

Company registration number 08171866 (England and Wales)

ADTHENA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

ADTHENA LIMITED

COMPANY INFORMATION

Directors	Mr H B Donnelly Mr P Thune Mr B Snyder Mr I W O'Rourke Mr E Huddleston Mr S Gaon
Company number	08171866
Registered office	30 Churchill Place London E14 5RE
Auditor	Haines Watts Swindon Limited Old Station House Station Approach Swindon Wiltshire SN1 3DU

ADTHENA LIMITED

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ADTHENA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present the Strategic Report of Adthema Limited (the "Company") and its wholly owned subsidiaries Adthema Inc. and Adthema APAC Pty Ltd (the "Group") for the year ended 31 December 2024.

Principal activities

There has been no change to the principal activity of the Group during the year. The Group's principal activity was the proprietary research and development and sale of an advanced competitive intelligence software platform. Adthema operates a software-as-a-service (SaaS) business model which offers Adthema's clients valuable insights into their online search advertising, enabling them to optimise their marketing strategies.

Review of the business

The loss for the year and the Group's financial position at the end of the year are shown in the financial statements.

Strategic Management

The Group's mission is connecting marketers to consumers through unique search intelligence. Adthema is the market-leading, AI driven paid search intelligence product for global enterprise customers. During 2024, the Group's strategic focus was a continuation of previous years' to achieving profitability through improved operational efficiency while sustaining revenue growth. The Group continues to maximise ROI for customers through the deployment of new features and enhancements to deliver actionable value, embracing novel AI technologies.

The Group continues its commitment to innovation, investing into development of new product features and delivering continuous improvements to Adthema's existing core platform to improve customer acquisition as well as retention.

Business Performance

Revenue by region

Year	APAC	INC	LTD	TOTAL
2024	£1.8m	£6.9m	£6.9m	£15.6m
2023	£1.8m	£6.1m	£6.4m	£14.4m

The Group's consolidated revenue grew by 9% to £15.6m in the year (2023: 11% to £14.4m). Whilst revenue in Adthema APAC has remained similar, Adthema Inc and Adthema Ltd continue to experience growth in their relative regions.

In aggregate the Group's revenue growth has slowed down in the last two years with the strategic focus shift into expansion and achieving profitability. During the year, Adthema's customer base increased 4.2% to 374 (2023: 7.5% to 359) and the Group's staffing levels have increased by 6.3% to 118 (2023: nil% to 111).

Gross margin has improved to 78% (2023: 76%). The Group has made significant gains in its operational efficiency and the Group reported an EBITDA of £41k (2023: £2.6m EBITDA loss), yielding an EBITDA margin of 0.3% (2023: -18%).

During the year the Group completed a refinancing with a new North American lender to consolidate its debts into a single \$22m facility. This has led to an increase in Group finance costs of 8% to £2.8m (2023: £2.6m), however the increase in the Group's debt levels provided additional working capital enabling the business to meet its cash flow requirements for the foreseeable future.

Group net cash outflows from operating activities have significantly improved to -£2.2m (2023: -£5.0m) as a result of operational net cashflows improving to -£1.6m (2023: -2.4m). Overall Group cash balances have improved to £2.8m (2023: £1.2m).

Post Reporting Date Events

There have been no significant events affecting the Group since the year end.

ADTHENA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

The Group recognises that operating in a dynamic business environment comes with inherent risks and uncertainties. The following are the principal risks and uncertainties that could potentially impact the business.

Macroeconomic risk:

The Group operates in a global market influenced by macroeconomic factors, and reductions in customer budgets can impact our performance. Adthena's customer base is predominantly blue chip businesses from a diverse range of industries, and search advertising has proven to be resilient to market pressures with Google's advertising revenue continuing to grow year on year. Adthena is therefore positioned well to withstand the pressure of macroeconomic conditions.

Liquidity risk:

The Group recorded a significant negative net operating cash flow in 2024 and continues in a loss making position. As a result, the Group needs to consider its ability to meet its short term cash needs. The Group also has a significant debt balance, and is therefore exposed to changes in interest rates. The Group manages liquidity risk by maintaining a prudent cashflow management strategy, and regular cash flow monitoring. The Group increased its loan facility at the start of 2024 to increase the amount of working capital and mitigate liquidity risk, while continuing improvements in operating efficiency are reducing cash outflows despite increased financing costs. The Group continues to monitor macroeconomic conditions and has taken into account recent and potential future interest rate rises in preparation of its financial forecasts.

