



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	986 455 213
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BRADY ENERGY NORWAY AS
Forretningsadresse:	Storgata 2A 1767 HALDEN

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Andrew Wolley
Dato for fastsettelse av årsregnskapet:	08.07.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Sales Revenue		104 616 192	89 658 877
Sales Revenue from Group Companies		23 575 713	18 531 510
Sum inntekter	5	128 191 905	108 190 387
Kostnader			
Cost of Sales	5	11 943 358	10 929 216
Lønnskostnad	6	32 333 589	30 642 509
Annen driftskostnad	8	82 392 537	64 337 933
Sum kostnader		126 669 484	105 909 658
Driftsresultat		1 522 421	2 280 729
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	20	2 404 021	1 147 146
Annen renteinntekt	10	1 580 627	395 229
Sum finansinntekter		3 984 648	1 542 375
Annen finanskostnad	10	230 687	284 307
Sum finanskostnader		230 687	284 307
Netto finans		3 753 961	1 258 068
Ordinært resultat før skattekostnad		5 276 382	3 538 797
Skattekostnad på ordinært resultat	11	1 797 482	1 491 865
Ordinært resultat etter skattekostnad		3 478 900	2 046 932
Årsresultat		3 478 900	2 046 932



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling			451 739
Utsatt skattefordel	11	811 722	840 159
Sum immaterielle eiendeler		811 722	1 291 898
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	13	609 730	374 574
Right of use assets	14	4 979 882	4 686 170
Sum varige driftsmidler		5 589 612	5 060 744
Finansielle anleggsmidler			
Investering i datterselskap	15	1	1
Sum finansielle anleggsmidler		1	1
Sum anleggsmidler		6 401 335	6 352 643
Omløpsmidler			
Varer			
Fordringer			
Accounts Receivables	16	22 972 832	23 103 729
Loss Allowance	21	-53 179	-109 075
Contract Assets	5	713 642	621 963
Other Current Recevables	16	375 777	842 057
Cooperation tax receivable	11	1 654 210	1 654 210
Konsernfordringer	20	63 139 585	58 902 869
Sum fordringer	16	88 802 867	85 015 753
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	17	12 934 852	10 082 371
Sum bankinnskudd, kontanter og lignende		12 934 852	10 082 371
Sum omløpsmidler		101 737 719	95 098 124



Balanse

Beløp i: NOK	Note	2023	2022
SUM EIENDELER		108 139 054	101 450 767
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	18	1 556 192	1 556 192
Overkurs	18	28 075 911	28 075 911
Sum innskutt egenkapital		29 632 103	29 632 103
Opptjent egenkapital			
Annen egenkapital		28 125 118	24 646 218
Sum opptjent egenkapital		28 125 118	24 646 218
Sum egenkapital		57 757 221	54 278 321
Gjeld			
Langsiktig gjeld			
Leasing Liabilities	14	4 060 122	3 516 002
Sum avsetninger for forpliktelser		4 060 122	3 516 002
Annen langsiktig gjeld			
Sum langsiktig gjeld		4 060 122	3 516 002
Kortsiktig gjeld			
Leverandørgjeld	19	2 687 878	1 091 018
Betalbar skatt	11	1 737 620	1 973 606
Skyldige offentlige avgifter		6 108 247	4 968 591
Contract Liabilities	5	30 697 995	28 177 785
Lease Liabilities	14	1 184 566	1 436 172
Other Current Liabilities	19	3 905 405	6 009 272
Sum kortsiktig gjeld		46 321 711	43 656 444
Sum gjeld		50 381 833	47 172 446
SUM EGENKAPITAL OG GJELD		108 139 054	101 450 767



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 674637

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: BRADY ENERGY NORWAY AS
Forretningsadresse: Storgata 2A
1767 HALDEN

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Konsernregnskap lagt ved: Ja

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årsregnskapet til selskapet: IFRS
Benyttet ved utarbeidelsen av
årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Andrew Wolley
Dato for fastsettelse av årsregnskapet: 08.07.2024

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja

Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.
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Brønnøysundregistrene, 15.08.2024



Organisasjonsnr: 986 455 213
BRADY ENERGY NORWAY AS

RESULTATREGNSKAP

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Organisasjonsnr: 986 455 213
BRADY ENERGY NORWAY AS

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SUM EIENDELER		108 139 054	101 450 767

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



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Organisasjonsnr: 986 455 213
BRADY ENERGY NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
31.00

Note
6

Spesifisering av resultatregnskapet

Lønnskostnader

	<u>Årets</u>	<u>Fjorårets</u>
<u>Lønn</u>	27342370.00	26210769.00
<u>Folketrygdavgift</u>	3261231.00	2366385.00
<u>Pensjonskostnader</u>	2830626.00	2774377.00
<u>Andre ytelser</u>	1100638.00	709022.00

Note

Ekstraordinære inntekter og kostnader

Sum Beløp

Note
13

Varige driftsmidler og immaterielle eiendeler

<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	2171012.00	
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	498524.00	
<u>Samlede av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>



-2059806.00

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Årets av-/nedskrivn. Varige driftsmidler Immaterielle eiend.
609730.00

Økonomisk levetid Immaterielle eiend.
3-5 years

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - foretak i samme konsern Årets Fjorårets
63139585.00 58902869.00

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



BRADY ENERGY NORWAY AS
Storgata 2A
1767 HALDEN

Att. Andrew Wolley

Our date 05.05.2021	Your date 03.03.2021	Case officer Vibeke Horne
800 80 000 skatteetaten.no	Your reference	Telephone +4790518192
Org. nr. 974761076	Our reference 2021/5583626	Postal address P.O. Box 9200 Grønland 0134 OSLO

Confidential

Callers from abroad, please call +47 22 07 70 00

Permission to prepare the annual accounts and directors' report in English language for Brady Energy Norway AS, org. no 986 455 213

With reference to your letter of 3 March 2021 with respect to the above matter regarding Brady Energy Norway AS.

Based on a total evaluation, the view of the tax office is that Brady Energy Norway AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

Brady Energy Norway AS is a private limited company 100 % owned by a foreign company and is part of the Brady Group.

Brady Energy Norway AS develops software systems for energy trading and physical power delivery for the international market. Many key players and partners in this industry speak and use English. The Company also uses English as the working language. Members of the board are not Norwegians.

Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (...) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The



information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

One of the main goals of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the company is owned by a foreign company and is part of an international group. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Vibeke Horne
Adviser
Customer Interaction Division, Customer Service
The Norwegian Tax Administration

This document has been electronically approved and therefore has no handwritten signatures.



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Brady Energy Norway AS

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2023

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Company information

Registered office

Storgata 2A
N-1767 Halden
Norway

Board of Directors

Andrew Woolley
Per-Herman Alexander Puck

Auditor

Ernst and Young LLP,
Dronning Eufemias gate 6A
0191 Oslo
Norway



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Directors' report

The Directors present their Directors' Report together with the audited financial statements for the year ended 31 December 2023.

Principal activities

Brady Energy Norway AS (the "Company") sells and implements software solutions for physical trade in energy, financial trading in energy and clearing systems for energy exchanges. The Company also provides consultancy and research and development services within the same markets.

Directors

The Directors who served the Company during the year and to the date of this report were as follows:

Andrew Woolley

Per-Herman Alexander Puck

Financial performance and position

The Company earned revenues of NOK 128 million (2022: NOK 108 million) and made an operating profit of NOK 1.5 million (2022: NOK 2.3 million).

At 31 December 2023, the Company has net assets of NOK 58 million (2022: NOK 54 million). Excluding intercompany balances and contract liabilities, the Company had net current assets of NOK 23 million (2022: NOK 21 million).

During the year, the Company had net cash inflow of NOK 2.8 million (2022: NOK 8.0 million outflow).

The Directors are satisfied with the financial performance and position of the Company.

Research and development

The Company continues to undertake research and development. During the year, the Company spent NOK 14.0 million (2022: NOK 10.9 million) on research and development activities.

Allocation of results and dividends

The Directors propose to allocate the total profit for the year of NOK 3.5 million to equity. The Directors do not propose a dividend.



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Financial risk management objectives and policies

The Company's activities entail various types of financial risk: currency risk, credit risk, interest rate risk and liquidity risk. The Company has not used financial derivatives to hedge against risk.

Risk	Explanation	Mitigation
Credit risk	<p>The Company's principal financial assets are cash, trade receivables and amounts owed by group undertakings.</p> <p>The principal credit risk lies with trade receivables.</p>	<p>In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt aging and collection history.</p> <p>Credit risk is limited as a significant proportion of the Company's revenues are prepaid (predominantly subscriptions and maintenance).</p>
Currency risk	<p>The Company operates internationally and is exposed to currency risk in several currencies. The currency risk arises when assets or liabilities are nominated in a currency that is not the functional currency of the entity.</p>	<p>The parent company hedges consolidated foreign exchange exposure.</p>
Interest rate risk	<p>The Company does not have loans or loans at floating interest rates.</p>	<p>The Company's assets, liabilities and cash flow are therefore mainly independent of changes in the market rate.</p> <p>Loans to parent, sister and subsidiary companies are interest-only based on market rate.</p>
Liquidity risk	<p>Liquidity risk is the risk arising from the Company not being able to meet its obligations as they fall due.</p>	<p>The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet the foreseeable needs and to invest cash assets safely and profitably. The Company manages its liquidity needs by carefully monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to balances to determine headroom or any shortfalls.</p>



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Going concern

The Company made a profit before tax in the year ended 31 December 2023 of NOK 5.3 million and had net assets of 58 million at 31 December 2023. The Directors have reviewed the cash flow forecasts of the Company for the period through to 31 December 2025. The Directors have also considered the current market conditions, trading activity post-year end and the liquid resources available to the Company. In assessing the cash flows, the Directors' have applied sensitivities to assumptions in revenue and cost base.

Based on the Directors' assessment of the Company's financial position, the Directors have a reasonable expectation that the Company will continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

Work environment

Accidents and injuries

No accidents, injuries or damage to property occurred in 2023 (2022: none).

Sick leave

Absence due to illness was 3.9% in 2023 (2022: 3.3%).

Equality and discrimination

The company strives to promote equality, ensure equal opportunities and rights and to prevent discrimination on the grounds of ethnicity, national origin, descent, skin colour, language, religion and belief.

As at 31 December 23, 66% of the Company's employees identified as male and 34% as female (2022: 63% male, 37% female).

The Directors of the company consist of 1 owner representative and 1 employee representative.

The Company aims to be a workplace where there is no discrimination due to differences and has employees with different ethnic backgrounds and nationalities.

Events after the reporting period

Information can be found in note 24.

Future developments

The Company continues to support all its customers through the development and expansion of its products and relationships. It is well placed to deliver the requirements demanded by its customers and the marketplace in which they operate.

Insurance

The Company has entered into qualifying third-party indemnity arrangements for the benefit of the Company and its Directors. The arrangements were in force throughout the year and remain in force.



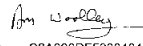
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Transparency Act

In accordance with the Transparency Act requirements, the Company has published its account of due diligence undertaken on its website, bradytechnologies.com

By order of the Board, 28-Jun-2024

DocuSigned by:

CBA696DF5238484...

Andrew Woolley

DocuSigned by:

15F8FADBA1764B0...

Per-Herman Puck



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Statement of Comprehensive Income For the year ended 31 December 2023

	Notes	2023 NOK	2022 NOK
Revenue	5	128,191,905	108,190,387
Cost of sales		(11,943,358)	(10,929,216)
Gross profit		116,248,547	97,261,171
Operating expenses	8	(114,726,126)	(94,980,442)
Operating profit		1,522,421	2,280,729
Interest income from group companies	20	2,404,021	1,147,146
Other financial income	10	1,580,627	395,229
Other financial costs	10	(230,687)	(284,307)
Profit before tax		5,276,382	3,538,797
Income tax expense	11	(1,797,482)	(1,491,865)
Profit and total comprehensive income for the year		3,478,900	2,046,932

All the activities of the Company in the current and prior years are classed as continuing.

The Company has no recognised gains or losses other than the profit for the current and preceding years as set out above.

The accompanying accounting policies and notes form part of these financial statements.



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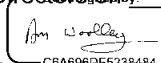
Statement of Financial Position

As at 31 December 2023

	Notes	2023 NOK	2022 NOK
Assets			
Non-current assets			
Capitalised development	12	-	451,739
Deferred tax assets	11	811,722	840,159
Property, plant and equipment	13	609,730	374,574
Right of use assets	14	4,979,882	4,686,170
Investments	15	1	1
Total non-current assets		6,401,335	6,352,643
Current assets			
Trade and other receivables	16	88,802,867	85,015,753
Cash and cash equivalents	17	12,934,852	10,082,371
Total current assets		101,737,719	95,098,124
Total assets		108,139,054	101,450,767
Equity attributable to the owners of the parent company			
Share capital	18	1,556,192	1,556,192
Share premium	18	28,075,911	28,075,911
Retained earnings		28,125,118	24,646,218
Total equity		57,757,221	54,278,321
Liabilities			
Non-current liabilities			
Lease liabilities	14	4,060,122	3,516,002
Total non-current liabilities		4,060,122	3,516,002
Current liabilities			
Trade and other payables	19	6,593,283	7,100,290
Corporation tax payable	11	1,737,620	1,973,606
Other taxation payable		6,108,247	4,968,591
Contract liabilities	5	30,697,995	28,177,785
Lease liabilities	14	1,184,566	1,436,172
Total current liabilities		46,321,711	43,656,444
Total equity and liabilities		108,139,054	101,450,767

The accompanying accounting policies and notes form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised by the Board of Directors on 28-Jun-2024 and signed on their behalf by:


Andrew Woolley, Chairman


Per-Herman Puck, Director

Brady Energy Norway AS

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Statement of Cash Flow For the year ended 31 December 2023

	Notes	2023 NOK	2022 NOK
Cash flows from operating activities			
Profit before tax		5,276,382	3,538,797
<i>Adjustments to reconcile profit before tax to net cashflows</i>			
Depreciation and amortisation	8	2,340,539	2,711,085
Net financial items		(3,753,961)	(1,258,068)
<i>Working capital movements</i>			
Decrease / (increase) in receivables		75,001	(9,243,606)
(Decrease) / increase in payables		(650,070)	735,726
Increase in other working capital items		485,507	6,257,903
		3,773,398	2,741,837
Taxes paid		(2,005,031)	(524,037)
Net cash flow used in operating activities		1,768,367	2,217,800
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(498,524)	(224,153)
Net cash flow used in investing activities		(498,524)	(224,153)
Cash flows from financing activities			
Lease liability capital payments		(1,628,498)	(1,834,879)
Net interest paid		141,476	(353,095)
Advance of loans to group companies		(22,954,902)	(36,583,109)
Repayment of loans from group companies		25,979,733	28,793,855
Net cash flows from financing activities		1,537,809	(9,977,228)
Net cash flow for the period		2,807,652	(7,983,581)
Cash and cash equivalents at 1 January		10,082,371	17,831,485
Exchange difference on opening cash		44,829	234,467
Cash and cash equivalents at 31 December	17	12,934,852	10,082,371

The accompanying accounting policies and notes form part of these financial statements.



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Statement of Changes in Equity For the year ended 31 December 2023

	Share capital	Share premium	Retained earnings	Total
	NOK	NOK	NOK	NOK
Balance at 1 January 2022	1,556,192	28,075,911	22,599,286	52,231,389
Profit for the year	-	-	2,046,932	2,046,932
At 31 December 2022	1,556,192	28,075,911	24,646,218	54,278,321
Profit for the year	-	-	3,478,900	3,478,900
At 31 December 2023	1,556,192	28,075,911	28,125,118	57,757,221

The accompanying accounting policies and notes form part of these financial statements.



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Notes to the financial statements

1. General information

The Company is a private company limited by shares, incorporated and domiciled in Norway. The address of its registered office, which is also its principal place of business, is Storgata 2A, N-1767 Halden, Norway.

2. New accounting standards

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates – amendments to IAS 8;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12; and;
- Disclosure of accounting policies – amendments to IAS 1 and IFRS practice statement 2.

These amendments did not have any impact on amounts recognised in the prior or current periods and are not expected to significantly affect the future periods.

Standards and interpretations not yet adopted

At the date of authorisation of these financial statements, several new, but not yet effective, standards, amendments to existing standards and interpretations have been published by the IASB. None of these have been adopted early by the Company.

