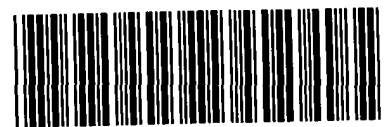


Registered number: 12149503

BRAIN LABS DC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

TUESDAY



A41 *AEI10NF6* #95
23/12/2025
COMPANIES HOUSE

BRAIN LABS DC LIMITED

COMPANY INFORMATION

Directors

D L Gilbert
P J Avery (appointed 20 September 2024)
H J Bennett (appointed 20 September 2024)
O De Canson (resigned 20 September 2024)

Registered number

12149503

Registered office

Building 4
2 Old Street Yard
London
EC1Y 8AF

BRAIN LABS DC LIMITED

CONTENTS

	Page
Directors' report	2 – 3
Independent auditor's report to the members of Brain Labs DC Limited	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 15

BRAIN LABS DC LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The directors present their report and the financial statements for the year ended 31 March 2025.

Principal activity

The Brainlabs group is on a mission to be the best and biggest digital-first media agency: powered by experimentation, supercharged by technology and delivered by outstanding talent. Brainlabs' global team of 800+ people drives results for clients across Paid Media, Media Solutions, Owned Media, Performance Creative, Influencer and Other Media Income. The principal activity of Brain Labs DC Limited itself is as a Google Marketing Platform Sales Partner, licensing enterprise software to clients in both Europe and North America.

These financial statements report on the performance and position of Brain Labs DC Limited ("the Company") which is a UK trading entity of the Brainlabs Group.

Results and dividends

The profit for the period, after taxation, amounted to £3.1m (2024: £2.4m). No dividends were paid in this period (2024: £nil).

Directors' and Officers' indemnity insurance

Brainstormer Inc., on behalf of the company, has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of this report. The Company maintains Directors' and Officers' liability insurance for its Directors and Officers.

Directors

The directors who have served since the start of the year through to signing the financial statements are:

O J M de Canson (resigned 20 September 2024)
D L Gilbert
P J Avery (appointed 20 September 2024)
H J Bennett (appointed 20 September 2024)

Going Concern

Brain Labs DC Limited is a subsidiary which forms part of the wider Brain Labs Group and its results are consolidated under Brainstormer, Inc. a company incorporated in Delaware, United States of America.

The going concern review has been performed by the Board on a group basis and the Group is providing support to all subsidiaries to ensure they will be able to meet liabilities as and when they fall due. The Company has received a letter of support from Brainstormer Inc. that the Group has the ability and willingness to support the Company for at least 12 months from the date these financial statements were signed. The financial statements have been prepared on a going concern basis and the Directors believe this is appropriate for the following reasons:

The Group has experienced significant growth during the year ended 31 March 2025. The Group has continued to add new customers which, combined with a diversified and resilient current customer base, has supported the growth. In addition, the Group completed an acquisition in Australia during the final quarter of the previous financial year, which has brought additional revenue and operating profit into the group for the year ended 31 March 2025.

The Group had \$15.1m cash at bank as at the year end.

Brainlabs continues to benefit from a multi-currency facility agreement with our lending partners, Alcentra. During the period, the group drew down a combined total of \$10.1m from our acquisition facilities. Post-year end, the Group completed the acquisition of Exverus, a Los Angeles-based media planning and buying agency which saw the addition of the new, Acquisition Facility 4.

BRAIN LABS DC LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

These facilities include financial covenants which require the Group to meet minimum levels of EBITDA and net debt relative to EBITDA (net leverage). A minimum EBITDA of £4.0 million and an initial net leverage maximum of 7.00 times) are tested quarterly. On 31 March 2025, the actual net leverage was 4.27x. Additionally, financial covenants for RCF require a Super Senior minimum EBITDA of £3.6m and an initial net leverage maximum of 7.50 times (down to 6.67 at 31 March 2026, 6.11 at 31 March 2027 and 5.56 times thereafter) tested quarterly.

The Directors' have prepared sensitised cash flow forecasts, including a reverse stress test, for a period of at least 12 months from the date of approval of these financial statements. The forecast revenue and EBITDA would need to fall by more than 31% year on year from the third quarter of the next financial year for the covenants to be breached following the Group's latest acquisition. This has been concluded as an implausible and unrealistic scenario, hence the Group is forecast to be covenant compliant. Given the significant headroom against the covenants agreed, the Group is not forecasting to be in breach of any of its covenants and therefore the Directors believe that it remains appropriate to prepare financial statements on a going concern basis.

Directors' responsibilities statement

The directors are responsible for preparing the 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 FRS 102 "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 and profit or loss of the company for that period. In preparing the 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 United Kingdom 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 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.

Future developments

The Group continues to grow, both organically but also through the implementation of its merger and acquisition strategy. The Company will continue to grow its principal activity for the foreseeable future.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12 December 2025 and signed on its behalf.

Paul Avery

P J Avery
Director

BRAIN LABS DC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC LIMITED

Opinion

We have audited the financial statements of Brain Labs DC Limited (the 'company') for the year ended 31 March 2025, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of 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 company's affairs as at 31 March 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties both in the UK and globally, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 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.

BRAIN LABS DC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

BRAIN LABS DC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC LIMITED

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of legal expenditure, and inquires of appropriate personnel within the entity.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Audit procedures performed by the engagement team included:
 - evaluation of the procedures and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
 - Knowledge of the industry in which the company operates.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

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.

BRAIN LABS DC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC 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.

Paul Naylor

Paul Naylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
12 December 2025

BRAIN LABS DC LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £'000	2024 £'000
Turnover	5	4,413	3,131
Operating expenses		(1,290)	(740)
Operating profit		<u>3,122</u>	<u>2,391</u>
Interest payable and similar charges	8	(3)	(6)
Net interest expense		<u>3,119</u>	<u>(6)</u>
Profit before tax		<u>3,119</u>	<u>2,385</u>
Tax on profit	9	-	-
Profit after tax for the financial year		<u>3,119</u>	<u>2,385</u>
Total comprehensive income for the year		<u>3,119</u>	<u>2,385</u>

There were no recognised gains or losses in the period other than those included in the statement of comprehensive income

The notes on pages 11 to 15 form part of these financial statements.

BRAIN LABS DC LIMITED
REGISTERED NUMBER: 12149503
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 £'000	2024 £'000 Restated
Fixed Assets			
Amounts due from group undertakings	10	2,092	1,196
		<u>2,092</u>	<u>1,196</u>
Current assets			
Debtors	10	9,003	6,989
Cash at bank and in hand		1,109	790
		<u>10,112</u>	<u>7,779</u>
Creditors: amount falling due within one year	11	(1,416)	(1,306)
Net current assets		<u>8,696</u>	<u>6,473</u>
Total assets less current liabilities		<u>10,788</u>	<u>7,669</u>
Net assets		<u>10,788</u>	<u>7,669</u>
Capital and reserves			
Called up share capital	12	-	-
Retained earnings		10,788	7,669
Total equity		<u>10,788</u>	<u>7,669</u>

Amounts due from group undertakings is reported as to reflect the expected timing of settlement. Prior year has been restated to reflect this for comparative purposes.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The notes on pages 11 to 15 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Paul Avery

P J Avery
 Director
 Date: 12 December 2025

BRAIN LABS DC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Called up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
At 1 April 2024	-	7,669	7,669
Profit for the year	-	3,119	3,119
Total comprehensive income for the year	-	3,119	3,119
At 31 March 2025	-	10,788	10,788
Opening balance at 1 April 2023		5,284	5,284
Profit for the year	-	2,385	2,385
Total comprehensive income for the year	-	2,385	2,385
At 31 March 2024	-	7,669	7,669

The notes on pages 11 to 15 form part of these financial statements.

BRAIN LABS DC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2025

1. General information

Brain Labs DC Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Building 4, 2 Old Street Yard, London, EC1Y 8AF, United Kingdom.

2. Statement of compliance

The company financial statements of Brain Labs DC Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Where material errors are identified in a prior period, the financial statements are restated in accordance with FRS 102 Section 10. Where the prior year financial statements have not been restated (for example, because they were unaudited or impractical to amend), the effect of the error is recognised in the opening balance of retained earnings in the current year, and the nature and effect of the adjustment is disclosed in the notes to the financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies (see note 4).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;

This information is included in the consolidated financial statements of Brainstormer Inc as at 31 March 2025 and these financial statements may be obtained from Companies House.

The following principal accounting policies have been applied:

3.2 Going Concern

Brain Labs DC Limited is a subsidiary which forms part of the wider Brain Labs Group and its results are consolidated under Brainstormer, Inc. a company incorporated in Delaware, United States of America.

The going concern review has been performed by the Board on a group basis and the Group is providing support to all subsidiaries to ensure they will be able to meet liabilities as and when they fall due. The Company has received a letter of support from Brainstormer Inc. that the Group has the ability and willingness to support the Company for at least 12 months from the date these financial statements were signed.

The financial statements have been prepared on a going concern basis and the Directors believe this is appropriate for the following reasons:

BRAIN LABS DC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2025**

The Group has experienced significant growth during the year ended 31 March 2025. The Group has continued to add new customers which, combined with a diversified and resilient current customer base, has supported the growth. In addition, the Group completed an acquisition in Australia during the final quarter of the previous financial year, which has brought additional revenue and operating profit into the group for the year ended 31 March 2025.

The Group had \$15.1m cash at bank as at the year end.

Brainlabs continues to benefit from a multi-currency facility agreement with our lending partners, Alcentra. During the period, the group drew down a combined total of \$10.1m from our acquisition facilities. Post-year end, the Group completed the acquisition of Exverus, a Los Angeles-based media planning and buying agency which saw the addition of the new, Acquisition Facility 4.

These facilities include financial covenants which require the Group to meet minimum levels of EBITDA and net debt relative to EBITDA (net leverage). A minimum EBITDA of £4.0 million and an initial net leverage maximum of 7.00 times) are tested quarterly. On 31 March 2025, the actual net leverage was 4.27x. Additionally, financial covenants for RCF require a Super Senior minimum EBITDA of £3.6m and an initial net leverage maximum of 7.50 times (down to 6.67 at 31 March 2026, 6.11 at 31 March 2027 and 5.56 times thereafter) tested quarterly.

The Directors' have prepared sensitised cash flow forecasts, including a reverse stress test, for a period of at least 12 months from the date of approval of these financial statements. The forecast revenue and EBITDA would need to fall by more than 31% year on year from the third quarter of the next financial year for the covenants to be breached following the Group's latest acquisition. This has been concluded as an implausible and unrealistic scenario, hence the Group is forecast to be covenant compliant. Given the significant headroom against the covenants agreed, the Group is not forecasting to be in breach of any of its covenants and therefore the Directors believe that it remains appropriate to prepare financial statements on a going concern basis.

3.3 Revenue

The Company drives growth for clients across our main revenue streams of Paid Media and Media Solutions.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when:

- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the entity; and
- when the specific criteria relating to each of the company's sales channels have been met, as described below

Revenue from Paid Media comprises billings to customers relating to fees for digital advertising services across search (e.g. Google), social (e.g. Meta), programmatic (e.g. YouTube) and marketplace (e.g. Amazon) is recognised over time when the service is performed. Where the cost of any media placements is invoiced onto our customers any commission received is recognised as revenue on the basis that the Group is agent to the transaction.

