

Registered number: B255487

**LEARND SE**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2023**

## LEARND SE

### COMPANY INFORMATION

<b>Directors</b>	S J Wood J Clifford J L Rudder (appointed 1 February 2023)
<b>Registered number</b>	B255487
<b>Registered office</b>	5, Heienhaff L-1736 Senningerberg Grand Duchy of Luxembourg
<b>Independent auditors</b>	Mazars Luxembourg S.A., 5, Rue Guillaume J. Kroll, L-1882 Luxembourg

**LEARND SE**  
**REGISTERED NUMBER: B255487**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION AS AT 30 JUNE 2023**

**CONTENTS**

	<b>Page</b>
<b>Unaudited interim condensed consolidated statement of comprehensive income</b>	<b>1</b>
<b>Unaudited interim condensed consolidated statement of financial position</b>	<b>2</b>
<b>Unaudited interim condensed consolidated statement of changes in equity</b>	<b>3</b>
<b>Unaudited interim condensed consolidated statement of cash flows</b>	<b>4</b>
<b>Notes to the unaudited interim condensed consolidated financial statements</b>	<b>5 - 32</b>

**Unaudited Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

		<b>Unaudited 6 months to 30 June 2023 £</b>	<b>Unaudited 6 months to 30 June 2022 £</b>
	<b>Notes</b>		
Revenue		14,155,790	15,556,683
Cost of sales		(8,901,358)	(9,244,999)
<b>Gross profit</b>		<b>5,254,432</b>	<b>6,311,684</b>
Administrative expenses		(53,664,347)	(5,162,838)
<b>Operating (loss) / profit</b>		<b>(48,409,915)</b>	<b>1,148,846</b>
Fair value gain on warrants	<b>11</b>	4,447,692	-
Investment income		38,396	-
Finance expense		(321,143)	(192,739)
<b>(Loss) / Profit before tax</b>		<b>(44,244,969)</b>	<b>956,107</b>
Income tax		90,000	90,000
<b>(Loss) / Profit for the period</b>		<b>(44,154,969)</b>	<b>1,046,107</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		446,357	-
<b>Total comprehensive (loss)/profit for the period</b>		<b>(43,708,613)</b>	<b>1,046,107</b>
Basic earnings per share	<b>12</b>	3.97	0.14
Diluted earnings per share - diluted	<b>12</b>	3.97	0.13

All amounts above are from continuing operations.

The notes on pages 5 to 32 form part of this interim financial information.

## Unaudited Interim Condensed Consolidated Statement of Financial Position

		Unaudited 30 June 2023 £	Audited 31 December 2022 £
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5	9,995,529	6,365,603
Property, plant and equipment	6	236,264	249,763
Right of use assets	7	2,123,828	1,991,145
<b>Total non-current assets</b>		<b>12,355,621</b>	<b>8,606,511</b>
<b>Current assets</b>			
Inventories		662,898	852,336
Trade and other receivables	8	8,426,590	6,779,415
Cash and cash equivalents		1,424,455	1,679,138
<b>Total current assets</b>		<b>10,513,943</b>	<b>9,310,889</b>
<b>Total assets</b>		<b>22,869,564</b>	<b>17,917,400</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders</b>			
Share capital	9	394,888	95
Share premium	9	(23,213,733)	
Share based payments reserve	9	50,255,506	98,061
Foreign currency translation reserve	9	446,357	
Retained earnings	9	(42,285,622)	1,869,349
<b>Total equity</b>		<b>(14,402,604)</b>	<b>1,967,505</b>
<b>Non-current liabilities</b>			
Lease liabilities	7	1,579,802	1,481,193
Class A warrants	11	7,209,552	
Class B warrants	11	9,506,345	
Other loans	13	4,546,963	2,708,469
Provisions	14	11,276	11,276
<b>Total non-current liabilities</b>		<b>22,853,938</b>	<b>4,200,938</b>
<b>Current liabilities</b>			
Lease liabilities	7	599,899	553,502
Trade and other payables	15	9,909,436	7,470,658
Short term borrowings	16	3,908,894	3,724,797
<b>Total current liabilities</b>		<b>14,418,229</b>	<b>11,748,957</b>
<b>Total liabilities</b>		<b>37,272,168</b>	<b>15,949,895</b>
<b>Total equity and liabilities</b>		<b>22,869,564</b>	<b>17,917,400</b>

The financial information was approved and authorised for issue by the board and were signed on its behalf on 29 September 2023



**J Clifford**  
Director

The notes on pages 5 to 32 form part of this interim financial information.

