Inc, Elixirr AI, Insigniam and Hypothesis.

The employment-related contingent consideration includes post-acquisition employee benefits in relation to the Hypothesis acquisition.

Contingent consideration in FY 23 includes earn-out payments which are contingent on performance and arose from the acquisition of Elixirr Digital Inc, Elixirr AI and Insigniam.

Cash-settled share-based payments include obligations for the Group's employers' NI on options that are yet to vest. Refer to 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 24			
	Issued shares	**Par value**	**Merger relief reserve**	**Share premium**
GROUP AND COMPANY	**Number**	**£**	**£'000s**	**£'000s**
£0.00005 Ordinary shares	48,187,415	2,409	46,870	33,702
£1 Redeemable Preference shares	50,001	50,001	-	-
	48,237,416	**52,410**	**46,870**	**33,702**

	FY 23			
	Issued shares	**Par value**	**Merger relief reserve**	**Share premium**
GROUP AND COMPANY	**Number**	**£**	**£'000s**	**£'000s**
£0.00005 Ordinary shares	47,272,811	2,364	46,870	29,922
£1 Redeemable Preference shares	50,001	50,001	-	-
	47,322,812	**52,365**	**46,870**	**29,922**

The total number of voting rights in the Company at 31 December 2024 was 48,187,415 (FY 23: 47,272,811).

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 Number	**Par value**	**Merger relief reserve**	**Share premium**
GROUP AND COMPANY	**Number**	**£**	**£'000s**	**£'000s**
At 31 December 2022	46,186,481	2,309	46,870	25,599
Share issues	1,086,330	54	-	5,417
Sale of Ordinary shares from the EBT	-	-	-	(1,094)
At 31 December 2023	47,272,811	2,363	46,870	29,922
Share issues	914,604	46	-	6,402
Sale of Ordinary shares from the EBT	-	-	-	(2,622)
At 31 December 2024	**48,187,415**	**2,409**	**46,870**	**33,702**

Share issues in FY 24 represented consideration for the acquisition of Hypothesis.

The sale of Ordinary shares from the EBT in FY 24 were to satisfy options that were exercised.

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 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 in the 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 24		
	Shares held in EBT	**Weighted average cost**	**Total cost**
GROUP AND COMPANY	**Number**	**£**	**£'000s**
Ordinary shares	483,823	5.88	2,846
Redeemable Preference shares	50,001	1.01	50
	533,824		**2,897**

	FY 23		
	Shares held in EBT	**Weighted average cost**	**Total cost**
GROUP AND COMPANY	**Number**	**£**	**£'000s**
Ordinary shares	397,667	4.26	1,695
Redeemable Preference shares	50,001	1.01	50
	447,668		**1,745**

23. SHARE-BASED PAYMENTS

The Group recognised a total share-based payment expense of £2.6 million (FY 23: £2.0 million) in the current year, comprising £2.1 million (FY 23: £1.7 million) in relation to equity settled share-based payments, and £0.5 million (FY 23: £0.3 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 to note 20). The liability has been estimated using a closing share price of £7.20 (FY 23: £6.20) and employers' national insurance at 15.0%. The carrying value of the liability as at 31 December 2024 is £0.7 million (FY 23: £0.4 million), with £0.5 million (FY 23: £0.3 million) recognised in the P&L and payments amounting to £0.1 million (FY 23: £0.1 million) made in the year.

Share Option Plans

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

During FY 24, a total of 4,710,732 (FY 23: 5,614,145) share options were granted to employees and senior management. The weighted average fair value of the options awarded in the year is £1.73 per share (FY 23: £1.17).

Details of share option awards made are as follows:

	Number of share options	**Weighted average exercise price**
	'000s	**£**
Outstanding at 31 December 2022	10,886	3.47
Granted	5,614	5.22
Exercised	(57)	2.34
Forfeited	(2,875)	4.28
Outstanding at 31 December 2023	13,568	3.76
Granted	4,711	6.16
Exercised	(1,268)	0.48
Forfeited	(4,258)	4.55
Outstanding at the year end	**12,753**	**4.71**
Exercisable at the year end	**1,499**	**2.36**

For the options exercised during FY 24, the weighted average share price at the date of exercise was £5.78 (FY 23: £5.05).

The options outstanding as at 31 December 2024 had a weighted average remaining contractual life of 2.5 years (FY 23: 2.6 years) and a weighted average exercise price of £4.71 (FY 23: £3.76) 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 24	FY 23
Weighted average share price at grant date (£)	6.05	4.98
Weighted average exercise price (£)	6.16	5.22
Volatility (%)	37.6%	27.0%
Weighted average vesting period (years)	5	5
Risk free rate (%)	3.9%	4.3%
Expected dividend yield (%)	2.6%	2.5%

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 24.

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 previously issued in connection with the acquisition of Elixirr Digital Limited. 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 31 December 2022	797
Exercised	(297)
Outstanding at 31 December 2023	500
Exercised	(500)
Outstanding at 31 December 2024	**-**
Exercisable at 31 December 2024	**-**

The share price at the date of exercise of the Elixirr Digital Limited options was £5.85.

Employee Share Purchase Plan ('ESPP')

The Group operates an employee share purchase plan where 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 24, the Company awarded 233,690 (FY 23: 185,546) matching shares on the basis of one matching share for every one employee share purchased during FY 23. The matching shares vest equally over a 5-year period with the first tranche vesting on 31 January 2025.