Revenue from Media Solutions includes services provided as a Google Marketing Platform Sales Partner (GMP), Data Services, Consultancy and Planning. For GMP services, where the cost of any media placements is invoiced onto our customers, any commission received is recognised as revenue on the basis that the Group is agent to the transaction. Revenue from contracts for the provision of consultancy and other professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred, and costs to complete can be measured reliably, Brain Labs acts as principle and gross revenue is recognised.

3.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

BRAIN LABS DC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2025**

3.5 Creditors

Short term creditors are measured at the transaction price.

3.6 Current and deferred taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Revenue recognition – principal vs agent

The Directors' have considered the following in determining that the Company recognises revenue associated with the onward invoicing of paid media

- The Company does not have the primary responsibility for providing the paid media services to the customer and is not accountable for the acceptability of the paid media adverts;
- The Company cannot vary the selling price set by media organisations;
- The Company receives a commission for the procurement of paid media; and
- Although the Company bears the credit risk to the gross value of onward invoicing this is not considered to be the most significant factor given the other.

When considering the above factors, the Directors consider the presentation of revenue associated with the onward invoicing of paid media to be on a net basis.

5. Turnover

The Company's revenues relate to Paid Media and Media Solutions. Analysis of turnover by country of origin is below:

	2025	2024
	£'000	£'000
United Kingdom	4,413	3,131
Total	4,413	3,131

	2025	2024
	£'000	£'000
The operating profit is stated after charging:		
Management recharges	903	702
Exchange differences	133	77
Total	1,036	779

6. Employees

There are no employees in Brain Labs DC Limited. No directors are remunerated from the company.

BRAIN LABS DC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2025**

7. Auditor's remuneration

The audit fees for the year were settled by another group company on behalf of Brain Labs DC Limited. These amounted to £20,000 (2024: £20,000) for Brain Labs DC Limited.

8. Interest payable and similar charges

	2025 £'000	2024 £'000
Exchange differences on intercompany loans	3	6
Total	3	6

9. Taxation

	2025 £'000	2024 £'000
Corporation tax:		
UK corporation tax on profits for the period	-	-
Total corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax	-	-

	£'000	£'000
Reconciliation of tax charge		

The charge for the period can be reconciled to the profit per the income statement as follows:

Profit before tax for the period	3,119	2,385
Tax on profit at standard UK tax rate of 25% (2024: 25%)	779	596
Effects of:		
Expenses not deductible for tax purposes	1	-
Impact of group relief	(780)	(596)
Total tax charge for the period	-	-

10. Debtors

	2025 £'000	2024 £'000 Restated
Trade debtors	495	250
Amounts due from group undertakings	8,502	6,735
Other debtors	6	4
Total	9,003	6,989
Fixed assets		
Amounts due from group undertakings	2,092	1,196
Total	2,092	1,196

Amounts due from group undertakings has been reclassified to reflect the timing of expected settlement, prior year has been restated for comparison.

BRAIN LABS DC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2025****11. Creditors: Amounts falling due within one year**

	2025	2024
	£'000	£'000
VAT	877	851
Other creditors	525	265
Accruals and deferred income	14	190
Total	1,416	1,306

12. Called up share capital

	No of shares	Nominal value £	2025 Book value £	2024 Book value £
Authorised and allotted				
Ordinary Shares	1	1	1	1
Total	1	1	1	1

13. Controlling parties

The directors consider the immediate parent undertaking of this company is Brain Labs UK Holdco Limited, a company incorporated in England and Wales, by virtue of its 100% ownership. The largest and smallest group of which the company is a member and for which Group financial statements are drawn up is headed by Brainstormer Inc. Copies of the financial statements of Brainstormer Inc are available on Companies House.

The Group's ultimate parent company is FCP-Cranium Holdings LLC, a limited liability company incorporated in the US state of Delaware, USA. The board consider that there is not one controlling party due to no shareholder having a majority of the voting rights.

14. Related party transactions

The Company has taken advantage of the exemptions available under FRS 102 allowing it to not disclose transactions with other members of the Company which are 100% owned.

The key management personnel of the Company are considered to be directors but there is no remuneration for services to this company.

15. Post Balance Sheet Events

After the period end, the company registered a charge in favour of GLAS Trust Corporation Limited as security agent for itself and the other secured parties. The charge comprises fixed and floating charges (the floating charge covering all the property and undertaking of the company) and contains a negative pledge.

The charge registered by Brainlabs Aus Holdco Limited was made in connection with the acquisition of Exverus Media LLC. Beyond this, the acquisition of Exverus Media LLC has no impact on the financial position of Brain Labs DC Limited.

BRAINSTORMER INC.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

BRAINSTORMER INC

CONTENTS

	Page
Business review	3 - 4
Independent auditor's report to the directors of Brainstormer Inc	5 - 7
Consolidated statement of profit and loss and comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the financial statements	13 - 53

BRAINSTORMER INC**BUSINESS REVIEW****Review of the business**

'\$000	Year ended 31 March 2025	Year ended 31 March 2024 <i>* Refer to footnote 3</i>	Movement	%
Revenue	\$141,677	\$127,389	\$15,596	10
Adjusted EBITDA (note 1)	\$28,008	\$25,232	\$2,776	11
Average number of employees	1,069	929	140	15
Net debt (note 2)	\$115,906	\$105,249	\$10,657	10
Net current liabilities	\$(537)	\$(2,640)	\$2,103	80

Note 1 - Adjusted EBITDA is calculated as operating loss, add back exceptional items, depreciation, amortisation and share-based payment expense less a reversal of impairment of right-of-use assets.

Note 2 - Net debt is calculated as bank loans, including any accrued interest, less cash and excludes prepaid facility fees.

Note 3 - 2024 Comparative includes unaudited financial information, on a full year proforma basis, to draw on a year comparison for the benefit of its stakeholders.

Backed by private equity firm Falfurrias Capital Partners since 2023, Brainstormer Inc trading as Brainlabs, continues to expand its global footprint, partnering with leading brands and shaping the future of media.

Since its founding in 2012, Brainlabs, has evolved from a PPC specialist into one of the world's fastest-growing independent media agencies, built to drive real business outcomes in the modern marketing era.

Today, over 1,000 Brainlabbers operate across a global network of offices in Bengaluru, Bloomington, Buenos Aires, London, New York, Toronto, São Paulo, Mexico, Singapore, Poland and Sydney.

We deliver full-service media that's informed by data and supercharged by technology, with deep expertise across Strategy, Planning, Media, Data, Tech, and Creative & User experience. Operating across Europe, North America, Latin America, and APAC, we drive results through three foundational pillars: world-class talent, data-driven methodologies, and cutting-edge proprietary technology—including our Cortex AI platform.

In July 2025, Brainlabs completed the acquisition of Exverus Media based in the United States. These financial statements do not include the performance of Exverus as this transaction completed post 31 March 2025.

Current trading and future outlook

Group Revenue was \$141.7m for the year ended 31 March 2025 ("FY25"), which represents 10% growth on the prior year \$127.4m full year unaudited comparative. All of the Regions grew in FY25. The largest growing region continues to be North America as we successfully added new clients as well as cross-sold multiple new products to existing clients.

The Group's key profit metric is Adjusted EBITDA which grew 11% in the year to \$28m (FY24: \$25.2m full year unaudited comparative).

The net loss for the year of \$22.2m includes \$16.5m (FY24: \$9.2m unaudited) of finance costs and non-cash amortisation of intangibles of \$28.3m (FY24: \$14.6m unaudited). The group is in a net asset position of \$145.3m and a net current liability position of \$537k (2024: net current liability of £2.6m) as at the year-end date.

Brainlabs continues to benefit from a multi-currency facility agreement with its lending partners, Alcentra. In October 2024, Brainlabs amended the Facility with Alcentra to increase the available facility by \$4.75m ('Alcentra Acquisition Facility 3') at an interest rate of SOFR plus a margin of 5.75% per annum. On the same date, the Group paid the balance outstanding on the BMO Revolver Credit Facility ('RCF') and entered into a new RCF with Barclays plc. This arrangement includes a new revolver of \$10m at an interest rate of SONIA plus a margin of 3.5% and a non-utilisation fee of 1.22%. The RCF matures 6 months prior to maturity of the connected senior facility.

BRAINSTORMER INC

BUSINESS REVIEW

In March 2025, Brainlabs amended the Facility with Alcentra to reduce the margins on all facilities as disclosed in Note 21 to the accounts.

After the period end, Brainlabs added an addition \$20.0m facility and drew down \$13.5m as part of the acquisition of Exverus in July 2025.

GDPR & Data Privacy

Brainlabs has developed a comprehensive Global Data Privacy Framework strategy in order to meet the requirements of not only the GDPR but of Data Privacy regulations in other countries of operation, a strategy supervised by our Data Protection Officer. Brainlabs has in place an "Intra-Group Data Transfer Agreement (IDTA) to provide a framework for the transfer of Personal Data between its entities.

During the last financial year Brainlabs acquired certification to ISO 27001 standard which is a globally recognised standard for Information Security Management Systems. This year, Brainlabs has secured ISO 27701 certification which is a global standard for Privacy Information Management System.

Exceptional items

The Group considers exceptional items to be those which derive from events or transactions which are significant for separate disclosure by virtue of their size or incidence in order for the use to obtain a proper understanding of the Group's financial performance and significantly distort the comparability of financial performance between periods, please refer to note 10 for further information.

Exceptional items of \$8.4m (FY24: \$26.4m) primarily relate to deferred consideration payments relating to historical acquisitions.

Approval

Approved by the Board and signed on its behalf by:

Paul Avery

Paul Avery
Director
November 2025
24/11/2025

BRAINSTORMER INC

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BRAINSTORMER INC FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Brainstormer Inc and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the consolidated statement of profit or loss and comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK-adopted international accounting standards.

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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's business model including effects arising from macro-economic uncertainties arising from the impact of tariff policies and continued inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's financial resources or ability to continue operations over the going concern period.

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 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.

BRAINSTORMER INC

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BRAINSTORMER INC FOR THE YEAR ENDED 31 MARCH 2025

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Responsibilities of directors

The directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK-adopted international accounting standards) and the relevant tax compliance regulations in the jurisdictions in which the group operates.
- We understood how the group is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of legal expenditure, and inquires of appropriate personnel within the entity.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular manual journal entries to revenue.

BRAINSTORMER INC

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BRAINSTORMER INC
FOR THE YEAR ENDED 31 MARCH 2025**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
 - Knowledge of the industry in which the company operates;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit .

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.

Use of our report

This report is made solely to the group's directors, as a body, in accordance with our letter of engagement dated 22 February 2024. 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.

Paul Naylor

Paul Naylor, FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
November 2025
24/11/2025

BRAINSTORMER INC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)

	Note	Year ended 31 March 2025	Period ended 31 March 2024
Revenue	6	141,677	67,291
Administrative expenses	9	(142,600)	(69,726)
Administrative expenses – Exceptional Items	10	(8,407)	(26,407)
Total administrative expenses		(151,007)	(96,133)
Operating loss		(9,330)	(28,842)
Finance expenses	7	(16,544)	(9,191)
Finance income	7	324	133
Net Interest expense		(16,220)	(9,058)
Other income	8	-	1
Loss before taxation		(25,550)	(37,899)
Tax on loss	12	3,307	3,483
Loss after tax for the financial year/period		(22,243)	(34,416)
Other comprehensive income:			
<u>Items that may be reclassified to profit or loss</u>			
Exchange difference in translating the financial statements of foreign operations	22	(3,638)	5,546
Other Comprehensive income for the year/period (net of taxes)		(3,638)	5,546
Total comprehensive expense for the year/period		(25,881)	(28,870)
Adjusted EBITDA			
Operating loss for the year/period		(9,330)	(28,842)
Exceptional items	10	8,407	26,407
Amortisation of other intangible assets	14	28,298	14,579
Depreciation of right-of-use assets	15	760	1,079
Depreciation of property, plant and machinery	13	1,124	725
Share-based payment expense	26	341	105
Reversal of impairment of right-of-use assets	15(i)	(1,592)	(680)
Adjusted EBITDA for the year/period		28,008	13,372

The accompanying notes on pages 13 to 53 form an integral part of these consolidated financial statements.

