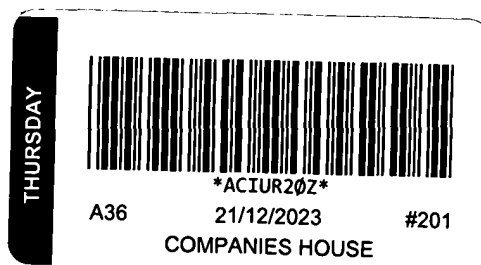


Flo Live Limited
Annual Report and Consolidated Financial Statements
for the financial year ended 31 December 2022



Flo Live Limited
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Flo Live Limited
DIRECTORS AND OTHER INFORMATION

Directors	Rony Ahron Cohen Percy Eduardo Grundy Castanos Daniel Arthur Hallgarten (appointed on 25 February 2022) Barak Pridor (appointed on 18 February 2022) Yair Snir (appointed on 18 February 2022) Yoram Snir Shay Grinfeld (appointed on 13 September 2023)
Company Secretary	Rony Ahron Cohen
Company Registration Number	09931232
Registered Office and Business Address	C/O 83 North UK LLP 5 th Floor 5 Golden Square London W1F 9HT
Independent Auditors	Mazars Mayoralty House Flood Street Galway Ireland

Flo Live Limited STRATEGIC REPORT

for the financial year ended 31 December 2022

Introduction

The directors present their strategic report on the group and the parent company for the financial year ended 31 December 2022.

The principal activity of Flo Live Limited (the 'Company') is developing through its subsidiaries ("the Group"), a cloud-based connectivity management, billing and core network platform. The Company provides support to customers mainly throughout EMEA, Americas and APJ. The Directors present their Strategic Report on Flo Live Limited consolidated financial statements for the year to 31 December 2022.

Business review and key performance indicators

The Company has subsidiaries as of 31 December 2022 in the UK, Israel, USA, Cyprus, Bulgaria, Singapore, Guernsey and Turkey.

The revenues of the Group increased by 64.8% to \$4.8m (2021 - \$2.9m) mainly as a result of the increase in the number of customers. The operating loss increased by 23.5% to \$19.3m (2021: \$15.6m as restated)

At 31 December 2022 the net assets of the Group were \$13.9m (2021 - \$9.5m), the increase is mainly due to Investment Round B3 (\$22m) from investors and the current year loss.

The Directors consider key performance indicators to be revenue as detailed above. The Directors believe that preparing the financial statements on the going concern basis is appropriate, this is discussed in the Directors' Report on page 5.

Supplier payment policy

The Groups' standard supplier payment policy is to pay valid invoices within agreed terms.

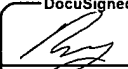
Principal risks and uncertainties

The principal risks and uncertainties affecting the Group are primarily the economic climate, with higher inflation and rising interest rates.

Credit risk is the risk of loss in value of financial assets due to the counter parties failing to meet all or part of their obligations. Credit risk is estimated by the Group to be limited.

Liquidity risk is the risk that the Group does not have sufficient liquid assets to meet its obligations as they fall due. Liquid funds are only placed with reputable institutions with high credit ratings.

On behalf of the board

DocuSigned by:

Rony Abramson
Director

12/20/2023

Date: _____

Flo Live Limited DIRECTORS' REPORT

for the financial year ended 31 December 2022

The directors present their report and the audited financial statements for the financial year ended 31 December 2022.

Principal Activity

The principal activity of the group is the development and distribution of software and services allowing customers to connect IoT devices globally to the network, for organisations in the field of computer technologies, product integration in telecommunications.

Results and Dividends

The loss for the financial year after providing for depreciation and taxation amounted to \$(19,375,371) (2021 - \$(15,824,423) as restated).

The directors do not recommend payment of a dividend.

Directors

The directors who served during the financial year are as follows:

Rony Ahron Cohen
Percy Eduardo Grundy Castanos
Daniel Arthur Hallgarten (appointed on 25 February 2022)
Barak Pridor (appointed on 18 February 2022)
Yair Snir (appointed on 18 February 2022)
Yoram Snir
Shay Grinfeld (appointed on 13 September 2023)

Future Developments

The company plans to continue its present activities and current trading levels. Employees are kept as fully informed as practicable about developments within the business.

