

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

Escher Acquisition Limited

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For the year ended 31 December 2024

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Escher Acquisition Limited

Company Information

For the year ended 31 December 2024

Directors	R Boscott A Barbara J Westhead
Company secretary	Ashish Kumar
Company number	617563
Registered office	The Greenway Ardilaun Court 112-114 St. Stephen's Green Dublin 2 D02 TD28
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Bankers	The Northern Trust International Banking Corporation Harborside Financial Centre Plaza 10 3 Second Street Suite 1401 Jersey City New Jersey 07311-3988 USA Bank of Ireland 40 Mespil Road Dublin 4 Ireland
Solicitors	Eversheds Sutherland Earlsfort Terrace Dublin 2 Ireland

Escher Acquisition Limited

Directors' Report

For the year ended 31 December 2024

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

Principal activities

The principal activity of Escher Acquisition Limited ("the Company") is that of a holding company and the principal activity of Escher Acquisition Limited and its subsidiaries ("the Group") is the provision of point of service software to postal retail and logistics organisations.

The Group's solutions are purpose built to transform customer experience. Designed and embedded with industry best-practice, these solutions are flexible, resilient and cover various points of engagement.

Results and dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 10 and related notes. The Directors do not recommend the payment of a dividend (2023: \$nil).

Business review

The Group uses a range of measures to monitor and manage the performance of the business, with the level of new business sales, and customer contract renewals being key operational performance indicators, alongside the financial results of the business which are reviewed monthly. The business prepares regular forecasts for its future targets and resource requirements. The key financial performance indicators include turnover and EBITDA.

Demand for Escher's market leading technology, including ongoing maintenance and support services, saw total revenue in the year increase by 10% to \$35.7m (2023 (restated): \$32.6m). In 2024, Escher commenced major systems implementations for 3 customers, an increase from 2023 (1 customer implementation started).

Adjusted EBITDA increased by 27% to \$12.4m (2023 (restated): \$9.7m).

As set out in more detail in note 4 to the financial statements, during the course of the year, the Directors identified a number of prior period errors which they consider to be material to the comparative financial information as follows:

Onerous contract

The Directors deemed some customer contracts entered into prior to 2023 to be onerous in December 2023. IAS 37 requires a provision to be provided for at the financial year ended 31 December 2023. Adjustments were also made to the recognised revenue in the year ended 31 December 2023.

Revenue recognition

Upon review of some of the Group's other contracts with customers, two contracts were identified where revenue had been over-recognised in the prior year. An adjustment was therefore made to the prior period results.

Amortisation of internally generated intangible assets

During the prior period, the Group did not charge any amortisation on the costs incurred on developed software products that were released during the prior period. This has been corrected.

Reclassification of exceptional costs

Upon review of the Group's exceptional costs policy, there were several costs included as exceptional costs in the prior year which are now deemed to be recurring and therefore incorrectly treated as exceptional costs. These amounts have been reclassified as administrative expenses.

Other material prior period errors

The Directors consider that adjustments are required to the opening position at 1 January 2023 and the closing position at 31 December 2023 in respect of other prior period errors including incorrect capitalisation of certain costs, write off of irrecoverable contract assets recognised, mis-postings relating to payroll tax, current tax and deferred tax, and foreign exchange differences.

Re-presentation of cash flow items

The errors identified above have an impact on the previously reported Consolidated Statement of Cash Flows, which has now been corrected.

Escher Acquisition Limited
Directors' Report (continued)
For the year ended 31 December 2024

Future developments

The Group continues to have a highly regarded reputation in its core market of postal services, as reflected in the large and growing pipeline of new business opportunities. The Group spends significant internal resources on improving existing products and developing new products for this core market, based on the future market needs of its customers.

In addition, the Group is constantly evaluating the potential to target adjacent and related markets for its products and services, which if successful would generate significant growth in turnover and EBITDA in future periods.

Principal risks and uncertainties

Risk management is a high priority. Processes are designed to identify, mitigate and manage risk. The Board of Directors are ultimately responsible for risk management. The principal risk factors that could materially and adversely affect the Group's future operating profits or financial position, and the controls in place to mitigate these risks are as follows:

Dependence on key executives and personnel

The Group has and will continue to invest in applicable resources, systems and processes to ensure the success of both recruitment and onboarding of employees and subsequent training.

Competitive risk

The Group continues to dedicate significant research and development resource to the constant enhancement of technology solutions and protects this intellectual property by securing patents and trademarks where possible, thereby maintaining a competitive edge.

Credit risk

The Group's primary financial assets are cash and cash equivalents, and trade and other receivables. Bank balances are lodged with the sponsoring banks which carry high credit ratings. Trade and other receivables are shown net of expected credit losses. The Group has a good record of cash collection from its customer base.

Contract renewal and award

As the Group rapidly expands, it plans to invest in client relationship management, and does not foresee any strain on the quality of these services. As part of its current recruitment plan, the Group continues to add skilled resources focused on customer engagements for new and existing customer relationships. It also continues to invest in the services, product and research development teams, to ensure the quality of deliverables remain high, further supporting the Group's market leading role in the sector.

Product risks

The Group continues to invest in both people and quality control processes within its research and development team to ensure high quality products remain at the forefront of technology for their clients. Additionally, there is continued investment in resources within its service delivery team to ensure the quality-of-service delivery, with a focus on mitigating implementation risk.

Economic conditions and current economic weakness

The markets in which the Group offers its products and services are directly affected by many local and international factors that are beyond the Group's control. The Group continuously reviews opportunities to diversify and broaden its product base in order to appeal to a wider clientele in a larger range of industries with an increased geographical diversity.

The Board will continue to review and monitor the following:

- Interest rate policy changes of the U.S. Federal Reserve and European Central Bank.
- Inflation rates in major markets which may have an impact on the Group operations.
- Geopolitical risks that may arise which may have an impact on the Group operations.

The Board monitors geopolitical and economic developments in key markets and sectors, and undertakes scenario analysis where appropriate. This helps the Group to take actions to manage its costs where necessary, including through enhanced monitoring, amending its risk appetite and/or reducing limits and exposures.

Escher Acquisition Limited
Directors' Report (continued)
For the year ended 31 December 2024

Principal risks and uncertainties (continued)

Economic conditions and current economic weakness (continued)

Key customer contracts are regularly reviewed to help ensure that individual customers risks are understood and that the Group's ability to manage the level of product and services offered through any downturn is appropriate.

The Group has taken steps, where necessary, to ensure that its staff are not in a position to be impacted by any geopolitical risks or terrorism.

Currency risk

Whilst the Group has a reporting currency of US Dollars, it retains significant Canadian Dollar and Euro denominated revenues, as well as a Euro cost base from its Irish workforce. Significant changes to the Canadian Dollar and Euro exchange rates against the US Dollar could impact on the Group's results. The Group also has revenues and costs in other currencies. The Group does not utilise financial instruments to mitigate the potential effects of currency fluctuations but has access to such instruments should it decide to utilise them in the future.

Liquidity risk

The Group maintains weekly, a detailed 13-week cashflow and monitors cash and bank balances to ensure it has sufficient available liquid resources for it to operate from its base operations. It also has immediate access to banking facilities should funding be required.

Interest rate risk

The Group generates sufficient cash to service its bank loans under the current facility provided by the sponsoring bank. The Group regularly monitors forecast cash flows to ensure suitable covenant headroom will be available in the future. The Group's existing borrowings have transitioned to the Secured Overnight Financing Rate (SOFR) from April 2022 onwards. Due to this change in basis, the Group's forecasted cash flows consider the potential for realistic movements in future SOFR given known policy positions by the US Federal Reserve.

Principal key performance indications (KPIs)

The principal key performance indications used by management to monitor performance of the Group are as follows:

- Gross margin and operating profit indications
- Sales pipeline, conversion and renewal rates
- Various measures relating to the service and delivery of products and support
- Cash, cash conversion and liquidity

Directors

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

R Boscott
A Barbara
J Westhead

The Directors had no individual interests in the shares, or debentures, or loan stock of the Company or Group companies, or in options to acquire shares in the Company or Group companies.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditor is uninformed of.

Accounting records

The Directors acknowledge that during the current financial reporting period, they identified certain matters relating to the maintenance of the Company's and Group's accounting records which resulted in the accounting records being inaccurate in some respects (see note 4).

Escher Acquisition Limited
Directors' Report (continued)
For the year ended 31 December 2024

Accounting records (continued)

The Directors believe that having dealt with these matters, they are now in compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 regarding maintaining adequate accounting records by employing accounting personnel with the necessary expertise and by providing adequate resources to the financial function. The accounting records of the Group and Company are maintained at The Greenway, Ardilaun Court, 112-114 St. Stephen's Green, Dublin 2, D02 TD28.

Political contributions

The Group and Company made no political donations or incurred any political expenditure during the year (2023: \$nil).

Research and development

During the year, the Group continued its development of software to manage postal and parcel providers' mission critical operational workflows from first-to-last mile. Development costs incurred in the year can be attributed to:

- Retail – Software managing post office transactions, workflows and associated data;
- Distribution – AI-powered optical character recognition ("OCR") software to scan, sort and extract data for mail and parcel processing; and
- Delivery – End-to-end suite of delivery applications including real-time scheduling, routing, parcel induction, and track and trace

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets in accordance with the Group policy.

Post balance sheet events

Details of important events affecting the Group and Company which have taken place since the end of the financial year are given in note 28 of the consolidated financial statements and note 14 of the Company financial statements respectively.

Going concern

The Group has net assets of \$19,455k (2023 (restated): \$23,679k) and net current assets of \$6,038k (2023 (restated): net current liabilities of \$7,065k).