## Unaudited Interim Condensed Consolidated Statements of Changes in Equity

	Share capital	Share premium	Share based payment reserve	Retained earnings	Foreign currency translation reserve	Total equity
	£	£	£	£	£	£
<b>Balance at 31 December 2022</b>	<b>95</b>	<b>-</b>	<b>98,061</b>	<b>1,869,349</b>	<b>-</b>	<b>1,967,504</b>
Profit for the period				(44,154,969)		(44,154,969)
Other comprehensive income for the period					446,357	446,357
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,154,969</b>	<b>446,357</b>	<b>(43,708,612)</b>
Equity-settled share-based payment			2,086,969	-		2,086,969
Share capital restructuring	244,919	(244,919)				-
Reverse acquisition of GFJ Acquisition	135,345	(25,506,772)	48,070,476			22,698,049
Sale of treasury shares	15,529	2,537,958				2,553,487
<b>Total transactions with the owners</b>	<b>394,793</b>	<b>(23,213,733)</b>	<b>50,157,445</b>	<b>-</b>	<b>-</b>	<b>27,338,505</b>
<b>Balance at 30 June 2023</b>	<b>394,888</b>	<b>(23,213,733)</b>	<b>50,255,506</b>	<b>(42,285,622)</b>	<b>446,357</b>	<b>(14,402,604)</b>
<b>Balance at 31 December 2021</b>	<b>95</b>	<b>-</b>	<b>56,207</b>	<b>1,873,170</b>	<b>-</b>	<b>1,929,472</b>
Profit for the period				1,046,107		1,046,107
Other comprehensive income for the period				-		-
<b>Total comprehensive income</b>				<b>1,046,107</b>		<b>1,046,107</b>
Share based payments			18,927			18,927
<b>Total transactions with the owners</b>	<b>-</b>	<b>-</b>	<b>18,927</b>	<b>1,046,107</b>	<b>-</b>	<b>1,065,034</b>
<b>Balance at 30 June 2022</b>	<b>95</b>	<b>-</b>	<b>75,134</b>	<b>2,919,277</b>	<b>-</b>	<b>2,994,506</b>

The notes on pages 5 to 32 form part of this interim financial information.

## Unaudited Interim Condensed Consolidated Statement of Cash Flows

		6 months to 30 June 2023 £	6 months to 30 June 2022 £
	Notes		
<b>(Loss) / Profit before tax</b>		<b>(44,244,969)</b>	<b>956,107</b>
<b>Adjustments for:</b>			
Depreciation and Amortization	5/6	524,109	441,464
Finance expenses		2,451	
Share based payment charge	10	86,969	18,927
Non-cash share listing expense	3	48,070,476	-
Fair value gains on warrants	11	(4,447,692)	
<b>Change in operating assets and liabilities:</b>			
(Increase)/decrease in debtors		(1,371,984)	(1,587,362)
(Increase)/decrease in inventories		189,438	(119,566)
(Decrease)/increase in creditors		(3,176,580)	1,072,453
<b>Cash flows from operating activities:</b>			
<b>Cash generated from operating activities</b>		<b>(4,367,782)</b>	<b>782,023</b>
Interest paid		313,307	192,739
Income tax received		74,093	81,272
<b>Net cash generated from operating activities</b>		<b>(3,980,382)</b>	<b>1,056,035</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(176,475)	(87,198)
Purchase of property, plant and equipment		(69,711)	(105,598)
Acquisition of subsidiaries, net of cash acquired	3	(745,664)	-
Capitalised expenditure for research and development		(514,519)	(249,467)
<b>Net cash used in investing activities</b>		<b>(1,506,369)</b>	<b>(442,263)</b>
<b>Cash flows from financing activities</b>			
Loans repaid		(201,084)	(328,730)
Interest paid		(164,462)	(61,637)
Increase in discounting facility		-	(390,433)
Lease payments	7	(408,845)	(269,584)
Proceeds from issuance of class A shares	9	2,626,590	
Proceeds from shareholder loan		700,424	
<b>Net cash used in financing activities</b>		<b>2,552,623</b>	<b>(1,050,384)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,934,128)</b>	<b>(436,612)</b>
Effects of exchange rate changes on cash and cash equivalents		(2,330)	
Restricted cash (cash in escrow)		926,165	
Cash and cash equivalents at start of period		3,434,748	1,424,632
<b>Cash and cash equivalents at end of period</b>		<b>1,424,455</b>	<b>988,020</b>