The Directors anticipate that all relevant pronouncements will be adopted for the first period beginning on or after their effective dates. None of these are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. These include:

- Amendments to IFRS 16 – Leases on sale and leaseback
- Amendments to IAS 1 – Non-current liabilities with covenants
- Amendments to IAS 7 and IFRS 7 – Supplier finance
- Amendments to IAS 21 – Lack of exchangeability

3. Principle accounting policies

Basis of preparation

The financial statements are prepared in accordance with 'IFRS® Accounting Standards as adopted by the EU'. The preparation of financial statements in accordance with IFRS requires the requires the Directors to make certain critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. 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 4.



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Basis of consolidation

The Company is exempt from preparing consolidated financial statements as, taken with its subsidiary undertaking, this company is consolidated into the group accounts headed by Brady Acquisition Ltd. Brady Acquisition Ltd is a company registered and domiciled in England and Wales (registration number: 12248237) and its accounts are publicly available from Companies House.

These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The Company made a profit before tax in the year ended 31 December 2023 of NOK 5.3 million and had net assets of 58 million at 31 December 2023. The Directors have reviewed the cash flow forecasts of the Company for the period through to 31 December 2025. The Directors have also considered the current market conditions, trading activity post-year end and the liquid resources available to the Company. In assessing the cash flows, the Directors' have applied sensitivities to assumptions in revenue and cost base.

Based on the Directors' assessment of the Company's financial position, the Directors have a reasonable expectation that the Company will continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

Foreign currency translation

Functional currency and presentation currency

The accounts are presented in NOK, which is both the functional currency and the presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the period end date. Such exchange differences are included in the Statement of Comprehensive Income within "financial items". Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Revenue recognition

Revenue comprises the value of sales (excluding trade discounts and sales tax) of goods and services in the normal course of business. The Company has multiple revenue streams and the policy for each is detailed below. The Company acts as the principal in all sales.

To determine whether to recognise revenue, the Company follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations



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- Recognising revenue when/as the performance obligation(s) are satisfied.

Contracts typically contain a number of revenue streams and, depending on the contractual terms, may not be distinct and therefore considered to be one performance obligation. The total contract transaction price is allocated to the various performance obligations based on their relative stand alone selling prices.

Subscription of software, term licences and associated installation services

Revenue from subscription of software is recognised evenly over the period from the date the customer can benefit from using the software, typically the point when the customer has the ability to 'go-live', until the contract end date. Software subscription contracts are under a 'right to access' model and the Company retains control of the intellectual property throughout the contract term.

Revenue from sale of software term licences is recognised at a point in time when the customer has control of the asset, which is typically at the point when the customer has the ability to 'go-live'. Software term licence contracts are under a 'right to use' model and the customer is entitled to the intellectual property as it stands at a point in time.

Due to the nature of the Company's software offerings, there is typically a period of installation before the customer can benefit from the asset. Revenue from installation services is recognised over time where there is a contractual right to payment for services completed to date. Where the contractual right to payment does not exist, revenue for installation services is recognised on completion of the related performance obligations, which is when the customer has the ability to 'go-live' on the installed software.

Consulting and professional service fee revenues

Revenue from consulting and professional service fees is recognised over time as the work is performed as this reflects when control is considered to be transferred. The customer receives and consumes the benefit of the service as it is performed, and the Company has an enforceable right to payment for work completed to date on a time and materials basis.

The Company performs some bespoke development work on its software products at client request. Revenue from bespoke development work is recognised at a point in time when contractual commitments have been delivered, which is when the customer has the ability to 'go-live'.

Support, maintenance and hosting

Revenue from support, maintenance and hosting is recognised evenly over the period to which it relates in line with contractual terms. As the amount of work required under these contract elements does not vary significantly from month-to-month, the straight-line method provides a faithful depiction of the transfer of goods or services.

Contract asset and liabilities

The Company recognises the following contract assets in the Statement of Financial Position:

Amounts recoverable on contracts, if the Company satisfies a performance obligation before it invoices the customer. The asset is derecognised at the point in time when the Company invoices the customer.



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Contract fulfilment costs, if the costs are not within the scope of another Standard, then the following criteria have to be met:

- The costs directly relate to a contractual performance obligation;
- The costs relate to satisfaction of a performance obligation in the future; and
- The costs are expected to be recovered.

The contract fulfilment asset is amortised over the period in which the revenue from the related performance obligation is recognised.

At each reporting date, contract assets are assessed for impairment by comparing the carrying amount of the asset to the remaining consideration that the Company expects to receive under the contract, less future costs to complete.

No contract assets are recognised for incremental costs of obtaining customer contracts as assessment of whether such costs are recoverable is not probable.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'contract liabilities' in the Statement of Financial Position. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e. transfers control of the related goods or services to the customer).

Financing elements

The Company does not expect to have any contracts where the period between revenue recognition and payment by the customer exceeds one year. Consequently, the Company applies the practical expedient in IFRS 15.63 and does not adjust the transaction price for the time value of money.

Contract modifications

From time to time, there is a change in scope of the original contract between the Company and a customer. All contract modifications are supported by contractual change orders. Change orders are accounted for as a separate contract when:

- The change order includes distinct goods or services; and
- The price changes relative to the stand alone prices of the goods or services.

If both criteria are not met, the change order is not accounted for as a separate contract and the Company accounts for the change order as if it were part of the performance obligations in the existing contract. The effect of the change order on contract value and progress to date is assessed at the contract modification date and a cumulative catch-up adjustment to revenue is recognised at this point.

Employee benefits

Short-term employee benefits

Short term employee benefits, including salaries, bonuses, social security contributions, paid annual leave and paid sick leave, are expected to be settled wholly before twelve months after



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the end of the annual reporting period in which the employee renders the related service. Liabilities are presented within other current liabilities in the statement of financial position.

Retirement benefits

The company operates a defined contribution pension arrangement. The amount charged to the Statement of Comprehensive Income represents the contributions payable in the period. Differences between the contributions payable in the period and the contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

Tax

The tax charge or credit comprises current tax payable and deferred tax:

Current tax

The current tax charge represents an estimate of the amounts payable to tax authorities in respect of the Company's taxable profits and is based on an interpretation of existing tax laws. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes certain items of income and expense that are taxable or deductible in other years or are never taxable or deductible.

Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with the tax base. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax is recognised as a component of tax expense in the Statement of Comprehensive Income, except where it relates to items charged or credited directly to other comprehensive income or equity when it is recognised in other comprehensive income or equity

Research and development costs

Expenditure on research activities is recognised as an expense in the Statement of Comprehensive Income in the period in which it is incurred.



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Development activities involve a plan or design for the production on new or substantially improved products and processes. Development expenditure is only capitalised if all of the following conditions are met:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Company intends to complete the intangible asset and use or sell it;
- the Company has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Directly attributable costs comprise employee salary and other employment costs incurred, on a time apportioned basis, on software development. The costs of internally generated software developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired licences. However, until completion of the development project, the assets are subject to annual impairment testing only. Amortisation commences upon completion of the asset and is shown within operating expenses in the Statement of Comprehensive Income. The amortisation period for development costs incurred in the Company is up to five years on a straight-line basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged to the Statement of Comprehensive Income so as to write off the cost or valuation less estimated residual values over their expected useful lives on a straight-line basis over the following periods:

- Fixtures, fittings & equipment: 3 - 5 years
- Computer equipment: 3 years

Residual values and useful economic lives are assessed annually. The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in operating expenses.

Leased assets

Identification of a lease

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.



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To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identifiable asset, which is either explicitly identified in the contract or implicitly specified as being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights defined within the scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Initial measurement

At the lease commencement date, the Company recognises a right-of-use (RoU) asset and a lease liability on the Statement of Financial Position .

The RoU asset is measured at cost, which is made up of:

- the initial measurement of the lease liability;
- any initial direct costs incurred by the Company;
- an estimate of cost to dismantle, restoration costs or cost to remove the asset at the end of the lease; and
- any lease payments made in advance of the lease commencement date, net of any incentives received.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate. To determine the incremental borrowing rate, the Company uses recent third-party financing arrangements as a starting point, adjusted to reflect changes in the Company's position since the financing was received and for any lease-specific factors such as term, country, currency or security.

Lease payments included in the measurement of the lease liability are made up of:

- fixed payments (including in-substance fixed);
- variable payments based on an index or rate;
- amounts expected to be paid under a residual guarantee; and
- payments arising from options reasonably certain to be exercised.

Subsequent measurement

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



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Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss so as to produce a constant periodic rate of interest of the remaining balance of the liability for each period. The lease liability will be reduced for payments made and be increased for finance costs. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or profit and loss if the RoU asset is already reduced to zero.

Practical expedients

The Company has elected to account for short-term leases (leases with a term of under 12 months) except for property and leases of low-value assets (leases with initial lease liability of under NOK 55,000) using the practical expedients in IFRS 16. Instead of recognising a RoU asset and a lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

Investments

Investment in the subsidiary is held at cost less accumulated impairment losses. An assessment for impairment is undertaken at least each reporting date and, if required, an impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

Impairment of non-financial assets

Assets that have an indefinite useful life – for example intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Trade receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection is expected in one period or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method less loss allowance. Any change in their value through impairment or reversal of impairment is recognised in profit or loss.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which use a lifetime expected credit loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract



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assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The nominal value of shares issued is classified as share capital and the amounts paid over the nominal value in respect of share issues, net of related costs, is classified as share premium.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expired.



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4. Critical accounting judgements and key sources of estimation uncertainty

Preparation of these financial statements in accordance with IFRS requires the Directors to make certain accounting judgements and estimates that affect the amounts reported in the financial statements and accompanying notes. The resulting estimates will, by definition, seldom equal the actual result.

The Directors consider the following to be critical accounting judgements or key sources of estimation uncertainty affecting the results of the Company in the current and preceding financial years:

Revenue recognition

Significant management judgement is applied in determining the allocation and timing of the recognition of revenue on contracts. Contracts can include both the sale of software subscriptions and provision of services including integration and development. Management considers recognition of their separable components of revenue is appropriate based on the analysis of individual contracts, as this indicates the substance of the transaction as viewed by the customer. The point at which performance obligations are completed is dependent on the contractual terms and an analysis is made of each separable component of revenue. In respect of software subscriptions, this would usually be at the point control is passed on to the customer, typically on functional acceptance tests. Client development and other customisation work may be subject to user acceptance tests. Revenue for these services is recognised when the work has been delivered to the customer and they have the ability to 'go-live', but where issues of customer acceptance are identified, then revenue is deferred until issues are resolved.

Tax

The Company is subject to corporation taxation and judgement is required in determining the provision for income and deferred taxation. The Company recognises taxation assets and liabilities based upon estimates and assessments of many factors including past experience, advice received on the relevant taxation legislation and judgements about the outcome of future events. The Company carries appropriate provisions, based on best estimates, until tax computations are agreed with the taxation authorities. To the extent that the final outcome of these matters is different from the amounts recorded, such differences will impact on the taxation charge made in the Statement of Comprehensive Income in the period in which such determination is made.



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5. Revenue

Revenue by type

	Note	2023 NOK	2022 NOK
Revenue from external customers		104,616,192	89,658,877
Revenue from group companies	20	23,575,713	18,531,510
Total revenue		128,191,905	108,190,387

Year ended 31 December 2023	Licences and recurring support, maintenance and rentals NOK	Services including development NOK	Revenue from group companies NOK	Total NOK
Total revenue	78,715,511	25,900,681	23,575,713	128,191,905

Timing of revenue recognition

At a point in time	1,372,110	14,097,521	-	15,469,631
Over time	77,343,401	11,803,160	23,575,713	112,722,274

Year ended 31 December 2022

Total revenue	69,164,776	20,494,101	18,531,510	108,190,387
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Timing of revenue recognition

At a point in time	1,024,443	10,681,603	-	11,706,046
Over time	68,140,333	9,812,498	18,531,510	96,484,341

Revenue by product

	Note	2023 NOK	2022 NOK
EDM		53,655,901	45,122,428
ETRM		47,030,979	41,306,962
Others		3,929,312	3,229,487
Revenue from group companies	20	23,575,713	18,531,510
Total revenue		128,191,905	108,190,387



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Revenue by geography

	Note	2023 NOK	2022 NOK
Revenue from external customers			
Norway		53,863,940	49,428,462
Rest of Europe		46,413,578	37,378,837
North America		1,812,165	1,506,355
Australia		2,526,509	1,345,223
		104,616,192	89,658,877
Revenue from group companies			
Europe	20	23,575,713	18,531,510
		128,191,905	108,190,387

Assets and liabilities related to contracts with customers

The Company has the following contract assets and liabilities related to contracts with customers included in the Statement of Financial Position.

	Note	2023 NOK	2022 NOK
Current contract assets relating to:			
Licences and recurring support, maintenance and rentals		-	164,795
Services including development		713,642	457,168
Loss allowance		-	-
Total current contract assets	16	713,642	621,963

Current contract liabilities relating to:

Licences and recurring support, maintenance and rentals		30,095,860	27,411,030
Services including development		602,135	766,755
Total current contract liabilities		30,697,995	28,177,785

The Company recognised the following revenue in the current year that was included in contract liabilities at the beginning of the year.

	2023 NOK	2022 NOK
Advance billing for licences and recurring maintenance, hosting and subscription revenues	27,411,030	22,746,272
Completion of contractual obligation in relation to professional services, development and licenses	766,755	2,252,997
	28,177,785	24,999,269



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6. Employee numbers, remuneration and pension

The Company had the following employees at the balance sheet date.

	2023	2022
	No.	No.
Number of full time equivalents	31	31
Number of employees	30	32

The Company incurred the following expenses in relation to employee remuneration during the year.

	2023	2022
	NOK	NOK
Wages and salaries	27,342,370	26,210,769
Social security costs	3,261,231	2,366,385
Defined contribution pension arrangements	2,830,626	2,774,377
Other benefits	(1,100,638)	(709,022)
	32,333,589	30,642,509

The Company is obliged to have an occupational pension scheme pursuant to the Act relating to compulsory occupational pensions. The employees of the Company have a defined contribution pension scheme.

The scheme covers 33 employees as at 31 December 2023 (2021: 29).

Total payments to the scheme in 2023 amounted to NOK 2,830,626 (2022: NOK 2,774,377).

7. Remuneration and loans to senior executives

The senior executives are residents of the UK and employed by Brady Technologies Ltd, the immediate parent company. They do not receive salaries, benefits or other fees from Brady Energy Norway AS. Brady Energy Norway AS is charged a management service fee, in which the senior executives' costs are included. No board fees have been paid.

No loans have been made to senior executives during the year (2022: none). There are no balances outstanding at 31 December 2023 (31 December 2022: none).



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8. Operating expenses

The following items have been charged / (credited) to the Statement of Comprehensive Income in arriving at operating loss for the year.

	Notes	2023 NOK	2022 NOK
Research and development costs		14,046,239	10,947,045
Depreciation of property, plant and equipment	13	263,368	372,445
Depreciation of right of use assets	14	1,625,432	1,850,866
Amortisation of capitalised development costs	12	451,739	487,774
Non-recurring items	0	3,000	242,000
Auditor's remuneration	9	912,000	889,000
Costs from group companies	20	85,769,086	66,597,451

9. Auditor's remuneration

During the year, the Company incurred the following fees from its auditor.

	Note	2023 NOK	2022 NOK
Statutory audit		912,000	869,000
Tax advice		-	20,000
	8	912,000	889,000

The group and the Company's statutory audit fees are billed to Brady Technologies Ltd, the immediate parent company. The Company is charged a management service fee, in which the statutory audit fee is included.

10. Other financial income and expenses

	Note	2023 NOK	2022 NOK
Other financial income			
Net foreign exchange gains		1,208,464	316,185
Bank and other interest receivable		372,163	79,044
		1,580,627	395,229
Other financial expenses			
Interest expense on lease liabilities	14	(230,687)	(284,307)
		(230,687)	(284,307)



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11. Tax

Amounts recognised in the Statement of Comprehensive Income

The tax expense for the year is as follows:

	2023	2022
	NOK	NOK
Current tax		
Tax payable on ordinary result	1,737,620	1,973,606
Adjustment in respect of prior years	31,425	(95,779)
	1,769,045	1,877,827
Deferred tax		
Change in deferred tax	28,437	(385,962)
	28,437	(385,962)
Tax charge for the year	1,797,482	1,491,865

The following table reconciles the nominal to actual tax rate.