Funding arrangements between the Group's sponsoring bank and Escher Group Holdings Limited, a subsidiary of the Company, are repayable by 2029. These arrangements comprise a five-year \$11.25m term loan and a five-year \$8m revolving credit facility, all of which was drawn at year end. At the year end, the Group held cash and cash equivalents of \$6,969k (2023: \$1,483k). The Board has reviewed potential financial scenarios, taking into account the current economic climate compared to the original operating plan, and is satisfied that there is no material deviation in expected cash generation, access to funding, or financial performance of the Group.

As at 30 September 2025, the Group was not in compliance with one financial covenant under its financing arrangements due to delayed customer payments. The Group obtained a formal waiver from its sponsoring bank for this covenant, and the lenders confirmed that the covenant would not be tested at this date. The Group expects to be in compliance for the next scheduled covenant test that will occur as at 31 December 2025.

Based on this waiver, together with the Group's current financial position, cash flow forecasts, and available facilities, the Directors have assessed the Group's ability to continue as a going concern. The Directors have concluded that, notwithstanding the covenant breach and reliance on lender waiver, there are no material uncertainties that would cast significant doubt on the Group's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Escher Acquisition Limited
Directors' Report (continued)
For the year ended 31 December 2024

Director's compliance statement

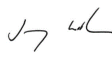
The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act 2014 and tax laws ("relevant obligations"). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies that in their opinion are appropriate with regard to such compliance;
- appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and
- a review has been conducted, during the financial year, of those arrangements and structures.

Auditor

Pursuant to Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board of Directors

DocuSigned by:

F040DB83CB4B4CC...
J Westhead
Director

Signed by:

FA6364B4627F434...
R Boscott
Director

Date: 21 November 2025

Escher Acquisition Limited

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

For the year ended 31 December 2024

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework and applicable law.

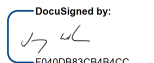
Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

On behalf of the board

DocuSigned by:

J. Westhead

Director

Signed by:

R. Boscott

Director

21 November 2025



KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent Auditor's Report to the Members of Escher Acquisition Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Escher Acquisition Limited ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2024 set out on pages 11 to 56, which comprise the Consolidated statement of Comprehensive Income, Consolidated and Company Statement's of Financial Position, Consolidated and Company Statements of Changes in Equity and Consolidated Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 1.

The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework* issued by the UK's Financial Reporting Council; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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



Independent Auditor's Report to the Members of Escher Acquisition Limited (continued)

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report to the Members of Escher Acquisition Limited
(continued)

Respective responsibilities and restrictions on use (continued)

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 (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

21 November 2025

Emma O'Driscoll

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St. Stephen's Green

Dublin 2

D02 DE03

Escher Acquisition Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

		2024	2023
	Note	\$000	Restated \$000
Revenue	5	35,716	32,613
Administrative expenses		(23,352)	(22,897)
Operating profit before exceptional costs, depreciation and amortisation (adjusted EBITDA)		12,364	9,716
Exceptional costs	6	(3,340)	(7,000)
Depreciation and amortisation	6	(12,471)	(11,221)
Operating loss	6	(3,447)	(8,505)
Finance income	8	12	13
Finance costs	9	(1,200)	(1,070)
Loss before taxation		(4,635)	(9,562)
Taxation credit	10	434	1,371
Loss for the year		(4,201)	(8,191)
Other comprehensive expense			
<i>Items that may be reclassified to profit and loss:</i>			
Exchange differences on translation of foreign operations		(23)	-
Total comprehensive expense for the period		(4,224)	(8,191)

All activity in both the current and the prior year relates to continuing operations.

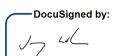
The notes on pages 15 to 47 form part of these consolidated financial statements.

Escher Acquisition Limited
Consolidated Statement of Financial Position
As at 31 December 2024

		2024	2023	1 January 2023
	Note	\$000	Restated \$000	Restated \$000
Non-current assets				
Property, plant and equipment	11	824	1,504	2,746
Intangible assets	12	17,201	23,993	28,603
Goodwill	12	19,487	19,487	19,487
Deferred tax assets	13	2,408	2,072	-
Total non-current assets		39,920	47,056	50,836
Current assets				
Trade and other receivables	14	16,057	11,443	9,351
Tax receivables	14	1,638	1,017	478
Cash and cash equivalents	15	6,969	1,483	1,965
Total current assets		24,664	13,943	11,794
Total assets		64,584	60,999	62,630
Current liabilities				
Trade and other payables	16	(15,177)	(14,859)	(11,606)
Borrowings	17	(1,500)	(4,396)	(1,250)
Lease liabilities	18	(823)	(995)	(1,137)
Provisions	19	(1,126)	(758)	-
Total current liabilities		(18,626)	(21,008)	(13,993)
Non-current liabilities				
Trade and other payables	16	(2,800)	(980)	(1,642)
Borrowings	17	(20,395)	(9,027)	(10,309)
Lease liabilities	18	(581)	(1,471)	(2,757)
Provisions	19	(1,823)	(2,666)	-
Deferred tax liabilities	13	(904)	(2,168)	(2,195)
Total non-current liabilities		(26,503)	(16,312)	(16,903)
Total liabilities		(45,129)	(37,320)	(30,896)
Net assets		19,455	23,679	31,734
Equity				
Share capital	20	1	1	1
Share premium	21	37,477	37,477	37,477
Capital contribution reserve	21	12,333	12,333	12,333
Accumulated OCI	21	769	792	792
Retained losses	21	(31,125)	(26,924)	(18,869)
Total equity		19,455	23,679	31,734

The notes on pages 15 to 47 form part of these consolidated financial statements.

The consolidated financial statements are approved by the Board of Directors and authorised for issue on 21 Nov 2025 and are signed by:

DocuSigned by:

F040DB83CB4B4CC
J Westhead

Director
Company number: 617563

Signed by:

FA6364B4627F434...
R Boscott

Director

Escher Acquisition Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

	Note	Share capital \$000	Share premium \$000	Capital contribution reserve \$000	Accumulated OCI \$000	Retained losses \$000	Total equity \$000
Balance at 1 January 2023		1	37,477	12,333	792	(16,992)	33,611
Adjustment on correction of error	4	-	-	-	-	(1,877)	(1,877)
Restated balance at 1 January 2023		1	37,477	12,333	792	(18,869)	31,734
Loss for the year (restated)		-	-	-	-	(8,191)	(8,191)
Total comprehensive expense for the financial year (restated)		-	-	-	-	(8,191)	(8,191)
Adjustment to opening reserves		-	-	-	-	136	136
Balance at 31 December 2023 (restated)		1	37,477	12,333	792	(26,924)	23,679
Loss for the year		-	-	-	-	(4,201)	(4,201)
Other comprehensive expense		-	-	-	(23)	-	(23)
Total comprehensive expense for the financial year		-	-	-	(23)	(4,201)	(4,224)
Balance at 31 December 2024		1	37,477	12,333	769	(31,125)	19,455

The notes on pages 15 to 47 form part of these consolidated financial statements.

Escher Acquisition Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2024

		2024	2023
	Note	\$000	Restated \$000
Cash flows from operating activities			
Loss for the year		(4,201)	(8,191)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	11	777	1,018
Amortisation of intangible assets	12	11,694	10,203
Unrealised foreign exchange (gains)/losses		(98)	312
Finance income	8	(12)	(13)
Finance costs	9	1,200	1,070
Taxation credit	10	(434)	(1,371)
<i>Changes in operating assets and liabilities:</i>			
Increase in trade and other receivables		(4,190)	(2,144)
Increase in trade and other payables		2,039	2,489
(Decrease)/increase in provisions		(475)	3,424
Cash generated from operations		6,300	6,797
Interest received		12	13
Other interest paid		(107)	(57)
Tax paid		(1,812)	(942)
Net cash inflow from operating activities		4,393	5,811
Cash flows from investing activities			
Acquisition of property, plant and equipment		(92)	(154)
Development expenditure		(5,046)	(5,764)
Net cash outflow from investing activities		(5,138)	(5,918)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	25	(968)	(1,067)
Interest paid on lease liabilities	25	(83)	(131)
Proceeds from borrowings	25	12,250	2,991
Repayment of borrowings	25	(3,922)	(1,279)
Interest paid on borrowings	25	(1,010)	(882)
Net cash inflow/(outflow) from financing activities		6,267	(368)
Net increase/(decrease) in cash and cash equivalents		5,522	(475)
Cash and cash equivalents at the beginning of year	15	1,483	1,965
Effect of exchange rate fluctuations on cash held		(36)	(7)
Cash and cash equivalents at end of year	15	6,969	1,483

The notes on pages 15 to 47 form part of these consolidated financial statements.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

1 General information

Escher Acquisition Limited (the “Company”) is a private company limited by shares and is registered and incorporated in Republic of Ireland (company number 617563). The registered office is 112-114, The Greenway, Ardilaun Court, St. Stephen’s Green, Dublin, D02 TD28.

The principal activities and nature of the operations of the Company and its subsidiaries (“the Group”) is the provision of point of service software to postal retail and logistics organisations.

2 Material accounting policy information

2.1 Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”). There have been no material departures from the Standards.

The consolidated financial statements have been prepared on a historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value on transaction date of the consideration given in exchange for assets. The consolidated financial statements are presented in United States Dollar (“USD”). Monetary amounts in these financial statements are rounded to the nearest \$1,000.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies, the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity.

Where the Company has control over an investee, it is classified as a subsidiary. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain exposure, or rights, to variable returns from the investee, and the ability to use its power over the investee to affect the returns from the investee.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Losses applicable to the noncontrolling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Consolidated Statement of Financial Position, the acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The acquisition related costs are included in the Consolidated Statement of Comprehensive Income on an accruals basis. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income on the date on which control is obtained.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.3 Going concern

The Group has net assets of \$19,455k (2023 (restated): \$23,679k) and net current assets of \$6,038k (2023 (restated): net current liabilities of \$7,065k).