Platform reliance:

The Group's primary product offering relates to Google search advertising, creating a high reliance on Google. Google continues to post strong advertising revenue growth and a dominant market share for search advertising. The strength of Google makes significant risk to the Group's operation unlikely, but nonetheless The Group's strategy will seek product diversification in the coming years

Technological advancements:

Rapid technological changes present both opportunities and risks. Failing to adapt to new technologies or being outpaced by competitors' innovations could render the Adthena platform obsolete. We address this risk through continuous R&D investment, regular product roadmap reviews and monitoring technological trends.

On behalf of the board

.....
Mr P Thune
Director

Date:

ADTHENA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr H B Donnelly
Mr P Thune
Mr B Snyder
Mr I W O'Rourke
Mr E Huddleston
Mr S Gaon

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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. They 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

ADTHENA LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

On behalf of the board

Mr P Thune
Director

25 June 2025

ADTHENA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADTHENA LIMITED

Opinion

We have audited the financial statements of Adthena Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 the directors' report have been prepared in accordance with applicable legal requirements.

ADTHENA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ADTHENA LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

ADTHENA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ADTHENA LIMITED

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Gurney FCA (Senior Statutory Auditor)

For and on behalf of Haines Watts Swindon Limited, Statutory Auditor
Chartered Accountants
Old Station House
Station Approach
Swindon
Wiltshire
SN1 3DU
27 June 2025

ADTHENA LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	15,568,305	14,352,497
Cost of sales		(3,478,063)	(3,456,421)
Gross profit		12,090,242	10,896,076
Administrative expenses		(12,821,132)	(14,434,411)
Other operating income		204,181	8,248
Operating loss	4	(526,709)	(3,530,087)
Interest receivable and similar income	6	250	259
Interest payable and similar expenses	7	(2,788,962)	(2,594,355)
Loss before taxation		(3,315,421)	(6,124,183)
Tax on loss	8	529,366	694,328
Loss for the financial year		(2,786,055)	(5,429,855)

Loss for the financial year is all attributable to the owners of the parent company.

ADTHENA LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Loss for the year	(2,786,055)	(5,429,855)
Other comprehensive income		
Currency translation gain arising in the year	102,720	128,678
Total comprehensive income for the year	<u>(2,683,335)</u>	<u>(5,301,177)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

ADTHENA LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		3,130		10,767
Tangible assets	10		111,723		136,357
			<u>114,853</u>		<u>147,124</u>
Current assets					
Debtors	13	2,739,431		4,436,995	
Cash at bank and in hand		2,838,512		1,180,471	
		<u>5,577,943</u>		<u>5,617,466</u>	
Creditors: amounts falling due within one year	14	<u>(9,280,353)</u>		<u>(15,254,728)</u>	
Net current liabilities			<u>(3,702,410)</u>		<u>(9,637,262)</u>
Total assets less current liabilities			<u>(3,587,557)</u>		<u>(9,490,138)</u>
Creditors: amounts falling due after more than one year	15		<u>(17,078,634)</u>		<u>(8,586,727)</u>
Net liabilities			<u><u>(20,666,191)</u></u>		<u><u>(18,076,865)</u></u>
Capital and reserves					
Called up share capital	19		218,826		217,858
Share premium account			17,485,914		17,470,919
Other reserves			(104,946)		(207,666)
Profit and loss reserves			<u>(38,265,985)</u>		<u>(35,557,976)</u>
Total equity			<u><u>(20,666,191)</u></u>		<u><u>(18,076,865)</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 24 June 2025 and are signed on its behalf by:

Mr P Thune
Director

Company registration number 08171866 (England and Wales)

ADTHENA LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		3,130		10,767
Tangible assets	10		62,709		75,369
Investments	11		80		80
			<u>65,919</u>		<u>86,216</u>
Current assets					
Debtors	13	1,192,803		2,825,107	
Cash at bank and in hand		763,370		597,343	
		<u>1,956,173</u>		<u>3,422,450</u>	
Creditors: amounts falling due within one year	14	<u>(4,844,859)</u>		<u>(10,814,090)</u>	
Net current liabilities			<u>(2,888,686)</u>		<u>(7,391,640)</u>
Total assets less current liabilities			<u>(2,822,767)</u>		<u>(7,305,424)</u>
Creditors: amounts falling due after more than one year	15		<u>(17,078,634)</u>		<u>(7,196,921)</u>
Net liabilities			<u><u>(19,901,401)</u></u>		<u><u>(14,502,345)</u></u>
Capital and reserves					
Called up share capital	19		218,826		217,858
Share premium account			17,485,914		17,470,919
Profit and loss reserves			<u>(37,606,141)</u>		<u>(32,191,122)</u>
Total equity			<u><u>(19,901,401)</u></u>		<u><u>(14,502,345)</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £5,493,065 (2023 : £4,321,767 loss).