	2023	2022
	NOK	NOK
Profit on ordinary activity before taxation	5,276,382	3,538,797
Profit on ordinary activities multiplied by standard rate of tax (22%)	1,160,804	778,535
<i>Tax effects of:</i>		
Difference to tax return relating to ongoing tax case	602,108	753,993
Adjustment in respect of prior period	31,425	(21,071)
Temporary differences	(1)	(20,368)
Permenant differences	3,146	777
Tax payable on ordinary result	1,797,482	1,491,865
Effective tax rate	34.1%	42.2%

Amounts recognised in the Statement of Financial Position

The corporation tax payable in the Statement of Financial Position at the period end comprises the following:

	2023	2022
	NOK	NOK
Provision for tax receivable relating to previous years	(1,654,210)	(1,654,210)
Tax payable relating to current period	1,737,620	1,973,606
Net corporation tax (receivable) / payable	83,410	319,396



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The net deferred tax asset in the Statement of Financial Position at the period end relates to the tax effect of the following temporary differences:

	2023	2022
	Asset	Asset
	NOK	NOK
Property, plant and equipment	102,456	32,167
Receivables	11,699	23,997
IFRS 16	58,257	58,521
Accounting provisions	639,309	725,474
	811,721	840,159

Brady Energy Norway AS has ongoing tax cases with Tax East and Tax West.

In December 2018, the tax offices, Tax East and Tax West, published tax determination decisions. The tax determination stated that, for Norwegian tax purposes, there was considered to have been a taxable sale of intangible assets and operations in financial years 2011 and 2012 of NOK 54 million and NOK 116 million respectively to Brady Trading Ltd, a sister company at the time registered in England. The tax office's decision means that, for tax purposes, intangible assets are considered owned by Brady Trading Ltd; and Brady Energy Norway AS must pay royalties on external sales to Brady Trading Ltd. Research and development work that Brady Energy Norway carries out on behalf of Brady Trading Ltd must be recognised as income. Following the sale of Brady Trading Ltd as part of the Commodities division divestment in 2022, the Energy division intangible assets were transferred to and retained by Brady Technologies Ltd. Therefore, the impact of the tax office's decision in subsequent periods is on Brady Technologies Ltd.

The company has appealed against the decisions with reference to both time and valuation with an independent review body (the Tax Appeals Board) in Norway. Whilst the Company's Board believes it has a robust argument in this matter, the Company has settled all sums outstanding to the Norwegian tax authorities in a timely manner.

After assessing the probability of various outcomes of the appeal hearing in accordance with IFRIC 23 (Uncertainty over Income Tax Treatments), the Company has recognised a tax benefit of NOK 1.7 million. Whilst the Company's Board is confident in its position to recover a substantial portion of the potential overpayments of tax, the uncertainty of such an outcome is reflected in its assessment of the probabilities.

The financial statements for 2023 are in accordance with the tax return for 2023, except for NOK 2.7 million income relating to the disputed gain of NOK 170 million and the associated deferred tax which is in the tax return but not financial statements.



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12. Capitalised development costs

	Note	Capitalised development costs NOK
Cost		
At 1 January 2022, 31 December 2022 and 31 December 2023		2,438,678
Amortisation		
At 1 January 2022, 31 December 2022 and 31 December 2023		(1,499,165)
Charge for the year	8	(487,774)
At 31 December 2022		(1,986,939)
Charge for the year	8	(451,739)
At 31 December 2023		(2,438,678)
Net book value		
At 31 December 2023		-
At 31 December 2022		451,739
At 1 January 2022		939,513



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13. Property, plant and equipment

	Note	Fixtures, fittings and equipment NOK	Computer equipment NOK	Total NOK
Cost				
At 1 January 2022		1,075,926	870,933	1,946,859
Additions			224,153	224,153
At 31 December 2022		1,075,926	1,095,086	2,171,012
Additions		376,812	121,712	498,524
At 31 December 2023		1,452,738	1,216,798	2,669,536
Depreciation				
At 1 January 2022		(863,759)	(560,234)	(1,423,993)
Charge for the year		(159,496)	(212,949)	(372,445)
At 31 December 2022		(1,023,255)	(773,183)	(1,796,438)
Charge for the year	8	(76,425)	(186,943)	(263,368)
At 31 December 2023		(1,099,680)	(960,126)	(2,059,806)
Net book value				
At 31 December 2023		353,058	256,672	609,730
At 31 December 2022		52,671	321,903	374,574



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14. Right of use assets

Amounts recognised in the Statement of Financial Position

Set out below are the carrying amounts of right of use assets recognised in the Statement of Financial Position.

	Note	Property NOK
Cost		
At 1 January 2022		13,737,857
Additions		236,378
Disposals		(1,401,283)
At 31 December 2022		12,572,952
Additions		1,919,144
Disposals		(3,963,405)
At 31 December 2023		10,528,691
Depreciation		
At 1 January 2022		(7,272,312)
Charge for the year		(1,850,866)
Disposals		1,236,396
At 31 December 2022		(7,886,782)
Charge for the year	8	(1,625,432)
Disposals		3,963,405
At 31 December 2023		(5,548,809)
Net book value		
At 31 December 2023		4,979,882
At 31 December 2022		4,686,170



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Set out below are the carrying amounts of lease liabilities recognised in the Statement of Financial Position. A maturity analysis is also disclosed.

	2023 NOK	2022 NOK
Lease liabilities		
Current lease liability	1,184,566	1,436,172
Non-current lease liability	4,060,122	3,516,002
	5,244,688	4,952,174
Undiscounted future cash out flows		
Within 12 months	1,423,987	1,631,685
Between 12 months and 5 years	4,395,461	3,815,130
After 5 years	-	-
	5,819,448	5,446,815

Amounts recognised in the Statement of Comprehensive Income

	Notes	2023 NOK	2022 NOK
Depreciation charge on right of use assets	8	1,625,432	1,850,866
Expense relating to short-term leases		42,493	-
Expense relating to low value assets		58,849	52,378
Expense relating to variable lease payments not included in lease liability		563,173	1,032,689
Interest expense on lease liabilities	10	230,687	284,307



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15. Investments

	NOK
Cost	
At 1 January 2022, 31 December 2022 and 31 December 2023	22,998,226
Impairment	
At 1 January 2021, 31 December 2021 and 31 December 2022	(22,998,225)
Net book value	
At 1 January 2022, 31 December 2022 and 31 December 2023	1

The subsidiary has equity capital consisting solely of ordinary shares that is wholly owned directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company.

Details of the Company's subsidiary are set out below.

Subsidiary	Registered address	Place of business / country of incorporation	Principle activity	Ownership	Equity 31-Dec-23 NOK	Result 2023 NOK
Brady Energy UK Ltd	40 Torpichen street, Edinburgh, EH3 8JB	Scotland	Product sales and delivery	100%	(40,810,414)	(134,771)

16. Trade and other receivables

	Notes	2023 NOK	2022 NOK
Current			
Trade receivables		22,972,832	23,103,729
Loss allowance	21	(53,179)	(109,075)
Amounts owed by group undertakngs	20	63,139,585	58,902,869
Corporation tax receivable	11	1,654,210	1,654,210
Prepayments		375,777	796,709
Contract assets	5	713,642	621,963
Other receivables		-	45,348
		88,802,867	85,015,753

Terms of the amounts owed by group undertakings are included in note 20.

All other amounts are short-term and their carrying value is a reasonable approximation of fair value. Standard credit terms apply to the majority of trade receivables, which is between 30 to 60 days.

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Due to having effective credit control procedures, the Company is not significantly exposed to the risk of bad debt. The loss allowance is a general provision against trade receivables, which has been determined as follows:

31 December 2023	Current	More than 30 Days	More than 60 Days	More than 90 Days	Total
Expected loss rate	0.2%	0.4%	3.9%	5.7%	0.2%
Gross carrying amount trade receivables NOK	21,827,483	1,140,474	-	4,875	22,972,832
Gross carrying amount contract assets NOK	713,642	-	-	-	713,642
Loss allowance NOK	(47,997)	(4,903)	-	(279)	(53,179)

31 December 2022	Current	More than 30 Days	More than 60 Days	More than 90 Days	Total
Expected loss rate	0.4%	0.9%	6.4%	17.3%	0.5%
Gross carrying amount trade receivables NOK	22,388,643	701,961	13,125	-	23,103,729
Gross carrying amount contract assets NOK	621,963	-	-	-	621,963
Loss allowance NOK	(101,776)	(6,453)	(846)	-	(109,075)

17. Cash and cash equivalents

	2023 NOK	2022 NOK
Unrestricted cash and cash equivalents	10,981,917	8,434,699
<i>Restricted cash and cash equivalents</i>		
Relating to employee deductions	1,381,850	1,078,281
Relating to rent deposit	571,085	569,391
	12,934,852	10,082,371

18. Share capital and premium

	Nominal value NOK	Number of shares	Share capital NOK	Share premium NOK
Class A shares	1	962,307	962,307	27,055,491
Preference B shares	1	343,814	343,814	-
Ordinary B shares	1	250,071	250,071	1,020,420
		1,556,192	1,556,192	28,075,911

When voting at the general meeting, an A share counts as two B shares.



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In the event of liquidation of the company, preference B shares have preferential rights over the other shares to liquidation dividend with an amount per preference B share corresponding to the subscription price of the preference B shares.

100% of each class of shares is owned by Brady Technologies Ltd, a company registered in England and Wales.

19. Trade and other payables

	2023	2022
	NOK	NOK
Trade payables	440,948	1,091,018
Accruals	2,246,930	3,129,108
Other payables	3,905,405	2,880,164
	6,593,283	7,100,290

All amounts disclosed are short term.

The trade payables are unsecured and are usually paid within 30 days of recognition. The carrying value of trade payables is considered a reasonable approximation of fair value due to their short-term nature.

20. Related party transactions and balances

During the year, the Company had transactions with related parties as set out below. All related party transactions have taken place on an arms-length basis.



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Year ended 31 December 2023	Brady Technologies Ltd NOK	Brady Energy UK Ltd NOK	Igloo Trading Solutions Ltd NOK	Total NOK
Revenue from group companies				
Account management and software implementation services	-	192,128	297,658	489,786
Research and development services	23,085,927	-	-	23,085,927
	23,085,927	192,128	297,658	23,575,713
Operating expenses from group companies				
Account management and software implementation services	6,109,039	-	-	6,109,039
Royalty costs	41,983,582	-	-	41,983,582
Management services	37,676,465	-	-	37,676,465
	85,769,086	-	-	85,769,086
Interest income from group companies				
Loan interest receivable	1,834,272	569,748	-	2,404,020

Year ended 31 December 2022	Brady Technologies Ltd NOK	Brady Energy UK Ltd NOK	Igloo Trading Solutions Ltd NOK	Total NOK
Revenue from group companies				
Research and development services	18,531,510	-	-	18,531,510
Operating expenses from group companies				
Royalty costs	34,042,708	-	-	34,042,708
Management services	32,554,743	-	-	32,554,743
	66,597,451	-	-	66,597,451
Interest income from group companies				
Loan interest receivable	648,373	498,773	-	1,147,146



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The Company's relationship to each relevant related party is set out below.

Name	Nature of relationship
Brady Technologies Ltd	Immediate parent company, owns 100% share capital of the Company
Brady Energy UK Ltd	Subsidiary company, 100% owned by the Company
Igloo Trading Solutions Ltd	Group company, 100% owned by Brady Energy (Holding) Ltd which is 100% owned by Brady Acquisition Ltd. Brady Acquisition Ltd is the immediate parent company of Brady Technologies Ltd.

At the year end, the Company had amounts due to and from related parties as set out below.

	Note	2023 NOK	2022 NOK
Brady Technologies Ltd		47,836,224	13,031,942
Brady Energy UK Ltd		15,005,703	45,870,927
Igloo Trading Solutions Ltd		297,658	-
	16	63,139,585	58,902,869

The amounts owed by group companies are unsecured, have no contractual fixed date of repayment and are repayable on demand. NOK 62.6 million is expected to be settled after 12 months from the reporting date. Interest is charged at 4% per annum. The loans to Brady Energy UK Ltd and Brady Technologies Ltd are secured with a guarantee from Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, the ultimate controlling party, whereby if the Company requires the loans to be repaid, Hanover Active Equity Fund II, DS.C.A. SICAV-RAIF will provide financing through the Group structure.



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21. Financial risk management

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised below. The main types of risks are market risk, credit risk and liquidity risk. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from its operating activities.

The Company's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. The Company's policy is to maintain natural hedges where possible, by matching foreign currency revenue and expenditure. The Company has not entered into forward exchange contracts to mitigate the exposure to foreign currency risk during the period ended 31 December 2022 as the Company's currency transactions were not considered significant enough to warrant this.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the reporting date, not denominated in the functional currency of the Company, are set out below.

	2023	2023	2022	2022
	Assets	Liabilities	Assets	Liabilities
	NOK	NOK	NOK	NOK
AUD	55	-	6,792	-
CAD	1,632,840	(38,031)	995,048	(11,563)
EUR	7,092,310	(3,637)	4,764,193	-
GBP	14,826,821	(2,486)	13,122,166	(4,384)
SEK	220,570	-	205,316	-
USD	550	-	1,952	-

Foreign currency sensitivity analysis

The Company is mainly exposed to Euro, Canadian Dollar, Australian Dollar, Swedish Krona, Pound Sterling and US Dollar. The Company seeks to manage cash inflows and outflows in each currency to mitigate currency exposure and exchange risk. The following table details the Company's sensitivity to a 10% increase and decrease in the Norwegian Kroner exchange rate against the relevant foreign currencies. The sensitivity analysis uses the net asset (or liability) from the above table and includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or equity.



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	2023	2023	2022	2022
	Income statement	Equity	Income statement	Equity
	NOK	NOK	NOK	NOK
Effect of a 10% weakening in the relevant exchange rate				
AUD	6	6	679	679
CAD	159,481	159,481	98,349	98,349
EUR	708,867	708,867	476,420	476,420
GBP	1,482,434	1,482,434	1,311,778	1,311,778
SEK	22,057	22,057	20,532	20,532
USD	55	55	195	195
Effect of a 10% strengtening in the relevant exchange rate				
AUD	(6)	(6)	(679)	(679)
CAD	(159,481)	(159,481)	(98,349)	(98,349)
EUR	(708,867)	(708,867)	(476,420)	(476,420)
GBP	(1,482,434)	(1,482,434)	(1,311,778)	(1,311,778)
SEK	(22,057)	(22,057)	(20,532)	(20,532)
USD	(55)	(55)	(195)	(195)

Exposures to foreign exchange vary during the period depending on the volume and size of overseas transactions. Nonetheless, the analysis above is considered representative of the Company's exposure to currency risk.

Interest rate risk

The Company does not have significant cash at bank nor hold bank deposits and does not have any interest-bearing loans. Consequently, the Company believes that fluctuations on the interest rates will not have significant effect on the Company's financial performance.

Credit risk analysis

Risk management

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date which are principally cash and cash equivalents and trade receivables.

Cash and cash equivalents are held at banks with good independent credit ratings in accordance with the Company's treasury policy. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

The Company's policy is to deal only with creditworthy counterparties. The Company's management considers that its financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. All receivables are subject to



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regular review to ensure that they are recoverable and any issues identified as early as possible. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Impairment of financial assets

The Company's financial assets that are subject to the expected credit loss model are trade receivables from contracts with customers and contract assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2023 or 31 December 2022 respectively and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified that the GDP and the unemployment rate of the countries in which it sells its goods and services are the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2022 and 31 December 2023 were determined as set out in note 16 for both trade receivables and contract assets.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk analysis

Liquidity risk is the risk arising from the Company not being able to meet its obligations as they fall due. The Company seeks to manage this risk by ensuring sufficient liquidity is available to meet the foreseeable needs and to invest cash assets safely and profitably. The Company manages its liquidity needs by carefully monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to balances in order to determine headroom or any shortfalls.



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The undiscounted contract cashflows relating to the Company's financial liabilities are set out below.

	Current		Non-current	
	Within 6 months	Between 6 - 12 months	Between 1 -5 years	Later than 5 years
	NOK	NOK	NOK	NOK
As at 31 December 2023				
Trade and other payables	14,676,224	-	-	-
As at 31 December 2022				
Trade and other payables	14,042,487	-	-	-

Financial assets used for managing liquidity risk

Cash flows from trade and other receivables are contractually due within six months. Cash is generally held in accounts with immediate notice. Where surplus cash deposits are identified, these are placed in accounts with access terms of no more than three months.

Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument, are disclosed in the accounting policies in note 3. The carrying amounts presented in the statement of financial position relate to the categories of financial instrument set out below.