The notes on pages 5 to 32 form part of this interim financial information.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023****1. General information**

The learnd Group (hereinafter also referred to as “learnd” or the “Group”), comprises the parent entity learnd SE, Luxembourg, Luxembourg (the “Company”), and its direct and indirect subsidiaries. The Company is registered with the Luxembourg Trade and Companies Register under number B255487. Its registered office is at 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg.

The principal activities of learnd Group include the design, installation, service and maintenance of Building Management Systems (“BMS”) and Building Energy Management Systems, and the provision of associated bureau services.

learnd SE was originally known as GFJ ESG Acquisition I SE (“GFJ Acquisition”) a special purpose acquisition company (SPAC), established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. Since 19 October 2021, the Company has been listed on the regulated market of the Frankfurt Stock Exchange (General Standard) in Germany.

On 27 October 2022, GFJ Acquisition and learnd Limited (“learnd Ltd”) entered into a business combination agreement (as amended on 9 December 2022) whereby GFJ Acquisition became the legal parent of learnd Ltd and its subsidiaries by way of contribution of all shares in learnd Ltd into GFJ Acquisition in exchange for the issuance of new public shares (the “Business Combination” or “Transaction”). On 18 January 2023, the Business Combination was consummated and GFJ Acquisition changed its name to learnd SE. learnd Ltd was deemed as the accounting acquirer and the predecessor entity in the subsequent filings of the combined company. Therefore, the comparable consolidated financial statements represent the consolidated financial statements of learnd Ltd for all periods prior to 18 January 2023. For further details, see note 3.2 – De-SPAC Transaction.

**2. Summary of significant accounting policies****2.1 Basis of preparation of the financial statements**

The Unaudited Interim Condensed Consolidated Financial Statements are for the six months period ended 30 June 2023 and is presented in GBP, which is the functional currency of the Group. They have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.22.

The unaudited interim condensed consolidated financial statements are presented in GBP, which is the functional currency of Learnd Limited.

**2.2 Basis of consolidation**

The Group’s financial statements consolidate those of the Company and all of its subsidiaries as of 30 June 2023. All subsidiaries have a reporting date of 30 June 2023.

The unaudited interim condensed consolidated financial statements include the balances and results of the Company and its wholly owned subsidiaries. Subsidiaries are entities directly or indirectly controlled by the Company. The Company controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases.

All transactions and balances between Group companies are eliminated on consolidation and there



**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

are no unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

**Scope of Consolidation**

Besides the Company, the following subsidiaries are included in the scope of consolidation as of 30 June 2023:

<b>Name</b>	<b>Principal place of business, Country</b>	<b>Sum of the direct and indirect shares as of 30 June 2023</b>
GFJ Advisors I GmbH & Co. KG <sup>(1)</sup>	Essen, Germany	100%
GFJ Advisors I GmbH	Essen, Germany	100%
learn d Limited	London, United Kingdom	100%
learn d UK Limited <sup>(2)</sup>	Manchester, United Kingdom	100%
learn d labs Limited <sup>(2)</sup>	Manchester, United Kingdom	100%
Enterprise Solutions Holdings Limited <sup>(2)(3)</sup>	Manchester, United Kingdom	100%
Aimteq Energy Management Limited <sup>(2)(3)</sup>	Manchester, United Kingdom	100%
WEMS Energy Centre Limited <sup>(2)</sup>	Manchester, United Kingdom	100%
Comfort Controls (Group) Limited <sup>(2)(3)</sup>	Hertfordshire, United Kingdom	100%
Comfort Controls Limited <sup>(2)(3)</sup>	Hertfordshire, United Kingdom	100%
Comfort Controls (Midlands) Limited <sup>(2)(3)</sup>	Hertfordshire, United Kingdom	100%
Comfort Controls (Services) Limited <sup>(2)(3)</sup>	Hertfordshire, United Kingdom	100%
Complete Energy Controls Ltd. <sup>(2)</sup>	Bellshill, United Kingdom	100%