Funding arrangements between the Group's sponsoring bank and Escher Group Holdings Limited, a subsidiary of the Company, are repayable by 2029. These arrangements comprise a five-year \$11.25m term loan and a five-year \$8m revolving credit facility, all of which was drawn at year end. At the year end, the Group held cash and cash equivalents of \$6,969k (2023: \$1,483k).

The Board has reviewed potential financial scenarios, taking into account the current economic climate compared to the original operating plan, and is satisfied that there is no material deviation in expected cash generation, access to funding, or financial performance of the Group. As at 30 September 2025, the Group was not in compliance with one financial covenant under its financing arrangements due to delayed customer payments. The Group obtained a formal waiver from its sponsoring bank for this covenant, and the lenders confirmed that the covenant would not be tested at this date. The Group expects to be in compliance for the next scheduled covenant test that will occur as at 31 December 2025.

Based on this waiver, together with the Group's current financial position, cash flow forecasts, and available facilities, the Directors have assessed the Group's ability to continue as a going concern. The Directors have concluded that, notwithstanding the covenant breach and reliance on lender waiver, there are no material uncertainties that would cast significant doubt on the Group's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

2.4 Summary of material accounting policies

(a) Revenue

The Group have multiple distinct revenue streams which include licenses, maintenance and professional services. These are being recognised when the identified performance obligations below are satisfied under IFRS 15.

Licenses, maintenance and warranty revenue is recognised together over time in equal monthly proportion over the life of the contract.

Professional services include implementation, training and support services. Support services are recognised over the support term in proportion to the effort required to deliver the support services each month. Implementation (which includes customisation) and training are recognised over time on a percentage completion basis, based on the input method of time required on the project.

Change requests which do not have a defined scope are recognised over time in equal monthly proportion over the period. Change requests with a defined scope are recognised the same as implementation.

There is a small element of hardware revenue which is recognised at a point in time on delivery.

Allocation of the transaction price amongst the performance obligations is based on the stand along selling price of each performance obligation, net of any discount the customer receives on the contract as a whole and any significant financing component.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established the Group recognises any impairment loss on the assets associated with the contract.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Summary of material accounting policies (continued)

(b) Finance income and costs

Finance income and costs are recognised using the effective interest rate method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

(c) Foreign currency translation

The financial statements are prepared under the functional currency of US Dollar due to the majority of contractual agreements and daily transactions within the Group being denominated in US Dollar, such that the US Dollar is considered to be the primary economic environment impacting the Group.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations are translated to the Group's presentational currency, US Dollar, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in equity.

(d) Exceptional costs

Exceptional costs are those that are separately disclosed by virtue of their nature, or amount, in order to highlight such items within the Consolidated Statement of Comprehensive Income and results for the year/period. Examples of such costs include board and advisory fees, reorganisation programmes, significant impairment of assets, transaction and integration costs related to acquisition and disposal activity, project related professional and consulting fees and other non-recurring material costs such as litigation costs and settlements. Management exercises judgement in assessing each particular cost which, by virtue of its scale or nature, should be highlighted and disclosed in the Consolidated Statement of Comprehensive Income and notes to the financial statements as exceptional costs. Exceptional costs are included within the Consolidated Statement of Comprehensive Income caption to which they relate and are separately disclosed in the notes to the financial statements.

(e) Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(f) Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Summary of material accounting policies (continued)

(f) Taxation (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(g) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which the cost is incurred.

Right to use assets are included within property, plant and equipment. Please refer to note 2.4 (j) for further information regarding these.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment on a straight-line basis over their estimated useful lives, having regard to residual value. The estimated useful lives are as follows:

Leasehold improvements	over the term of the lease
Computer equipment	three years
Plant and machinery	five years

A de minimis is set, whereby items with an original cost of less than \$2k are expensed to the Consolidated Statement of Comprehensive Income. The residual values and useful lives of the assets are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the Consolidated Statement of Comprehensive Income.

(h) Intangible assets and goodwill

Goodwill

Goodwill is the difference between the fair value of the consideration paid and the fair value of the net identifiable assets and liabilities acquired in a business combination. Following recognition, it is not amortised however it is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have become impaired and carried at cost less accumulated impairment losses.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Summary of material accounting policies (continued)

(h) Intangible assets and goodwill (continued)

Marketing

At the point of acquisition, marketing assets in the form of the brand name and associated copy rights were valued based on an appropriate royalty rate and capitalised as part of the acquisition accounting. The asset is then subsequently amortised straight line over 15 years.

Technology

At the point of acquisition, technology assets in the form of the intellectual property of the software and associated science are valued based on a level of associated turnover and capitalised as part of the acquisition accounting. The asset is then subsequently amortised on an individual basis. Current assets held have a life between 5-9 years.

Customer relationships

At the point of acquisition, assets in relation to the customers were valued based on a level of associated turnover and capitalised as part of the acquisition accounting. The asset is then subsequently amortised on an individual basis. Current assets held have a life between 5-7 years.

Internally generated software

Expenditure on software development activities is capitalised if the product or process is technically feasible, commercially marketable, the costs are separately identifiable and reliably measurable and the Group intends to, and has sufficient resources to, complete development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria above. Where no internally generated intangible asset can be recognised, development expenditure is charged to the Consolidated Statement of Comprehensive Income in the year in which it is incurred. Amortisation is recorded once the asset is brought into use.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. The asset is then subsequently amortised on an individual basis. Current assets held have a life between 3-5 years.

Computer software

Purchased software is recorded at historical cost less accumulated amortisation. Amortisation is recorded on a straight-line basis over the asset's expected useful life of three to five years.

(i) Loss allowances

The Group recognises loss allowances for expected credit loss ("ECL") on:

- financial assets measured at amortised cost; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Summary of material accounting policies (continued)

(i) Loss allowances (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are "credit-impaired". A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Summary of material accounting policies (continued)

(j) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an asset, the Group assesses whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all the capacity of a physically distinct asset
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any initial lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from 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 lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Group's most recent incremental borrowing rate at the time of the creation of the asset.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.

The Group presents right-of-use assets within property, plant and equipment and lease liabilities are separately disclosed in the Consolidated Statement of Financial Position.

Short term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of less than 12 months unless not recognising the lease would result in a misstatement to the financial statements of the Group. The Group recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Summary of material accounting policies (continued)

(k) Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

(l) Non-derivative financial instruments

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

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

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

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Lease liabilities

Lease liabilities are initially recognised at the net present value of the future minimum lease payments to be made, discounted using the interest rate implicit in the lease or the Group's most recent incremental borrowing rate. Further details can be found in note 2.4 (j).

Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method.

(m) Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount has been reliably estimated

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Summary of material accounting policies (continued)

(m) Provisions (continued)

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost in the Consolidated Statement of Comprehensive Income.

(n) New and amended accounting standards that are mandatorily effective for the current year

The following amendments to standards were issued and adopted in the year, with no material impact on the financial statements (all effective for annual periods beginning on or after 1 January 2024):

- Amendment to IFRS 16 Leases – Leases on sale and leaseback
- Amendment to IAS 1 Presentation of Financial Statements – Non-current liabilities with covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier finance

There were no other new accounting standards issued that have been adopted in the year.

(o) New and amended accounting standards that have been issued but are not yet effective

At the date of authorisation of these financial statements there were amendments to standards which were in issue, but which were not yet effective, and which have not been applied. The principal ones are detailed below.

Effective for periods beginning on or after 1 January 2025:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability

Effective for periods beginning on or after 1 January 2026:

- Amendments to IFRS 7 and IFRS 9 Financial Instruments – The classification and measurement of financial instruments
- Annual improvements to IFRS Accounting Standards – Volume 11 (including minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7, IFRS 9, IFRS 10 Consolidated Financial Statements, and IAS 7)

Effective for periods beginning on or after 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Directors do not expect the adoption of these amendments to standards to have a material impact on the financial statements, with the exception of presentational changes as a result of IFRS 18 Presentation and Disclosure in Financial Statements. Whilst the full impact of IFRS 18 on the Group may still be under review, the standard will introduce certain new requirements, the impact of which are known at 31 December 2024, for example:

- The Group will be required to classify all income and expenses into five categories in the Consolidated Statement of Comprehensive Income, namely operating, investing, financing, discontinued operations and income tax;
- Management-defined performance measures will be disclosed in a single note to the financial statements; and
- The Group will use the operating profit subtotal as the starting point for the Consolidated Statement of Cash Flows when presenting operating cash flows under the indirect method

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Key sources of estimation uncertainty and significant accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. Actual results may differ from these estimates.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Management have not made any significant judgements or estimates in applying the Group's accounting policies.

4 Prior year restatement

The Directors have identified a number of prior period errors which they consider material to the comparative financial information. These errors, along with the correcting adjustments, are detailed below:

Onerous contract (Adj 1)

The Group entered into a customer contract prior to 2023 that had to be amended for reasons outside the Group's control (including key dates and stages in the contract's performance obligations), which was not updated in the group's revenue recognition process and resulted in an over recognition of revenue in 2022 amounting to \$1.9m.

The contracts were amended again during 2023 (including key dates and stages in the contract's performance obligations) but were not updated in the Group's revenue recognition process and resulted in an over recognition of revenue in 2023 amounting to \$2m. The Directors then deemed the contract to be onerous in December 2023, but this was not recognised resulting in an unrecognition of onerous liability amounting to \$3.4m.

Adjustments were required to adjust the recognised revenue at the opening position of 1 January 2023 and further adjustments were required to adjust the recognised revenue and recognise the onerous contract provision at the closing position of 31 December 2023. The impact of these adjustments is summarised by "Adj 1" in the extracts below.