	Notes	2023	2022
		NOK	NOK
Financial assets			
<i>Financial assets at amortised cost</i>			
Trade receivables	16	22,919,653	22,994,654
Contract assets	5	713,642	621,963
Corporation tax receivable	11	1,654,210	1,654,210
Cash and cash equivalents	17	12,934,852	10,082,371
		38,222,357	35,353,198
Financial liabilities			
<i>Liabilities at amortised cost</i>			
Trade payables	19	440,948	1,091,018
Accruals and other payables	19	6,152,335	6,009,272
Corporation tax payable	11	1,737,620	1,973,606
Other taxation payable		6,108,247	4,968,591
Contract liabilities	5	30,697,995	28,177,785
Lease liabilities	14	5,244,688	4,952,174
		50,381,833	47,172,446

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22. Capital commitments

The Company had no capital expenditure contracted for but not provided in the financial statements at 31 December 2023 or 31 December 2022.

23. Contingent liabilities

The Company had no material contingent liabilities at 31 December 2023 or 31 December 2022.

24. Events after the reporting period

No adjusting or non-adjusting events have occurred between the 31 December 2023 reporting date and the date of authorisation of these financial statements.

25. Controlling party

As at 31 December 2023, the immediate parent undertaking is Brady Technologies Ltd, a company incorporated in England and Wales.

Brady Acquisition (Holding) Ltd, a company incorporated in England and Wales, and a wholly owned subsidiary of Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, is the ultimate parent undertaking. The ultimate controlling party is Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, a fund registered in Luxembourg.

The smallest and largest group in which the results of the Company are consolidated for the year ended 31 December 2023 is that headed by Brady Acquisition Ltd. Copies of these financial statements may be obtained from Companies House (<https://www.gov.uk/government/organisations/companies-house>) when available.



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Company registration number 12248237 (England and Wales)

BRADY ACQUISITION LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023



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BRADY ACQUISITION LIMITED

COMPANY INFORMATION

Directors	Rebecca Boscott Jason Carley Jeremy Westhead
Company number	12248237
Registered office	25 Savile Row London W1S 2ER
Auditor	Ernst and Young LLP Cambridge Business Park Cowley Road Cambridge CB4 0WZ
Bankers	Barclays Bank plc



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BRADY ACQUISITION LIMITED

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BRADY ACQUISITION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their strategic report for the year ending 31 December 2023.

Principal activities and business review

Our business

Brady Acquisition Limited and its subsidiaries (the 'Group' or 'Brady') provides software solutions to support above market returns from trading, manage power operations, manage complex risks in evolving and volatile markets, impacted by increased decentralisation, diversity of asset types, the drive for decarbonisation, and ongoing regulatory change.

Brady enables energy market participants to profit in new ways from the energy transition. Brady's customers include globally renowned utilities, independent power producers, renewable asset developers, energy and multi-commodity trading firms, oil & gas companies, hedge funds and other financial institutions, as well as state power grid operators.

Whether engaged in financial and/or physical trading, on major exchanges or over the counter, or managing multi-country or regional assets, Brady helps market participants optimise their operations and profitability.

The Brady software suite supports key components of the energy trading lifecycle, whilst also supporting Environmental, Social and Governance (ESG) reporting requirements.

Financial performance and position

Revenue, adjusted EBITDA and cash are the financial key performance indicators of the Group.

Group revenues from continuing operations for the year ended 31 December 2023 were £17.0 million (2022: £14.7 million from continuing operations), of which £11.8 million are annual recurring revenues (2022: £10.8 million). On a constant currency basis, annual recurring revenues have increased by 21% from £10.6 million in 2022 to £12.8 million in 2023.

Adjusted EBITDA before non-recurring and non-underlying items (as described in note 1.1) was a profit of £1.9 million (2022: £1.8 million loss from continuing operations). Operating loss for the year ended 31 December 2023 was £2.6 million (2022: £8.2 million loss from continuing operations).

Cash and cash equivalents at 31 December 2023 was £2.1 million (2022: £2.0 million). The performance for the year and the financial position at year end is in line with management expectations.

In 2022, Brady sold its Commodities business, making a profit on sale of £7.5 million. This marked a significant milestone in the transformation of Brady and has enabled the group to accelerate its product innovation and expansion plans in the energy and credit risk markets in 2023.

Outlook

In 2024, we will continue to strengthen our leadership position in the energy and risk sector, supporting operators and traders through macro-economic challenges. We will drive growth by continuing to develop innovative solutions that capitalise on emerging market opportunities in the green energy transition with increasing ESG focus.



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BRADY ACQUISITION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Principal risks and uncertainties

The Group considers risk management a high priority and has in place processes designed to identify, mitigate and manage risk. The Board of Directors are ultimately responsible for risk management. The principal risks facing the business are as follows:

Product delivery

The Group's products are critical to our customers' businesses. Any delay or failure in quality would be of the highest significance to our customers and could lead to missed revenue and cash targets as well as compromise our reputation.

Contract renewals and customer retention

The Group has a dedicated account management team who maintain regular communications with customers, maintain detailed account plans and organise user group meetings at least once per annum.

Technology risk

The Group continues to invest significantly in both people and quality control processes within its research and development team to ensure high quality products which remain at the forefront of this technology for our clients.

Dependence on key executives and personnel

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

Currency risk

Whilst the Group has a reporting currency of Sterling, it has significant Norwegian Kroner, US Dollar and Euro denominated revenues and Norwegian Kroner cost bases from locations of its offices and workforce. Significant changes to Norwegian Kroner, US Dollar and Euro exchange rates against Sterling could impact the Group's results. The Group closely monitors this exposure.

Liquidity risk

The Group maintains and monitors cash and bank balances to ensure it has sufficient available liquid resources for it to operate.

Tax

The tax treatment of the Group's cross-border operations is subject to the risk of challenge under tax rules and initiatives targeting multinationals' tax arrangements. The Group has engaged tax specialists to assist in compliance with transfer pricing obligations.

Economic conditions


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 to appeal to a wider clientele in a larger range of industries with an increased geographical diversity.

Cyber and data security

A cyber-attack or a breach of data security on the Group's IT systems could significantly disrupt its operations, damage its reputation, result in loss of customers and potentially expose it to fines for regulatory breaches. The Group is ISO 27001 compliant and adheres to industry best practice for secure management of digital information.

28-06-2024

This report was approved by the Board of Directors on and is signed on its behalf by


.....
Jeremy Westhead
Director



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BRADY ACQUISITION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the Company is that of a holding company and the principal activity of the Group is as a provider of software solutions to support above market returns from trading, manage power operations, manage complex risks in evolving and volatile markets, impacted by increased decentralisation, diversity of asset types, the drive for decarbonisation, and ongoing regulatory change.

Results and dividends

The results for the year are set out in the Consolidated Income Statement on page 9.

The Directors do not recommend the payment of a dividend (2022: £nil).

Going concern

The Group made a loss before tax from continuing operations in the year ended 31 December 2023 of £2.6 million and at 31 December 2023 had net current liabilities of £4.1 million. The Directors have reviewed the cash flow forecasts of the Group for the period through to 31 December 2025. The Directors have also considered the current market conditions, trading activity post-year end and the liquid resources available to the Group, and has obtained a letter of support from its ultimate controlling party, Hanover Active Equity Fund II, S.C.A. SICAV-RAIF. The letter of financial support demonstrates that the Group will be provided with the necessary financial support for the foreseeable future, being at least 12 months from the date of approval of the financial statements. In assessing the future cash flows, the Directors have applied sensitivities to the assumptions on new business, new product launch, cost base, foreign exchange and the level of capital expenditure.

The shareholders have been evaluating strategic options for the business including the possible involvement of a new investor. If the business were to be transferred to a new investor, the current support arrangements from the existing shareholder would need to be replaced by its new shareholders. The Directors believe it would be highly unlikely that such support arrangements would not be forthcoming. There can be no assurance that the strategic evaluation will result in any particular outcome and there is currently no specific timetable for completion. The Directors may also suspend this evaluation at any time and to that end, the strategic evaluation is within their control and hence does not give rise to a material uncertainty.

Based on the Directors' assessment of the Group's and Company's financial position and of the enquiries made of the ultimate controlling party, the Directors have a reasonable expectation that the Group and Company will continue in operational existence and meets its liabilities as they fall due for the foreseeable future. Accordingly, the Group and Company continue to adopt the going concern basis in preparing these financial statements.

Directors

The Directors who served the Group during the year and to the date of this report, except as stated otherwise, were as follows:

Rebecca Boscott
Jason Carley
Jeremy Westhead

Directors' interests

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.

Directors' insurance

The Group has purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial risk management objectives and policies

Information can be found in note 21 of the financial statements.



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BRADY ACQUISITION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Research and development

The Group continually invests in its products to maintain and enhance its portfolio. During the year, the Group incurred £5.2 million of research and development costs (2022: £6.5 million) of which £2.7 million was capitalised (2022: £3.1 million).

Events since the balance sheet date

Details of important events affecting the Group and Company which have taken place since the end of the financial year are given in note 30 to the financial statements.

Future developments

Brady is focusing its product innovation and expansion plans in energy and risk markets. More details on the future developments of the Group can be found in the Outlook section of the Strategic Report on page 1.

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group consolidated and Company financial statements for each financial period. Under that law the Directors have elected to prepare Group consolidated financial statements in accordance with UK adopted International Accounting Standards (IFRSs). The Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed for the Group consolidated financial statements, subject to any material departures disclosed and explained in the financial statements;
- state whether applicable FRSs have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue on business.

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

Statement of disclosure to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Pursuant to section 485 of the Companies Act 2006, a resolution to appoint Ernst and Young LLP as the auditor will be proposed at the forthcoming Annual General Meeting.




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BRADY ACQUISITION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

This report was approved by the Board of Directors on 28-06-2024 and is signed on its behalf by


.....
Jeremy Westhead
Director



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BRADY ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRADY ACQUISITION LIMITED

Opinion

We have audited the financial statements of Brady Acquisition Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cashflows, and the related notes 1 to 42, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 December 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.



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BRADY ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRADY ACQUISITION LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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



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BRADY ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRADY ACQUISITION LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

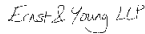
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (UK adopted International Accounting Standards and UK GAAP), the Companies Act 2006 and the relevant tax compliance regulations in the countries which the Group operates.
- We understood how Brady Acquisition Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated these enquiries through our review of board meeting minutes. We tested managements entity level controls to understand the company culture of honest and ethical behaviour, including the emphasis on fraud prevention.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through our discussions with management to understand where there is susceptibility for fraud. We also gained an understanding and tested internal controls designed by the group to prevent, deter and detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journal entries, with an emphasis placed on manual journal entries recorded to revenue, capitalised development cost additions and any other large or unusual transactions to gain reasonable assurance that the financial statements were free from fraud and error. Furthermore, we performed procedures to conclude on the compliance of disclosures made in the annual report and accounts with all applicable requirements.

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

Use of our report

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

DocuSigned by:

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Luke Little (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge

Date: 01 July 2024
Date:



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BRADY ACQUISITION LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Continuing operations			
Revenue	4	16,954	14,713
Cost of sales		(4,722)	(4,004)
Gross profit		12,232	10,709
Other operating income		605	-
Operating expenses		(15,398)	(18,859)
Operating loss	6	(2,561)	(8,150)
<i>Analysed as:</i>			
Gross profit		12,232	10,709
Other operating income		605	-
Other operating expenses		(10,960)	(12,495)
Adjusted EBITDA		1,877	(1,786)
Non-recurring and non-underlying items	7	676	(1,294)
Depreciation and amortisation		(5,114)	(5,070)
Operating loss		(2,561)	(8,150)
Net finance expenses	10	(34)	(78)
Loss before taxation		(2,595)	(8,228)
Income tax credit/(expense)	11	319	(279)
Loss for the year from continuing operations		(2,276)	(8,507)
Profit from discontinued operations	12	-	9,556
(Loss)/profit for the year		(2,276)	1,049

(Loss)/profit for the financial year is all attributable to the owner of the parent company.

The accompanying notes are an integral part of these financial statements.



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BRADY ACQUISITION LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£'000	£'000
(Loss)/profit for the year	<u>(2,276)</u>	<u>1,049</u>
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Currency translation differences:		
- Exchange differences on retranslation of foreign operations	(370)	435
- Exchange differences on translation of discontinued operations	-	(539)
Total items that may be reclassified to profit or loss	<u>(370)</u>	<u>(104)</u>
Total other comprehensive income for the year	<u>(370)</u>	<u>(104)</u>
Total comprehensive income for the year	<u>(2,646)</u>	<u>945</u>
Total comprehensive income for the year is attributable to the owners of the group:		
- From continuing operations	(2,646)	(8,072)
- From discontinued operations	-	9,017
	<u>(2,646)</u>	<u>945</u>

The accompanying notes are an integral part of these financial statements.



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BRADY ACQUISITION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Goodwill	14	12,354	12,342
Intangible assets	14	19,199	21,019
Property, plant and equipment	15	127	123
Right-of-use assets	16	949	1,181
Deferred tax asset	23	63	71
		<u>32,692</u>	<u>34,736</u>
Current assets			
Trade and other receivables	19	4,323	16,454
Corporation tax receivable		331	157
Cash and cash equivalents	20	2,119	1,978
		<u>6,773</u>	<u>18,589</u>
Current liabilities			
Trade and other payables	22	9,458	10,388
Current tax liabilities		133	185
Lease liabilities	17	261	482
Provisions	24	1,022	2,969
		<u>10,874</u>	<u>14,024</u>
Net current (liabilities)/assets		<u>(4,101)</u>	<u>4,565</u>
Non-current liabilities			
Lease liabilities	17	746	770
Deferred tax liabilities	23	4,714	5,168
Provisions	24	236	1,346
		<u>5,696</u>	<u>7,284</u>
Net assets		<u>22,895</u>	<u>32,017</u>
Equity attributable to the owners of the parent company			
Share capital	26	35,948	42,471
Foreign exchange reserves	27	437	807
Retained earnings		(13,537)	(11,261)
		<u>22,848</u>	<u>32,017</u>
Non-controlling interests		47	-
Total equity		<u>22,895</u>	<u>32,017</u>

The accompanying notes are an integral part of these financial statements.




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BRADY ACQUISITION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2023

The financial statements were approved by the Board of Directors and authorised for issue on 28-06-2024 and are signed on its behalf by:


.....

Jeremy Westhead
Director

Company registration number 12248237 (England and Wales)



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BRADY ACQUISITION LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Notes	Share capital £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total £'000
Balance at 1 January 2022	40,471	911	(12,310)	29,072	-	29,072
Year ended 31 December 2022:						
Profit for the year	-	-	1,049	1,049	-	1,049
Other comprehensive income:						
Currency translation differences	-	435	-	435	-	435
Gains reclassified to profit or loss	-	(539)	-	(539)	-	(539)
Total comprehensive income	-	(104)	1,049	945	-	945
Issue of share capital	2,000	-	-	2,000	-	2,000
Balance at 31 December 2022	42,471	807	(11,261)	32,017	-	32,017
Year ended 31 December 2023:						
Loss for the year	-	-	(2,276)	(2,276)	-	(2,276)
Other comprehensive income:						
Currency translation differences	-	(370)	-	(370)	-	(370)
Total comprehensive income	-	(370)	(2,276)	(2,646)	-	(2,646)
Issue of share capital 26	2,828	-	-	2,828	-	2,828
Cancellation of shares 26	(9,351)	-	-	(9,351)	-	(9,351)
Issue of shares in subsidiary to non-controlling interest	-	-	-	-	47	47
Balance at 31 December 2023	35,948	437	(13,537)	22,848	47	22,895

The accompanying notes are an integral part of these financial statements.