BRAINSTORMER INC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)

	Note	At 31 March 2025	At 31 March 2024 Restated
Non-current assets			
Property, plant and machinery	13	2,617	3,043
Other intangible assets	14	83,074	107,467
Right-of use assets	15(i)	3,750	2,789
Goodwill	16	205,758	205,824
Other non-current assets	17	863	660
Corporation tax asset	12	1,279	1,279
		297,341	321,062
Current assets			
Cash at bank and in hand	18	15,085	14,161
Trade and other receivables	19	29,574	30,932
Corporation tax asset	12	-	264
		44,659	45,357
Total assets		342,000	366,419
Current liabilities			
Trade and other payables	20	41,507	45,153
Lease liabilities	15(ii)	1,387	1,565
Corporation tax liability		2,302	1,279
		45,196	47,997
Non-current liabilities			
Borrowings	21	130,991	119,410
Lease liabilities	15(ii)	5,618	5,822
Deferred tax liabilities	12	14,878	22,333
		151,487	147,565
Total Liabilities		196,683	195,562
Net Assets		145,317	170,857
Equity			
Additional paid in capital	22(ii)	195,036	195,036
Other reserves	22(ii)	446	105
Foreign exchange reserve	22(ii)	1,908	5,546
Retained earnings	22(ii)	(52,073)	(29,830)
Total equity		145,317	170,857

Refer to note 19, trade and other receivables, for details on the 2024 restatement.

The accompanying notes on pages 13 to 53 form an integral part of these consolidated financial statements.

BRAINSTORMER INC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

These financial statements on pages 8 to 53 were approved by the Board of Directors on November 2025 and signed on its behalf by: 24/11/2025

Paul Avery

Paul Avery - Director
24/11/2025

BRAINSTORMER INC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Equity share capital

The share capital of the parent company, Brainstormer Inc., consists only of fully paid ordinary shares with a nominal (par) value of USD 1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of Brainstormer Inc.

As at 31 March 2025

	Additional paid in capital	Retained Earnings	Foreign exchange reserve	Other reserves	Total Equity
Balance at 1 April 2024	198,776	(29,830)	5,546	105	174,597
Restatement from staff loan reclassification	(3,740)	-	-	-	(3,740)
Restated balance at 1 April 2024	195,036	(29,830)	5,546	105	170,857
Share-based payment expense	-	-	-	341	341
Loss after tax for the period	-	(22,243)	-	-	(22,243)
Loss on foreign translation of foreign operations	-	-	(3,638)	-	(3,638)
Balance at 31 March 2025	195,036	(52,073)	1,908	446	145,317

As at 31 March 2024

	Additional paid in capital	Retained Earnings	Foreign exchange reserve	Other reserves	Treasury reserve	Total Equity
Balance at incorporation	-	-	-	-	-	-
Capital contribution arising from the acquisition of Brainlabs	198,776	-	-	-	-	198,776
Sale of own shares held by employee benefit trust	-	-	-	4,512	4	4,516
Share-based payment expense	-	-	-	105	-	105
Loss after tax for the period	-	(34,416)	-	-	-	(34,416)
Gains on foreign translation of foreign operations	-	-	5,616	-	-	5,616
Transfer from treasury and other reserves including exchange difference	-	4,586	(70)	(4,512)	(4)	-
Balance at 31 March 2024	198,776	(29,830)	5,546	105	-	174,597

Refer to note 19 for details of the staff loan reclassification.

The accompanying notes on pages 13 to 53 form an integral part of these consolidated financial statements.

BRAINSTORMER INC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

		At 31 March 2025	At 31 March 2024
Cash flows from operating activities			
Cash used in operations	28	24,865	(4,971)
Movement in tax balances		(2,870)	(934)
Net cash (used in) operating activities		21,995	(5,905)
Investing activities			
Purchase of property, plant and equipment	13	(675)	(595)
Proceeds from sale of property, plant and equipment	13	-	90
Purchase of other intangible assets	14	(2,252)	(2,493)
Acquisition of subsidiaries		-	(148,635)
Bank interest received	7	214	115
Payment of contingent consideration	20	(11,982)	(4,908)
Proceeds from rental income		346	40
Net cash (used in) investing activities (restated)		(14,349)	(156,386)
Financing activities			
Proceeds from issue of equity shares (including securities premium)	22	-	142,625
Borrowings made during the period	21	11,438	21,838
Revolving credit facility withdrawn		715	
Proceeds on sale of shares held in employee benefit trust		-	4,516
Repayment of principal elements of lease liabilities (including interest)	15	(1,287)	(1,007)
Facility fees		(1,044)	-
Finance expenses	7	(16,451)	(352)
Net cash generated from financing activities (restated)		(6,629)	167,620
Net change in cash and cash equivalents		1,017	5,329
Cash and cash equivalents acquired		-	8,633
Exchange differences on cash and cash equivalents		(93)	199
Cash and cash equivalents, end of period		15,085	14,161
Cash at start of period		14,161	-
Net change in cash		924	14,161
Cash and cash equivalents at end of period		15,085	14,161

The 2024 cash flow has been restated by re-allocating payment of contingent consideration to investing activities to be consistent with the approach taken in 2025 for comparison.

The accompanying notes on pages 13 to 53 form an integral part of these consolidated financial statements.

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

1. General information

The Brainlabs Group ("the Group" or "Brainlabs") operates in the digital marketing sector, providing services worldwide with offices based in UK, North America, Latin America and APAC. These financial statements cover the year from 1 April 2024 to 31 March 2025. The consolidated financial statements include Brainstormer, Inc. and its directly and indirectly wholly owned subsidiaries.

Brainstormer Inc. is a wholly owned subsidiary of FCP-Cranium Holdings LLC, which does not prepare consolidated financial statements, and accordingly, these financial statements are not consolidated into any larger group.

The Group is headquartered at:

Building 4
2 Old Street Yard
London
EC1Y 8AF
United Kingdom

The principal and material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently across the Group unless otherwise stated.

2. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with United Kingdom (UK) adopted International Financial Reporting Standards (IFRS).

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

Other Standards and amendments that are not yet effective and have not been adopted early by the Group include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)
- Presentation and Disclosure in Financial Statements (IFRS 18).

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

3. Going concern

The financial statements have been prepared on a going concern basis and the Directors believe this is appropriate for the following reasons:

The Group has experienced significant growth during the year ended 31 March 2025. The Group has continued to add new customers which, combined with a diversified and resilient current customer base, has supported the growth. In addition, the Group completed an acquisition in Australia during the final quarter of the previous financial year, which has brought additional revenue and operating profit into the group for the year ended 31 March 2025.

The Group had \$15.1m cash at bank as at the year end (2024: \$14.1m).

Brainlabs continues to benefit from a multi-currency facility agreement with our lending partners, Alcentra. During the period, the group drew down a combined total of \$10.1m from our acquisition facilities. Post-year end, there was the addition of the new, Acquisition Facility 4 which facilitated the acquisition of Exverus, a Los Angeles-based media planning and buying agency. Further details are provided in note 29.

These facilities include financial covenants which require the Group to meet minimum levels of EBITDA and net debt relative to EBITDA (net leverage). A minimum EBITDA of £4.0 million and an initial net leverage maximum of 7.00 times are tested quarterly. On 31 March 2025, the actual net leverage was 4.27x. Additionally, financial covenants for RCF require a Super Senior minimum EBITDA of £3.6m and an initial net leverage maximum of 7.50 times (down to 6.67 at 31 March 2026, 6.11 at 31 March 2027 and 5.56 times thereafter) tested quarterly.

The Directors' have prepared sensitised cash flow forecasts, including a reverse stress test, for a period of at least 12 months from the date of approval of these financial statements. The forecast revenue and EBITDA would need to fall by more than 31% year on year from the third quarter of the next financial year for the covenants to be breached following the Group's latest acquisition. This has been concluded as an implausible and unrealistic scenario, hence the Group is forecast to be covenant compliant. Given the significant headroom against the covenants agreed, the Group is not forecasting to be in breach of any of its covenants and therefore the Directors believe that it remains appropriate to prepare financial statements on a going concern basis.

4. Material Accounting Policies

4.1 Basis of preparation

The Group's consolidated financial statements have been prepared on an accrual basis and under the historical cost convention.

Monetary amounts are expressed in United States dollars (USD) and are rounded to the nearest thousands. The presentational currency of the Group is US Dollars, as the majority of its operations and significant activities are conducted in entities where USD is the functional currency. The functional currency of subsidiaries is the local currency of the primary economic environment in which the subsidiary operates.

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

4.2 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 March 2025.

Acquisitions are accounted for under IFRS 3 purchase method with goodwill recognised on consolidation for the excess consideration above the fair value of net assets acquired and intangibles recognised. The results of companies acquired or disposed of are included in the statement of comprehensive income after or up to the date that control passes respectively.

A subsidiary is an entity controlled by the Group. Control is when the Group has right to variable returns from its involvement with an entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Acquisition costs are recognised as an expense when incurred and are recorded under "Administrative expenses – exceptional items" in the consolidated income statement.

Contingent consideration is accounted for in accordance with IFRS 3 Business Combinations. Contingent consideration only applies to situations where contingent payments are not dependent on future employment of vendors and any such payments are expensed as an acquisition related cost as included in exceptional items per note 4.24.

Future anticipated payments to vendors in respect of contingent consideration (earnout agreements) are initially recorded at fair value which is the present value of the expected cash outflows of the obligations. The obligations are dependent on the future financial performance of the interests acquired (typically over five-year period following the year of acquisition) and assume the operating companies improve profits in line with Directors' estimates. The Directors derive their estimates from internal business plans together with financial due diligence performed in connection with the acquisition.

Subsequent adjustments to the fair value are recorded in the consolidated income statement within revaluation and retranslation of financial instruments. The effect of any revisions to fair value adjustments that had been determined provisionally at the immediately preceding balance sheet date are accounted for as revisions to goodwill, as permitted by IFRS 3 Business Combinations.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

same basis as other contingent liabilities. Goodwill represents the excess of fair value attributed to investments in businesses over the fair value of the underlying net assets where relevant, including intangible assets, at the date of their acquisition.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill recorded in the balance sheet is subject to impairment tests on at least an annual basis and whenever there is an indication of impairment. Impairment tests are performed for the CGU to which goodwill has been allocated by comparing the recoverable amount and the carrying amount of the CGU or group of CGUs. The Group considers that the CGU or the group of CGUs are mainly four key markets in which the Group operates: North America, United Kingdom, Asia Pacific and Latin America.