Revenue recognition (Adj 2)

Upon review of some of the Group's other contracts with customers, two contracts were identified where revenue had been over recognised in the prior year. In Contract 1, the support revenue commenced recognition on signing in 2023 and was to be spread over time from the date the license was provided. However, the services could not be supplied as the implementation was still ongoing and the customised code had not been created. Therefore, the performance obligation was not satisfied and no revenue should have been recognised during 2023. In Contract 2, a modification to the contract was agreed with the customer in 2023, to extend the implementation period to ensure the installation could be completed to a satisfactory standard. No additional consideration was agreed for this. The impact of the extension to the implementation period increased the period over which the license, maintenance and warranty period should have been recognised and therefore an adjustment was required to the accounting of the contract in 2023 to reflect the change in scope. These errors have been corrected by "Adj 2" in the extracts below.

Amortisation of internally generated intangible assets (Adj 3)

The Group frequently releases newly developed software products to its customers. The costs incurred on this development are capitalised as internally generated intangible assets which should then be amortised over the useful life of the software once the product is available for use, as required by IAS 38. The Group did not charge any amortisation on the costs incurred on developed software products that were released during the prior period. This has been corrected by "Adj 3" in the extracts below.

Reclassification of exceptional costs (Adj 4)

Upon review of the Group's exceptional costs policy, there were several costs included as exceptional costs in the prior year which are now deemed to be recurring in nature and were incorrectly treated as exceptional costs. The Directors have chosen to reclass these costs as administrative expenses shown by "Adj 4" in the extracts below.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

4 Prior year restatement (continued)

Other material prior period errors (Adj 5)

Upon review of the Group's closing Consolidated Statement of Financial Position at 31 December 2023, the Directors have identified various prior period errors that they consider material and should be adjusted. These errors include incorrect capitalisation of certain costs, write off of irrecoverable contract assets recognised, mis-postings related to payroll tax, current tax and deferred tax, and foreign exchange differences.

Adjustments were required to the closing position at 31 December 2023. The impact of these adjustments is summarised by "Adj 5" in the extracts below.

Re-presentation of cash flow items (Adj 6)

The presentation of the Consolidated Statement of Cash Flows has been restated due to the impact of other adjustments to the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position. This presentation adjustment has impacted the previously reported cash flows from operating activities and the cash flows from financing activities, which is summarised by 'Adj 6' in the extracts below.

Consolidated Statement of Comprehensive Income (extract):

YE 31 December 2023	As previously reported \$000	Adj 1 \$000	Adj 2 \$000	Adj 3 \$000	Adj 4 \$000	Adj 5 \$000	As restated \$000
Revenue	35,414	(2,004)	(797)	-	-		32,613
Administrative expenses	(23,160)	1,206	-	-	(578)	(365)	(22,897)
Operating profit before exceptional costs, depreciation and amortisation (adjusted EBITDA)	12,254	(798)	(797)	-	(578)	(365)	9,716
Exceptional costs	(2,947)	(4,631)	-	-	578	-	(7,000)
Depreciation and amortisation	(10,612)	-	-	(609)	-	-	(11,221)
Operating loss	(1,305)	(5,429)	(797)	(609)	-	(365)	(8,505)
Finance costs	(1,075)	-	-	-	-	5	(1,070)
Loss before tax	(2,367)	(5,429)	(797)	(609)	-	(360)	(9,562)
Taxation credit/(charge)	458	679	165	3	-	66	1,371
Loss for the year	(1,909)	(4,750)	(632)	(606)	-	(294)	(8,191)
Total comprehensive expense for the period	(1,909)	(4,750)	(632)	(606)	-	(294)	(8,191)

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

4 Prior year restatement (continued)

Consolidated Statement of Financial Position (extracts):

As at 31 December 2023	As previously reported \$000	Adj 1 \$000	Adj 2 \$000	Adj 3 \$000	Adj 5 \$000	As restated \$000
Non-current assets						
Property, plant and equipment	1,501	-	-	-	3	1,504
Intangible assets	24,659	-	-	(609)	(57)	23,993
Deferred tax assets	684	-	-	-	1,388	2,072
Current assets						
Trade and other receivables	15,879	(3,842)	(256)	-	(338)	11,443
Tax receivables	978	-	-	-	39	1,017
Total assets	64,671	(3,842)	(256)	(609)	1,035	60,999
Current liabilities						
Trade and other payables	(14,213)	639	(507)	-	(778)	(14,859)
Lease liabilities	(1,699)	-	-	-	704	(995)
Provisions	-	(758)	-	-	-	(758)
Non-current liabilities						
Lease liabilities	(756)	-	-	-	(715)	(1,471)
Provisions	-	(2,666)	-	-	-	(2,666)
Deferred tax liabilities	(1,762)	-	131	3	(540)	(2,168)
Total liabilities	(32,833)	(2,785)	(376)	3	(1,329)	(37,320)
Net assets	31,838	(6,627)	(632)	(606)	(294)	23,679
Equity						
Retained losses	(18,765)	(6,627)	(632)	(606)	(294)	(26,924)
Total equity	31,838	(6,627)	(632)	(606)	(294)	23,679

As at 1 January 2023	As previously reported \$000	Adj 1 \$000	As restated \$000
Current assets			
Trade and other receivables	10,487	(1,136)	9,351
Total assets	63,766	(1,136)	62,630
Current liabilities			
Trade and other payables	(10,865)	(741)	(11,606)
Total liabilities	(30,155)	(741)	(30,896)
Net assets	33,611	(1,877)	31,734
Equity			
Retained losses	(16,992)	(1,877)	(18,869)
Total equity	33,611	(1,877)	31,734

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

4 Prior year restatement (continued)

Consolidated Statement of Cash Flows (extract):

YE 31 December 2023	As previously reported \$000	Adj 1 \$000	Adj 2 \$000	Adj 3 \$000	Adj 5 \$000	Adj 6 \$000	As restated \$000
Cash flows from operating activities							
Loss for the year	(1,909)	(4,750)	(632)	(606)	(294)	-	(8,191)
<i>Adjustments for:</i>							
Amortisation of intangible assets	9,594	-	-	609	-	-	10,203
Unrealised foreign exchange losses	-	-	-	-	376	(64)	312
Finance costs	1,075	-	-	-	(5)	-	1,070
Taxation credit	(458)	(679)	(165)	(3)	(66)	-	(1,371)
<i>Changes in operating assets and liabilities:</i>							
Increase in trade and other receivables	(5,387)	2,706	256	-	281	-	(2,144)
Increase in trade and other payables	1,906	(701)	541	-	445	298	2,489
Increase in provisions	-	3,424	-	-	-	-	3,424
Interest received	-	-	-	-	-	13	13
Other interest paid	(917)	-	-	-	-	860	(57)
Change in tax related assets & liabilities	(16)	-	-	-	148	(132)	-
Tax paid	-	-	-	-	(942)	-	(942)
Net cash inflow from operating activities	4,893	-	-	-	(57)	975	5,811
Cash flows from investing activities							
Development expenditure	(5,821)	-	-	-	57	-	(5,764)
Net cash outflow from investing activities	(5,975)	-	-	-	57	-	(5,918)
Cash flows from financing activities							
Proceeds from borrowings	1,863	-	-	-	-	1,128	2,991
Effect of exchange rate fluctuations on borrowings	(58)	-	-	-	-	58	-
Repayment of borrowings	-	-	-	-	-	(1,279)	(1,279)
Interest paid on borrowings	-	-	-	-	-	(882)	(882)
Net cash inflow/(outflow) from financing activities	607	-	-	-	-	(975)	(368)

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

5 Revenue

All of the Group's revenues were generated from the principal activities of the Group. The geographical spread of revenue is presented below:

	2024	2023
	\$000	Restated \$000
United States of America	11,328	10,978
Europe	9,007	8,689
Rest of the World	15,381	12,946
Total revenue	35,716	32,613

All of the Group's revenues were generated from the principal activities of the Group. The spread between the distinct revenue streams is presented below:

	2024	2023
	\$000	Restated \$000
Customisation services	13,338	10,966
Maintenance	8,033	7,130
Support	3,426	3,116
License	1,113	1,326
Managed service	8,635	8,817
Other	1,171	1,258
Total revenue	35,716	32,613

The Group has recognised the following assets and liabilities related to contracts with customers:

	2024	2023
	\$000	Restated \$000
Receivables - included in trade and other receivables	8,283	6,369
Contract assets	4,734	3,144
Deferred revenue	(10,625)	(7,681)

The contract assets primarily relate to the rights to consideration for work completed but not billed at the reporting date on service contracts. The contract assets are transferred to receivables when the rights become unconditional, this usually occurs when an invoice is issued to a customer. Contract assets have increased primarily due to the delivery of a large implementation project in 2024 that will not be invoiced until 2025.

The deferred revenue primarily relates to the advance consideration received from customers for license, maintenance and support contracts, for which revenue is recognised in a straight line over the life of the license provided or associated contract length for other key services. Deferred revenue has increased primarily due to two new large contracts signed in 2024 that have had their license fees invoiced upfront.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

5 Revenue (continued)

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward deferred revenue:

	2024	2023 Restated
	\$000	\$000
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	6,242	4,430

There was no revenue recognised in the year arising from performance obligations satisfied in previous periods (2023: \$nil).

The following table shows the transaction price allocated long-term contracts that are partially or fully unsatisfied at the year end, along with the expected timing of revenue recognition:

	2024	2023 Restated
	\$000	\$000
Transaction price allocated long-term contracts that are partially or fully unsatisfied at the year end	32,384	33,291
<i>Expected timing of revenue recognition:</i>		
Within one year	18,083	22,712
Between one and two years	7,826	4,728
Between two and five years	6,475	5,851
Total	32,384	33,291

6 Operating loss

	2024	2023 Restated
	\$000	\$000
Operating loss is stated after charging:		
Depreciation of property, plant and equipment	777	1,018
Amortisation of intangible assets	11,694	10,203
Foreign exchange differences	244	63

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6 Operating loss (continued)

Exceptional costs

The Group incurred certain costs which it considers non-recurring in nature and has classified them as exceptional costs. See note 2.4 (d) for details on how management use judgement to determine which costs should be classified as exceptional.