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BRADY ACQUISITION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Notes	£'000	£'000
Profit/(loss) before income tax from:			
Continuing operations		(2,595)	(8,228)
Discontinued operations		-	9,556
Profit/(loss) for the year before income tax including discontinued operations		(2,595)	1,328
Net finance expenses	10	34	75
Amortisation of intangible assets	14	4,585	4,273
Depreciation of property, plant and equipment and right of use assets	15, 16	529	797
Net exchange differences		(506)	498
Gain on disposal of Commodities Business		-	(7,455)
Non-cash movement of disposal of right of use assets		-	(963)
Fair value adjustment to provisions		41	206
Fair value of deferred consideration on sale of Commodities Business		-	673
Fair value adjustment to contingent consideration payable on acquisitions		61	-
Operating cash flows before working capital movement		2,149	(568)
Change in contract assets		140	(85)
Change in receivables		463	(3,163)
Change in contract liabilities		259	(1,666)
Change in payables		(1,187)	4,601
Change in provisions		(1,843)	(1,207)
Cash used in operations before tax		(19)	(2,088)
Income taxes (paid)/refunded		(163)	38
Net cash outflow from operating activities		(182)	(2,050)
Investing activities			
Proceeds from disposal of Commodities Business, net of cash sold	13	875	13,885
Costs of disposal of Commodities Business		-	(853)
Payment of contingent consideration for acquisition of subsidiary		(1,261)	-
Payments to develop or acquire intangible assets	14	(2,711)	(3,153)
Purchase of property, plant and equipment	15	(81)	(63)
Loans made to related party	31	-	(11,975)
Repayment of loans from related party	31	10,565	1,410
Net cash generated from/(used) in investing activities		7,387	(749)
Financing activities			
Proceeds from issue of shares		2,828	2,000
Cancellation of shares and repayment of capital		(9,351)	-
Payment of principal portion of lease liabilities		(409)	(843)
Interest paid		(47)	(75)
Net cash (used in)/generated from financing activities		(6,979)	1,082
Net increase/(decrease) in cash and cash equivalents		226	(1,717)
Cash and cash equivalents at beginning of year		1,978	3,823
Effect of foreign exchange rates		(85)	(128)
Cash and cash equivalents at end of year		2,119	1,978



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

General information

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office is 25 Savile Row, London, United Kingdom, W1S 2ER. The principal place of business is Centennium House, 100 Lower Thames Street, London, EC3R 6DL.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements of Brady Acquisition Limited have been prepared in accordance with applicable law and UK adopted International Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The preparation of these financial statements in conformity with UK adopted International Accounting Standards requires the Directors to make certain critical accounting estimates and judgements that affect the amounts reported in the consolidated financial statements and accompanying notes. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

IAS 1 permits an entity to present additional information for specific items to enable users to assess the underlying financial performance. In practice, these items are commonly referred to as 'specific' or 'non-underlying' items although such terminology is not defined in IFRS and accordingly there is a level of judgement required in determining what items to separately identify. The Board has adopted a policy to separately disclose those items that it considers are outside the underlying operating results for the particular period under review and against which the Group's performance is assessed.

Items within the operating result include amortisation of intangibles and depreciation costs, non-recurring and non-underlying items in the consolidated income statement which, in the Directors' judgement, need to be disclosed separately (see note 7) by virtue of their nature, size and incidence in order for users of the financial statements to obtain a proper understanding of the financial information and the underlying performance of the business. Operating profit/(loss) excluding such items is presented as 'Adjusted EBITDA' in the consolidated income statement. This policy is reviewed by the Board of Directors on an on-going basis.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.2 Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred in the Consolidated Income Statement.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

1.3 Consolidation

The Group financial statements include the results, financial position and cash flows of the Company and all of its subsidiary undertakings. Subsidiary undertakings are those entities which the Company has power over, is exposed to variable returns from and can use its power to affect those returns.

Coterminous financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Businesses acquired or disposed of during the period are accounted for using acquisition method principles from, or up to, the date control passed. Intra-group transactions and balances are eliminated on consolidation. All subsidiaries use uniform accounting policies for like-for-like transactions and other events and similar circumstances.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.4 Going concern basis

The Group made a loss before tax from continuing operations in the year ended 31 December 2023 of £2.6 million and at 31 December 2023 had net current liabilities of £4.1 million. The Directors have reviewed the cash flow forecasts of the Group for the period through to 31 December 2025. The Directors have also considered the current market conditions, trading activity post-year end and the liquid resources available to the Group, and has obtained a letter of support from its ultimate controlling party, Hanover Active Equity Fund II, S.C.A. SICAV-RAIF. The letter of financial support demonstrates that the Group will be provided with the necessary financial support for the foreseeable future, being at least 12 months from the date of approval of the financial statements. In assessing the future cash flows, the Directors have applied sensitivities to the assumptions on new business, new product launch, cost base, foreign exchange and the level of capital expenditure.

The shareholders have been evaluating strategic options for the business including the possible involvement of a new investor. If the business were to be transferred to a new investor, the current support arrangements from the existing shareholder would need to be replaced by its new shareholders. The Directors believe it would be highly unlikely that such support arrangements would not be forthcoming. There can be no assurance that the strategic evaluation will result in any particular outcome and there is currently no specific timetable for completion. The Directors may also suspend this evaluation at any time and to that end, the strategic evaluation is within their control and hence does not give rise to a material uncertainty.

Based on the Directors' assessment of the Group's and Company's financial position and of the enquiries made of the ultimate controlling party, the Directors have a reasonable expectation that the Group and Company will continue in operational existence and meets its liabilities as they fall due for the foreseeable future. Accordingly, the Group and Company continue to adopt the going concern basis in preparing these financial statements.

1.5 Revenue recognition

Revenue comprises the value of sales (excluding trade discounts and VAT) of goods and services in the normal course of business. The Group has multiple revenue streams and the policy for each is detailed below. The Group acts as the principal in all sales.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as the performance obligation(s) are satisfied.

Contracts typically contain a number of revenue streams and, depending on the contractual terms, may not be distinct and therefore considered to be one performance obligation. The total contract transaction price is allocated to the various performance obligations based on their relative stand alone selling prices.

Subscription of software, term licences and associated installation services

Revenue from subscription of software is recognised evenly over the period from the date the customer can benefit from using the software, typically the point when the customer has the ability to 'go-live', until the contract end date. Software subscription contracts are under a 'right to access' model and the Group retains control of the intellectual property throughout the contract term.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Revenue from sale of software term licences is recognised at a point in time when the customer has control of the asset, which is typically at the point when the customer has the ability to 'go-live'. Software term licence contracts are under a 'right to use' model and the customer is entitled to the intellectual property as it stands at a point in time.

Due to the nature of the Group's software offerings, there is typically a period of installation before the customer can benefit from the asset. Revenue from installation services is recognised over time where there is a contractual right to payment for services completed to date. Where the contractual right to payment does not exist, revenue for installation services is recognised on completion of the related performance obligations, which is when the customer has the ability to 'go-live' on the installed software.

Consulting and professional service fee revenues

Revenue from consulting and professional service fees is recognised over time as the work is performed as this reflects when control is considered to be transferred. The customer receives and consumes the benefit of the service as it is performed, and the Group has an enforceable right to payment for work completed to date on a time and materials basis.

The Group performs some bespoke development work on its software products at client request. Revenue from bespoke development work is recognised at a point in time when contractual commitments have been delivered, which is typically when the customer has the ability to 'go-live'.

Support, maintenance and hosting

Revenue from support, maintenance and hosting is recognised evenly over the period to which it relates in line with contractual terms. As the amount of work required under these contract elements does not vary significantly from month-to-month, the straight-line method provides a faithful depiction of the transfer of goods or services.

Contract assets and liabilities

The Group recognises the following contract assets in the Consolidated Statement of Financial Position:

- Amounts recoverable on contracts, if the Group satisfies a performance obligation before it invoices the customer. The asset is derecognised at the point in time when the Group invoices the customer.
- Contract fulfilment costs, if the costs are not within the scope of another Standard, then the following criteria have to be met:
 - The costs directly relate to a contractual performance obligation;
 - The costs relate to satisfaction of a performance obligation in the future; and
 - The costs are expected to be recovered.

The contract fulfilment asset is amortised over the period in which the revenue from the related performance obligation is recognised.

At each reporting date, contract assets are assessed for impairment by comparing the carrying amount of the asset to the remaining consideration that the Group expects to receive under the contract, less future costs to complete.

No contract assets are recognised for incremental costs of obtaining customer contracts as assessment of whether such costs are recoverable is not probable.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'contract liabilities' in the Consolidated Statement of Financial Position. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Financing elements

The Group does not expect to have any revenue contracts where there is a material financing element due to the period between revenue recognition and payment by the customer exceeding one period. Consequently, the Group applies the practical expedient in IFRS 15.63 and does not adjust the transaction price for the time value of money.

Contract modifications

From time to time, there is a change in scope of the original contract between the Group and a customer. All contract modifications are supported by contractual change orders. Change orders are accounted for as a separate contract when:

- The change order includes distinct goods or services; and
- The price changes relative to the stand-alone prices of the goods or services.

If both criteria are not met, the change order is not accounted for as a separate contract and the Group accounts for the change order as if it were part of the performance obligations in the existing contract. The effect of the change order on contract value and progress to date is assessed at contract modification date and a cumulative catch-up adjustment to revenue is recognised at this point.

1.6 Goodwill

Goodwill arising on an acquisition of a business is the difference between the fair value of the consideration paid and the net fair value of the assets and liabilities acquired. Goodwill is carried at cost less accumulated impairment losses. Goodwill is derecognised at the point of disposal of a subsidiary or disposal group.

1.7 Other intangible assets

Intangible assets acquired through a business combination and purchased intangible assets such as goodwill, brand, technology, customer relationships, software are initially measured at fair value and amortised on a straight-line basis over their useful economic lives. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual or legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements as disclosed in note 3).

Amortisation is shown within operating expenses in the Consolidated Income Statement. The useful economic lives are:

Acquired intangible assets:

Brand	5 to 8 years
Technology	5 to 11 years
Customer relationships	5 to 7 years
Software	3 years, or period of licence if different



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Research and development

Expenditure on research activities is recognised as an expense in the consolidated income statement in the period in which it is incurred.

Development activities involve a plan or design for the production on new or substantially improved products and processes. Development expenditure is only capitalised if all of the following conditions are met:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Directly attributable costs comprise employee salary and other employment costs incurred, on a time apportioned basis, on software development. The costs of internally generated software developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired licences. However, until completion of the development project, the assets are subject to annual impairment testing only. Amortisation commences upon completion of the asset and is shown within operating expenses in the Consolidated Income Statement. The amortisation period for development costs incurred in the Group is up to five years on a straight-line basis.

Trademarks and patents

Trademarks and patents are stated at cost less accumulated amortisation and any recognised impairment loss. Amortisation is charged to the Consolidated Income Statement so as to write off the cost less estimated residual value over the expected useful life of the asset on a straight line basis. The expected useful life of trademarks and patents is three years.

1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to the Income Statement so as to write off the cost or valuation less estimated residual values over their expected useful lives on a straight-line basis over the following periods:

Property	period of lease
Leasehold improvements	period of lease
Fixtures, fittings and equipment	3 to 5 years
Computer equipment	3 years

Residual values and useful economic lives are assessed annually. The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in operating expenses in the Consolidated Income Statement.

1.9 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.11 Cash and cash equivalents

In the Consolidated Statement of Cash Flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

1.12 Trade receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method less loss allowance. Any change in their value through impairment or reversal of impairment is recognised in profit or loss.

For further information about the Group's accounting for trade receivables, impairment policies and the calculation of the loss allowance, see note 19.

The Group has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

1.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, or cancelled or expired.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.14 Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The nominal value of shares issued is classified as share capital and the amounts paid over the nominal value in respect of share issues, net of related costs, is classified as share premium.

1.15 Tax

The tax charge or credit comprises current tax payable and deferred tax.

Current tax

The current tax charge represents an estimate of the amounts payable to tax authorities in respect of the Group's taxable profits. It is based on an interpretation of existing tax laws and calculated based on the rate enacted at the balance sheet date. Taxable profit differs from profit before tax as reported in the Consolidated Income Statement because it excludes certain items of income and expense that are taxable or deductible in other periods or are never taxable or deductible.

Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are always provided in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax is recognised as a component of tax expense in the Income Statement, except where it relates to items charged or credited directly to other comprehensive income or equity when it is recognised in other comprehensive income or equity.

1.16 Provisions

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.17 Employee benefits

Short-term employee benefits

Short term employee benefits, including salaries, bonuses, social security contributions, paid annual leave and paid sick leave, are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employee renders the related service. Liabilities are presented within trade and other payables in the Consolidated Statement of Financial Position.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

1.18 Retirement benefits

The Group operates defined contribution pension arrangements for its employees. The amount charged to the Income Statement represents the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Consolidated Statement of Financial Position.

1.19 Leased assets

Identification of a lease

For any new contracts entered into the Group considers whether a contract is, or contains, a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identifiable asset, which is either explicitly identified in the contract or implicitly specified as being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights defined within the scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Initial measurement

At the lease commencement date, the Group recognises a right-of-use (RoU) asset and a lease liability in the Consolidated Statement of Financial Position.

The RoU asset is measured at cost, which is made up of:

- the initial measurement of the lease liability;
- any initial direct costs incurred by the Group;
- an estimate of cost to dismantle, restoration costs or cost to remove the asset at the end of the lease; and
- any lease payments made in advance of the lease commencement date, net of any incentives received.

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the rate implicit in the lease, or if not available, the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group uses recent third party financing arrangements as a starting point, adjusted to reflect changes in the Group's position since the financing was received and for any lease-specific factors such as term, country, currency or security.

Lease payments included in the measurement of the lease liability are made up of:

- fixed payments (including in-substance fixed);
- variable payments based on an index or rate;
- amounts expected to be paid under a residual guarantee; and
- payments arising from options reasonably certain to be exercised.

Subsequent measurement

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss so as to produce a constant periodic rate of interest of the remaining balance of the liability for each period. The lease liability will be reduced for payments made and be increased for finance costs. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or profit and loss if the RoU asset is already reduced to zero.

Practical expedients

The Group has elected to account for short-term leases (leases with a term of under 12 months) and leases of low-value assets using the practical expedients in IFRS 16. Instead of recognising a RoU asset and a lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

1.20 Government grants

Government grants are recognised when there is reasonable assurance that any conditions attached to the grants have been met and receipt of the grant is probable. Government grants are recognised in 'other operating income' line of the Income Statement over the period necessary to match them with the costs that the grant is intended to compensate with deferrals being included in trade and other payables in the balance sheet.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.21 Foreign currencies

Functional and presentation currency

The functional currency of each Group entity is the currency of the primary economic environment in which each entity operates. The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency of each Group entity using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the period end date. Such exchange differences are included in the income statement within "operating expenses". Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Consolidation

For the purpose of presenting consolidated financial statements, the results and financial position of all the Group subsidiaries (none of which have the currency of a hyperinflationary economy) that have a functional currency other than Sterling are translated into Sterling as follows:

- Assets and liabilities for each statement of financial position are translated at the exchange rate ruling at the period end date; and
- Income and expenses for each income statement are translated at the average exchange rate ruling at the time of each period the transaction occurred and all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid and the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.22 Interest income and expense

Interest income and expense is included in the Consolidated Income Statement on a time basis, using the effective interest method by reference to the principal outstanding.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 New accounting standards

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates - amendments to IAS 8;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 12; and
- Disclosure of accounting policies - amendments to IAS 1 and IFRS practice statement 2.

These amendments did not have any impact on amounts recognised in the prior or current periods and are not expected to significantly affect future periods.

Standards and interpretations not yet adopted

At the date of authorisation of these financial statements, several new, but not yet effective, standards, amendments to existing standards and interpretations have been published by the IASB. None of these have been adopted early by the Company.

The Directors anticipate that all relevant pronouncements will be adopted for the first period beginning on or after their effective dates. None of these are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. These include:

- Amendments to IFRS 16 - Leases on sale and leaseback.
- Amendments to IAS 1 - Non-current liabilities with covenants.
- Amendments to IAS 7 and IFRS 7 - Supplier finance.
- Amendments to IAS 21 - Lack of exchangeability.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Critical accounting judgements and key sources of estimation and uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to apply judgement in applying the Group's accounting policies. Management considers that their use of estimates, assumptions and judgements in the application of the Group's accounting policies are inter-related and therefore discuss them together below with the major sources of estimation uncertainty and significant judgements separately identified.

Judgements

Revenue recognition

Significant management judgement is applied in determining the allocation and timing of the recognition of revenue on contracts. Contracts can include both the sale of software subscriptions and provision of services including integration and development. Management considers recognition of their separable components of revenue is appropriate based on the analysis of individual contracts, as this indicates the substance of the transaction as viewed by the customer. The point at which performance obligations are completed is dependent on the contractual terms and an analysis is made of each separable component of revenue. In respect of software subscriptions, this would usually be at the point control is passed on to the customer, typically on functional acceptance tests. Client development and other customisation work may be subject to user acceptance tests. Revenue for these services is recognised when the work has been delivered to the customer and they have the ability to 'go-live', but where issues of customer acceptance are identified, then revenue is deferred until issues are resolved.