The recoverable amount of a CGU is the greater of its fair value (generally its market value), net of disposal costs, and its value in use. The recoverable amount of each cash-generating unit (CGU) has been determined based on fair value less costs of disposal (FVCO). The group estimated FVCO using a market-based approach, applying an EBITDA multiple to each material CGU's maintainable adjusted EBITDA. Details can be found in note 16.

Value in use is the net present value of future cash flows, to determine value in use, is derived from the underlying assets using a projection period of up to five years for each cash-generating unit. After the projection period, a steady growth rate representing an appropriate long-term growth rate for the industry is applied.

If the carrying amount of a CGU is higher than its recoverable amount, the assets of the CGU are written down to their recoverable amount. Impairment losses are allocated, firstly, to goodwill and are recognised through the income statement and then against other assets. Any goodwill impairment is recognised immediately as an expense and is not subsequently reversed.

4.4 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in currency units USD, which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the USD are translated into USD upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into USD at the closing rate at the reporting date.

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate.

Income and expenses have been translated into USD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

4.5 Revenue from contracts with customers

Brainlabs drives growth for clients across our four main revenue streams of Owned Media, Performance Creative and Influencer, and Other Media Income.

The Group recognises revenue when it has a binding contract with a customer. Consistent with the industry, contracts are typically short-term in nature (less than 12 months). The Group is generally entitled to receive payment for work performed to date in the event of a termination.

Performance obligations

The Group determines the promised services (called performance obligations) contained within its contracts. Promised services are distinct only if the client can benefit from the services on its own and if the Group's promise to transfer these services is separately identifiable from other promises in the contract. For each contract, the promised services in a contract are not considered distinct or represent a series of services that are substantially the same with the same pattern of transfer to the customer and, as such, are accounted for as a single performance obligation. However, where there are contracts with services that are capable of being distinct, are distinct within the context of the contract, and are accounted for as separate performance obligations, revenue is allocated to each of the performance obligations based on relative stand-alone selling prices.

The Group recognises revenue when a performance obligation is satisfied in accordance with the terms of the contractual arrangement. Typically, performance obligations are satisfied over time as services are rendered because the Group's services benefit the client as they are performed or generate an asset with no alternative use and for which the Group is entitled to payment for the work done to date in the event of termination by the client.

When the Group recognises revenue over time it uses an appropriate measure, commensurate to the pattern of transfer of the service to the customer, to determine the rate of revenue recognition. For some fee arrangements, costs incurred are used as an objective input measure of performance. In other circumstances relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance.

As the Group's contracts with customers are short-term in nature and run for twelve months or less, the Group has applied the practical expedient permitted by IFRS 15 to expense costs of obtaining a contract as incurred, where applicable.

Costs incurred on behalf of customers and other third-party costs that have not yet been billed to customers are considered receivables under IFRS 15 and are shown as other receivables within the consolidated statement of financial position.

"Agent" vs. "Principal"

When third party suppliers are involved in providing services to clients, the Group considers that it is acting as "Principal" if at least one of the following criteria is satisfied:

- the agency obtains control of the asset or service before transferring it to the client;
- the agency has the ability to direct the supplier(s);
- the agency incorporates or combines the work of suppliers to deliver the promised goods or services to the client.

When the Group acts as "Principal," the revenue is recognised for the gross amount invoiced to the client. When the Group acts as "Agent," revenue is recognized net of the costs pass through to clients, which means that revenue recorded is solely comprised of fees or commission.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Application of Revenue Recognition Policy by Product

Revenue recognised over time

Paid Media

Revenue from Paid Media comprises billings to customers relating to fees for digital advertising services across Paid Search (e.g. Google), Paid Social (e.g. Meta), Programmatic (e.g. YouTube) and Retail Media (e.g. Amazon) and is recognised over time when the service is performed. Where the cost of any media placements is invoiced onto our customers any commission received is recognised as revenue on the basis that the Group is agent to the transaction.

Owned Media

Revenue from Owned Media relates to Search Engine Optimisation (SEO) and Conversion Rate Optimisation (CRO) services where typically performance obligations are satisfied over time as services are rendered. As a result, revenue is recognised over time based on the proportion of the level of service performed, most commonly via milestones delivered as per a statement of work

Media Solutions

Revenue from Media Solutions includes services provided as a Google Marketing Platform (GMP) Sales Partner, Data Services and Planning. For GMP services, where the cost of any media placements is invoiced onto our customers any commission received is recognised as revenue on the basis that the Group is agent to the transaction. Revenue from contracts for the provision of consultancy and other professional services is recognised on a stage of completion basis, on an inputs basis, when; costs incurred and costs to complete can be measured reliably.

Other Media Income

Revenue from Other Media Income relates to revenue generated from milestone-based fixed fee contracts with our Media Platform partners in the form of technology and application development, as well as variable based revenue generated from KPI incentives put in place by the Media Platform partners to encourage adoption of new Platform features.

Revenue recognised at a point in time

Performance Creative and Influencer

Revenue from Performance Creative and Influencer is recognised when performance obligations are satisfied. In the case of Creative Production, this is upon delivery of the agreed creative content to the customer. In the case of Influencer Marketing, we partner with clients to provide a full end-to-end influencer campaign that delivers against agreed deliverables. The campaign will include the strategy and planning, influencer selection, content creation and paid media services and the revenue is recognised when the agreed deliverables are complete.

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

4.6 Borrowing costs

Finance costs of borrowings are recognised in the consolidated income statement over the term of those borrowings.

4.7 Goodwill and other intangible assets

- **Goodwill**

Goodwill arising in a business combination is initially recognised at cost, being the excess of the sum of the consideration transferred, and the fair value of the acquirers previously held equity interest in the acquiree over the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed.

Where an acquisition is made close to the year end, IFRS 3 permit provisional amounts to be used and subsequently remeasured up to 12 months from acquisition, as such goodwill is considered provisional where highlighted.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but tested annually for impairment irrespective of whether there is an indication of impairment.

- **Intangible assets acquired in a business combination**

Intangible assets acquired in the context of a business combination are recognised at their fair value on the acquisition date, separately from goodwill, if they are identifiable.

The identifiable nature is demonstrated if they meet one of the following two conditions:

- the intangible assets arise from legal or contractual rights; or
- the intangible assets can be separated from the acquired entity

Intangible assets acquired in business combinations primarily consist of trade names, customer relationships and developed technologies.

- **Separately acquired intangible assets**

On initial recognition, intangible assets acquired separately are measured at cost. The cost of the separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

After initial recognition, intangible assets acquired are carried at cost less any accumulated amortisation and impairment losses. The estimated useful life, amortisation method and any indications of impairment are reviewed at each reporting date with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain or losses arising from derecognition, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

- **Internally generated intangible assets**

Internally generated intangible assets comprise the development costs to design, construct and test its client operating system assets and in-house applications.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Development costs that are directly attributable to the design and testing of identifiable and unique technology products and tools controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the technology so that it will be available for use;
- management intends to complete the technology and use or sell it;
- there is an ability to use or sell the technology;
- it can be demonstrated how the technology will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the technology are available; and
- the expenditure attributable to the technology during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation

Amortisation charges commence when the asset becomes available for use. All intangible assets are considered to have a finite useful life.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

Capitalised development costs	- 4 years straight line
Trade name	- 5 years straight line
Developed technologies	- 4 years straight line
Customer relationships	- 5 years straight line

4.8 Research and development

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives.

Foreign based employees working on the development phase of a project are recognised as intangible assets and are subsequently amortised on a straight-line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

4.9 Property, plant and equipment

Property, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

At each reporting the Group assesses the carrying value of its property, plant and equipment to determine if any impairment indicators exist. Where this indicates that an asset may be impaired, the Group applies the requirements of IAS 36 Impairment of Assets in assessing the carrying amount of the asset. This process includes

comparing its recoverable amount with its carrying value, where the recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life, as follows:

Leasehold improvements	- over the term of the lease
Computer and office equipment	- straight line over 3 years

The assets' useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

4.10 Leased assets**The Group as a lessee**

The Group has taken property on lease.

The rental contracts are typically negotiated for terms of between 3 and 11 years and some of these have extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing and repair contracts in respect of motor vehicles. The Group has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component. For its other leases, the lease components are split into their lease and non-lease components based on their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group. Lease payments included in the measurement

BRAINSTORMER INC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset.

The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.11 Trade and other receivables

Trade and other receivables within one year are initially measured at the transaction price. Trade and other receivables are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment loss.

Due to the nature of the Group's activities, trade receivables are of a short-term nature. Nevertheless, any trade receivables of a longer-term nature will be recognised at their discounted value.

Other receivables include unbilled costs in respect to outlays incurred on behalf of clients, including production costs, and other third-party costs that have not yet been billed and are considered receivables under IFRS 15 Revenue from Contracts with Customers.

4.12 Expected credit losses

The Group has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9 Financial Instruments. This has been applied to trade receivables, contract assets and lease receivables. Under this approach, the Group utilises a provision matrix based on the age of the trade receivables and historical loss rates to determine the expected credit losses. The Group also considers forward-looking information. Therefore, the Group does not track changes in credit risk but recognises a loss allowance based on the financial asset's lifetime expected credit loss. For all other assets, the general approach has been applied and a loss allowance for 12-month expected credit losses is recognised.

Under IFRS 9, the expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Given the short-term nature of the Group's trade receivables, unbilled costs and accrued income, which are mainly due from large national or multinational companies, the Group's assessment of expected credit losses includes provisions for specific clients and receivables where the contractual cash flow is deemed at risk.

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

The Group considers that the credit risk increased significantly since initial recognition when the credit rating changes adversely, the debtor has significant financial difficulty or if there was a breach of contract.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. Receivables written off are still subject to enforcement activity and pursued by the Group.

4.13 Contract assets

Contract assets consist of revenue recorded when a performance obligation has been satisfied but not yet invoiced. Contract assets are transferred to trade receivables when the right to consideration becomes unconditional, and the service is invoiced to the client in accordance with the terms of the contract.

4.14 Trade and other payables

Trade and other payables, due within one year, are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment loss.

4.15 Borrowings

Interest bearing borrowings, including bank loans and revolver credit facilities, are initially recognised at the transaction price (deemed fair value), including transaction costs, and subsequently measured at amortised cost using the effective interest method at each reporting date.

Interest expense is recognised in the consolidated income statement on the basis of the effective interest method.

Finance costs directly attributable to the arrangement of borrowing facilities are amortised and recognised in the consolidated income statement over the term of those borrowings.

4.16 Contract liabilities

Contract liabilities correspond to deferred income. These are considerations received or invoiced to clients for which the Group has an obligation to provide goods or services.

Contract liabilities do not include client advances for external costs incurred on behalf of clients and that are directly passed through to the clients when the Group acts as "Agent." Such advances are recorded under "Trade payables."

4.17 Derecognition of financial liabilities

In accordance with IFRS 9 Financial Instruments, a financial liability of the Group is only removed from the statement of financial position when the underlying legal obligation is extinguished.

4.18 Equity instruments

Financial instruments classified as equity instruments are recorded at fair value of the cash or other resources received or receivable, net of direct costs of issuing equity instruments.

4.19 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 non-puttable 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 effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the

BRAINSTORMER INC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective 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.

4.20 Cash at bank and in hand

Cash comprises cash at bank. For the purposes of the statement of cash flows, cash includes cash and cash equivalents as defined above, net of bank overdrafts.

4.21 Pensions and other long-term benefits

The Group accounts for retirement benefit costs in accordance with IAS 19 Employee Benefits.