Going Concern

The Directors have considered the budget and cashflow forecasts for the Group, which take account of the economic impact of recent global events, and confirm that the Group will be able to meet its liabilities as they fall due. Post year end, the group has received further investment which will sustain operations for at least twelve months from the date of signing of the financial statements.

Accordingly, the financial statements have been prepared on a going concern basis

Events After the End of the Reporting Period

On 6 July 2023, the Company issued 5,950,058 Preferred C shares (nominal value of £0.01 per share) with cash consideration amounting to \$46,810,000.

Political Contributions

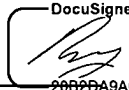
The group did not make any disclosable political donations in the current financial year.

Auditors

The auditor, Mazars, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board

DocuSigned by:


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Rony Ahron Cohen

Director

12/20/2023

Date: _____

Flo Live Limited
STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the financial year ended 31 December 2022

The directors are responsible for preparing the Strategic Report, Directors' 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditor

Each person who are directors at the date of approval of this report confirms that:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

Rony Ahron Cohen 20B2DA9AC763466...
Director
12/20/2023

Date: _____



INDEPENDENT AUDITOR'S REPORT to the Shareholders of Flo Live Limited

Report on the audit of the financial statements

Opinion

We have audited the group and parent company financial statements of Flo Live Limited and its subsidiaries ('the group') for the financial year ended 31 December 2022 which comprise the Group Income Statement, the Group Statement of Financial Position, the Company Statement of Financial Position, 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 set out in note 2. The financial reporting framework that has been applied in their preparation is applicable Law and United Kingdom Accounting Standards, including FRS 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 2022 and of the group's loss for the financial 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 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 the parent company's ability to continue as a going concern for a period of at least twelve months from the date 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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



INDEPENDENT AUDITOR'S REPORT to the Shareholders of Flo Live Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and 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
- 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 for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 they 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 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 to cease operations, or has no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT to the Shareholders of Flo Live Limited

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:

Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to - posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.



INDEPENDENT AUDITOR'S REPORT to the Shareholders of Flo Live Limited

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.

A handwritten signature in dark ink, appearing to read "Austin Sammon".

Austin Sammon (Senior Statutory Auditor)

for and on behalf of

MAZARS

Chartered Accountants and Statutory Auditor

Mayoralty House

Flood Street

Galway

Ireland

20 December 2023

Flo Live Limited
CONSOLIDATED INCOME STATEMENT
for the financial year ended 31 December 2022

		2022	2021
	Notes	\$	as restated \$
Turnover	5	4,773,496	2,897,364
Cost of sales		(2,796,092)	(1,056,766)
Gross profit		1,977,404	1,840,598
Administrative expenses		(21,261,236)	(17,453,144)
Other operating income		-	293
Group operating loss	6	(19,283,832)	(15,612,253)
Other gains and losses	7	-	(204,480)
Interest (receivable) payable and similar expenses (income)	8	(78,877)	2,755
Loss before taxation		(19,362,709)	(15,813,978)
Tax on loss	10	(12,662)	(10,445)
Loss for the financial year		(19,375,371)	(15,824,423)
Total comprehensive loss		(19,375,371)	(15,824,423)

Flo Live Limited

Company Registration Number: 09931232

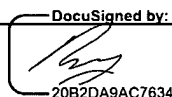
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