Capitalised development costs

The Group invests in the development of future products in accordance with its accounting policy above. The assessment as to whether this expenditure meets the criteria for capitalisation, in particular whether the product is technically feasible and the future economic benefits, requires significant management judgement. Furthermore, assessment of the useful economic life of the product requires judgement. These judgements are made by evaluating the development plan prepared by the research and development department and approved by management, regularly monitoring progress by using an established set of criteria for assessing technical feasibility and benchmarking to other products. The carrying amount of capitalised development costs at 31 December 2023 is £6,829,000 (2022: £5,234,000) of which £5,093,000 (2022: £3,941,000) relates to our new software as a service (SaaS) platform, Powerdesk. Further consideration of the carrying amount of capitalised development costs is included in note 14.

Provisions

Significant management judgement is applied to the recognition and measurement of provisions as they are subject to the future outcome of various situations. The Group recognises a provision at management's best estimate when it is probable that economic outflow will occur and reconsiders the estimate based on the latest information at each reporting date.

Management determined that several provisions ceased to be probable during the year and therefore no longer met the definition of a provision. Accordingly, the provisions were released to the Consolidated Income Statement, see note 24.

Non-recurring and non-underlying items

Material, non-recurring and non-underlying incremental costs or income are identified and reported as such separately from the underlying operating income and expenses. Classification of expenditure as such requires management judgement and is performed to improve the understanding of the underlying financial performance of the Group. Details are shown in note 7.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Critical accounting judgements and key sources of estimation and uncertainty (Continued)

Allocation of goodwill and acquired intangible assets to disposal group

In 2022, allocation of goodwill and acquired intangible assets to the Commodities business disposal group required significant management judgement. Prior to classification as a disposal group, the Commodities business was part of the wider Brady single cash generating unit ('CGU'). Management considered various allocation methods to attribute the group's goodwill and acquired intangible assets to the Commodities business, including annual recurring revenues, profitability and headcount, before exercising judgement to select the most appropriate method.

Estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

Impairment of goodwill and intangible assets

The Group tests goodwill for impairment annually and other intangible assets when an indicator of impairment exists. This requires an estimation of the value in use and the fair value less costs of disposal of the cash-generating units to which the goodwill and intangible assets are allocated. Identifying the cash-generating units requires judgement. Estimating value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The results of the impairment review are included in note 14.

Uncertain tax position

The Group has an ongoing tax enquiry into prior periods' transfer pricing methodology of an overseas subsidiary. The conclusion of the matter is uncertain as the Group has lodged an appeal in March 2020 with an independent review body (the Tax Appeals Board) in Norway. Whilst the Group's Board believes it has a robust argument in this matter, it has settled all sums outstanding to the Norwegian tax authorities in a timely manner and estimates current year tax expense in Norway in accordance with the tax authorities' determination.

The Group's Board has assessed the probability of various outcomes of the appeal hearing in accordance with IFRIC 23 (Uncertainty over Income Tax Treatments). Whilst the Board is confident in its position to recover a substantial portion of the potential overpayments of tax, the uncertainty of such an outcome is reflected in its assessment of the probabilities. The tax asset estimated under IFRIC 23 in the Statement of Financial Position at 31 December 2023 is £0.1 million (2022: £0.1 million).



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Revenue

Disaggregation of revenue from contracts with customers

The Directors consider that the business has three revenue streams with different characteristics, which are generated from the same assets and cost base. The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Recurring maintenance, hosting & subscription £'000	Services including development £'000	Software licences £'000	Other £'000	Total £'000
Year ended 31 December 2023					
Timing of revenue recognition:					
At a point in time	-	1,262	173	-	1,435
Over time	11,810	3,130	-	579	15,519
Total revenue from continuing operations	11,810	4,392	173	579	16,954
Timing of revenue recognition:					
At a point in time	-	-	-	-	-
Over time	-	-	-	-	-
Total revenue from discontinued operations (refer note 12)	-	-	-	-	-
Year ended 31 December 2022					
Timing of revenue recognition:					
At a point in time	-	1,320	90	194	1,604
Over time	10,803	1,766	-	540	13,109
Total revenue from continuing operations	10,803	3,086	90	734	14,713
Timing of revenue recognition:					
At a point in time	-	197	153	-	350
Over time	3,635	853	-	-	4,488
Total revenue from discontinued operations (refer note 12)	3,635	1,050	153	-	4,838

Information about major customers

There were no individual customers in the period who contributed 10% or more of the Group's total revenue (2022: none).



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Assets and liabilities related to contracts with customers

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

	2023 Period end £'000	2022 Period end £'000	2022 Period start £'000
Contracts in progress			
Contract assets	171	311	226
Contract liabilities	(5,606)	(5,347)	(7,013)

	2023 £'000	2022 £'000
Current contract assets relating to:		
Licences and recurring support, maintenance and rentals	19	14
Services including development	152	297
Total current contract assets	171	311
Current contract liabilities relating to:		
Licences and recurring support, maintenance and rentals	(5,500)	(4,960)
Services including development	(106)	(387)
Total current contract liabilities	(5,606)	(5,347)

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities:

	2023 £'000	2022 £'000
Advance billing for licences and recurring maintenance, hosting and subscription revenues	(4,960)	(5,936)
Completion of contractual obligation in relation to professional services, development and licences	(387)	(1,077)

Assets recognised from costs to fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognised an asset of £nil (2022: £nil) in relation to costs to fulfil a long-term contract.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Operating loss

		2023	2022
	Notes	£'000	£'000
Operating loss for the year is stated after charging/(crediting):			
Net foreign currency (gains)/losses		(440)	307
Research and development costs		2,448	2,887
Government grants		(219)	-
Depreciation of property, plant and equipment	15	74	77
Depreciation of right of use assets	16	455	720
Release of spare space provision against depreciation of right of use assets	24	(128)	(184)
Amortisation of acquired intangible assets	14	3,364	3,944
Amortisation of other intangible assets	14	1,221	329
Non-recurring and non-underlying items (credit)/charge	7	(676)	1,294

7 Non-recurring and non-underlying items

		2023	2022
		£'000	£'000
Restructuring costs		217	782
Transformation programme costs		17	514
Charges from shareholder		292	475
Historic provision releases		(1,524)	-
Change to contingent consideration and earn-outs payable		266	(588)
Professional and other fees relating to disposals		56	-
Professional and other fees relating to acquisitions		-	111



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Non-recurring and non-underlying items

(Continued)

Restructuring costs

During the year, the group incurred costs of £217,000 (2022: £782,000) relating to restructuring the business. In 2022, this included costs associated with the necessary intra-group reorganisations prior to the disposal of the Commodities business and costs to restructure the remaining Brady group to right-size the non-core activities after the disposal. In 2023, this included costs to simplify the group legal structure.

Transformation programme costs

During the year, the Group incurred £17,000 (2022: £514,000) in transformation programme costs relating to incentive scheme set up. In 2022, it also encompassed the review of procurement contracts, talent management, mergers and acquisition advice and financing costs.

Charges from shareholder

During the year, the Group incurred £292,000 (2022: £475,000) of non-underlying costs relating to charges from its investor for head office management costs and Board fees. Such costs are called out separately as they would not be expected to be incurred by the Group if it was a stand alone Group.

Historic provision releases

Various provisions were established at the point Brady Acquisition Ltd acquired Brady Technologies Ltd and its subsidiaries in 2019 and CRISK ApS and Igloo Trading Solutions Limited in 2021. Following a detailed review and assessment of the possibility of future economic outflows, amounts totalling £1,524,000 were released from provision to non-recurring and non-underlying costs in the income statement during the year. See note 24.

Change to contingent consideration and earn-outs payable

In respect of the acquisition of Igloo Trading Solutions Limited in October 2021, in the event that pre-determined annual recurring revenues exceeded the target for the period April 2022 - 31 March 2023, additional consideration was payable. In November 2023, additional consideration of £1,261,000 was paid. A cost of £61,000 is recognised in the income statement to reflect the difference between the estimated fair value of the contingent consideration at 31 December 2022 and the amount paid.

In respect of the acquisition of CRISK ApS in September 2021, additional consideration is payable in 2024 if certain earnings and post-employment conditions are met in the period 1 October 2022 to 30 September 2023. A cost of £205,000 is included in the income statement in respect of this.

Professional and other fees relating to disposals

During the year, the Group incurred costs relating to disposals of subsidiary companies totalling £56,000. In 2022, the group incurred such costs of £853,000 which were included within the gain on disposal of subsidiary companies.

Professional and other fees relating to acquisitions

In 2022, the Group incurred £111,000 for professional and other fees relating to the acquisition of CRISK ApS and Igloo Trading Solutions Ltd.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Auditor's remuneration

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	2023 £'000	2022 £'000
For audit services		
Fees payable to the Group's auditors for the audit of the parent company financial statements	6	6
Fees payable to the Group's auditor for the audit of the consolidated and subsidiary financial statements	212	207
	<u>218</u>	<u>213</u>

9 Employees

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

	2023 Number	2022 Number
Sales, services and client support	36	44
Development	56	64
Administration	23	29
Management	5	5
Total	<u>120</u>	<u>142</u>

Employee benefits:

	2023 £'000	2022 £'000
Wages and salaries	10,360	9,786
Social security costs	1,055	941
Pension costs	726	678
	<u>12,141</u>	<u>11,405</u>

Directors' remuneration

No directors were remunerated by the Group for the current or prior year. The directors are associated with Hanover Investors Management LLP, the management entity for Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, which is the ultimate controlling party of the group.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Employees

(Continued)

Key management compensation

Key management include directors (executive and non-executive) and members of the Executive Management Team. The compensation paid or payable to key management for their services is shown below:

	2023 £'000	2022 £'000
Wages and salaries	1,527	2,531
Consultancy fees	-	487
Pension costs	53	151
Termination payments	-	375
	<u>1,580</u>	<u>3,544</u>

10 Net finance expense

	2023 £'000	2022 £'000
Interest income from cash and cash equivalents	(35)	(6)
Interest expense on cash and cash equivalents	-	1
Lease liability interest costs	34	75
Other finance costs	35	8
Total interest expense	<u>34</u>	<u>78</u>



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Taxation

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profits for the current period	-	16
Adjustments in respect of prior periods	25	(100)
Total UK current tax	25	(84)
Foreign taxes and reliefs	108	10
	<u>133</u>	<u>(74)</u>
Deferred tax		
Origination and reversal of temporary differences	(452)	353
	<u>(452)</u>	<u>353</u>
Total tax charge/(credit)	<u>(319)</u>	<u>279</u>

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2023 £'000	2022 £'000
(Loss)/profit before taxation	<u>(2,595)</u>	<u>1,328</u>
Expected tax (credit)/charge based on a corporation tax rate of 23.50% (2022: 19.00%)	(610)	252
Effect of expenses not deductible in determining taxable profit	54	(97)
Tax relief relating to gain on sale of subsidiaries	-	(1,409)
Tax losses for which no deferred tax asset was recognised	1,099	901
Use of group relief and carried forward losses	(169)	(342)
Adjustment in respect of prior years	38	(125)
Research and development tax credit	-	271
Difference on overseas tax rates	(2)	23
Other temporary differences	(729)	805
Taxation (credit)/charge for the year	<u>(319)</u>	<u>279</u>



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Taxation

(Continued)

Factors that may affect future tax charges:

The Group has tax losses of £27.7 million (2022 - £12.9 million) that are available for offset against future taxable profits of those subsidiary companies in which the tax losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, and they have arisen in subsidiaries whose future taxable profits are uncertain. The potential deferred tax asset not recognised amounts to £6.9 million (2022 - £3.2 million). No deferred tax has been recognised on the unremitted earnings of overseas subsidiaries because the earnings are continually reinvested by the Group and no tax is expected to be payable on them in the foreseeable future.

In the Spring budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). The new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Uncertain tax position

The Group has an ongoing tax enquiry into prior periods' transfer pricing methodology of an overseas subsidiary, see note 3.

12 Discontinued operations

The Commodities business was presented as a discontinued operation for the Group in the 2022 financial statements. The Commodities business included the income, expenditure, assets and liabilities relating to Trinity, Fintrade, Aquarius and Opval products.

Following various internal Group re-organisations, which concluded on 30 April 2022, the Commodities business was available for immediate sale and, having already initiated an active program to locate a buyer, was classified as held for sale from that date.

At the date classified as held for sale, the Commodities business was comprised of two subsidiary companies, Brady Trading Limited and Brady Switzerland SA, plus goodwill and acquired intangible assets recognised at a consolidated level.

The Commodities business assets and liabilities were reclassified as held for sale on 30 April 2022. The Commodities business was sold on 15 July 2022. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Discontinued operations

(Continued)

The results of the discontinued business, which have been included in the income statement, were as follows:

	2022
	£'000
Revenue	4,838
Cost of sales	(970)
Gross profit	3,868
Operating expenses	(1,767)
Non-recurring items	-
Gain on sale of subsidiaries before income tax and reclassification of foreign currency translation reserve	6,916
Operating profit	9,017
Net finance costs	-
Profit before taxation	9,017
Income tax expense	-
Profit after taxation	9,017
Other comprehensive income:	
Reclassification of foreign currency translation reserve	539
Profit from discontinued operations	9,556

Cash flows generated by discontinued operation

The cash flow information is presented for the year ended 31 December 2023 (2023 column) and the period 1 January 2022 to 15 July 2022 (2022 column).

	2022
	£'000
Net cash flows from operating activities	1,731
Net cash flows from investing activities	(307)
Net cash flows from financing activities	(96)
	1,328



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Business disposals

On 15 July 2022 the group disposed of its 100% holding in Brady Trading Limited and Brady Switzerland SA. Included in the 2022 financial statements were profits of £7,456,000 arising from the group's interests in the disposal group up to the date of its disposal.

Net assets of business disposed of	£'000
Cash and cash equivalents	1,807
Goodwill and acquired intangible assets	10,769
Other non-current assets	2,248
Trade and other receivables	2,220
Trade and other payables	(5,070)
Provisions	(1,013)
Defined benefit pension liabilities	(138)
Deferred tax liabilities	(2,227)
Total fair value of assets disposed	8,596
Gain on disposal	7,769
Total consideration	16,365
The consideration was satisfied by:	£'000
Cash	15,692
Fair value of estimated consideration receivable	673
	16,365
Net cash inflow arising on disposal	£'000
Cash consideration received	15,692
Cash and cash equivalents disposed of	(1,807)
	13,885

The estimated consideration receivable included consideration receivable dependent on the value of R&D tax credits receivable by the disposal group relating to financial years 2020, 2021 and 2022 less a provision transferred from the disposal group to BAL group at the date of sale. At 31 December 2022, the fair value of the estimated consideration receivable was £673,000.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

14 Intangible assets	Goodwill	Internally generated software & computer software	Patents & licences	Acquired customer relationships	Acquired technology	Acquired brand	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 January 2023	12,342	5,784	32	8,794	13,299	1,916	42,167
Additions	-	2,711	-	-	-	-	2,711
Foreign currency adjustments	12	(18)	-	15	45	5	59
At 31 December 2023	12,354	8,477	32	8,809	13,344	1,921	44,937
Amortisation and impairment							
At 1 January 2023	-	409	8	3,613	4,095	681	8,806
Charge for the year	-	1,210	11	1,267	1,835	262	4,585
Foreign currency adjustments	-	(13)	-	3	5	(2)	(7)
At 31 December 2023	-	1,606	19	4,883	5,935	941	13,384
Carrying amount							
At 31 December 2023	12,354	6,871	13	3,926	7,409	980	31,553
At 31 December 2022	12,342	5,375	24	5,181	9,204	1,235	33,361



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Intangible assets

(Continued)

Impairment review

The recoverable amounts for the cash-generating unit ('CGU') were determined based on value-in-use calculations, at a level where there are largely independent cash inflows. It is not possible to determine the fair value less costs of disposal of the CGU as there is no basis for making a reliable estimate of price at which a sale of the CGU would take place between market participants under market conditions and therefore value-in-use is used. In order to calculate value-in-use, management prepares five-year cash flow forecasts, based initially on the latest 2024 and 2025 forecast which is extended for a further 3 years with a terminal value, then applies a pre-tax discount rate to calculate the present value of such cash flows which represents the recoverable amount. An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount.

The Board has considered reasonably possible sensitivities in key assumptions, particularly revenue growth rate, cost growth rate and discount factor, on which the value-in-use (VIU) calculations are based.