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

4.22 Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (e.g., profitability and sales growth targets and

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

performance conditions).

All share-based remuneration is recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

4.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

4.24 Exceptional items

The Group considers exceptional items to be those which derive from events or transactions which are significant for separate disclosure by virtue of their size or incidence in order for the user to obtain a proper understanding of the Group's financial performance and significantly distort the comparability of financial performance between periods, please refer to Note 10 for further information.

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

In preparing these financial statements, management has made a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income, and expenses. However, the nature of estimation means that actual outcomes could differ from those estimates. The key areas of estimation uncertainty in the preparation of these accounts are as follows:

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Estimates

Impairment of Goodwill

The carrying values of goodwill with indefinite useful lives are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment review is undertaken annually on 31 March.

The recoverable amount of each cash-generating unit (CGU) has been determined based on fair value less costs of disposal (FVCOD). The group estimated FVCOD using a market-based approach, applying an EBITDA multiple to each CGU's maintainable adjusted EBITDA. Details can be found in note 16.

Judgements

Allocation of Goodwill to Cash-Generating Units ('CGUs')

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing. The Directors' have applied judgement in the identification of the Group's Cash Generating Units. See note 16.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax authorities.

Revenue recognition – principal vs agent

The Directors' have considered the following in determining that the Group recognises revenue associated with the onward invoicing of paid media and is not accountable for the acceptability of the paid media adverts:

- The Group cannot vary the selling price set by media organisations;
- The Group receives a commission for the procurement of paid media; and
- Although the Group bears the credit risk to the gross value of onward invoicing this is not considered to be the most significant factor given the other

When considering the above factors, the Directors consider the presentation of revenue associated with the onward invoicing of paid media to be on a net basis.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

6. Revenue from contracts with customers

	Year ended 31 March 2025	Period ended 31 March 2024
Revenue disaggregated by primary geographical markets:		
United Kingdom	51,630	29,433
United States	61,532	28,937
Canada	7,282	4,125
Australia	18,577	3,867
Rest of world	2,656	929
Total	141,677	67,291

Revenue disaggregated by the pattern of revenue recognition

Transferred at a point in time	20,590	10,646
Transferred over time	121,087	56,645
Total	141,677	67,291

Contract balances related to contracts with customers:

	At 31 March 2025	At 31 March 2024 Restated
Contract assets	1,871	2,127
Contract liabilities	(5,759)	(6,732)
Net media liabilities	(14,760)	(11,171)
Total	(18,648)	(15,776)

Net media liabilities relate to our Paid Media, which involves the pass-through of media costs to the customer.

Contract asset balances recognised at 31 March 2025 are presented within prepayments and accrued income, in trade and other receivables, and represent accrued income where a performance obligation has been satisfied but the right to bill consideration is conditional and has not yet been billed.

Contract liabilities relate to deferred income balances driven by partially prepaid cash from performance creative and influencer clients, where cash is typically received up front. These balances are presented within accruals and deferred income, in trade and other payables, and represents income where a performance obligation has not yet been satisfied but the right to bill consideration has been met.

The Group has applied the practical expedient in IFRS 15.94, expensing costs to obtain or fulfil a contract when the amortisation period is one year or less, as the benefit from these costs is expected to be realised within a short timeframe.

The Group has applied the practical expedient permitted by IFRS 15 to not disclose the transaction price allocated to performance obligations unsatisfied (or partially unsatisfied) as of the end of the reporting period as contracts typically have an original expected duration of a year or less.

Contract balances related to contracts with customers has been restated to amend an error in the 2024 balances.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

7. Net finance expense

	Year ended 31 March 2025	Period ended 31 March 2024
a. Finance expenses		
Interest expense on:		
Term loan facility and revolving credit facility	14,631	7,890
Lease liabilities	632	369
Others	708	155
Bank charges and fees	480	197
Net foreign exchange gains/(losses)	94	580
Total	16,544	9,191
b. Finance income		
Bank interest receivable	214	115
Interest on net investments in lease	110	18
Total	324	133

8. Other Income

	Year ended 31 March 2025	Period ended 31 March 2024
Gain on net investment in lease	-	1
Total	-	1

9. Operating loss

Operating loss has been arrived at after charging:

	Year ended 31 March 2025	Period ended 31 March 2024
Employee benefit expenses (see note 11)	75,806	36,885
Depreciation of property, plant and equipment (note 13)	1,124	725
Amortisation of intangible assets (note 14)	28,298	14,579
Depreciation of right-of-use assets (note 15)	760	1,079
Reversal of impairment of right-of-use assets (note 15)	(1,592)	(680)
Expected credit loss (note 19)	97	503
Research and development costs (note 14)	663	495
Other marketing agency costs	15,581	7,140
External contractor costs	2,227	1,115
Property costs	3,355	1,257
Professional charges	3,355	442
Management fees (related party transactions)	561	296
Audit fees payable to the Group's auditor	430	431
Other administrative expenses	11,935	5,459
Total administrative expenses	142,600	69,726

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

10. Exceptional items	Year ended 31 March 2025	Period ended 31 March 2024
Acquisition related costs	6,913	25,358
Restructuring costs	1,435	381
Issuance costs related to share-based payments	-	376
Office closure costs	59	292
Total	8,407	26,407

Acquisition related costs

Professional fees relating to Brain Labs Topco Limited and Bryant & Brothers PTY Ltd. acquisitions have been recorded as exceptional items. As part of the Group's acquisition strategy, the Group can incur transaction success payments to employees of acquired entities. They are linked to future service to the company and therefore as post-acquisition remuneration, they are recorded within exceptional items.

Restructuring costs

The Group incurred one-time costs relating to specific restructuring events in the year in both our UK and North American businesses.

Issuance costs relating to share-based payments

During the period ending March 2024, the Group issued a single share-based payment scheme known as the "Profit Interest Plan" for employee remuneration and any issuance costs are recorded as exceptional.

Office closure costs

Previously, the Group held leases relating to unoccupied office space in the London office which have been treated as impaired right-of-use assets under IFRS 16. Any remaining office closure costs have been treated as unordinary trading costs and included as exceptional items.

11. Employee costs and numbers

The average monthly number of persons (including directors) employed by the group during the financial period was:

	Year ended 31 March 2025	Period ended 31 March 2024
UK	355	363
North America	281	278
Asia-Pacific	371	270
Latin America	62	18
Total	1,069	929

The aggregate payroll costs of the above are as follows:

	Year ended 31 March 2025	Period ended 31 March 2024
Wages and salaries	66,852	32,828
Social security costs and related taxes	5,489	2,602
Contributions to defined contribution pension schemes	2,899	1,218
Share-based payment expense	341	104
Directors' fees	225	133
	75,806	36,885

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

12. Income taxes**a) Recognised in the consolidated statement of profit or loss:**

	Year ended 31 March 2025	Period ended 31 March 2024
Income tax		
Current tax on earnings for the period	3,465	265
Foreign corporation tax on profits for the period	(134)	669
RDEC	62	-
Adjustment to prior periods tax	1,356	-
Total current tax expense	4,749	934
Deferred tax		
Origination and reversal of temporary timing differences	(6,050)	(4,417)
Adjustment in respect of previous periods	(2,006)	-
Total deferred tax credit	(8,056)	(4,417)
Income tax expense/(credit)	(3,307)	(3,483)

Income tax expense/(credit) is attributable to earnings from continuing operations.

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the federal income tax rate to losses before taxes is as follows:

Reconciliation of effective tax rate:	Year ended 31 March 2025	Period ended 31 March 2024
Loss before income tax for the period	(25,550)	(37,899)
Loss multiplied by the standard rate of tax in the USA of 21.0%	(5,365)	(7,959)
Non-deductible expenses	1,527	3,268
Employee share options	72	22
Adjustment in respect of previous periods	(923)	-
RDEC	61	-
Difference in overseas tax rates	(1,221)	1,133
State taxes	-	51
Foreign corporation tax on profits for the period	(173)	-
Other	(298)	(194)
Deferred tax not recognised	3,013	196
Income tax credit	(3,307)	(3,483)

Deferred tax liabilities have been recognised in respect of the temporary timing differences generated from the initial recognition and subsequent amortisation of other intangible assets identified from business combinations undertaken in the period ended 31 March 2025. These liabilities have been measured using the enacted tax rates applicable to the territory where the future profits relating to these other intangible assets will be generated and reflected in these financial statements.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

c) Deferred tax (liabilities)/ assets in relation to:

The balance of deferred tax recognised at 31 March 2025 is a liability of \$14,878k. The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Year ended 31 March 2025

	(Credited)/Charged to the income statement	Deferred tax assets	Deferred tax liabilities
Short term timing differences	(478)	843	-
Deferred interest	1,127	765	-
Tax losses	756	929	-
Fixed asset temporary differences	(9,461)	3,198	(20,682)
RDEC	-	68	-
Total	(8,056)	5,803	(20,682)

Period ended 31 March 2024

	(Credited)/Charged to the income statement	Deferred tax assets	Deferred tax liabilities
Short term timing differences	634	230	182
Deferred interest	(1,449)	1,449	-
Tax losses	228	1,675	-
Fixed asset temporary differences	(3,809)	827	(26,717)
RDEC	(21)	21	-
Total	(4,417)	4,202	(26,535)

A deferred tax asset is recognised in respect to cumulative tax losses only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

In measuring the Group's deferred tax assets, the Group considers all available evidence, both positive and negative, to determine whether, based on weight of that evidence, it is probable that future taxable profits will be available against which the temporary difference can be utilised. Judgement is required in considering the relative impact of the negative and positive evidence, and weight given to each category of evidence is commensurate with the extent to which it can be objectively verified.

Unrecognised tax assets:

There is an unrecognised deferred tax asset of \$8.2m (2024: \$5.4). This comprises of \$1.5m (2024: \$374k) in relation to tax losses of \$5.1m (2024: \$1.8) and \$6.7m (2024: \$5m) in respect to \$26.5m (2024: \$20.1m) of deferred interest costs.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

13. Property, plant and equipment

As at 31 March 2025	Office and Computer equipment	Leasehold improvements	Total
Cost			
At 1 April 2024	1,858	1,910	3,768
Additions	555	121	675
Net exchange differences	294	(272)	22
At 31 March 2025	2,707	1,759	4,466
Depreciation and impairment			
At 1 April 2024	(505)	(220)	(725)
Depreciation	(755)	(369)	(1,124)
At 31 March 2025	(1,260)	(589)	(1,849)
Net book value			
At 31 March 2024	1,353	1,690	3,043
At 31 March 2025	1,447	1,170	2,617

As at 31 March 2024	Office and Computer equipment	Leasehold improvements	Total
Cost			
At incorporation	-	-	-
Additions	576	64	640
Acquisition through Business combinations	1,401	1,840	3,241
Disposals	(90)	-	(90)
Net Exchange differences	(29)	6	(23)
At 31 March 2024	1,858	1,910	3,768
Depreciation and Impairment			
At incorporation	-	-	-
Depreciation	(505)	(220)	(725)
At 31 March 2024	(505)	(220)	(725)
Net book value			
31 March 2024	1,353	1,690	3,043

The depreciation charge and profit or loss on disposal of property, plant and equipment is recognized with the administrative expenses. At 31 March 2025, the Group had no capital commitments contracted, but not provided, for the acquisition of property, plant and equipment.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