(1) GFJ Advisors I GmbH is the general partner of GFJ ESG Advisors I GmbH & Co. KG, while learn d SE is the limited partner of GFJ ESG Advisors I GmbH & Co. KG. GFJ ESG Advisors I GmbH & Co. KG and GFJ Advisors I GmbH together are called the “SE entities”.

(2) Indirectly through learn d Limited

(3) the assets, liabilities and operations of Aimteq Energy Management Ltd, Comfort Controls (Group) Limited, Comfort Controls Limited, Comfort Controls (Midlands) Limited, Comfort Controls (Services) Limited, and Enterprise Solutions Holdings Limited were transferred into learn d UK limited as at 31 December 2022.

Please refer to note 3 – Business Combination for additions to the scope of consolidation during the year 2023.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023****2.3 Going concern**

The Group headed by learnd SE forms an operating model with a central treasury function, and it is as a result of this that the Directors consider that the going concern basis can be applied.

The Directors have reviewed the Group's business activities together with the future developments, performance and position of the Group. This going concern assessment has given consideration to the Group's available cashflow, business model, strategy, principal risks and recent financial outlook. It has considered a range of future scenarios and the forecasts prepared contain certain assumptions about future sales and margins as well as timings of cash flows, and performance. The Directors going concern assessment is also based on the support of the current majority shareholder, AFT Tech Ventures, by way of not calling upon the payment of the loan (see note 17) in the going concern period being at least 12 months from the date of signing this learnd SE Unaudited Interim Financial Information Report unless learnd are able to and still meet other obligations as they fall due. The Directors have reviewed in detail and are confident that the Group is expected to be able to operate within their current funding levels in the range of future scenarios considered.

AFT Tech Ventures has confirmed that they will not seek repayment of their loan for the foreseeable future, unless the learnd Group is confident that it is in a comfortable position to repay such debt without affecting the Group's ability to be able to meet its liabilities as they fall due. AFT Tech Ventures confirmed to offer this repayment deferral for the foreseeable future being at least 12 months from the date of these financial statements.

The Directors have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

**2.4 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors which makes the Group's strategic decisions. See note 4 for segmental information.

**2.5 Revenue****Overview**

Revenue arises mainly from the design, installation and maintenance services for building management systems.

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 performance obligation(s) are satisfied.

The Group often enters into customer contracts to supply a bundle of products and services, for example BMS hardware, software and commissioning. The contract is then assessed to determine whether it contains a single combined performance obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

The transaction price is determined by the agreed value of the contract. No variable consideration is applicable to contracts. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

When a contract asset is recognised for contract costs, it is amortised on a systematic basis as the goods or services to which the assets relate are transferred to the customer. The asset is assessed for indications of impairment and impairment tests are carried out if there are such indicators, to bring the contract asset down to recoverable amount.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in its consolidated statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Group has elected to apply the practical expedient whereby the promised amount of consideration need not be adjusted for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

**Bespoke solutions**

The Group also supplies customers with bespoke BMS solutions that include customised hardware and software and an installation service that enables the solution to interface with the customer's existing systems. The Group has determined that the hardware, software and installation service are each capable of being distinct as, in theory, the customer could benefit from them individually by acquiring the other elements elsewhere. However, the Group also provides a significant service of integrating these items to deliver a working solution such that, in the context of the actual contract, there is a single performance obligation to provide that solution.