The net book amount of intangible assets has been allocated to the single cash-generating unit of Brady Technologies Limited and its subsidiaries.

Principal assumptions

The company has applied the following key assumptions in calculating the value-in-use.

- Pre-tax discount rate 15.4% (2022: 15.4%)
- Customer churn rate 1.0% - 3.5% p.a. depending on product (2022: 2.5% - 5.0% p.a.)
- Revenue growth rate 2.0% - 3.6% p.a. depending on product (2022: 5.0% - 7.0% p.a.)
- Cost growth rate 3.0% p.a. (2022: 5.0% in 2024 and 2.0% 2025-27)
- Growth applied beyond the approved forecast period 5.0% (2022: 5.0%)

The value in use calculations assume that there will be significant growth in our SaaS and Risk business with the overall annual recurring revenue from these businesses as a percentage of the Group's total annual recurring revenue anticipated to double from 2024 to 2028.

Sensitivity analysis

Management ran various sensitivities:

- Increasing customer churn to 5.0% for 2025 -2028.
- Reducing revenue growth rate to 2.0% for 2025 -2028.
- Increasing cost growth rate up to 5.0% for 2025-2028.
- Increasing discount rate to 17.5%.
- Reducing the growth beyond the approved forecast period to 2.0%.

No impairment was indicated in any of these scenarios.

Circa £5.1m of the internally generated software is represented by the Group's investment into the SaaS product, Power Desk which facilitates the trading of renewable energy supplies. In view of the nascent nature of this product, the model supporting the carrying value of the asset assumes a certain expansion of existing customer relationships (as is typical for the customer journey) as well as cross-selling and new customers in the period through to 2028. The total addressable market for the Power Desk has been validated by a specialist external consultant. Management has run a number of sensitivities against the carrying value of this asset including a significantly lower projection of new customers offset by avoided cost (hosting, sales, support) should customer growth materialise at a slower pace. These show that there is no requirement to impair the asset.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Property, plant and equipment

	Leasehold improvements	Fixtures, fittings and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2023	37	79	87	203
Additions	-	29	52	81
Foreign currency adjustments	-	(8)	(7)	(15)
At 31 December 2023	37	100	132	269
Depreciation				
At 1 January 2023	13	64	3	80
Charge for the year	4	16	54	74
Foreign currency adjustments	-	(7)	(5)	(12)
At 31 December 2023	17	73	52	142
Carrying amount				
At 31 December 2023	20	27	80	127
At 31 December 2022	24	15	84	123



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Right of use assets

Amounts recognised in the Consolidated Statement of Financial Position:

	Property £'000	Software £'000	Total £'000
Cost			
At 1 January 2023	1,654	424	2,078
Additions	273	-	273
Disposals	(106)	(424)	(530)
Foreign currency adjustments	(73)	-	(73)
At 31 December 2023	1,748	-	1,748
Depreciation			
At 1 January 2023	547	350	897
Charge for the year	382	73	455
Eliminated on disposal	(107)	(423)	(530)
Foreign currency adjustments	(23)	-	(23)
At 31 December 2023	799	-	799
Carrying amount			
At 31 December 2023	949	-	949
At 31 December 2022	1,107	74	1,181

Property leases are leases for office space in various locations. Software leases relate to various assets.

The total cash outflow for leases in the period was £457,000 (2022: £920,000).

The additions to the right of use property assets in the year relate to a new office lease in Norway and agreements where the rental amounts are subject to inflationary increases.

The disposal of the right of use property assets in the year relate to end of an office lease in Norway. The disposal of the right of use software assets in the year relate to end of the licence period of the software.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Lease liabilities

The undiscounted future cash flows associated with the lease liability at 31 December 2023 were as follows:

	2023 £'000	2022 £'000
Within one year	304	528
In two to five years	814	762
In over five years	-	76
Total undiscounted future cash out flows	<u>1,118</u>	<u>1,366</u>

The maturity analysis of the lease liability is as follows:

	2023 £'000	2022 £'000
Current liabilities - payable within 12 months	261	482
Non-current liabilities - payable after 12 months	746	770
	<u>1,007</u>	<u>1,252</u>

Amounts recognised in the Consolidated Income Statement include the following:

	2023 £'000	2022 £'000
Depreciation charge on right of use assets		
Property	<u>253</u>	<u>552</u>
Amortisation charge relating to right of use assets		
Software	<u>73</u>	<u>168</u>
Included in other operating costs		
Expenses relating to short-term leases	35	28
Expenses relating to low-value leases	6	7
Expenses relating to variable lease payments not included in lease	43	43
	<u>84</u>	<u>78</u>
Included in net finance expense		
Interest on lease liabilities	<u>34</u>	<u>75</u>



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

Subsidiary	Address of registered office	Place of business / country of incorporation	Principal activity	% Held	
				31/12/23	31/12/22
Held directly by Brady Acquisition Limited					
Brady Technologies Limited	Centennium House, 100 Lower Thames Street, London, England, EC3R 6DL	England & Wales	Software & services	100.00	100.00
Brady Technologies (Holding) Limited	Centennium House, 100 Lower Thames Street, London, England, EC3R 6DL	England & Wales	Holding company	100.00	100.00
Brady Energy (Holding) Limited	Centennium House, 100 Lower Thames Street, London, England, EC3R 6DL	England & Wales	Holding company	100.00	100.00
Held indirectly by Brady Acquisition Limited					
Brady Energy Norway AS	Storgata 2A, N-1767 Halden, Norway	Norway	Software & services	100.00	100.00
Brady Credit Limited	Centennium House, 100 Lower Thames Street, London, England, EC3R 6DL	England & Wales	Holding company	100.00	100.00
Brady Energy UK Limited	40 Torphichen Street, Edinburgh, EH3 8JB, Scotland	Scotland	Software & services	100.00	100.00
Brady Credit Trading Limited	Centennium House, 100 Lower Thames Street, London, England, EC3R 6DL	England & Wales	Software & services	100.00	100.00
Crisk ApS	Gammel Køge Landevej 55, 4, Valby, 2500, Denmark	Denmark	Software & services	100.00	100.00
Igloo Trading Solutions Limited	Centennium House, 100 Lower Thames Street, London, England, EC3R 6DL	England & Wales	Software & services	100.00	100.00
Brady Energy AG	Gubelstrasse 11, CH-6300 - Zug Switzerland	Switzerland	In liquidation	100.00	100.00
Energy Credit Software Services Private Limited	No.203, Casa Andree, 8, Andree Road, Shanthinagar, Bangalore, 560027, Kamataka, India	India	Software & services	100.00	100.00
Brady Credit Holding Limited	Centennium House, 100 Lower Thames Street, London, England, EC3R 6DL	England & Wales	Dissolved	-	100.00
Brady USA Inc	700 Louisiana St, Suite 3950, Houston, TX 77002, USA	USA	Dissolved	-	100.00
Brady Credit Inc	700 Louisiana St, Suite 3950, Houston, TX 77002, USA	USA	Dissolved	-	100.00



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Subsidiaries

(Continued)

Nature of ownership interest

Unless otherwise stated, all subsidiaries have equity capital consisting solely of ordinary shares that are wholly owned either directly or indirectly by the Company, and the proportion of ownership interest held equals the voting rights held by the Group.

Reporting dates

All subsidiaries are included in the Group financial statements and prepare local statutory accounts up to 31 December each period except for:

- Energy Credit Software Services Private Limited which prepares accounts up to 31 March as required by company law in India.
- Brady Credit Limited which prepares accounts up to 30 June.

For subsidiaries, which have a different financial period end to the Group, additional co-terminus accounts are prepared reflecting the same financial reporting as the Group for the purposes of consolidation.

In July 2022, Brady Trading Limited and Brady Switzerland SA were sold (see note 13).

In December 2022, Colplan Systems Limited, Coastdata Limited and Commodities Software (UK) Limited were dissolved.

In April 2023, Brady Credit Holding Limited was dissolved.

In December 2023, Brady USA Inc and Brady Credit Inc were dissolved.

In March 2024, Brady Credit Limited and its subsidiary Energy Credit Software Services Private Limited was sold to Brady Acquisition (Holding) Limited, the company's immediate parent undertaking, for consideration of £262,000.

In April 2024, Brady Energy AG was liquidated.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables, gross	3,189	3,601
Loss allowance	(10)	(30)
Trade receivables, net	3,179	3,571
Contract assets (note 5)	171	311
Other taxation receivable	79	337
Amount owed by parent undertaking	-	10,565
Other receivables	489	1,143
Prepayments	405	527
	<u>4,323</u>	<u>16,454</u>

All amounts disclosed are due within one year. The carrying value of trade receivables is considered a reasonable approximation of fair value. Standard credit terms extended to the majority of trade receivables is between 30 and 60 days.

The amount owed by parent undertaking was unsecured, interest-free and was receivable with 15 business days notice and was repaid in 2023, see note 31.

Due to having effective credit control procedures, the Group is not significantly exposed to the risk of bad debt.

The individually impaired receivables mainly relate to customers who are in unexpectedly difficult economic situations. Any impairment is assessed on a customer-by-customer basis following a detailed review of the particular circumstances and these balances are considered to be in default. The trade receivable balances that are not in default share similar credit risk characteristics and are considered to be of sound credit rating. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 21.

20 Cash and cash equivalents

	2023 £'000	2022 £'000
Cash and cash equivalents	<u>2,119</u>	<u>1,978</u>

The carrying amount of cash and cash equivalents approximates to fair value because of the short-term maturity of these instruments.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Financial risk management

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised below. The main types of risks are market risk, credit risk and liquidity risk. The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from its operating activities.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows. The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. The Group's policy is to maintain natural hedges where possible, by matching foreign currency revenue and expenditure. The Group has not entered into forward exchange contracts to mitigate the exposure to foreign currency risk during the year ended 31 December 2023 as the Group's currency transactions were not considered significant enough to warrant this.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date, not denominated in the local functional currency of the company holding the monetary asset or liability, are as follows:

	Assets		Liabilities	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
CAD	148	107	(3)	(2)
CHF	372	248	-	(2)
EUR	753	943	(10)	(15)
GBP	1	8	-	(6)
NOK	-	1	-	-
SEK	17	32	-	-
USD	460	369	(34)	(43)



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Financial risk management

(Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to US dollars, Euros, Swiss francs and Norwegian kroner. The Group seeks to manage cash inflows and outflows in each currency to mitigate currency exposure and exchange risk. The following table details the Group's sensitivity to a 10% increase and decrease in the Sterling exchange rate against the relevant foreign currencies. The sensitivity analysis uses the net asset (or liability) from the above table and includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or equity.

	2023 Income Statement £'000	2023 Equity £'000	2022 Income Statement £'000	2022 Equity £'000
Effect of a 10% weakening in the relevant exchange rate				
CAD	15	(15)	11	11
CHF	37	(37)	25	25
EUR	74	(74)	93	93
SEK	2	(2)	3	3
USD	43	(43)	33	33
Effect of a 10% strengthening in the relevant exchange rate				
CAD	(15)	(15)	(11)	(11)
CHF	(37)	(37)	(25)	(25)
EUR	(74)	(74)	(93)	(93)
SEK	(2)	(2)	(3)	(3)
USD	(43)	(43)	(33)	(33)

Exposures to foreign exchange vary during the period depending on the volume and size of overseas transactions. Nonetheless, the analysis above is considered representative of the Group's exposure to currency risk.

Interest rate sensitivity

The Group does not have bank deposits nor external interest-bearing loans. Consequently the Group believes that fluctuations on the interest rates will not have significant effect on the Group's financial performance.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Financial risk management

(Continued)

Credit risk analysis

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised in this note, which are principally cash and cash equivalents and trade receivables.

Cash and cash equivalents are held at banks with good independent credit ratings in accordance with the Group treasury policy. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that its financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. All receivables are subject to regular review to ensure that they are recoverable and any issues identified as early as possible. In order to manage credit risk the Directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model are trade receivables from contracts with customers and contract assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2023 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified that the GDP and the unemployment rate of the countries in which it sells its goods and services are the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Financial risk management

(Continued)

On that basis, the loss allowance as at 31 December 2023 was determined as follows for both trade receivables and contract assets:

31 December 2023	Current	More than 30 Days	More than 60 Days	More than 90 Days	Total
Expected loss rate	0.2%	0.4%	9.1%	9.3%	0.3%
Gross carrying amount trade receivables GBP	2,901	262	11	16	3,190
Gross carrying amount contract assets GBP	171	-	-	-	171
Loss allowance GBP	(7)	(1)	(1)	(1)	(10)
31 December 2022	Current	More than 30 Days	More than 60 Days	More than 90 Days	Total
Expected loss rate	0.4%	0.9%	6.4%	17.3%	0.8%
Gross carrying amount trade receivables GBP	3,188	329	44	40	3,601
Gross carrying amount contract assets GBP	311	-	-	-	311
Loss allowance GBP	(15)	(4)	(4)	(7)	(30)

The closing loss allowances for trade receivables and contract assets as at 31 December 2023 reconcile to the opening loss allowances as follows:

	2023 £'000	2022 £'000
At start of period	(30)	(287)
Exchange movement	1	(28)
Change in loss allowance recognised in profit or loss during the period	17	(10)
Payment received for previously provided for receivables	2	66
Released on sale of subsidiary	-	229
	<u>(10)</u>	<u>(30)</u>

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Financial risk management

(Continued)

Liquidity analysis

Liquidity risk is the risk arising from the Group not being able to meet its obligations as they fall due. The Group seeks to manage this risk by ensuring sufficient liquidity is available to meet the foreseeable needs and to invest cash assets safely and profitably. The Group manages its liquidity needs by carefully monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to balances in order to determine headroom or any shortfalls.

The undiscounted contract cashflows relating to the Group's financial liabilities are summarised below:

	Current		Non-current	Total
	Within 6 months	Between 6-12 months	Between 1-5 years	
	£'000	£'000	£'000	£'000
At 31 December 2023				
Trade and other payables	3,399	454	-	3,853
	<u>3,399</u>	<u>454</u>	<u>-</u>	<u>3,853</u>
At 31 December 2022				
Trade and other payables	4,482	558	-	5,040
	<u>4,482</u>	<u>558</u>	<u>-</u>	<u>5,040</u>

Financial assets used for managing liquidity risk

Cash flows from trade and other receivables are contractually due within six months. Cash is generally held in accounts with immediate notice. Where surplus cash deposits are identified, these are placed in accounts with access terms of no more than three months.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Financial risk management

(Continued)

Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument, are disclosed in the accounting policies in note 1. The carrying amounts presented in the Consolidated Statement of Financial Position relate to the following categories of financial instrument:

	Notes	2023 £'000	2022 £'000
Financial assets			
<i>Financial assets at amortised cost</i>			
Trade receivables	19	3,179	3,571
Amount owed by group undertaking	19	-	10,565
Contract assets	5	171	311
Corporation tax and other tax receivable		331	494
Cash and cash equivalents	20	2,119	1,978
		<u>5,800</u>	<u>16,919</u>
Financial liabilities			
<i>Liabilities at amortised cost</i>			
Trade payables	22	(583)	(1,764)
Accruals and other payables	22	(3,269)	(3,277)
Corporation and other tax payable		(133)	(185)
Contract liabilities	5	(5,606)	(5,347)
Lease liabilities	17	(1,007)	(1,252)
		<u>(10,598)</u>	<u>(11,825)</u>

22 Trade and other payables

	2023 £'000	2022 £'000
Trade payables	583	1,764
Contract liabilities (note 5)	5,606	5,347
Accruals and other payables	3,269	3,277
	<u>9,458</u>	<u>10,388</u>

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying value of trade payables is considered a reasonable approximation of fair value due to their short-term nature.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

23 Deferred tax assets and liabilities

	2023 £'000	2022 £'000
Deferred tax liabilities	4,714	5,168
Deferred tax assets	(63)	(71)
	<u>4,651</u>	<u>5,097</u>

Deferred tax assets are expected to be recovered after more than one year.