14. Other intangible assets

	Trade names	Developed Technology	Client relationship	Capitalised software	Trademarks and other licenses	Total
As at 31 March 2025						
Cost						
At 1 April 2024	21,169	50,937	43,101	6,656	183	122,046
Additions – internally generated	-	-	-	1,872	-	1,872
Additions – externally purchased	-	-	-	-	380	380
Net Exchange differences	406	967	392	74	107	1,946
At 31 March 2025	21,575	51,904	43,493	8,602	670	126,244
Accumulated amortization and impairment						
At 1 April 2024	(2,247)	(6,969)	(4,222)	(1,019)	(122)	(14,579)
Amortisation charge period to 31 March 2025	(4,325)	(13,027)	(8,758)	(1,994)	(194)	(28,298)
Net Exchange differences	(74)	-	186	(383)	(23)	(293)
At 31 March 2025	(6,646)	(19,996)	(12,794)	(3,396)	(339)	(43,170)
Net Book Value						
At 31 March 2024	18,922	43,968	38,879	5,637	61	107,467
At 31 March 2025	14,929	31,908	30,699	5,206	332	83,074
As at 31 March 2024						
Cost						
At incorporation -	-	-	-	-	-	-
Additions – internally generated	-	-	-	1,403	-	1,403
Additions – externally purchased	-	-	-	-	220	220
Acquisition through business combinations	21,169	50,984	43,128	5,253	-	120,534
Net Exchange differences	-	(47)	(27)	-	(37)	(111)
At 31 March 2024	21,169	50,937	43,101	6,656	183	122,046
Accumulated amortisation and impairment						
At incorporation	-	-	-	-	-	-
Amortisation charge	(2,247)	(6,969)	(4,222)	(1,019)	(122)	(14,579)
At 31 March 2024	(2,247)	(6,969)	(4,222)	(1,019)	(122)	(14,579)
Net book value						
At 31 March 2024	18,922	43,968	38,879	5,637	61	107,467

Capitalised software development includes internal labour costs and external consultancy costs incurred to design, construct and test the Brainlabs proprietary software platform, and internal reporting system used to manage the Groups resources. The remaining useful life of these grouped technology assets ranges from 1 years to 5 years.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Research and development costs not recognised as assets amounted to \$663k. At the year end, the following material intangible assets acquired in the two business combinations during the period have net book values and remaining useful lives as set out below:

Asset Class	Allocation	Carrying value	Remaining useful life
Client relationships	Sparro and Jack Nimble	5,767	3 years and 9 months
Client relationships	Brainlabs	24,932	3 years and 5 months
Developed technology	Sparro and Jack Nimble	304	2 years and 9 months
Developed technology	Brainlabs	31,604	2 years and 5 months
Trade names	Sparro and Jack Nimble	236	3 years and 9 months
Trade names	Brainlabs	14,693	3 years and 5 months
		77,536	

Amortisation is included within administrative expenses.

15. Right-of-use assets and lease liabilities

The lease liabilities and right-of-use assets relate to rental contracts of offices in UK, USA and India.

As at 31 March 2025

(i) Right-of-use-asset	Buildings	Total
Cost		
At 1 April 2024	3,868	3,868
Additions	1,525	1,525
Reclassification upon sublease of asset	(712)	(712)
Reclassification to lease liability upon lease assignment	(880)	(880)
Reversal of impairment	1,592	1,592
Exchange rate differences	179	179
At 31 March 2025	5,572	5,572
Accumulated depreciation and impairment		
At 1 April 2024	(1,079)	(1,079)
Depreciation	(760)	(760)
Exchange rate difference	17	16
At 31 March 2025	(1,822)	(1,823)
Net book value		
At 31 March 2024	2,789	2,789
At 31 March 2025	3,750	3,750
(ii) Lease liabilities		
At 1 April 2024	7,387	7,387
Reversal of impairment	1,525	1,525
Payment of lease liabilities	(1,919)	(1,919)
Exchange rate differences	260	260
Lease interest	632	632

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Lease derecognised upon assignment	(880)	(880)
At 31 March 2025	7,005	7,005

(iii) Amounts recognised in profit and loss

The following are the amounts recognised in the profit and loss:

	Year ended 31 March 2025
Depreciation of right-of-use assets: Buildings	760
Charge to operating loss	760
Interest expense related to lease liabilities	632
Charge to loss before taxation for leases	1,392
Total cash outflow for leases (including interest)	1,919

As at 31 March 2024

(i) Right-of-use-asset	Buildings	Total
Cost		
At incorporation	-	-
Additions arising from business combinations	4,009	4,009
Reclassification upon sublease of asset (note 17)	(680)	(680)
Reversal of impairment	681	681
Exchange rate differences	(142)	(142)
At 31 March 2024	3,868	3,868
Accumulated depreciation and impairment		
At incorporation	-	-
Depreciation	(1,079)	(1,079)
At 31 March 2024	(1,079)	(1,079)
Net book value		
At 31 March 2024	2,789	2,789

**At
31 March 2024**

(ii) Lease liabilities

At incorporation	-
Additions arising from business combinations	8,027
Payment of lease liabilities	(1,019)
Exchange rate differences	10
Lease interest	369
At 31 March 2025	7,387

(iii) Amounts recognised in profit and loss

The following are the amounts recognised in the profit and loss:

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

	Period ended 31 March 2024
Depreciation of right-of-use assets: Buildings	1,079
Charge to operating loss	1,079
Interest expense related to lease liabilities	369
Charge to loss before taxation for leases	1,448
Total cash outflow for leases (including interest)	1,007

The Group has leases for office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

During the year the company assigned one of its leases, where the new tenant entered into a new lease with the landlord. The company however has to guarantee rent and costs to the landlord in the event of default from the assigned tenant. This is limited to \$745 thousand dollars. In the event of default from the new tenant, the company would have to enter into a new lease with landlord at the original leases terms.

Group	At 31 March 2025	At 31 March 2024
Maturity Analysis – Contractual undiscounted cash flows		
Not later than one year	2,057	1,007
Later than one year but not later than five years	5,970	10,414
Later than five years	-	1,223
Total undiscounted cash flows	8,027	12,644
Current	1,387	1,565
Non-Current	5,618	5,822
Total lease liabilities	7,005	7,387

16. Goodwill

The movements in the net carrying amount of goodwill are as follows:

	Total
Cost and net book value	
At 1 April 2024	205,824
Foreign exchange	(66)
At 31 March 2025	205,758
At incorporation	-
Acquisitions	200,289
Foreign exchange	5,535
At 31 March 2024	205,824

Goodwill arose on the 2 business combinations completed in the previous period ended 31 March 2024.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Impairment review

As at 31 March 2025, the Group's total carrying amount of goodwill was \$205,824k, allocated across the following CGUs:

	As at 31 March 2025	As at 31 March 2024
UK	38,979	38,924
APAC	18,729	18,991
North America	146,170	145,963
Latin America	1,946	1,946
Total	205,824	205,824

Impairment Testing Methodology

Goodwill is tested for impairment annually, or more frequently if indicators of impairment exist. The recoverable amount of a CGU is determined as the higher of:

- Value in Use (VIU) – discounted cash flow model, or
- Fair Value Less Costs of Disposal (FVLCOD) – market-based valuation approach.

The recoverable amount of each CGU to which goodwill has been allocated is determined based on FVLCOD.

Valuation Basis — Market Approach

FVLCOD has been determined using the market approach, which estimates fair value by reference to observable market data for comparable companies and transactions.

Under this approach, valuation multiples derived from comparable listed entities or recent market transactions are applied to the Adjusted EBITDA of each CGU and adjusted for size and liquidity discounts.

The key inputs used in determining fair value under the market approach include:

Assumption	Uniform rate
EBITDA multiple (EV/ EBITDA)	12.5x
Adjusted EBITDA (2025)	Based on the trailing twelve months - Operating profit or loss adjusted for exceptional items, amortisation, depreciation, share-based payment expense and impairment
Revenue multiple (Latin America only)	2.0x
Revenue (Latin America only)	Based on the trailing twelve-months
Discount for lack of control / size	20%
Disposal costs	5% of CGU fair value

BRAINSTORMER INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Amount in \$ 000's unless otherwise stated)

Basis for Key Assumptions

The valuation assumptions applied were derived from observable market data and management judgement:

- The EBITDA multiple of 12.5x was benchmarked against the median trading and transaction multiples of comparable listed companies in the relevant industry and region.
- Adjusted EBITDA was based on the most recent trailing-twelve-month performance, normalised for non-recurring and non-cash items (including exceptional charges, amortisation, depreciation, share-based payment expense and impairment).
- The revenue multiple of 2.0x for Latin America CGUs reflects lower market maturity and profitability relative to the peer group used for EBITDA-based valuations.
- The 20% discount for lack of control and size represents the adjustment a market participant would apply to reflect minority or sub-scale holdings.
- Disposal costs of 5% of CGU fair value were estimated using recent market evidence of advisory and transaction costs for comparable divestments.

Management has assessed the recoverable amount of the Latin America CGU on a revenue market multiple due to its losses driven by its early stage of investment.

Based on the impairment testing performed, the recoverable amount of each CGU exceeded its carrying amount, and no impairment loss was recognised for the year ended 31 March 2025.

Post balance sheet

In the period after the balance sheet, Brainlabs performed an agency repositioning that included the consolidation of the North America and Latin America CGUs into a newly formed Americas CGU, and a formal reallocation of goodwill and corporate assets to the revised set of Brain Labs CGUs.

Sensitivity analysis

Sensitivity testing has been performed including running reverse stress testing scenarios to ascertain the changes to these key assumptions required to lead to the carrying values exceeding recoverable amounts. Sensitivity has therefore been reviewed and the following observations made:

- UK: EV/Adjusted EBITDA market multiple would need to decrease 5.02x
- North America: EV/Adjusted EBITDA market multiple would need to decrease 1.05x
- Latin America: EV/ Revenue market multiple would need to decrease 0.01x
- Asia-Pacific: EV/Adjusted EBITDA market multiple would need to decrease 1.76x

The carrying value of goodwill and other intangible assets will continue to be reviewed at least annually for impairment and adjusted down to the recoverable amount, if required.

The carrying value of goodwill and other intangible assets will continue to be reviewed at least annually for impairment and adjusted down to the recoverable amount, if required.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

17. Other non-current assets

	Total
Net investment in lease recognised as at 1 April 2024	660
Additions	712
Payments	(346)
Interest	110
Exchange rate differences	220
Net present value of payments receivable in the next 12 months	(493)
Net investment as at 31 March 2025	863
Net Investment in lease recognized on inception of contract	680
Amount recognized in income statement in the period	(20)
Net investment as at 31 March 2024	660

This asset has arisen from the Group entering an arrangement in the period to sublease a right of use asset (note 15).

18. Cash at bank and in hand

	At 31 March 2025	At 31 March 2024
Cash at bank and in hand	15,085	14,161
Total	15,085	14,161

The net carrying value of cash and cash equivalents is considered a reasonable approximation of fair value. Refer Note 24(ii) which includes disclosures relating to the credit risk exposures.

19. Trade and other receivables

	At 31 March 2025	At 31 March 2024 Restated
Trade receivables from contracts with customers	23,409	24,353
Loss allowance	(1,455)	(1,358)
Prepayments and accrued income	4,012	4,610
Other receivables	3,607	3,327
Total	29,574	30,932

The Group considers that the carrying amount of trade and other receivables approximates their fair value.

Refer to Note 24(ii) which includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. The current impairment provisions apply the IFRS 9 expected loss model.