	2024	2023
	\$000	Restated \$000
Board and advisory fees	446	522
Transaction and integration costs	2,324	1,297
Office relocation costs	-	359
Non-recurring activity	570	4,822
	<u>3,340</u>	<u>7,000</u>

Transaction and integration costs are made of up legal fees \$585k (2023 (restated): \$412k), professional fees \$1,488k (2023 (restated): \$835k) and other related costs \$251k (2023 (restated): \$50k). These fees are primarily related to Hanover Operating Management Ltd and associated companies.

Non-recurring activity costs are made up of onerous contract costs of \$282k (2023 (restated): \$4,631k), severance fees of \$281k (2023: \$112k) and other non-recurring activities of \$7k (2023 (restated): \$79k).

Auditor's remuneration

	2024	2023
	\$000	\$000
Audit fees	150	99
	<u>150</u>	<u>99</u>

7 Employees

The average number of persons employed by the Group (including Directors) during the year was as follows:

	2024	2023
Delivery and support	82	72
Product development	27	26
Product management	8	5
Sales	6	7
Marketing	2	1
General and administrative	17	18
Total employees	<u>142</u>	<u>129</u>

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

7 Employees (continued)

The aggregate payroll costs of these persons were as follows:

	2024	2023
	\$000	Restated \$000
Wages and salaries	15,021	14,007
Social security costs	1,263	1,123
Pension costs	385	363
	<u>16,669</u>	<u>15,493</u>

The aggregate payroll costs of key management personnel were as follows:

	2024	2023
	\$000	\$000
Wages and salaries	2,430	1,939
Pension costs	4	-
	<u>2,434</u>	<u>1,939</u>

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

The aggregate emoluments paid to the Directors in the year was \$295k (2023: \$287k). This amount is an estimated allocation of the emoluments paid or payable to those individuals in relation to their Group wide executive management role. The allocation is based on an estimate of the qualifying services they provided during the financial year, including management of the affairs of the Group.

During the year \$4,902k (2023 (restated): \$5,764k) of the wages and salaries were capitalised as part of the intangible assets.

8 Finance income

	2024	2023
	\$000	\$000
Interest income	12	13
Total finance income	<u>12</u>	<u>13</u>

9 Finance costs

	2024	2023
	\$000	Restated \$000
Interest on loans	1,010	882
Other finance costs	107	57
Interest on lease liabilities	83	131
Total finance costs	<u>1,200</u>	<u>1,070</u>

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

10 Taxation

	2024	2023
	\$000	Restated \$000
<i>Current tax:</i>		
Current year charge	1,011	290
Withholding tax	155	308
Adjustments in respect of prior years	-	130
Total current tax charge	1,116	728
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	(1,600)	(2,311)
Adjustments in respect of prior years	-	212
Total deferred tax credit	(1,600)	(2,099)
Total tax credit	(434)	(1,371)

The credit for the year can be reconciled to the loss per the Consolidated Statement of Comprehensive Income as follows:

	2024	2023
	\$000	Restated \$000
Loss on ordinary activities before tax	(4,635)	(9,562)
Tax calculated at the Irish standard rate of corporation tax of 12.5% (2023: 12.5%)	(579)	(1,195)
<i>Effects of:</i>		
Depreciation and amortisation	47	466
R&D tax credit	(145)	(979)
Loss relief	(10)	(58)
Expenses not deductible for tax	181	373
Capital allowances	(30)	(89)
Double treaty tax relief	(92)	(50)
Finance lease payments	(43)	(16)
Difference in overseas tax rates	(3)	(65)
Adjustments in respect of prior years – current tax	-	130
Adjustments in respect of prior years – deferred tax	-	212
Withholding tax	155	308
Deferred tax asset not recognised	202	(358)
Other tax adjustments	(51)	(50)
Unrealised gains and losses	(66)	-
Total tax credit	(434)	(1,371)

Factors that may affect future current and total tax charges

No significant change is expected to the standard rate of corporation tax in the Republic of Ireland which is currently 12.5%.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

11 Property, plant and equipment

	Right-of-use asset \$000	Leasehold improvements \$000	Fixtures, fittings and equipment \$000	Computer equipment \$000	Total \$000
Cost					
At 1 January 2023	7,398	623	1,377	2,315	11,713
Additions	615	-	6	148	769
Disposals (restated)	(2,531)	-	-	-	(2,531)
	-----	-----	-----	-----	-----
At 31 December 2023 (restated)	5,482	623	1,383	2,463	9,951
Additions	-	-	-	98	98
Foreign exchange differences	-	(8)	(1)	-	(9)
	-----	-----	-----	-----	-----
At 31 December 2024	5,482	615	1,382	2,561	10,040
	=====	=====	=====	=====	=====
Depreciation					
At 1 January 2023	4,992	623	1,202	2,150	8,967
Charge for the year	748	-	133	137	1,018
Disposals during the year	(1,538)	-	-	-	(1,538)
	-----	-----	-----	-----	-----
At 31 December 2023	4,202	623	1,335	2,287	8,447
Charge for the year	648	-	35	94	777
Foreign exchange differences	-	(8)	-	-	(8)
	-----	-----	-----	-----	-----
At 31 December 2024	4,850	615	1,370	2,381	9,216
	=====	=====	=====	=====	=====
Net book value					
At 31 December 2024	632	-	12	180	824
	=====	=====	=====	=====	=====
At 31 December 2023 (restated)	1,280	-	48	176	1,504
	-----	-----	-----	-----	-----

Right-of-use assets

Right-of-use assets relate to leased properties that do not meet the definition of investment properties and are presented within property, plant & equipment. For more details on the Group's leases, see note 18.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

12 Intangible assets

	Goodwill \$000	Marketing \$000	Technology \$000	Customer relationships \$000	Internally generated software and computer software \$000	Total \$000
Cost						
At 1 January 2023	19,487	5,640	10,607	32,242	17,367	85,343
Additions (restated)	-	-	-	-	5,764	5,764
At 31 December 2023 (restated)	19,487	5,640	10,607	32,242	23,131	91,107
Additions	-	-	-	-	4,902	4,902
At 31 December 2024	19,487	5,640	10,607	32,242	28,033	96,009
Amortisation						
At 1 January 2023	-	1,969	5,590	21,880	7,815	37,254
Reclassification	-	2	95	73	-	170
Charge for the year (restated)	-	358	1,212	4,088	4,545	10,203
At 31 December 2023 (restated)	-	2,329	6,897	26,041	12,360	47,627
Charge for the year	-	358	1,212	4,088	6,036	11,694
At 31 December 2024	-	2,687	8,109	30,129	18,396	59,321
Net book value						
At 31 December 2024	19,487	2,953	2,498	2,113	9,637	36,688
At 31 December 2023	19,487	3,311	3,710	6,201	10,771	43,480

Impairment assessment of goodwill

The Group treats its entire business as a single cash-generating unit ("CGU") and all goodwill arising from Group acquisitions is allocated to this CGU.

The recoverable amount of the CGU was estimated using a value-in-use ("VIU") methodology. This calculation relied on 6-year forecast period based on past performance and management's expectations of market development. A pre-tax discount rate of 15.8% was used which takes into account specific business risks relevant to the Group's sector. The forecast uses a terminal growth rate of 3.0%, which corresponds to the long-term anticipated growth rate of the CGU and which has been reviewed using external sources. The recoverable amount derived from the VIU calculation exceeded the carrying amount of assets assigned to the CGU by \$54m, and no plausible change to the terminal growth rate or discount rate would give rise to impairment. If the revenue predicted for each year of the forecast period in the VIU calculation was reduced by 5%, the VIU would still exceed the carrying amount of the CGU by \$34m.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

13 Deferred tax

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets 2024 \$000	Liabilities 2024 \$000	Assets 2023 Restated \$000	Liabilities 2023 Restated \$000
Intangible assets	-	(904)	-	(2,168)
Tax losses	2,408	-	2,072	-
Total	2,408	(904)	2,072	(2,168)

Deferred tax liabilities arising from intangible assets relates to goodwill recognised on acquisition of Escher Group Holdings Limited.

Movements in deferred tax:

	Intangible assets \$000	Tax losses \$000	Total \$000
Liability at 1 January 2023	(2,195)	-	(2,195)
(Charge)/credit to Consolidated Statement of Comprehensive Income (restated)	27	2,072	2,099
(Liability)/asset at 31 December 2023 (restated)	(2,168)	2,072	(96)
(Charge)/credit to Consolidated Statement of Comprehensive Income	1,264	336	1,600
(Liability)/asset at 31 December 2024	(904)	2,408	1,504

Deferred tax assets not recognised

Deferred tax assets totalling \$202k (2023: deferred tax liability of \$358k), relating to tax losses and intangible assets, are not being recognised in the financial statements due to uncertainty about the recoverability of these assets. The tax losses do not expire.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 Trade and other receivables	2024	2023
	\$000	Restated \$000
Current		
Trade receivables	8,283	6,369
Other receivables	3,040	1,930
Contract assets	4,734	3,144
Corporation taxes receivable	1,638	1,017
Total trade and other receivables	17,695	12,460
	<hr/> <hr/>	<hr/> <hr/>
15 Cash and cash equivalents	2024	2023
	\$000	\$000
Cash at bank - current accounts	6,969	1,483
Cash and cash equivalents in the Consolidated Statement of Financial Position	6,969	1,483
	<hr/> <hr/>	<hr/> <hr/>
Bank overdrafts repayable on demand and used for cash management purposes	-	(2,896)
Cash and cash equivalents	6,969	(1,413)
	<hr/> <hr/>	<hr/> <hr/>
16 Trade and other payables	2024	2023
	\$000	Restated \$000
Current		
Trade payables	3,207	3,098
Deferred revenue	7,825	7,681
Accruals and other payables	3,488	3,643
Employee-related taxes	142	164
Corporation taxes payable	515	544
Total current trade and other payables	15,177	15,130
	<hr/> <hr/>	<hr/> <hr/>
Non-current		
Deferred revenue	2,800	980
Total non-current trade and other payables	2,800	980
	<hr/> <hr/>	<hr/> <hr/>

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

17 Borrowings

This note provides information about the contractual terms of the Group's borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 23.