The financial statements were approved by the board of directors and authorised for issue on 24 June 2025 and are signed on its behalf by:

Mr P Thune
Director

Company registration number 08171866 (England and Wales)

ADTHENA LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium account	Currency translation reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 January 2023	206,657	15,088,300	(336,344)	(30,167,784)	(15,209,171)
Year ended 31 December 2023:					
Loss for the year	-	-	-	(5,429,855)	(5,429,855)
Other comprehensive income:					
Currency translation differences	-	-	128,678	-	128,678
Total comprehensive income	-	-	128,678	(5,429,855)	(5,301,177)
Issue of share capital	19	11,201	2,382,619	-	2,393,820
Share-based payments	18	-	-	39,663	39,663
Balance at 31 December 2023	217,858	17,470,919	(207,666)	(35,557,976)	(18,076,865)
Year ended 31 December 2024:					
Loss for the year	-	-	-	(2,786,055)	(2,786,055)
Other comprehensive income:					
Currency translation differences	-	-	102,720	-	102,720
Total comprehensive income	-	-	102,720	(2,786,055)	(2,683,335)
Issue of share capital	19	968	14,995	-	15,963
Share-based payments	18	-	-	78,046	78,046
Balance at 31 December 2024	218,826	17,485,914	(104,946)	(38,265,985)	(20,666,191)

ADTHENA LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium account	Profit and loss reserves	Total	
Notes	£	£	£	£	
Balance at 1 January 2023	206,657	15,088,300	(27,909,018)	(12,614,061)	
Year ended 31 December 2023:					
Loss and total comprehensive income for the year	-	-	(4,321,767)	(4,321,767)	
Issue of share capital	19	11,201	2,382,619	-	2,393,820
Share-based payments	18	-	-	39,663	39,663
Balance at 31 December 2023	217,858	17,470,919	(32,191,122)	(14,502,345)	
Year ended 31 December 2024:					
Profit and total comprehensive income	-	-	(5,493,065)	(5,493,065)	
Issue of share capital	19	968	14,995	-	15,963
Share-based payments	18	-	-	78,046	78,046
Balance at 31 December 2024	218,826	17,485,914	(37,606,141)	(19,901,401)	

ADTHENA LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	24	(1,577,426)		(2,411,579)	
Interest received		250		259	
Interest paid		(2,788,962)		(2,594,355)	
Income taxes refunded/(paid)		1,893,521		(4,806)	
Net cash outflow from operating activities		(2,472,617)		(5,010,481)	
Investing activities					
Purchase of tangible fixed assets		(43,805)		(42,618)	
Proceeds from disposal of tangible fixed assets		(487)		913	
Net cash used in investing activities		(44,292)		(41,705)	
Financing activities					
Proceeds from issue of shares		94,006		2,433,483	
Repayment of borrowings		3,978,224		1,962,651	
Net cash generated from financing activities		4,072,230		4,396,134	
Net increase/(decrease) in cash and cash equivalents		1,555,321		(656,052)	
Cash and cash equivalents at beginning of year		1,180,471		1,707,845	
Effect of foreign exchange rates		102,720		128,678	
Cash and cash equivalents at end of year		<u>2,838,512</u>		<u>1,180,471</u>	

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Adthena Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 30 Churchill Place, London, E14 5RE.

The group consists of Adthena Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Adthena Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

1.3 Going concern

The accounts have been prepared on a going concern basis. While the Group continues to operate at a loss and has negative net assets, the business is in a stable operating position, and sales growth is expected to be sufficient to reach breakeven. While the Group's net current assets are negative, the business has raised capital during the period, and is in a robust cash position with a forward cash forecast that is breakeven, and as such is in a position to withstand any short term losses. As a result, the Directors resolved that the going concern basis is appropriate.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years
Patents & licences	3 years

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% to 50% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss 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 or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The 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 profit as reported in the profit and loss account 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, 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 if, and only if, there is 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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary. When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 Foreign exchange

Transactions in foreign currencies are recorded at the spot rate.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement.