The movement in deferred tax in the consolidated statement of financial position during the year is as follows:

	Development costs capitalised £'000	Intangible assets recognised on acquisition of subsidiaries £'000	Timing differences £'000	Total £'000
Liability at 1 January 2022	887	6,123	-	7,010
Asset at 1 January 2022	-	-	(38)	(38)
Deferred tax movements in prior year				
Charge/(credit) to profit or loss	462	(2,304)	(33)	(1,875)
Liability at 1 January 2023	1,349	3,819	-	5,168
Asset at 1 January 2023	-	-	(71)	(71)
Deferred tax movements in current year				
Charge/(credit) to profit or loss	363	(830)	2	(465)
Exchange differences	-	13	6	19
Liability at 31 December 2023	1,712	3,002	-	4,714
Asset at 31 December 2023	-	-	(63)	(63)



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Provisions for liabilities

	2023 £'000	2022 £'000
Spare space	174	435
Taxation	387	1,243
Contractual dispute	603	606
Contingent consideration	-	1,200
Others	94	831
	<u>1,258</u>	<u>4,315</u>
Current liabilities	1,022	2,969
Non-current liabilities	236	1,346
	<u>1,258</u>	<u>4,315</u>

Movements on provisions:

	Spare space £'000	Contractual Taxation £'000	dispute £'000	Contingent consideration £'000	Others £'000	Total £'000
At 1 January 2023	435	1,243	606	1,200	831	4,315
Unused provision released	-	(789)	-	-	(670)	(1,459)
Amounts used during the year	(261)	(67)	(3)	(1,200)	(67)	(1,598)
At 31 December 2023	<u>174</u>	<u>387</u>	<u>603</u>	<u>-</u>	<u>94</u>	<u>1,258</u>

Spare space

The Group has a number of leases for properties which are not fully occupied and has established a provision after assessing the level of spare capacity. The provision is expected to be utilised over the period of the respective lease terms of between one and five years. In the year to 31 December 2023, £261,000 (2022: £375,000) of the provision was used. £121,000 was charged to other operating expenses (2022: £168,000), £128,000 was charged to depreciation (2022: £184,000) and £13,000 was charged to finance costs (2022: £23,000).

In 2022, on disposal of the Commodities business, £724,000 of the provision was released as it related to spare capacity in the offices occupied by the Commodities business.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Provisions for liabilities

(Continued)

Taxation

The Group has created a provision for various potential UK and overseas taxation exposures in relation to transfer pricing arrangements, historical payroll engagements and other general taxation exposures.

The provision is expected to be utilised over six years or as assessments arise. In the year to 31 December 2023, £67,000 (2022: £63,000) of the provision was utilised and charged to operating expenses (£26,000, 2022: £nil), and taxation (£41,000, 2022: £63,000). In addition, £789,000 of unused provision was released and charged to non-recurring items (2022: £96,000 released and charged to taxation).

In 2022, on disposal of the Commodities business, £25,000 of the provision was released as it related to tax provisions relating to the Commodities business.

Contractual dispute

The Group is involved in certain contractual disputes. After taking appropriate legal advice, the Group has established provisions after taking into account the facts of each case at the balance sheet date. The provision is expected to be utilised over the next 12 months. In the year to 31 December 2023, £3,000 (2022: £nil) of the provision was used and charged to operating expenses.

Contingent consideration

Contingent consideration related to the acquisition of Igloo Trading Solutions Limited in 2021 and was dependent on annual recurring revenues reaching a determined amount. The provision has been used during the year as the contingent consideration was paid. In 2022, £588,000 was released from the provision and recognised as a credit in non-recurring items, reflecting the change in that period in management's best estimate of the contingent consideration payable.

Others

The Group has provisions for various other potential exposures including the cost to restructure the legal entities of the Group and property dilapidation costs. In 2022, there were also provisions relating to the potential liabilities arising from the assessment of permanent establishments in overseas territories, warranties from a disposal of a group subsidiary, compliance fines in overseas territories and the cost to assess the ownership of all intellectual property across the business.

The provisions are expected to be utilised over the coming 12 months to two years. In the year to 31 December 2023, £67,000 (2022: £9,000) of the provision was used and £670,000 (2022: £42,000) unused provision was released, with amounts being credited to non-recurring items.

In 2022, the provision decreased by £39,000 as a result of the disposal of the Commodities business.

25 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	726	678

The total expense recognised in profit or loss for the Group relating to employer contributions to defined contribution pension arrangements is detailed above. At 31 December 2023, there were outstanding unpaid contributions of £64,000 (2022 - £53,000) included in other payables. These amounts were paid after the end of the period.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 Share capital

	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
<i>Issued and fully paid</i>				
Ordinary shares of £1 each	35,946,770	42,468,953	35,947	42,469
Ordinary A shares of £1 each	1,491	1,806	1	2
	<u>35,948,261</u>	<u>42,470,759</u>	<u>35,948</u>	<u>42,471</u>

The Company has two classes of ordinary shares which carry no right to fixed income. The share capital of Brady Acquisition Limited consists of fully paid ordinary shares and ordinary A shares with a nominal value of £1.00 per share. These shares carry the following voting rights:

- ordinary shares are entitled to one vote each and carry the right to participate in distributions in regards to dividends; and
- ordinary A shares are not entitled to vote and have no rights to dividends.

Reconciliation of movements during the year:

	Ordinary shares	Ordinary A shares
	Number	Number
At 1 January 2023	42,468,953	1,806
Issue of fully paid shares	2,827,817	700
Cancellation of shares	(9,350,000)	(1,015)
At 31 December 2023	<u>35,946,770</u>	<u>1,491</u>



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

26 Share capital

(Continued)

Share issues:

Date	Type of shares	No. of shares	Nominal value	Purchase price
28/04/2023	Ordinary A	700	£1.00	£1.00
20/07/2023	Ordinary	550,000	£1.00	£1.00
19/09/2023	Ordinary	500,000	£1.00	£1.00
30/11/2023	Ordinary	1,277,817	£1.00	£1.00
19/12/2023	Ordinary	500,000	£1.00	£1.00

Share cancellations:

Date	Type of shares	No. of shares	Nominal value
05/01/2023	Ordinary A	175	£1.00
21/04/2023	Ordinary A	210	£1.00
05/06/2023	Ordinary	9,350,000	£1.00
08/06/2023	Ordinary A	630	£1.00

Following a special resolution on 5 June 2023, the issued ordinary share capital of the company was reduced by cancelling and extinguishing 9,350,000 of the issued ordinary shares of £1 each in the Company, each of which was fully paid up. The amount by which the share capital was reduced was repaid to the holder of those shares in proportion to the number of their shares cancelled.

27 Foreign exchange reserve

	2023 £'000	2022 £'000
At the beginning of the year	807	911
Exchange differences on retranslation of foreign operations	(370)	435
Translation loss reclassified to profit or loss	-	(539)
At the end of the year	<u>437</u>	<u>807</u>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency of Sterling, are recognised directly in other comprehensive income and accumulated in the foreign exchange reserve. On disposal of a foreign operation, the cumulative amount is recycled to the consolidated income statement from other comprehensive income.

28 Contingent liabilities

The Group had no contingent liabilities at 31 December 2023. The Group has an uncertain tax position, see notes 3 and 11.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

29 Capital commitments

The Group had no capital expenditure contracted for but not provided in the financial statements at 31 December 2023 or 31 December 2022.

30 Events occurring after the reporting date

No adjusting events occurred between 31 December 2023 reporting date and the date of authorisation.

The following non-adjusting events occurred between 31 December 2023 reporting date and the date of authorisation:

Share capital changes

In March 2024, the Company issued at par 1,000,000 new ordinary shares.

In May 2024, the Company issued at par 1,000,000 new ordinary shares.

Group changes

In March 2024, the group disposed of two subsidiary companies, Brady Credit Ltd and Energy Credit Software Services Pte Ltd, to Brady Acquisition (Holding) Limited, the immediate parent of Brady Acquisition Limited.

In April 2024, Brady Energy AG, a subsidiary company, was liquidated.

31 Related party transactions

Compensation of key management personnel and Directors is disclosed in note 9.

During the year, the Group was invoiced for £nil (2022: £580,000) of professional services from Hanover Operating Management LLP, a company affiliated with Hanover Investors Management LLP, who is the advisor to the investment manager of the funds which ultimately own 100% of the share capital of Brady Acquisition Limited. A credit of £21,000 (2022: £603,000 expense) is included within operating costs. There are no amounts in the balance sheet at 31 December 2023 (31 December 2022: £21,000 in accruals).

During the year, the Group was invoiced for £nil (2022: £127,000) in board fees and expenses from Hanover Investors Management LLP, who is the advisor to the investment manager of the funds which ultimately own 100% of the share capital of Brady Acquisition Limited. An expense of £nil is included within operating costs (2022: £227,000). There are no amounts in the balance sheet at 31 December 2023 nor 31 December 2022.

During the year, the Group was invoiced for £319,000 (2022: £592,000) in professional services, board fees and expenses from Brady Acquisition (Holding) Limited, the 100% shareholder of Brady Acquisition Limited. An expense of £296,000 is included within operating costs (2022: £619,000). In respect of these services, there is £4,000 included in accruals and £nil in trade payables in the balance sheet at 31 December 2023 (£27,000 is included in accruals and £293,000 in trade payables at 31 December 2022).

In 2022, the Group agreed to provide a loan facility of up to £11,825,000 to Brady Acquisition (Holding) Limited. The loan is unsecured, interest-free and is repayable by Brady Acquisition (Holding) Limited with 15 days notice. The Group provided loans of £150,000 in July 2022 and £10,415,000 in September 2022 to Brady Acquisition (Holding) Limited. Brady Acquisition (Holding) Limited repaid £1,215,000 in February 2023 and £9,350,000 in June 2023 to the Group. The balance at 31 December 2023 was £nil (31 December 2022: £10,565,000 and is presented in current assets).

In 2022, the Group employed J Carley, the son of a non-Executive director of Brady Acquisition Limited, in a paid intern role. An expense of £4,000 is included within operating costs and there were no amounts in the balance sheet at 31 December 2022. There were no transactions in 2023.



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BRADY ACQUISITION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

32 Controlling party

At 31 December 2023, Brady Acquisition (Holding) Limited, a company incorporated in England and Wales, and a wholly owned subsidiary of Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, is the immediate and ultimate parent undertaking. The ultimate controlling party is Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, a fund registered in Luxembourg.



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BRADY ACQUISITION LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Non-current assets					
Investments	35		15,006		15,006
Current assets					
Trade and other receivables	36	22,163		28,203	
Cash and cash equivalents		-		176	
		<u>22,163</u>		<u>28,379</u>	
Current liabilities	38	(1)		(1)	
Net current assets			<u>22,162</u>		<u>28,378</u>
Total assets less current liabilities			<u>37,168</u>		<u>43,384</u>
Equity attributable to the owners of the parent company					
Share capital	39		35,948		42,471
Retained earnings			1,220		913
Total equity			<u>37,168</u>		<u>43,384</u>

The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a comprehensive income statement for the Company alone. The Company's profit for the year was £307,000 (2022: £359,000).

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 28-06-2024 and are signed on its behalf by:


.....
Jeremy Westhead
Director

Company registration number 12248237 (England and Wales)



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BRADY ACQUISITION LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2022		40,471	554	41,025
Year ended 31 December 2022:				
Profit and total comprehensive income		-	359	359
Issue of share capital	39	2,000	-	2,000
Balance at 31 December 2022		42,471	913	43,384
Year ended 31 December 2023:				
Profit and total comprehensive income		-	307	307
Issue of share capital	39	2,828	-	2,828
Cancellation of shares	39	(9,351)	-	(9,351)
Balance at 31 December 2023		35,948	1,220	37,168



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BRADY ACQUISITION LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

33 Accounting policies

Company information

Brady Acquisition Limited is a private company limited by shares incorporated in England and Wales. The registered office is 25 Savile Row, London, W1S 2ER. The company's principal activities and nature of its operations are disclosed in the directors' report.

33.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements as issued by the Financial Reporting Council (FRC). The financial statements have therefore been prepared in accordance with FRS 101 Reduced Disclosure Framework.

In preparing these financial statements the Company has taken advantage of the disclosure exemptions conferred by FRS 101 as follows:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110, paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89 and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets.
- the requirement of paragraphs 10(d), 10(f), 16, 38(a)-(d), 40(a)-(d), 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18(a) of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.



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BRADY ACQUISITION LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

33 Accounting policies

(Continued)

33.2 Summary of significant accounting policies

The accounting policies adopted by the Company are consistent with those adopted by the Group and are presented in note 1 to the consolidated financial statements, except for the following:

Investments

Investment in the subsidiary of held at cost less accumulated impairment losses. An assessment for impairment is undertaken at least each reporting date and, if required, an impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

Amounts owed by subsidiaries

The company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. the impairment methodology applied depends on whether there has been a significant increase in credit risk. For amounts owed by subsidiaries, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

34 Employee information

The average monthly number of people, including Directors, employed by the Company during the year was nil (2022: nil). No employee benefits were incurred during the year (2022: nil).

35 Investments

	Non-current	
	2023	2022
	£	£
Investments in subsidiaries	15,006	15,006

Movements in non-current investments

	Shares in subsidiaries £'000
Cost or valuation	
At 1 January 2023 & 31 December 2023	15,006
Carrying amount	
At 31 December 2023	15,006
At 31 December 2022	15,006

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 18.



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BRADY ACQUISITION LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

35 Investments

(Continued)

Impairment review

The Directors have undertaken an impairment review by comparing value in use to the carrying value of the related investment. In order to calculate value-in-use, management prepares five-year cash flow forecasts, based initially on the latest 2024 and 2025 forecast which is extended for a further 3 years with a terminal value, then applies a pre-tax discount rate to calculate the present value of such cash flows which represents the recoverable amount. An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount.

No impairment of the investment was indicated as the value in use exceeds the carrying value of the investment.

36 Trade and other receivables

	2023	2022
	£	£
Amount owed by parent undertaking	-	10,565
Amounts owed by subsidiary undertakings	22,163	17,638
	<u>22,163</u>	<u>28,203</u>

Details about the Company's impairment policies and the calculation methodology of the loss allowance are provided in note 21 of the consolidated financial statements.

The amounts owed by subsidiary undertakings are contractually repayable to the Company between on demand up to a maximum of 15 business days notice and are expected to be settled after 12 months from the reporting date.

Included within amounts owed by subsidiary undertakings is an interest-bearing loan of £10.9 million (2022: £8.0 million). Interest accrues at 2.5% above the Bank of England rate per annum.

The amount owed by parent undertaking was unsecured, interest-free and was repayable to the Company with 15 business days notice and was repaid in 2023, see note 31.

37 Cash and cash equivalents

	2023	2022
	£'000	£'000
Cash and cash equivalents	-	176
	<u>-</u>	<u>176</u>

The carrying amount of cash and cash equivalents approximates to fair value because of the short-term maturity of these instruments.



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BRADY ACQUISITION LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

38 Liabilities

	2023	2022
	£	£
Trade and other payables	1	1

39 Share capital

A description of the movements in share capital in the year is given at note 26 of the consolidated financial statements.

40 Dividends

No dividends were paid or proposed in respect of the year ended 31 December 2023 (2022: £nil).

41 Related party transactions

Brady Acquisition Limited has a related party relationship with its subsidiaries, its key management personnel and its Directors. The remuneration of Directors is disclosed in note 34 to the Company financial statements. The remuneration of key management personnel, who are the same as the Group key management personnel, is disclosed in note 9 to the consolidated financial statements.

Balances between Brady Acquisition Limited and its subsidiary companies are as follows:

	Note	2023	2022
		£'000	£'000
Brady Acquisition (Holding) Limited		-	10,565
Brady Technologies Limited		11,354	8,107
Brady Technologies (Holding) Limited		3,031	3,031
Brady Energy (Holding) Limited		7,778	6,500
	36	22,163	28,203

42 Controlling party

At 31 December 2023, Brady Acquisition (Holding) Limited, a company incorporated in England and Wales, and a wholly owned subsidiary of Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, is the immediate and ultimate parent undertaking. The ultimate controlling party is Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, a fund registered in Luxembourg.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Brady Energy Norway AS

Qualified opinion

We have audited the financial statements of Brady Energy Norway AS (the Company) which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effect of the matter described in the paragraph *Basis for qualified opinion*, the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for qualified opinion

The company does not agree with the decision after a tax review and has sent an appeal to the Norwegian Tax Authorities, as described in note 11. The effects of the tax review will potentially be a gain on sales of intellectual property and corresponding increase on receivables and equity. We have not been able to obtain sufficient audit evidence to conclude on the matters related to the tax review.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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 qualified opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.



Responsibilities of management for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit



Bergen, 5 July 2024

ERNST & YOUNG AS

The auditor's report is signed electronically

Truls Nesslin
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 4MIZL-U8XO1-5AAH-15HUH-PSBY-XQMBI



PENNEO

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"By my signature I confirm all dates and content in this document."

Nesslin, Truls

Statsautorisert revisor

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