	2024	2023
	\$000	\$000
Current		
Bank loan	1,500	1,500
Bank overdraft	-	2,896
Total current borrowings	1,500	4,396
Non-current		
Bank loan	17,445	6,721
Loans from related parties	2,950	2,306
Total non-current borrowings	20,395	9,027

Terms and debt repayment schedule:

	Security	Currency	Cost of finance	Year of maturity	Gross value \$000
Term loan	None	USD	SOFR + 3.25%	2029	11,250
Revolver facility	None	USD	SOFR + 3.25%	2029	8,000
Loans from related parties	None	GBP	0%	Open-ended	2,950

The bank loan is shown net of capitalised loan costs of \$272k (2023: \$29k).

Loans from related parties relate to loans from Escher Acquisition (Holding) Limited, the immediate parent company of Escher Acquisition Limited, and are shown net of loan costs of \$33k (2023: \$nil). The loans are repayable on demand, however, the Group has received written agreement from Escher Acquisition (Holdings) Limited that they will not call in these balances within the next 12 months and therefore have classified them as non-current borrowings.

Re-presentation of bank overdraft

The bank overdraft was incorrectly presented within non-current borrowings in the prior year financial statements but as this was repayable on demand, it should have been presented within current borrowings. The comparative amounts for borrowings have been re-presented to reflect this.

18 Leases

The Group has leases over four properties, with remaining lease terms ranging from 1 to 2 years. The Group does not have an option to purchase any of the leased assets at the expiry of the lease periods. Lease liabilities are secured by the related underlying assets.

The Group currently has no intention to cease any of these leases before the end of the respective agreement. There are no additional potential cash outflows in relation to the leases that the Group is aware of. There are no subleases in place.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

18 Leases (continued)

Lease liabilities have been classified in the Consolidated Statement of Financial Position as current or non-current based on the contractual maturity of repayments:

	2024	2023
	\$000	Restated \$000
Current lease liabilities	823	995
Non-current lease liabilities	581	1,471
Total lease liabilities	1,404	2,466

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

	2024	2023
	\$000	Restated \$000
In less than one year	883	1,054
In two to five years	590	1,485
Total	1,473	2,539

The following are the amounts recognised in the Consolidated Statement of Comprehensive Income:

	2024	2023
	\$000	\$000
Depreciation expense on right-of-use assets	648	748
Interest expense on lease liabilities (note 9)	83	131
Total	731	879

There were no expenses relating to short-term leases and leases of low value recognised in either the current or prior year.

The total cash outflow of recognised under cash flows from financing activities with regards to lease liabilities was \$1,051k (2023: \$1,198k).

For details of the corresponding right-of-use assets see note 11.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

19 Provisions

Provisions have been classified in the Consolidated Statement of Financial Position as current or non-current based on the expected timing of the settlement of the provisions:

	Current \$000	Non-current \$000	Total \$000
Onerous contract provision	1,126	1,823	2,949
At 31 December 2024	1,126	1,823	2,949
Onerous contract provision	758	2,666	3,424
At 31 December 2023 (restated)	758	2,666	3,424

Movements in each class of provision in the financial year are shown below:

	Onerous contract provision \$000
At 1 January 2023	-
Additional provisions recognised (restated)	3,424
At 31 December 2023 (restated)	3,424
Amounts utilised in the year	(758)
Additional provisions recognised	283
At 31 December 2024	2,949

Onerous contract provision

The Group entered into customer contracts prior to 2023 that had to be amended for reasons outside the Group's control (including key dates and stages in the contracts' performance obligations), which resulted in an over recognition of revenue in 2022. The contracts were amended again during 2023 and the Directors deemed the contracts to be onerous in December 2023 and a provision was recognised. The total provision of \$2,949k at 31 December 2024 is expected to be fully utilised by the Group during 2025 and 2026 as expected contract costs are incurred.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

20 Share capital

	2024 Number	2023 Number	2024 \$000	2023 \$000
Allotted, called up and fully paid:				
Ordinary shares of \$1.00 each	2	2	1	1
Ordinary A shares of \$0.0000001 each	870	870	-	-
Ordinary B shares of \$0.0000001 each	70	70	-	-
Ordinary C shares of \$0.0000001 each	1,425	1,425	-	-
	=====	=====	=====	=====
	Ordinary shares Number	Ordinary A shares Number	Ordinary B shares Number	Ordinary C shares Number
In issue at 31 December 2023 and 31 December 2024	2	870	70	1,425
	=====	=====	=====	=====

These shares carry the following voting rights:

- Ordinary shares are entitled to one vote each and carry the right to participate in distributions in regard to dividends.
- Ordinary A, B and C shares are not entitled to vote.
- Ordinary B shares will have dividend rights, with each ordinary B share receiving an amount equal to 0.01% of the total amount of the dividend paid.

21 Reserves

Share premium

Share premium relates to proceeds received above the nominal value of issued of share capital.

Capital contribution reserve

This reserve relates to a historic loan from the Company's immediate parent that was waived and converted into a capital contribution.

Accumulated OCI

This reserve is the foreign currency translation reserve and contains movements in relation to translation of foreign operations.

Retained losses

This reserve relates to movements in the cumulative profits and losses less amounts distributed to shareholders.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

22 Financial instruments

The Group holds the following financial instruments:

	2024	2023
	\$000	Restated \$000
Measured at amortised cost:		
Current financial assets		
Trade receivables	8,283	6,369
Contract assets	4,734	3,144
Cash and cash equivalents	6,969	1,483
Total current financial assets	19,986	10,996
Current financial liabilities		
Trade payables	3,207	3,098
Accruals and other payables	3,488	3,643
Bank loan	1,500	1,500
Bank overdraft	-	2,896
Lease liabilities	823	995
Total current financial liabilities	9,018	12,132
Non-current financial liabilities		
Bank loan	17,445	6,721
Loans from related parties	2,950	2,306
Lease liabilities	581	1,471
Total non-current financial liabilities	20,976	10,498

The Group had no financial assets or liabilities which were carried at fair value at 31 December 2024. The Directors consider that the carrying value of all financial assets and liabilities held at amortised cost are a reasonable approximation of fair value.

Set out below are the methods and assumptions used in estimating the fair values of financial assets and liabilities:

Cash and cash equivalents

For cash and cash equivalents, all of which have a remaining maturity of less than three months, the nominal amount is deemed to reflect fair value.

Trade and other receivables/payables

All receivables and payables have a remaining life of less than 12 months or are demand balances, and therefore the carrying value is deemed to reflect fair value.

Contract assets

All contract assets are expected to be settled within 12 months and therefore the carrying value is deemed to reflect fair value.

Borrowings

All borrowings bear market interest rates. Their fair value is equivalent to their carrying value.

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

22 Financial instruments (continued)

Lease liabilities

Lease liabilities are valued at the present value of expected payments, discounted using a risk-adjusted discount rate. More details of this are disclosed in note 18.

23 Financial instruments risk exposure and management

The Group's activities expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and foreign currency risk. These financial risks are governed by the Delegation of Authority policy which is reviewed and approved by the Board of Directors periodically throughout the financial year.

(a) Credit risk

Exposure to credit risk arises in relation to trade receivables, contract assets and bank deposits. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of these trade receivables and deposits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk of the Group at the reporting date was:

	2024	2023
	\$000	Restated \$000
Trade receivables	8,283	6,369
Contract assets	4,734	3,144
Cash and cash equivalents	6,969	1,483
Total	19,986	10,996

Cash and cash equivalents

The Group is exposed to credit risk from the counterparties with whom it deposits its cash and cash equivalents. It is Group policy to place deposits with highly rated financial institutions only and accordingly, the Group does not expect any counterparty to fail to meet its obligations. Therefore, the Group is satisfied that the credit risk associated with its cash and cash equivalents is not significant.

Trade receivables and contract assets

Trade receivables arise from a wide and varied customer base spread throughout the Group's operations and as such there is no significant concentration of credit. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors if there is evidence to suggest that these factors affect the ability of the customers to settle the receivables.

Management have assessed the Group's historic credit losses and concluded that they are immaterial. The Group expects to recover all its trade receivables and contract assets across all ageing brackets. Therefore, no loss allowance has been recognised at 31 December 2024 (2023: \$nil). The ageing of trade receivables and contract assets is shown below:

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

23 Financial instruments risk exposure and management (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

	Carrying amounts 2024 \$000	Loss allowance 2024 \$000	Carrying amounts 2023 Restated \$000	Loss allowance 2023 \$000
Not past due	11,897	-	8,448	-
Past due 0 - 30 days	414	-	129	-
Past due 31 - 60 days	70	-	232	-
Past due 61 - 90+ days	636	-	704	-
Total	13,017	-	9,513	-

(b) Liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

The Group seeks to ensure it has a mix of funding sources at acceptable terms and conditions to finance the development of the business and to meet financial obligations as they fall due.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Within 1 year \$000	1 to 2 years \$000	2 to 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount \$000
Trade payables	3,207	-	-	-	3,207	3,207
Accruals and other payables	3,488	-	-	-	3,488	3,488
Bank loan	1,500	1,500	16,250	-	19,250	18,945
Loans from related parties	-	-	-	2,950	-	2,950
Lease liabilities	883	590	-	-	1,473	1,404
At 31 December 2024	9,078	2,090	16,250	2,950	27,418	29,994

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

23 Financial instruments risk exposure and management (continued)

(b) Liquidity risk (continued)

	Within 1 year \$000	1 to 2 years \$000	2 to 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount \$000
Trade payables	3,098	-	-	-	3,098	3,098
Accruals and other payables	3,643	-	-	-	3,643	3,643
Bank loan	1,500	6,750	-	-	8,250	8,221
Bank overdraft	2,896	-	-	-	2,896	2,896
Loans from related parties	-	-	-	2,306	-	2,306
Lease liabilities	1,054	1,485	-	-	2,539	2,466
At 31 December 2023 (restated)	12,191	8,235	-	2,306	20,426	22,630

(c) Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its financial instruments.