		2022	2021
	Notes	\$	\$
Non-Current Assets			
Intangible Assets	12	1,985,428	2,504,038
Property, plant and equipment	11	586,522	725,621
Restricted Cash		103,251	82,553
		<u>2,675,201</u>	<u>3,312,212</u>
Current Assets			
Debtors	14	2,929,064	2,897,975
Restricted Cash		94,567	34,183
Cash and cash equivalents	24	14,413,348	9,355,175
		<u>17,436,979</u>	<u>12,287,333</u>
Creditors: amounts falling due within one year	15	<u>(4,114,481)</u>	<u>(3,349,832)</u>
Net Current Assets		<u>13,322,498</u>	<u>8,937,501</u>
Total Assets less Current Liabilities		<u>15,997,699</u>	<u>12,249,713</u>
Creditors:			
amounts falling due after more than one year	16	<u>(2,143,883)</u>	<u>(2,760,081)</u>
Net Assets		<u><u>13,853,816</u></u>	<u><u>9,489,632</u></u>
Capital and Reserves			
Called up share capital	18	139,934	120,452
Share premium account	20	73,299,824	50,538,751
Other reserves including the fair value reserve	20	2,462,801	1,503,801
Retained earnings	20	<u>(62,048,743)</u>	<u>(42,673,372)</u>
Equity attributable to owners of the company		<u><u>13,853,816</u></u>	<u><u>9,489,632</u></u>

Approved by the Board and authorised for issue on 12/20/2023 and signed on its behalf by

Rony Ahron Cohen
Director

DocuSigned by:

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Flo Live Limited

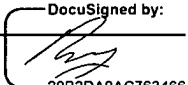
Company Number: 09931232

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

		2022	2021
	Notes	\$	as restated \$
Non-Current Assets			
Property, plant and equipment	11	1,126	21,023
Financial assets	13	4,371,838	6,205,946
		<u>4,372,964</u>	<u>6,226,969</u>
Current Assets			
Debtors	14	57,100,951	36,159,222
Cash and cash equivalents	24	6,175,393	5,021,926
		<u>63,276,344</u>	<u>41,181,148</u>
Creditors: Amounts falling due within one year	15	<u>(2,667,186)</u>	<u>(2,741,472)</u>
Net Current Assets		<u>60,609,158</u>	<u>38,439,676</u>
Total Assets less Current Liabilities		<u>64,982,122</u>	<u>44,666,645</u>
Creditors			
Amounts falling due after more than one year	16	<u>(2,143,883)</u>	<u>(2,760,081)</u>
Net Assets		<u>62,838,239</u>	<u>41,906,564</u>
Capital and Reserves			
Called up share capital	18	139,934	120,452
Share premium account	20	73,299,824	50,538,751
Other reserves including the fair value reserve	20	2,462,801	1,503,801
Retained earnings	20	<u>(13,064,320)</u>	<u>(10,256,440)</u>
Shareholders' Funds		<u>62,838,239</u>	<u>41,906,564</u>

Approved by the Board and authorised for issue on Date: 12/20/2023 and signed on its behalf by

DocuSigned by:

 Rony Ahron Cohen
 Director
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Flo Live Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 31 December 2022

	Called up share capital \$	Share premium account \$	Retained earnings \$	Other reserves including the fair value reserve \$	Total \$
As restated for the year ended 31 December 2021					
At 1 January 2021	93,064	35,109,965	(26,812,597)	671,070	9,061,502
Effect of prior period adjustment	-	-	(36,352)	-	(36,352)
As restated	<u>93,064</u>	<u>35,109,965</u>	<u>(26,848,949)</u>	<u>671,070</u>	<u>9,025,150</u>
Loss for the financial year	-	-	(15,824,423)	-	(15,824,423)
Shares issued during the year	27,388	15,428,786	-	-	15,456,174
Share based compensation (Note 19)	-	-	-	832,731	832,731
At 31 December 2021 (as restated)	<u>120,452</u>	<u>50,538,751</u>	<u>(42,673,372)</u>	<u>1,503,801</u>	<u>9,489,632</u>
Loss for the financial year	-	-	(19,375,371)	-	(19,375,371)
Shares issued during the year	23,103	22,761,073	-	-	22,784,176
Cancellation of shares issued	(3,621)	-	-	-	(3,621)
Foreign translation reserve				92,017	92,017
Share based compensation (Note 19)	-	-	-	866,983	866,983
At 31 December 2022	<u><u>139,934</u></u>	<u><u>73,299,824</u></u>	<u><u>(62,048,743)</u></u>	<u><u>2,462,801</u></u>	<u><u>13,853,816</u></u>