In September 2023 a staff loan for \$3.7m was issued to key staff members to purchase shares in the ultimate parent company, FCP-Cranium Holdings LLC. This loan is only repayable upon certain events and only to the extent the sale process cover the loan plus interest, in the event of a short fall between the loan value and sale proceeds of the purchased shares, the loan will be forgiven. This loan was originally recognised in Other Receivables. Upon review this it has been established that this loan does not meet the criteria of IFRS 9 in which an unconditional contractual right to received cash in the future has been met. This loan is to be treated under IFRS 2, in which a share based payment of \$700k has been estimated. The restatement relates to the reversal of this loan asset. The share based payment has not been adjusted as it deemed to be below the threshold for a restatement. The balance of other receivables relates to the short term portion of sub lease recognised as other non current assets and deposits for leased office facilities.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Expected credit losses

Given the short-term nature of the Group's trade receivables, unbilled costs, and accrued income, which are mainly due from large national or multinational companies, the Group's assessment of expected credit losses includes provisions for specific clients and receivables where the contractual cash flow is deemed at risk. Considerations include the current economic environment, and the level of credit insurance the Group has along with historical loss rates for each category of customers adjusted for forward-looking information. Additional provisions are made based on the assessment of recoverability of aged receivables over one year where sufficient evidence of recoverability is not evident.

20. Trade and other payables

	At 31 March 2025	At 31 March 2024
Trade payables	1,634	5,387
Amounts due to related parties	-	41
Taxation and social security	6,801	3,558
Accruals and deferred income	13,479	14,338
Contingent consideration	1,348	8,592
Deferred consideration	1,875	
Other payables	16,371	13,237
Total	41,507	45,153

The Group considers that the carrying amount of trade and other payables approximates their fair value.

Other payables mainly comprises net media spend payables, which are payable within one year. Deferred income mainly comprises prepaid cash from Influencer clients, where cash is typically received upfront. This all falls within one year.

Included within other payables is \$433k (2024: \$351k) relating to total outstanding employer and employee contributions to defined contribution pension schemes.

At 31 March 2025, total deferred consideration relates to payments due to the former owners of Brainlabs (the business takeover of September 2023) and Bryant & Brothers Pty Ltd (the Australian business acquisition of January 2024).

These payables are contingent on a variety of post acquisition metrics including revenue and EBITDA performance against target and key employee retention. The Directors have considered both actual and forecast post year end financial information in assessing the fair value of liabilities at the period end date and this estimation is on a discounted basis.

The contingent consideration relates to the sub-lease of specific onerous right-of-use leased assets.

21. Borrowings

	At 31 March 2025
Secured:	
Term loan facility	130,770
Revolving credit facility	2,517
Total gross of prepaid facility fees	133,287
Prepaid facility fees	(2,296)
Total net of prepaid facility fees	130,991

Refer to note 24 for an analysis of interest risk.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Borrowings at amortised cost

Particulars	Nominal interest rate	Currency	Year of maturity	Total facility
Alcentra term loan facility B1	SONIA + 5.45%	GBP	2028	£4,800,000
Alcentra term loan facility B2	SOFR + 5.45%	USD	2028	\$15,406,160
Alcentra acquisition facility 1	SONIA + 5.45%(*)	GBP	2028	£45,000,000
Alcentra incremental facility 1	SONIA + 5.45%(*)	GBP	2028	£6,754,458
Alcentra acquisition facility 2	SONIA + 5.45%(*)	GBP	2028	\$28,206
Alcentra acquisition facility 3	SONIA + 5.45%(*)	USD	2028	\$4,750
Barclays revolving credit facility	SOFR + 3.5%	USD	2028	\$10,000,000
				At 31 March 2024
Secured:				
Term loan facility				119,332
Revolving credit facility				1,802
Total gross of prepaid facility fees				121,134
Prepaid facility fees				(1,724)
Total net of prepaid facility fees				119,410

Refer to note 24 for an analysis of interest risk.

Borrowings at amortised cost

Particulars	Nominal interest rate	Currency	Year of maturity	Total facility
Alcentra term loan facility B1	SONIA + 6.50%	GBP	2028	£4,800,000
Alcentra term loan facility B2	SOFR + 6.75%	USD	2028	\$15,406,160
Alcentra acquisition facility 1	SONIA + 6.50%(*)	GBP	2028	£45,000,000
Alcentra incremental facility 1	SONIA + 6.50%(*)	GBP	2028	£6,754,458
Alcentra acquisition facility 2	SONIA + 6.50% (*)	GBP	2028	£ 28,206,113
BMO revolving credit facility	BMO Prime Rate + 2.75%	USD	2028	\$10,000,000

(*) where debt is drawn in USD the nominal interest rate is SOFR + 6.75% per annum.

The facility was assumed as part of the consideration paid for the acquisition of Brainlabs in September 2023. For this facility the Group has financial covenants, tested quarterly from 31 December 2021, that require a minimum rolling 12 months EBITDA of £4,000,000 and net debt to EBITDA leverage of 7.75 times up until 30 June 2023 gradually reducing to 5.25 times by 30 June 2027.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

During the year, the Group has amended the facility with Alcentra to increase the available facility by \$4.75m ('Alcentra acquisition facility 3') at an interest rate of SOFR plus a margin of 5.75% per annum.

On the same date, the Group paid the balance outstanding on the BMO Revolver Credit Facility ('RCF') and entered into a new RCF with Barclays plc. This arrangement includes a new revolver of \$10m at an interest rate of SOFR plus a margin of 3.5% and a non-utilisation fee of 1.22%. The RCF matures 6 months prior to maturity of the connected senior facility in 2028.

On the 18th November 2024 the Group drew down \$10.1m from its Acquisition Facilities 2 and 3 to finance the earnout payment in relation to the acquisition of Bryant and Brothers Pty Ltd.

In January 2025 the Senior Facility Agreement was amended with new pricing as per the table above.

Since the year end, the Senior Facility Agreement (the acquisition facilities) has been amended to increase the available facility by \$20m, at an interest rate consistent with the table above.

22. Equity**(i) Equity Share Capital**

	Total
Shares issued and fully paid	
At 1 April 2024	100
Issued in the period	-
Total shares issued and fully paid at 31 March 2025	100
At incorporation	100
Total shares issued and fully paid at 31 March 2024	100
(ii) Other Components of Equity	\$'000
Additional paid in capital	
At 1 April 2024	195,036
Capital contribution	-
At 31 March 2025	195,036
At incorporation	-
Capital contribution	195,036
At 31 March 2024	195,036
Retained earnings	
At 1 April 2024	(29,830)
Comprehensive expense during the period	(22,243)
At 31 March 2025	(52,073)
At incorporation	-
Comprehensive expense during the period	(34,416)
Transfer from treasury and other reserves including exchange difference	4,586
At 31 March 2024	(29,830)
Foreign currency translation reserve	
At 1 April 2024	5,546
Loss on foreign translation of foreign operations	(3,638)
At 31 March 2025	1,908
At incorporation	-
Gains on foreign translation of foreign operations	5,546
At 31 March 2024	5,546

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Other reserve	
At 1 April 2024	105
Share-based payment expense in period	341
Profit from sale of own shares held in an employee benefit trust	-
At 31 March 2025	446
At incorporation	-
Share-based payment expense in period	105
Profit from sale of own shares held in an employee benefit trust	4,513
Transfer to retained earnings during the year	(4,513)
At 31 March 2024	105
Total equity	145,317

Share capital

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote.

At incorporation, the Company issued 100 ordinary shares each with a nominal value of \$1 for a total consideration of \$100 fully paid up.

Additional paid in capital

Additional paid in capital includes a capital contribution arising from the acquisition of Brainlabs during the period.

Other reserve

Other reserve includes the gains related to the sale of treasury shares by the EBT in addition to the cumulative share-based payment expense.

Translation reserves

The translation reserve contains the accumulated gains/(losses) on currency translation of foreign operations arising on consolidation.

23. Related Party Transactions

The remuneration of the Executive Committee who are defined as the key management personnel of the Group is set out below in aggregate for each applicable category under IAS 24 'Related Party Disclosure'.

	Year ended 31 March 2025	Period ended 31 March 2024
(i) Key management compensation		
Short-term employee benefits	1,358	3,026
Post-employment benefits	17	7
Share-based payments	-	64
Aggregate compensation	1,376	3,097

In September 2023 key management were granted a £3m loan to purchase shares in FCP-Cranium Holdings LLC, the parent company. This loan is repayable upon certain events, at which time it is expected that the shares are sold and the loan repaid from the proceeds. The loan is only repayable to the extent the sales proceeds cover the loan, the recipients are not liable to pay for any shortfall. The loan does not meet the criteria for IFRS 9 and treated under IFRS 2 share based payments, and as such no receivable has been recognised in the financial statements.

In the year ended 31 March 2025, some IT due diligence was performed by Cross Lake \$15k, the group and Cross Lake have material investment from the same institution.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

(ii) Transactions with related parties during the year were:

Nature of transactions	Name of related party	Year ended	Period ended
		31 March 2025	31 March 2024
Management fees	Falfurrias Management Partners, LP	561	296
Relocation	Executive management	110	-
		At	At
(iii) Balances outstanding are as follows:		31 March	31 March
		2025	2024

Trade and other payables	Falfurrias Management Partners, LP	-	(4)
--------------------------	------------------------------------	---	-----

24. Financial Instruments**Risk management objectives and policies**

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised below. The main types of risks are market risk, credit risk and liquidity risk

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(i) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Group's transactions are carried out in USD. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in GBP and AUD.

To mitigate the Group's exposure to foreign currency risk, non-USD cash flows are monitored. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within six months) from longer-term cash flows (due after six months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

	GBP	AUD	Total
31 March 2025			
Earnings after tax	4,108	(4,517)	(409)
Net Assets	174,374	21,651	196,025
31 March 2024			
Earnings after tax	277,922	(5,706)	272,216
Net Assets	213,520	41,906	255,426

The following table illustrates the sensitivity of profit and equity in relating to the Group's Net Assets and Earning after tax and the USD/GBP exchange rate and USD/AUD exchange rate 'all other things being equal'. It assumes a +/- 1% change of the USD/GBP exchange rate for the year ended at 31 March 2025. A +/- 1% change is considered for the USD/AUD exchange rate. Both percentages have been determined based on the average market volatility in exchange

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

rates in the previous seven months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and considers forward exchange contracts that offset effects from changes in currency exchange rates.