1.18 Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group.

Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by geographical market		
United Kingdom	6,896,609	6,400,720
United States of America	6,867,332	6,140,964
Australia	1,804,364	1,810,813
	<u>15,568,305</u>	<u>14,352,497</u>
	2024	2023
	£	£
Other revenue		
Interest income	250	259
	<u>250</u>	<u>259</u>

4 Operating loss

	2024	2023
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	147,724	(45,025)
Fees payable to the group's auditor for the audit of the group's financial statements	16,000	10,500
Depreciation of owned tangible fixed assets	66,726	70,788
Loss on disposal of tangible fixed assets	2,302	1,799
Amortisation of intangible assets	7,637	218,178
Operating lease charges	207,875	373,280
	<u>207,875</u>	<u>373,280</u>

The total cost of other services provided by the auditors was £4,500 (2023: £2,850)

5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group	2023	Company	2023
2024	2023	2024	2023
Number	Number	Number	Number
119	111	82	67
<u>119</u>	<u>111</u>	<u>82</u>	<u>67</u>

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Wages and salaries	8,531,743	9,060,234	5,515,958	5,287,789
Social security costs	1,247,835	1,358,745	803,867	736,748
Pension costs	138,810	150,390	77,786	87,439
	<u>9,918,388</u>	<u>10,569,369</u>	<u>6,397,611</u>	<u>6,111,976</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 37 (2023 - 44).

The amount of remuneration attributable to the highest paid director was £274k (2023:£192k).

During the year there were no directors that exercised any share options and there were no shares received or receivable by directors in respect of services under a long term incentive scheme.

The company operates a defined contribution pension scheme to which two directors were previously enrolled. There are no longer any directors enrolled on the company's pension scheme.

Directors' pension costs totalled £nil (2023: £nil).

There are no schemes or incentives available to directors in respect of their interests in Adthema Limited.

The company has taken advantage of the exemption from disclosing key management personnel compensation.

6 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	250	259
	<u>250</u>	<u>259</u>

7 Interest payable and similar expenses

	2024	2023
	£	£
Other interest	2,788,962	2,594,355
	<u>2,788,962</u>	<u>2,594,355</u>

8 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	(529,366)	(694,328)
	<u>(529,366)</u>	<u>(694,328)</u>

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Taxation (Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2024 £	2023 £
Loss before taxation	(3,315,421)	(6,124,183)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	(828,855)	(1,531,046)
Unutilised tax losses carried forward	828,855	1,531,046
Research and development tax credit	(531,307)	(699,134)
Effect of overseas tax rates	1,941	4,806
Taxation credit	(529,366)	(694,328)

9 Intangible fixed assets

Group	Software £	Patents & licences £	Total £
Cost			
At 1 January 2024 and 31 December 2024	84,283	605,690	689,973
Amortisation and impairment			
At 1 January 2024	73,516	605,690	679,206
Amortisation charged for the year	7,637	-	7,637
At 31 December 2024	81,153	605,690	686,843
Carrying amount			
At 31 December 2024	3,130	-	3,130
At 31 December 2023	10,767	-	10,767

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Intangible fixed assets (Continued)

Company	Software	Patents & licences	Total
	£	£	£
Cost			
At 1 January 2024 and 31 December 2024	84,283	605,690	689,973
Amortisation and impairment			
At 1 January 2024	73,516	605,690	679,206
Amortisation charged for the year	7,637	-	7,637
At 31 December 2024	81,153	605,690	686,843
Carrying amount			
At 31 December 2024	3,130	-	3,130
At 31 December 2023	10,767	-	10,767

10 Tangible fixed assets

Group	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2024	48,522	282,142	330,664
Additions	9,036	34,769	43,805
Disposals	(111)	(36,563)	(36,674)
Exchange adjustments	(783)	936	153
At 31 December 2024	56,664	281,284	337,948
Depreciation and impairment			
At 1 January 2024	27,973	166,334	194,307
Depreciation charged in the year	7,109	59,617	66,726
Eliminated in respect of disposals	(83)	(34,776)	(34,859)
Exchange adjustments	(481)	532	51
At 31 December 2024	34,518	191,707	226,225
Carrying amount			
At 31 December 2024	22,146	89,577	111,723
At 31 December 2023	20,549	115,808	136,357