Flo Live Limited
COMPANY STATEMENT OF CHANGES IN EQUITY
as at 31 December 2022

	Called up share capital \$	Share premium account \$	Retained earnings \$	Other reserves including the fair value reserve \$	Total \$
As restated for the year ended 31 December 2021					
At 1 January 2021	93,064	35,109,965	(10,786,146)	671,070	25,087,953
Effect of prior period adjustment	-	-	931,172	-	931,172
At 1 January 2021	<u>93,064</u>	<u>35,109,965</u>	<u>(9,854,974)</u>	<u>671,070</u>	<u>26,019,125</u>
Loss for the financial year	-	-	(401,466)	-	(401,466)
Shares issued during the year	27,388	15,428,786	-	-	15,456,174
Share based compensation (Note 18)	-	-	-	832,731	832,731
At 31 December 2021	<u>120,452</u>	<u>50,538,751</u>	<u>(10,256,440)</u>	<u>1,503,801</u>	<u>41,906,564</u>
Loss for the financial year	-	-	(2,807,880)	-	(2,807,880)
Shares issued during the year	23,103	22,761,073	-	-	22,784,176
Cancellation of shares issued	(3,621)	-	-	-	(3,621)
Foreign translation reserve				92,017	92,017
Share based compensation (Note 18)	-	-	-	866,983	866,983
At 31 December 2022	<u><u>139,934</u></u>	<u><u>73,299,824</u></u>	<u><u>(13,064,320)</u></u>	<u><u>2,462,801</u></u>	<u><u>62,838,239</u></u>

Flo Live Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2022

	Notes	2022 \$	2021 as restated \$
Cash flows from operating activities			
Loss for the financial year		(19,375,371)	(15,824,423)
Adjustments for:			
Interest payable and similar expenses		78,877	40,531
Tax on loss on ordinary activities		12,662	10,445
Depreciation		383,408	200,098
Amortisation of Intangible assets		518,610	518,610
Equity-settled share-based payments		866,983	832,731
Unrealised foreign exchange loss		92,017	-
		(17,422,814)	(14,222,008)
Movements in working capital:			
Movement in debtors		(31,089)	(1,281,948)
Movement in creditors		987,943	1,379,743
Cash used in operations		(16,465,960)	(14,124,213)
Tax paid		(10,486)	(18,915)
Interest paid		(102,183)	(43,286)
Net cash used in operating activities		(16,578,629)	(14,186,414)
Cash flows from investing activities			
Interest received		-	2,755
Movement in restricted cash		(81,082)	(3,571)
Payments to acquire property, plant and equipment		(244,309)	(503,387)
Net cash generated from investment activities		(325,391)	(504,203)
Cash flows from financing activities			
Proceeds from issue of equity share capital		22,780,555	15,456,174
Proceeds from issue of long-term loan		-	1,638,708
Payment to long-term loan		(699,710)	-
Movement in preferred A1 warrants		-	204,480
Movement in amounts owed to connected/related parties		(118,652)	49,191
Net cash generated from/ (used in) financing activities		21,962,193	17,348,553
Net increase/(decrease) in cash and cash equivalents		5,058,173	2,657,936
Cash and cash equivalents at beginning of financial year		9,355,175	6,697,239
Cash and cash equivalents at end of financial year	24	14,413,348	9,355,175

1. General Information

Flo Live Limited (the "Parent Company") is a company limited by shares incorporated and registered in England and Wales. The registered number of the company is 09931232. The registered office of the company is C/O 83 North UK LLP, 5th Floor, 5 Golden Square, London, W1F 9HT which is also the principal place of business of the company.

The nature of the company's operations and its principal activities are set out in the Directors' Report.

The functional and presentational currency of the Group and the Company is USD. Monetary amounts in these financial statements are rounded to the nearest \$.

2. Summary of Significant Accounting Policies

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

Statement of compliance

The financial statements of the company for the financial year ended 31 December 2022 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of property, plant and equipment, less their estimated residual value, over their expected useful lives as follows:

Plant and machinery	-	20% Straight line
Fixtures, fittings and equipment	-	7 - 33% Straight line
Computer equipment	-	20%-33% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets

Technology and Intellectual property

Technology and Intellectual property are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over their estimated useful life of 5 years.