Interest rate risk

Interest rate risk derives from changes in interest rates which affect the market value of financial assets and liabilities of the Group and the level of finance charges.

The Group's objective is to achieve a stable and low cost of debt, taking account of business risks in general and the regulatory price control environment in particular.

The Group's exposure to interest rate fluctuations covers two types of risk:

- a risk of change in the cash flows related to floating rate financial assets and liabilities, and
- a risk of change in the value of fixed rate financial assets and liabilities.

The Group's policies and processes for the management and control of interest rate risk aims to reduce the impact of short-term interest rate fluctuations on the Group's earnings. Nevertheless, long-term changes in interest rates will have an impact on the Group's earnings.

Interest rate sensitivity

Profit or loss is sensitive to higher or lower interest expenses from the Group's floating rate borrowings as a result of changes in interest rates. With all other variables held constant, a +/- 48 basis point movement in interest rates would impact interest expenses for the year ended 31 December 2024 by +/- \$96k (2023: +/- \$41k).

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

23 Financial instruments risk exposure and management (continued)

(c) Market risk (continued)

Foreign currency risk

The Group is exposed to foreign currency risk on its overseas operations. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in USD, was as follows:

	2024	2024	2024	2023	2023	2023
	CAD	EUR	GBP	Restated CAD	Restated EUR	Restated GBP
	\$000	\$000	\$000	\$000	\$000	\$000
Trade receivables	401	3,376	25	640	2,449	347
Contract assets	319	258	62	333	252	107
Cash and cash equivalents	470	128	35	102	1,110	79
Trade payables	(21)	(810)	(1,438)	(74)	(751)	(925)
Accruals	(9)	(662)	(500)	(91)	(776)	(333)
Total	1,160	2,290	(1,816)	910	2,284	(725)

The Group's exposure to foreign currency risk on balances held in SDG, ZAR and MYR is not material.

Foreign exchange rate sensitivity

The following table demonstrates the sensitivity of profit or loss to a reasonably possible change to the exchange rates of the currencies in which the Group holds financial instruments, with all other variables held constant:

	Change in rate	Effect on profit or loss	Change in rate	Effect on profit or loss
	2024	2024	2023	2023
		\$000		Restated \$000
CAD	10%	115	10%	91
EUR	10%	229	10%	228
GBP	10%	181	10%	73

24 Capital management

For the purpose of the Group's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group defines net debt as its borrowings plus lease liabilities, less cash and cash equivalents. The Group's policy is to maintain a gearing ratio within 20% and 50% and the gearing ratio at the end of the reporting period was as follows:

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

24 Capital management (continued)

	2024	2023
	\$000	Restated \$000
Borrowings	21,895	13,423
Lease liabilities	1,404	2,466
Less: cash and cash equivalents	(6,969)	(1,483)
Net debt	16,330	14,406
Equity	19,455	22,373
Capital plus net debt	35,785	36,779
Gearing ratio	46%	39%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to its borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call these borrowings. There have been no breaches of the financial covenants of any borrowings in the current periods.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

25 Changes in liabilities arising from financing activities

	Bank loan	Bank	Loans from	Lease	Total
	\$000	overdraft	related	liabilities	\$000
	\$000	\$000	parties	\$000	\$000
At 1 January 2023	7,456	1,905	2,198	3,894	15,453
Cash flows	(161)	991	-	(1,198)	(368)
Finance costs	882	-	-	131	1,013
New leases	-	-	-	615	615
Disposal of old leases	-	-	-	(993)	(993)
Foreign exchange movements	44	-	108	17	169
At 31 December 2023 (restated)	8,221	2,896	2,306	2,466	15,889
Cash flows	9,747	(2,896)	467	(1,051)	6,267
Finance costs	1,010	-	-	83	1,093
Foreign exchange movements	(33)	-	12	(94)	(115)
Other non-cash movements	-	-	165	-	165
At 31 December 2024	18,945	-	2,950	1,404	23,299

Escher Acquisition Limited
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

26 Related party transactions

Transactions between Escher Acquisition Limited and its 100% subsidiaries, which are related parties, have been eliminated on consolidation. No disclosure of these transactions is required under IAS 24.

During the year there were related party transactions between the Group entities and entities affiliated with Hanover Investors Management LLP ("Hanover"). Hanover Investors Management LLP is the adviser to the investment manager of the funds which ultimately own 100% of the share capital of Escher Acquisition Limited.

During the year fees of \$654k (2023: \$1,057k) were charged to the Group by various Hanover entities:

- Hanover Investors Management LLP charged the Group \$295k (2023: \$287k) in relation to board and operating fees covering:
 - Director services
 - provision of strategic advice
 - ongoing assessment of business performance relative to financial and strategic objectives
 - evaluation of acquisition targets, strategic partnerships, etc
 - assistance in key negotiations (e.g., major contracts, acquisitions, disposals)
- Hanover Operating Management Ltd charged the Group \$359k (2023: \$770k). In respect of these fees:
 - These fees are benchmarked to be one third lower than a comparable individual from a 3rd party such as a consulting or accounting firm.
 - The independent members of the Escher Group Holding Ltd board pre-approved any transactions on the basis of a written proposal including where relevant a statement of work, fee proposal, and benchmark analysis referred to above.
 - During this approval process, the Hanover-related directors of the Escher Group Holding Ltd board excused themselves from the voting.

The Group has loan arrangements with Escher Acquisition (Holding) Limited, the immediate parent undertaking of Escher Acquisition Limited. During the year, the Group received unsecured, interest-free advances amounting to \$644k (2023: \$108k) which are repayable on demand but classified as non-current borrowings as the Group has received written agreement from Escher Acquisition (Holdings) Limited that they will not call the in these balances within the next 12 months. The amount outstanding at 31 December 2024 was \$2,950k (2023: \$2,306k).

27 Financial commitments

The Group had no other financial commitments at 31 December 2024 or 31 December 2023.

28 Events after the reporting date

There were no events after the reporting date which would have a material impact on the Group's financial statements.

Escher Acquisition Limited
Company Statement of Financial Position
As at 31 December 2024

	Note	2024 \$000	2023 \$000
Non-current assets			
Investments	5	<u>48,908</u>	<u>48,908</u>
Total non-current assets		<u>48,908</u>	<u>48,908</u>
Current assets			
Trade and other receivables	7	<u>830</u>	<u>340</u>
Total current assets		<u>830</u>	<u>340</u>
Total assets		<u>49,738</u>	<u>49,248</u>
Current liabilities			
Trade and other payables	8	<u>(430)</u>	<u>(43)</u>
Total current liabilities		<u>(430)</u>	<u>(43)</u>
Non-current liabilities			
Borrowings	9	<u>(495)</u>	<u>-</u>
Total non-current liabilities		<u>(495)</u>	<u>-</u>
Total liabilities		<u>(925)</u>	<u>(43)</u>
Net assets		<u>48,813</u>	<u>49,205</u>
Equity			
Share capital	10	1	1
Share premium	11	37,477	37,477
Capital contribution reserve	11	12,333	12,333
Accumulated OCI	11	(2)	(2)
Retained losses	11	(996)	(604)
Total equity		<u>48,814</u>	<u>49,205</u>

The Company has taken advantage of the exemption under S304 of the Companies Act 2014 and has not presented its own profit and loss account in these financial statements. The loss for the year of the Company after tax was \$392k (2023: profit of \$2k).

The Company financial statements are approved by the Board of Directors and authorised for issue on 21 Nov 2025 and are signed by:

DocuSigned by:

F040DB83CB4B4CC
J Westhead
Director

Signed by:

F040DB83CB4B4CC
R Boscott
Director

Company number: 617563

The notes on pages 50 to 56 form part of the Company financial statements.

Escher Acquisition Limited
Company Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital \$000	Share premium \$000	Capital contribution reserve \$000	Accumulated OCI \$000	Retained losses \$000	Total equity \$000
Balance at 1 January 2023	1	37,477	12,333	(2)	(606)	49,203
Profit for the year	-	-	-	-	2	2
Total comprehensive income for the year	-	-	-	-	2	2
Balance at 31 December 2023	1	37,477	12,333	(2)	(604)	49,205
Loss for the year	-	-	-	-	(392)	(392)
Total comprehensive expense for the year	-	-	-	-	(392)	(996)
Balance at 31 December 2024	1	37,477	12,333	(2)	(996)	48,814

The notes on pages 50 to 56 form part of the Company financial statements.

Escher Acquisition Limited
Notes to the Company Financial Statements
For the year ended 31 December 2024

1 General information

Escher Acquisition Limited (the “Company”) is a private company limited by shares and is registered and incorporated in Republic of Ireland (company number 617563). The registered office is The Greenway, Ardilaun Court, 112-114 St. Stephen’s Green, Dublin 2, D02 TD28, Ireland.

The principal activity of the Company is to act as a holding company.