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Tangible fixed assets (Continued)

Company	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2024	9,368	180,174	189,542
Additions	595	26,656	27,251
Disposals	-	(30,840)	(30,840)
At 31 December 2024	9,963	175,990	185,953
Depreciation and impairment			
At 1 January 2024	9,254	104,919	114,173
Depreciation charged in the year	215	37,966	38,181
Eliminated in respect of disposals	-	(29,110)	(29,110)
At 31 December 2024	9,469	113,775	123,244
Carrying amount			
At 31 December 2024	494	62,215	62,709
At 31 December 2023	114	75,255	75,369

11 Fixed asset investments

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Investments in subsidiaries	12	-	-	80	80
		-	-	80	80

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2024 and 31 December 2024	80
Carrying amount	
At 31 December 2024	80
At 31 December 2023	80

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Adthena Inc	720 Brazos Street, Suite B100, Austin, TX 78701	Ordinary	100.00
Adthena APAC PTY	Suite 123b, Argyle Stores, 12-20 Argyle Street, The Rocks, NSW 2000	Ordinary	100.00

13 Debtors

	Group 2024	2023	Company 2024	2023
Amounts falling due within one year:	£	£	£	£
Trade debtors	1,872,756	2,103,628	421,842	617,876
Corporation tax recoverable	531,307	1,895,462	531,307	1,895,462
Other debtors	80,061	70,316	34,562	25,048
Prepayments and accrued income	255,307	367,589	205,092	286,721
	<u>2,739,431</u>	<u>4,436,995</u>	<u>1,192,803</u>	<u>2,825,107</u>

14 Creditors: amounts falling due within one year

	Notes	Group 2024	2023	Company 2024	2023
		£	£	£	£
Other borrowings	16	526,317	5,040,000	526,317	5,040,000
Trade creditors		700,638	932,096	612,499	736,620
Other taxation and social security		461,489	1,311,884	376,880	1,218,064
Other creditors		199,533	297,172	107,400	115,371
Accruals and deferred income		7,392,376	7,673,576	3,221,763	3,704,035
		<u>9,280,353</u>	<u>15,254,728</u>	<u>4,844,859</u>	<u>10,814,090</u>

15 Creditors: amounts falling due after more than one year

	Notes	Group 2024	2023	Company 2024	2023
		£	£	£	£
Other borrowings	16	17,078,634	8,586,727	17,078,634	7,196,921
		<u>17,078,634</u>	<u>8,586,727</u>	<u>17,078,634</u>	<u>7,196,921</u>

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Loans and overdrafts

	Group 2024 £	2023 £	Company 2024 £	2023 £
Other loans	17,604,951	13,626,727	17,604,951	12,236,921
Payable within one year	526,317	5,040,000	526,317	5,040,000
Payable after one year	17,078,634	8,586,727	17,078,634	7,196,921

Other loans are be secured by (1) a first-priority perfected lien against all assets of Adthema Ltd and the Guarantors, (2) a pledge of 100% of the equity of Adthema Ltd's domestic subsidiaries (but not Adthema Ltd itself), and (3) a pledge of 65% of the voting equity of Adthema Ltd's foreign subsidiaries.

Defaults and breaches on loans payable

During the year, the Company had a loan balance due to Atalaya Capital Management LP. The Company did not identify any covenant breaches under this loan.

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	138,810	150,390

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

18 Share-based payment transactions

Group and company	Non-EMI		EMI	
	2024 £	2023 £	2024 £	2023 £
Brought forward	1,369,090	677,700	846,105	706,850
Granted	29,000	714,890	78,127	203,755
Forfeited	(19,734)	(18,010)	(94,600)	(59,010)
Exercised	(159,433)	(5,490)	-	(5,490)
Total	1,218,923	1,369,090	829,632	846,105

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Share-based payment transactions

(Continued)

Details of the number of EMI share options and weighted average exercise price (WAEP) outstanding during the period are as follows:

Exercise price £	Net number of shares issued	Dec-24	Dec-23
		£	£
0.02	123,000	2,460	2,460
1.09	203,380	221,684	190,347
1.38	3,000	4,140	-
1.60	96,000	153,600	153,600
1.61	101,800	163,898	181,367
1.65	21,500	35,475	101,475
1.79	32,063	57,393	53,029
2.07	226,700	469,269	469,269
2.10	17,689	37,147	36,750
3.21	4,500	14,445	14,445
	829,632	1,159,511	1,202,742
	WAEP	£1.40	£1.42

The company has established an Enterprise Management Incentive (EMI) share option scheme and an ordinary share option scheme, with exercise prices ranging from £0.02 to £3.21 per share.