Customer relationships

Customer relationships are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over their estimated useful life of 9 years.

Leasing

Rentals payable under operating leases are dealt with in the Income Statement as incurred over the period of the rental agreement.

Financial assets

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other investments together with any related tax credit is recognised in the profit and loss account in the financial year in which it is receivable.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Share-based payments

The company's employees, the employees of the subsidiaries and other service providers are entitled to remuneration in the form of equity-settled share-based payment transactions. The cost of equity-settled transactions with employees is measured at the fair value of the equity instruments granted at the grant date.

Fair value is measured using the Black-Scholes Pricing Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The cost of equity-settled transactions is recognised in profit and loss, together with a corresponding increase in equity, during the period in which the performance and/or service conditions are to be satisfied and ending on the day on which the relevant employees become fully entitled to the award. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a marketing condition.

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The company also operates a defined benefit pension scheme for its employees providing benefits based on final pensionable pay. The assets of this scheme are also held separately from those of the company, being invested with pension fund managers.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income Statement.

On consolidation, the results of overseas operations are translated into Dollars 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.

Financial Instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the straight-line interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original straight line interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current straight line interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Warrants

The warrants, due to the existence of a net equity settlement mechanism are classified as derivative financial instruments and are measured at the fair value at the grant date under the provisions of FRS 102. The warrants are remeasured at fair value at each balance sheet date using a standard option pricing model to determine fair value.

Share capital of the company

Ordinary share capital

The ordinary share capital of the company is presented as equity.

Preference share capital

The dividend rights of the preference shares are non-cumulative, and payment is at the discretion of the company. The preference shares carry voting rights at meetings. Based on their characteristics the preference shares are considered to be presented as equity and not liabilities.

Going Concern

The Directors have considered the budget and cashflow forecasts for the Group, which take account of the economic impact of recent global events, and confirm that the Group will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of the Directors signing the financial statements for the year ended 31 December 2022.

Accordingly, the financial statements have been prepared on a going concern basis.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amount of the 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, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial period, are discussed below:

Carrying value of investments

The Company holds investments in subsidiary companies which are measured at cost less accumulated impairment. At each reporting date, the Directors assess the carrying value of the investments for impairment. No impairment charge has been recognised in the year ended 31 December 2022. Refer to note 13 of the financial statements.

Share based compensation

The Company operates an international share option plan for its group employees and service providers. The Company selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The option-pricing model requires a number of assumptions, of which the most significant are the expected share price, volatility and the expected option term. Because there has been no public market for the Company's ordinary shares, the fair value of an ordinary share at the time of grant of the option has been determined by considering a number of objective and subjective factors including financing investment rounds, operating and financial performance, the lack of liquidity of share capital and general and industry specific economic outlook, amongst other factors. Refer to note 19 of the financial statements.

4. Prior period adjustment

Group

Administrative expenses

A prior period adjustment has been made to correct the accounting for share based payment – research and development for 2020 which originally recorded as an Intangible asset in 2020. In 2021, the Group corrected the value of Intangible assets by recognising the share based payment – research and development for 2020 in 2021.

The intangible assets and retained earnings at the start of prior year have increased and administrative expenses has decreased by \$36,352 due to originally recording the Share based payment – research and development in Intangible assets instead of administrative expenses in 2020.

The prior year administrative expenses have increased by \$36,352 due to correcting the Intangible assets' in 2021.

An adjustment of \$36,352 has been made to decrease the administrative expenses with a corresponding decrease in to retained earnings at the start of prior year, rectifying an error in a consolidation adjustment at 31 December 2021.

Changes to the income statement - Group

	As previously reported \$	Adjustment \$	As restated \$
Year ended 31 December 2021			
Administrative expenses	(17,489,496)	36,352	(17,453,144)

Company

Intercompany adjustment

A prior period adjustment has been posted to increase the opening balance of Amounts owed by group undertakings by \$931,172. This adjustment was to reflect both allocation of Share based compensation expenses recorded in parent company to its subsidiaries and Transfer Pricing adjustment between the parent company and its subsidiaries on 2020 amounting to \$587,842 and \$343,330 respectively.