The Group has assessed that control of these solutions transfers to the customer over time. This is because each solution is unique to the customer (has no alternative use) and the terms of the contract state the Group is entitled to a right to payment for the work completed to date. Revenue for these performance obligations is recognised as the customisation or integration work is performed, using the cost-to-cost method to estimate progress towards completion. Costs that are generally incurred are considered to be proportionate to the entity's performance, so the cost-to-cost method provides a faithful depiction of the transfer of goods and services to the customer. The cost of uninstalled materials is excluded from the calculation because the Group assesses that including these costs could overstate its progress towards delivering the solution.

**Construction of BMS systems**

The Group enters into contracts for the design, development and installation of BMS systems. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation. The Group recognises the related revenue over time because the systems are constructed at the customer sites and the customer controls the asset as it is constructed. When a contract also includes promises to perform after-sales services, these services represent a second performance obligation that is also satisfied over time (for the same reasons as the Group's maintenance contracts) but over a different period. The total transaction price is allocated between the two distinct performance obligations based on relative stand-alone selling prices.

To depict the Group's progress in satisfying these performance obligations, and to establish when and to what extent revenue can be recognised, the Group measures its progress by comparing actual costs including the cost of hours spent to date with the total estimated costs including the cost of hours required to design, develop, and install each system. The cost-to-cost basis provides the most faithful depiction of the transfer of goods and services to each customer due to the Group's ability to make reliable estimates of the total costs including the number of hours required to perform,

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

arising from its significant historical experience constructing similar systems. In the early stage of some of these contracts the Group is unable to make a reliable estimate of the outcome of the project but still expects to recover its costs. The Group then recognises revenue equal to the costs incurred until it can make a reliable estimate.

**Contract services**

The Group provides a BMS monitoring service where the customers BMS system is monitored, maintained and controlled remotely by a team at Learnd. Customers enter a contract for the service of between one and five years. Revenue is recognised on a straight-line basis across the terms of the contract.

**Remedial services**

The Group offers remedial works to customers as required, revenue is recognised on completion.

**Lift installation, maintenance and remedials**

The Group offers lift installation, maintenance and remedials. Revenue is recognised to the extent that it is probable the economic benefits will flow to the Group and the revenue can be reliably measured.

**2.6 Foreign currency translation****Functional and presentation currency**

The unaudited interim condensed consolidated financial statements are presented in GBP, which the functional currency of Learnd Limited and its subsidiaries. Learnd SE and the SE entities have Euro as their functional currency.

**Translation of foreign operations**

Assets and liabilities of Learnd SE are translated into GBP at the rate of exchange prevailing at the reporting date. The unaudited interim condensed consolidated financial statements of comprehensive income is translated at average exchange rates. The currency translation differences are recognized and presented in the Statement of Comprehensive Income within "other comprehensive income".

The Group used the following exchange rates to convert the consolidated financial statements of Learnd SE and the SE entities into GBP:

Spot rate of 0.85828 as at 30 June, 2023 is used to translate the balance sheet of Learnd SE.

Spot rate of 0.87530 as at 18 January, 2023 is used to translate the balance sheet of Learnd SE on the date of the merger with Learnd Limited.

Average rate of 0.87553 for the period 19 January, 2023 – 30 June, 2023, is used to translate the expenses incurred by Learnd SE in the corresponding period.

**Foreign Currency Transactions**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Statement of Comprehensive Income within "administrative expenses".

**2.7 Employee benefits**

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.8 Interest receivable**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.9 Interest payable**

Finance costs are charged to the unaudited interim condensed consolidated financial statement of profit and loss and other comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Government grants**

Government grants and other assistance are accounted for under IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. A Government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be or has been received. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Assistance in the form of bank loans backed by Government support that may be forgiven if certain conditions are met are initially recorded as loans. When the conditions for forgiveness are met, or there is reasonable assurance that the condition will be met, the grant is credited to the profit and loss.

**2.11 Share based payments**

The Group headed by Learnd SE provides share-based payment arrangements to certain employees. Equity-settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where share options are awarded to certain employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also considers non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme). Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of profit or loss over the remaining vesting period.

The fair value of the options is spread over the vesting period, with the cumulative fair value credited to the share-based payment reserve.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.12 Income taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period and adjusted if needed.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries. The Group does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

**2.13 Intangible assets**

Intangible assets include customer relationships, development costs and software. Acquired intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or legal rights and its fair value can be measured reliably.