- * Most options vest over a 4 year period. None vest within the first 12 months of employment.
- * The vested options are exercisable if there is a change in control.
- * The Group's employees may exercise vested options upon termination of their employment.

Vested EMI options can be exercised up to 10 years from the date of the grant.

The company recognised a charge of £78,043 (2023: £39,663) in relation to share options which have time-based vesting conditions or performance-based vesting conditions. The total cost of such options recognised to date is £ 593,121.

The fair value of the options used for accounting purposes in this calculation has been calculated using a Black-Scholes options pricing model.

Options lapse if the employee leaves the company before the options vest.

19 Share capital

Group and company Ordinary share capital Issued and fully paid	2024	2023	2024	2023
	Number	Number	£	£
Ordinary of 2p each	6,884,026	6,835,593	137,680	136,712
Series A of 2p each	2,587,800	2,587,800	51,756	51,756
Series A-1 of 2p each	1,469,498	1,469,498	29,390	29,390
	10,941,324	10,892,891	218,826	217,858

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

19 Share capital

(Continued)

48,433 shares of £0.02 each were allotted as fully paid at an average premium of £0.309591 per share during the year.

Prescribed particulars:

Ordinary

Each Ordinary share is entitled to a dividend payment only after any accruals of the preferential dividend due to the Series A shares have been paid.

Each Ordinary share is entitled to participate in a distribution arising from a winding up of the company only after the subscription price (together with an amount equal to all accrued but unpaid dividends) has been paid to holders of the Series A shares.

Series A-1

Each Series A-1 share is entitled to a preferential dividend payment if a dividend is declared.

Each Series A-1 share is entitled to participate with a priority return in a distribution arising from a winding up of the company on the basis set out in the company's articles of association.

Series A

Each Series A share is entitled to a dividend payment only after any accruals of the preferential dividend due to the Series A-1 shares have been paid.

Each Series A share is entitled to participate with a priority return of the subscription price (together with an amount equal to all accrued but unpaid dividends) in a distribution arising from a winding up of the company, but only after the applicable preference payable to the Series A-1 shares has been made.

20 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Within one year	94,036	94,344	94,036	94,344
Between two and five years	148,341	252,790	148,341	252,790
	<u>242,377</u>	<u>347,134</u>	<u>242,377</u>	<u>347,134</u>

21 Ultimate Parent Company

The company is owned by a number of private shareholders and companies, none of whom own more than 50% of the issued share capital of the company.

Accordingly there is no parent entity nor ultimate controlling party.

22 Events after the reporting date

There have been no significant events affecting the Group since the year end.

ADTHENA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

23 Deferred tax

At the year end the parent company (Adthena Limited) had tax losses carried forwards of £7.2m and an inter-company provision of £18m. The company has not provided for the £6m deferred tax asset that results from these.

The tax losses carried forward for the group totaled £25.5m. The group has not provided for the £5.7m deferred tax asset that results from these tax losses.

24 Cash absorbed by group operations

	2024 £	2023 £
Loss after taxation	(2,786,055)	(5,429,855)
Adjustments for:		
Taxation credited	(529,366)	(694,328)
Finance costs	2,788,962	2,594,355
Investment income	(250)	(259)
Loss on disposal of tangible fixed assets	2,302	1,799
Amortisation and impairment of intangible assets	7,637	218,178
Depreciation and impairment of tangible fixed assets	66,982	74,786
Movements in working capital:		
Decrease/(increase) in debtors	333,409	(266,558)
(Decrease)/increase in creditors	(1,460,692)	1,089,636
Cash absorbed by operations	<u>(1,577,071)</u>	<u>(2,412,246)</u>

25 Analysis of changes in net debt - group

	1 January 2024 £	Cash flows £	Exchange rate movements £	31 December 2024 £
Cash at bank and in hand	1,180,471	1,555,321	102,720	2,838,512
Borrowings excluding overdrafts	(13,626,727)	(3,978,224)	-	(17,604,951)
	<u>(12,446,256)</u>	<u>(2,422,903)</u>	<u>102,720</u>	<u>(14,766,439)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.