In 2021, an adjustment has been posted to increase the Amounts owed by group undertakings amounting to \$1,060,098. This adjustment was a result of the following: allocation of Share based compensation expenses recorded in parent company to its subsidiaries amounting to \$729,873, Transfer Pricing adjustment between the parent company and its subsidiaries amounting to \$571,198 and partially offset by recalculation of intercompany interest payable amounting to \$240,973.

Share based compensation expenses were originally recorded in the books of parent company but the Group decided to allocate these expenses to its subsidiaries starting 2020. As a result, intercompany balance and retained earnings at the start and end of prior year need to increase as the parent company decided to charge its subsidiaries for these expenses recorded on their behalf.

Transfer Pricing adjustment pertains to services provided by the parent company, Flo Live BG EOOD, Flo Live CY Limited and Flo Live US Inc to Flo Live Limited Israel and being charge through cost plus method. A Transfer Pricing study is being conducted to support the transfer pricing adjustment amounts for the above-mentioned transactions.

As a result, intercompany balance and retained earnings at the start and end of prior year need to increase due to these intercompany transactions for both 2020 and 2021.

Trade creditors

A prior period adjustment has been posted to correct the classification of some balances of Trade creditors.

Changes to statement of financial position - Company

	As previously reported \$	Adjustment at 1 Jan 2021 \$	Adjustment at 31 Dec 2021 \$	As restated at 31 Dec 2021 \$
Debtors				
Amounts owed by group undertakings	33,601,501	931,172	1,060,098	35,592,771

Changes to statement of financial position – Company (continued)

	As previously reported \$	Adjustment at 1 Jan 2021 \$	Adjustment at 31 Dec 2021 \$	As restated at 31 Dec 2021 \$
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Creditors: amounts falling due within one year

Trade Creditors	33,404	-	(259)	33,145
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Capital and reserve

Retained earnings	(12,247,969)	931,172	1,060,357	(10,256,440)
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5. Turnover

The turnover for the financial year is analysed as follows:

	2022 \$	2021 \$
Turnover	4,773,496	2,897,364

Analysis of turnover by country of destination:

United Kingdom	560,217	465,725
Rest of the world	4,213,279	2,431,639
	4,773,496	2,897,364

6. Operating loss

	2022 \$	2021 \$
Operating loss is stated after charging/(crediting):		
Depreciation of property, plant and equipment	383,408	200,098
Amortisation of intangible assets	518,610	518,610
Loss/(Profit) on foreign currencies	1,002,496	(310,965)
Operating lease rentals		
- Land and buildings	651,214	388,147
Auditor's remuneration		
- audit services	59,738	79,390

7. Other Gains and Losses

	2022 \$	2021 \$
Fair value gains and losses are as follows:		
Fair value movement on warrants	-	(204,480)

8. Interest receivable (payable) and similar income (expenses)

	2022 \$	2021 \$
On loans and overdrafts	78,877	(2,755)

9. Employees and remuneration

The staff costs comprise:	2022	2021
	\$	\$
Wages and salaries	11,287,223	10,429,821
Social Security Costs	648,732	502,104
Cost of defined contribution scheme	1,041,822	860,797
Share based compensation	866,983	832,731
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The average monthly number of employees, including the Directors, during the year was as follows:

	2022	2021
Employees	93	93
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10. Tax on loss

	2022	2021
	\$	\$
(a) Analysis of charge in the financial year		
Current tax:		
Corporation tax (Note 10 (b))	12,662	10,445
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(b) Factors affecting tax charge for the financial year

The tax assessed for the financial year differs from the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2022	2021
	\$	\$
Loss on ordinary activities before tax	(19,362,709)	(15,813,978)
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Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	(3,678,915)	(3,004,656)
Expenses not deductible for tax purposes	-	17,241
Non-Taxable income	-	(19,403)
Losses carried forward	3,678,915	2,994,725
Adjustments in respect of previous periods	-	12,093
Impact of foreign tax rates	12,622	10,445
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Total tax charge for the financial year (Note 9 (a))	12,662	10,445
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