Details of ESPP awards made are as follows:

	Number of ESPP awards
	'000s
Outstanding at 31 December 2022	78
Granted	185
Vested and converted to shares	(15)
Forfeited	(44)
Outstanding at 31 December 2023	204
Granted	234
Vested and converted to shares	(42)
Forfeited	(55)
Outstanding at 31 December 2024	**341**
Exercisable at 31 December 2024	**-**

24. CASH FLOW INFORMATION

Cash generated from operations:

	GROUP		COMPANY	
	FY 24	FY 23	FY 24	FY 23
	£'000s	£'000s	£'000s	£'000s
Profit before taxation	22,889	22,099	18,201	7,617
Adjustments for:				
Depreciation and amortisation	3,873	2,792	-	-
Net finance expense/(income)	804	524	(157)	(253)
Share-based payments	2,478	1,967	-	-
Employment-related contingent consideration	6	-	-	-
Adjustment to contingent consideration	476	(2,922)	-	-
Foreign exchange (gains)/losses	(192)	388	(40)	(4)
Decrease/(increase) in trade and other receivables	2,718	(3,812)	144	186
Increase/(decrease) in trade and other payables	2,404	952	(6,756)	(422)
	35,456	**21,988**	**11,392**	**7,124**

Reconciliation of liabilities from financing activities:

	Debt related to business combinations	Leases	Borrowings under the revolving credit facility	TOTAL
GROUP	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Balance 31 December 2022	-	5,143	-	5,143
Cash flows	(687)	(1,006)	-	(1,693)
Other changes	687	1,227	-	1,914
Balance 31 December 2023	-	5,364	-	5,364
Cash flows	(556)	(1,391)	(141)	(2,088)
Other changes	556	923	141	1,620
Balance 31 December 2024	**-**	**4,896**	**-**	**4,896**

Other changes in FY 24 include non-cash movements, additional property leases on acquisition of Hypothesis and interest expense.

Other changes in FY 23 include non-cash movements, additional property leases on acquisition of Insigniam and accrued interest expense on leases.

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 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Financial assets				
Financial assets that are debt instruments measured at amortised cost	34,390	43,367	11,705	15,956
Financial liabilities				
Financial liabilities measured at amortised cost	14,445	11,213	13,340	6,451
Financial liabilities at fair value through profit and loss	9,576	8,149	-	-

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, cash-settled share-based payments and acquisition-related contingent consideration and earn-outs.

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 in this note.

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 24	FY 23	**FY 24**	FY 23
	£'000s	£'000s	**£'000s**	£'000s
Trade receivables	15,623	15,295	-	-
Contract assets	804	288	-	-
Other receivables	10,436	9,654	9,868	9,283
Cash and cash equivalents	7,527	18,130	1,837	6,659
	34,390	**43,367**	**11,705**	**15,942**

Credit risk is the 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 2024:

	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	2,293	-	-	-	-	2,293	2,293
Lease liabilities	814	760	1,023	2,537	346	5,480	4,896
Financial liabilities at fair value through profit and loss	5,564	-	2,497	1,515	-	9,576	9,576
	8,671	**760**	**3,520**	**4,052**	**346**	**17,349**	**16,765**

Contractual maturities of financial liabilities of the Group as at 31 December 2023:

	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	1,774	-	-	-	-	1,774	1,774
Lease liabilities	676	658	1,040	2,681	1,092	6,147	5,364
Financial liabilities at fair value through profit and loss	1,144	-	4,680	3,597	-	9,421	8,149
	3,594	**658**	**5,720**	**6,278**	**1,092**	**17,342**	**15,287**

Interest rate risk

As at 31 December 2024 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 24			FY 23		
	USD	EUR	ZAR	USD	EUR	ZAR
	'000s	'000s	'000s	'000s	'000s	'000s
Cash and cash equivalents	5,018	674	428	5,025	1,031	9
Trade receivables	10,743	574	-	7,308	829	-
Trade payables	(1,367)	(191)	(99)	(631)	(206)	(178)

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 summaries 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 24	FY 23
	£'000s	£'000s
10% weakening of functional currency	25	230
10% strengthening of functional currency	(25)	(230)

The impact of a change of 10% has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

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 £129.1 million as at 31 December 2024 (FY 23: £119.6 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 or issue new shares.

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.

In FY 24, travel costs include £6,470 (FY 23: £6,550) for the hire of an aeroplane from Aviation E LLP. Stephen Newton, a member of the Board, is a member of Aviation E LLP.

In FY 24, revenue includes £41,204 for services performed for Cape Point Guest Lodges (Pty) Ltd and £48,824 for services performed for Cape Point Wine (Pty) Ltd. Stephen Newton, a member of the Board, is a Director of both Cape Point Guest Lodges (Pty) Ltd and Cape Point Wine (Pty) Ltd.

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

27. EVENTS AFTER THE REPORTING DATE

An interim Ordinary share dividend in respect of FY 24 of 6.3 pence per Ordinary share was paid on 17 February 2025.

The Directors are proposing a final Ordinary share dividend in respect of FY 24 of 11.5 pence per share.

As at 25 April 2025, in accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, the Company continues to have 48,187,415 Ordinary shares in issue, of which none are held in Treasury.

The total number of voting rights in the Company is 48,187,415. This figure of 48,187,415 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 2024.

ELIXIRR

The Challenger Consultancy

ELIXIRR,
100 CHEAPSIDE,
LONDON EC2V 6DT

ELIXIRR.COM/INVESTORS

ELIXIRR | Annual Report

ELIXIRR INTERNATIONAL PLC

2024