2 Material accounting policy information

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). There have been no material departures from the standards. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”) but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements of the Company have been prepared on a historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Company’s functional and presentation currency is United States Dollar (“USD”). All amounts in the financial statements have been rounded to the nearest \$1,000.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies, The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of financial instruments; and
- Disclosures in respect of the compensation of key management personnel

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Escher Acquisition Limited, where the results of the Company are also consolidated. These financial statements do not include certain disclosures in respect of:

- Disclosures required by IAS 36 Impairment of Assets;
- Disclosures required by IFRS 13 Fair Value Measurement; and
- Disclosures required by IFRS 7 Financial Instrument Disclosures

2.2 Going concern

The Company has net assets of \$48,813k (2023: \$49,205k) and net current assets of \$400k (2023: \$297k).

Funding arrangements between the Group’s sponsoring bank and Escher Group Holdings Limited, a subsidiary of the Company, are repayable by 2029. The funding arrangements consist of a 5 year \$11.25m term loan, and a 5 year \$8m rolling credit facility of which all has been drawn at year end. At the year end, the Group had cash and cash equivalents of \$6,969k (2023: \$1,483k).

Escher Acquisition Limited
Notes to the Company Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.2 Going concern (continued)

The Board have reviewed potential financial scenarios incorporating the current economic climate compared to the original operating plan and are comfortable there is no material deviation in the generation of cash flow, access to funding or financial performance of the Company.

The Directors have prepared the financial statements of the Company on the going concern basis, as the Directors are satisfied that the Company has sufficient funds to continue trading for the foreseeable future. The Directors have reviewed forecasts and covenants for a period of at least 12 months from the date of approval of the financial statements in reaching their conclusion.

2.3 Summary of material accounting policies

(a) Investments in subsidiaries

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. At each reporting date, the investments are assessed for any indication that they may be impaired and if any of these indicators exist then the investments are tested for impairment. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

(b) Financial instruments

Financial assets

Financial assets are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest.

The Company's financial assets are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue. All financial assets are subsequently carried at amortised cost using the effective interest rate ("EIR") method, less provision for impairment where necessary. The Company's financial assets are all held at amortised cost and consist of amounts owed by group undertakings.

Financial liabilities

Financial liabilities are recognised initially at fair value, net of directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. The Company's financial liabilities include trade payables, accruals, other payables, and borrowings.

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income. This category generally applies to interest-bearing loans and borrowings.

Escher Acquisition Limited
Notes to the Company Financial Statements (continued)
For the year ended 31 December 2024

2 Material accounting policy information (continued)

2.3 Summary of material accounting policies (continued)

(c) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(d) Foreign currency translation

Transactions in currencies other than US Dollar are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included below operating profit in the profit or loss.

3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. Actual results may differ from these estimates.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Management have not made any significant judgements or estimates in applying the Company's accounting policies.

4 Employees

The Company had no employees in either the current or prior years. The Directors of Escher Acquisition Limited received no remuneration from their directorships of the Company during the current or prior year.

5 Investments

	Investments in subsidiary companies \$000
Cost	
At 1 January 2023, 31 December 2023 and 31 December 2024	48,908
	<hr/> <hr/>
Net book value	
At 31 December 2024	48,908
	<hr/> <hr/>
At 31 December 2023	48,908
	<hr/> <hr/>

In the opinion of the Directors, the Company's investments in and amounts owed by subsidiary undertakings did not show any indicators of impairment at 31 December 2024.

Escher Acquisition Limited
Notes to the Company Financial Statements (continued)
For the year ended 31 December 2024

6 Subsidiaries

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

Name of entity	Registered office address	Country of incorporation	Nature of business	% ordinary shares held	
				Direct	Indirect
Escher Group Holdings Ltd	1	Ireland	Holding company	100%	-
Escher Group (Irl) Ltd	1	Ireland	Irish trading company (software development, professional services and, Software licencing)	100%	-
NG Postal FinCo Ltd	1	Ireland	Holding company	-	100%
Joined Up Software Ltd	2	UK	IP Holding company	-	100%
Escher Software Services UK Ltd	2	UK	UK trading company (software development, professional services and software licencing)	-	100%
Escher Group UK*	3	UK	Professional services to Escher subsidiaries	-	100%
Escher Group Ltd	4	USA	US trading company (software development, professional services, and software licencing)	-	100%
Escher Group Services LLC	4	USA	Professional services to Escher subsidiaries	-	100%
Escher Group Africa (Pty) Ltd	5	South Africa	Professional services to Escher subsidiaries	-	100%
Escher Software Services Malaysia Sdn Bhd	6	Malaysia	Professional services to Escher subsidiaries	-	100%
Escher Asia Pacific (Pte) Ltd	7	Singapore	Professional services to Escher subsidiaries	-	100%
Escher Logistics Software OY	8	Finland	Finnish trading company (Software development, professional service, and software licencing)	-	100%
Escher Software Services Canada Inc	9	Canada	Professional services to Escher subsidiaries	-	100%

* This is a branch of Escher Group Holdings Ltd.

Reference	Registered office address
1	The Greenway, Ardilaun Court, 112-114 St Stephens Green, Dublin 2, Ireland
2	25 Saville Row, London, W1S 2ER, UK
3	Chancery Court, Business Centre Lincolns Inn, High Wycombe, Lincolns Road, HP12 3RE, UK
4	260 Federal Street, Boston, MA 02110, USA
5	26 Vincent Road, Vincent, East London, 5217, South Africa
6	10th Floor, Cigars Lounge Menara Hap Seng, 1&3 Jalan Ramlee, 50250 Kuala Lumpur, Malaysia
7	67 Ubi Avenue 1, #06-03 StarHub Green, Singapore 408942
8	Porkkalankatu 7 A 6, 00180, Helsinki, Finland
9	275 Fell Ave, Suite 204, Vancouver, British Columbia, Canada

Escher Acquisition Limited
Notes to the Company Financial Statements (continued)
For the year ended 31 December 2024

7 Trade and other receivables	2024	2023
	\$000	\$000
Current		
Amounts owed by group undertakings	830	340
Total trade and other receivables	830	340

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

8 Trade and other payables	2024	2023
	\$000	\$000
Current		
Trade payables	102	43
Accruals and other payables	299	-
Amounts owed to group undertakings	29	-
Total trade and other payables	430	43

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

9 Borrowings	2024	2023
	\$000	\$000
Non-current		
Loans from related parties	495	-
Total borrowings	495	-

Loans from related parties relate to loans from Escher Acquisition (Holding) Limited, the Company's immediate parent company, and are shown net of loan costs of \$16k (2023: \$nil). The loans are unsecured, interest free and repayable on demand. The Company has received assurances from Escher Acquisition (Holdings) Limited that they have no intention of calling in these balances within the next 12 months and have classified them as non-current borrowings.

10 Share capital	2024	2023	2024	2023
	Number	Number	\$000	\$000
Allotted, called up and fully paid:				
Ordinary shares of \$1.00 each	2	2	1	1
Ordinary A shares of \$0.0000001 each	870	870	-	-
Ordinary B shares of \$0.0000001 each	70	70	-	-
Ordinary C shares of \$0.0000001 each	1,425	1,425	-	-

Escher Acquisition Limited
Notes to the Company Financial Statements (continued)
For the year ended 31 December 2024

10 Share capital (continued)

	Ordinary shares Number	Ordinary A shares Number	Ordinary B shares Number	Ordinary C shares Number
In issue at 31 December 2023 and 31 December 2024	2	870	70	1,425
	=====	=====	=====	=====

These shares carry the following voting rights:

- Ordinary shares are entitled to one vote each and carry the right to participate in distributions in regard to dividends.
- Ordinary A, B and C shares are not entitled to vote.
- Ordinary B shares will have dividend rights, with each ordinary B share receiving an amount equal to 0.01% of the total amount of the dividend paid.

11 Reserves

Share premium

Share premium relates to proceeds received above the nominal value of issued of share capital.

Capital contribution reserve

This reserve relates to a historic loan from the Company's immediate parent that was waived and converted into a capital contribution.

Accumulated OCI

This reserve is the foreign currency translation reserve and contains movements in relation to translation of foreign operations.

Retained losses

This reserve relates to movements in the cumulative profits and losses less amounts distributed to shareholders.

12 Related party transactions

The Company has availed itself of the exemption under FRS 101 not to give details of related party transactions with wholly owned group companies.

During the year there were related party transactions between the Company and entities affiliated with Hanover Investors Management LLP ("Hanover"). Hanover Investors Management LLP is the adviser to the investment manager of the funds which ultimately own 100% of the share capital of Escher Acquisition Limited.

During the year, Hanover Investors Management LLP charged the Company \$177k (2023: \$172k) in relation to Director services.

The Company has loan arrangements with Escher Acquisition (Holding) Limited, the immediate parent undertaking of the Company. During the year, the Company received unsecured, interest-free advances amounting to \$511k (2023: \$nil) which are repayable on demand but classified as non-current borrowings as the Company has had assurances from Escher Acquisition (Holding) Limited that they have no intention of calling in the balances within the next 12 months. The amount outstanding at 31 December 2024 was \$511k (2023: \$nil).

13 Events after the reporting date

There were no events after the reporting date which would have a material impact on the Company's financial statements.

Escher Acquisition Limited
Notes to the Company Financial Statements (continued)
For the year ended 31 December 2024

14 Parent company and ultimate controlling party

The Company's immediate parent undertaking is Escher Acquisition (Holding) Limited, a company incorporated in Malta.

The Company's ultimate controlling party is Hanover Active Equity Fund LP, a company incorporated in the Cayman Islands.

The largest group in which the results of these financial statements are consolidated is that headed by the Company itself, copies of which may be obtained from the Company Secretary at 112-114, The Greenway, Ardilaun Court, St. Stephen's Green, Dublin, D02 TD28.