If the USD had strengthened against the GBP by 1% and AUD by 1% respectively then this would have had the following impact:

	Profit and Loss for the year			Net assets at 31 March 2025		
	GBP	AUD	Total	GBP	AUD	Total
31 March 2025	41	(45)	(4)	1,744	217	1,961
Total	41	(45)	(4)	1,744	217	1,961

	Profit and Loss for the period			Net assets at 31 March 2024		
	GBP	AUD	Total	GBP	AUD	Total
31 March 2024	2,779	(57)	2,722	2,135	419	2,554
Total	2,779	(57)	2,722	2,135	419	2,554

If the USD had weakened against the GBP by 10% and AUD by 5% respectively then this would have had the following impact:

	Profit and Loss for the year			Net assets at 31 March 2025		
	GBP	AUD	Total	GBP	AUD	Total
31 March 2025	411	(226)	185	1,744	1,083	2,826
Total	411	(266)	185	1,744	1,083	2,826

	Profit and Loss for the period			Net assets at 31 March 2024		
	GBP	AUD	Total	GBP	AUD	Total
31 March 2024	(2,779)	57	(2,722)	(2,135)	(419)	(2,554)
Total	(2,779)	57	(2,722)	(2,135)	(419)	(2,554)

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 March 2025 the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The Group's investments in bonds and debentures all pay fixed interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1%. These changes are reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit and Losses for the year		Net assets at 31 March 2025	
	+1%	-1%	+1%	-1%
31 March 2025	162	(162)	-	-

	Profit and Losses for the period		Net assets at 31 March 2024	
	+1%	-1%	+1%	-1%
31 March 2024	696	(696)	-	-

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

25. Borrowings

	At 31 March 2025	
	Current	Non-Current
Amortised Cost		
Term loan facility	-	130,770
Revolving credit facility	-	2,517
Gross Borrowings	-	133,287
Prepaid facility fees		(2,296)
Borrowings Net of facility fees	-	130,991

	At 31 March 2024	
	Current	Non-Current
Amortised Cost		
Term loan facility	-	119,332
Revolving credit facility	-	1,802
Gross Borrowings	-	121,134
Prepaid facility fees		(1,724)
Borrowings Net of facility fees	-	119,410

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

A) Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and deliver terms and conditions are offered.

The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

The Group is monitoring the economic environment across each of the regions it operations in and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

B) Expected credit loss assessment

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

On the above basis, the expected credit loss for trade receivables as of 31 March 2025 was determined as follows:

Trade receivables past due date						
31 March 2025	Not due	Less than 3 months	3 months to 6 months	6 months to 9 months	More than 9 Months	Total
Expected credit loss rate	1%	5%	5%	52%	61%	
Gross carrying amount	31,531	8,495	954	470	921	42,371
Lifetime expected credit losses	181	416	49	246	563	1,455

Trade receivables past due date						
31 March 2024	Not due	Less than 3 months	3 months to 6 months	6 months to 9 months	More than 9 Months	Total
Expected credit loss rate	1%	3%	5%	35%	60%	
Gross carrying amount	37,189	13,876	1,398	863	337	53,663
Lifetime expected credit losses	372	412	70	302	202	1,358

(iii) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified month Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over both the lookout periods.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period.

Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

At 31 March 2025, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

At 31 March 2025		Maturity analysis – undiscounted contractual cashflows			
		Total Undiscounted Cash flows	Within 1 year	Between 1 and 5 years	5 years and older
	Carrying value				
Trade payables	1,634	1,634	1,634	-	-
Other payables	39,873	39,873	39,873	-	-
Lease liabilities	7,005	6,828	2,32	4,499	-
Borrowings	130,991	130,991	-	130,991	-
Total	179,503	179,326	43,836	135,490	-

At 31 March 2024		Maturity analysis – undiscounted contractual cashflows			
		Total Undiscounted Cash flows	Within 1 year	Between 1 and 5 years	5 years and older
	Carrying value				
Trade payables	5,387	5,387	5,387	-	-
Other payables	41,045	41,945	41,045	-	-
Lease liabilities	7,387	12,645	1,007	10,414	1,223
Borrowings	119,410	119,410	-	119,410	-
Total	173,229	179,387	47,439	129,824	1,223

25(i) Capital Management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern, and
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented in the consolidated statement of financial position and cash flow hedges recognised in other comprehensive income.

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

The Group's goal in capital management is to maintain a capital-to-overall financing ratio of 1:6 to 1:4. This is in line with the Group's covenants included in the terms of the subordinated loan from its main shareholder advanced in 2019.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

	At 31 March 2025
Total equity	147,005
Cash and cash equivalents	15,085
Capital	162,090
Total equity	147,005
Borrowings	130,991
Leasing liabilities	7,005
Overall financing	285,001
Capital-to-overall financing ratio	0.57

26. Share-based payment arrangements

(i) Description of Share-based payment arrangements

As of 31 March 2025, the Group maintained a single share-based payment scheme known as the "Profit Interest Plan" for employee remuneration. Under this scheme, employees are granted restricted stock units (RSUs) that vest upon meeting certain conditions specified in the program.

For service-based units, full vesting requires the employee to remain in employment for four years from the grant date. However, a proportionate number of units will vest upon the completion of each year of continuous service from the grant date.

For performance-based units to vest, two conditions must be met: the employee must still be employed, and an exit event must occur resulting in a change of control at a value that is at least 2.5 times the share value as of 11 September 2023.

Share Option Scheme (equity-settled)

Grant date	Number of instruments	Vesting conditions	Contractual Life (in years)	Fair Value for every 1000 units
18-Dec-23	38,866,814	25% for one year in continuous service	4	38.9
14-Dec-23	66,450,000	25% for one year in continuous service	4	38.9
18-Dec-23	38,866,839	-	4	38.9
14-Dec-23	39,870,000	-	4	38.9

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

The fair value attributed to these units has been determined using a multi scenario model using an independent expert.

(ii) Reconciliation of Outstanding Share Options

Particulars	Number of options (Service Units)	Number of options (Performance Units)	Total
Outstanding at 31 March 2024	106,529,446	79,949,472	186,478,918
Forfeit during the year	(220,511)	(2,074,944)	(2,295,455)
Outstanding at 31 March 2025	106,308,935	77,874,528	184,183,463
Weighted average remaining contractual term	2.71	2.71	2.71
Outstanding at incorporation	-	-	-
Granted during the period	106,529,446	79,949,472	186,478,918
Outstanding at 31 March 2024	106,529,446	79,949,472	186,478,918
Exercisable units at 31 March 2024	-	-	-
Weighted average remaining contractual term	3.71	3.71	3.71

There were no unit awards exercised in the period.

(iii) Share-based Payment expenses recognised in profit and loss

	At 31 March 2025
Equity-settled arrangement expenses	341
Total	341

In 2024 key staff members were issued with a loan for \$3.7m to purchase shares in the ultimate parent, FCP Cranium Holdings LLC, this loan accrues interest every year. It is only repayable upon certain events and the loan is only repayable to the extent funds are received for the sale of the shares, the staff members are not liable for any shortfall in share price at the time of the sale of the shares. This loan is assessed to be a share based payment under IFRS 2 with a share based payment with a fair value of \$700k, to be recognised in full on the grant date, as there are no further performance or service obligations attached. This payment has not been recognised as it relates to prior years and is deemed to be below the threshold for restatement.

27. Commitments

The Group entered into various non-cancellable operating leases relating to office buildings and flexible office space. The lease agreements include various terms such as renewable rights and inflation features. The total of the minimum operating lease payments is as follows:

	At 31 March 2025
Not later than one year	1,075
Later than one year and not later than five years	3,069
Later than five years	-
Total	4,144

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

28. Cash used in operations

	Note	Year ended 31 March 2025	Period ended 31 March 2024
Adjusted EBITDA		28,008	13,372
Adjustments for:			
Exceptional items		(8,407)	(26,407)
Amortisation of other intangible assets		(28,298)	(14,579)
Depreciation of right-of-use assets		(760)	(1,079)
Depreciation of property, plant and machinery		(1,124)	(725)
Share based payment expense		(341)	(104)
Reversal of impairment of right-of-use assets		1,592	680
Operating loss for the period		(9,330)	(28,842)
Adjustments for:			
Finance expenses		(16,544)	(9,191)
Finance income		324	133
Other income		-	1
Loss before taxation		(25,550)	(37,899)
Adjustments for:			
Depreciation and amortisation		30,182	16,383
Share based payment expense		341	104
Finance costs		16,545	9,191
Interest income on sub-leasing		(324)	(18)
Expected credit loss		97	503
Deferred tax		-	4,417
Reversal of impairment		(1,592)	(680)
Gain on modification of lease		-	(2)
Contingent consideration		6,645	4,908
Amortisation of fees		472	-
Foreign exchange movements		(4,836)	-
Operating cash flows before changes in working capital		21,980	(3,093)
Changes in working capital:			
(Increase)/decrease in trade and other receivables		1,754	6,242
Increase/(decrease) in trade and other payables		1,131	(5,658)
Increase/(decrease) in provisions		-	(2,462)
Cash (used in)/generated from operations		24,865	(4,971)

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

29. Subsequent Events

Subsequent to the year end, a charge was registered in favour of GLAS Trust Corporation Limited as security agent for itself and the other secured parties. The charge comprises fixed and floating charges (the floating charge covering all the property and undertaking of the chargor) and contains a negative pledge.

On 14 July 2025, the Group acquired the entire share capital and 100% controlling interest of Exverus Media LLC, a company incorporated in the United States of America for a total consideration of \$16.5 million. The transaction will be settled initially with cash of \$13.5m (before seller expenses) and issue of interest bearing preference shares with a value of \$3.0m in the Group's ultimate controlling company; FCP Cranium Holdings LLC. As part of the sale and purchase agreement, the former owners are entitled to earn future consideration contingent upon future performance against contractually determined targets. This consideration will be treated as post acquisition remuneration. To fund this acquisition, the Group extended its existing Senior Finance Facility with Alcentra by \$20.0m and immediately drew down an amount equivalent to settle the cash consideration.

In the period after the balance sheet, Brainlabs performed an agency repositioning that included the consolidation of the North America and Latin America CGUs into a newly formed Americas CGU, and a formal reallocation of goodwill and corporate assets to the revised set of Brain Labs CGUs.

30. Ultimate controlling party and company

The Group's ultimate parent company is FCP-Cranium Holdings LLC, a limited liability company incorporated in the US state of Delaware, USA. The board consider that there is not one controlling party due to no shareholder having a majority of the voting rights.

31. Prior year adjustments

In September 2023 a staff loan for \$3.7m was issued to key staff members to purchase shares in the ultimate parent company, FCP-Cranium Holdings LLC. This loan is only repayable upon certain events and only to the extent the sale process cover the loan plus interest, in the event of a short fall between the loan value and sale proceeds of the purchased shares, the loan will be forgiven. This loan was originally recognised in Other Receivables. Upon review this it has been established that this loan does not meet the criteria of IFRS 9 in which an unconditional contractual right to received cash in the future has been met. This loan is to be treated under IFRS 2, in which a share based payment of \$700k has been estimated. The restatement relates to the reversal of this loan asset. The share based payment has not been adjusted as it deemed to be below the threshold for a restatement. Refer to note 19 for 2024 restated Trade and other receivables. Additional paid in capital has been restated to reflect correction in accounting treatment for the above staff loan.

Trade and other receivables	Reported	Restated
	At 31 March 2024	At 31 March 2024
Trade receivables from contracts with customers	24,353	24,353
Loss allowance	(1,358)	(1,358)
Prepayments and accrued income	4,610	4,610
Other receivables	7,067	3,327
Total	34,672	30,932

Equity	Reported	Restated
	At 31 March 2024	At 31 March 2024
Additional paid in capital	198,776	195,036
Other reserves	105	105
Foreign exchange reserve	5,546	5,546
Retained earnings	(29,830)	(29,830)
	174,597	170,857

BRAINSTORMER INC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(Amount in \$ 000's unless otherwise stated)**

Contract balances related to contracts with customers has been restated to amend an error in the 2024 balances. Refer to note 6.

	Reported	Restated
	At 31 March	At 31 March
	2024	2024
Contract balances related to contracts with customers:		
Contract assets	2,503	2,127
Contract liabilities	(3,340)	(6,732)
Net media liabilities	(5,071)	(11,171)