Development expenditure is recognised as an intangible asset only if all of the following conditions are met:

- it is probable that the asset created will generate future economic benefits
- it is technically feasible that the asset can be completed so that it will be available for use or sale and there are sufficient available resources to complete it; and
- the development costs can be measured reliably

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the state of comprehensive income in the period in which it is incurred. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation is charged to profit or loss. Intangible assets with a finite life are amortised on a straight-line basis over their expected useful lives, as follows:

- Development costs: 2-5 years
- Customer relationships: 5 years
- Software: 3 years

**2.14 Business combinations and goodwill**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values. The excess of cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition costs are expensed as incurred.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill represents the future economic benefits arising from the business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 2.18 for a description of impairment testing procedures.

On acquisition, goodwill is allocated to cash-generating units that are expected to benefit from the combination.

**2.15 Property, plant and equipment**

Fixtures and fittings and office equipment are initially recognised at acquisition cost and are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

- Fixtures and fittings: 3 years
- Office equipment: 3-5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023****2.16 Inventories**

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

**2.17 Leases**

The Group makes the use of leasing arrangements principally for the provision of office space, the warehouse and motor vehicles. The rental contracts for offices are typically negotiated for terms of between 2 and 10 years. Lease terms for motor vehicles are 3 or 4 years. Property leases are negotiated on an individual basis and contain a wide variety of different terms and conditions whereas vehicle leases are more standardised.

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

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

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

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

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or if that cannot be determined the Group's incremental borrowing rate. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

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 payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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

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

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market



## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

Were any changes to the lease necessary in response to business needs, the Group will enter into negotiations with landlords to either increase or decrease available space or to renegotiate amounts payable under the respective leases.

If the Group were to increase office capacity and therefore agree with the landlord to pay an amount that is commensurate with the stand-alone pricing adjusted to reflect the particular contract terms, the contractual agreement is treated as a new lease and accounted for accordingly.

In other instances, the Group may negotiate a change to a lease such as reducing the amount of office space taken, reducing the lease term or by reducing the total amount payable under the lease, all of which were not part of the original terms and conditions of the lease. In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date the lease is effectively modified.

The remeasurement of the lease liability corresponds with a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

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

### 2.18 Impairment of non-financial assets

Goodwill has an indefinite useful life and therefore is not subject to amortisation but is tested annually for impairment. Assets that are subject to amortisation or depreciation 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 that the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.19 Financial instruments

#### Financial assets

The Group's financial assets comprise 'trade and other receivables' and 'cash and cash equivalents' in the unaudited interim condensed consolidated statement of financial position.

#### Financial liabilities

The Group classifies its financial liabilities as 'trade and other payables' and 'borrowings' according to the substance of the contractual arrangements entered into.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023****Trade and other receivables**

Trade receivables are amounts due from customers for goods provided and 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 initially recognised at fair value and subsequently held at amortised cost, less provision for impairment. Appropriate allowances for estimate irrecoverable amounts are recognised in profit or loss. The Group has utilised the simplified approach to measuring credit losses, using a lifetime expected loss allowance for all trade receivables and contract assets. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes to the carrying amount of the allowance account are recognised in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents in the unaudited interim condensed consolidated statement of financial position comprise readily accessible cash at bank and in hand. There are no bank accounts which have an original maturity of more than three months or which are subject to significant restrictions over access. Such amounts would not be presented as cash and cash equivalents but instead would be shown separately as short-term investment or other financial assets with appropriate disclosure of the related terms. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Trade and other payables**

Trade and other 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 12 months or less. If not, they are presented as non-current liabilities.

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

**Borrowings**

All borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost; any difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

**2.20 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.21 Provisions, contingent assets and contingent liabilities**

Provisions for product warranties, 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.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

Provisions are measured at the estimated 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. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

### 2.22 Estimates and judgements

When preparing the Interim Financial information, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 year are addressed below.

#### **Recoverable value of debtors**

The Group makes an estimate of the recoverable value of trade and other debtors, in line with IFRS 9 and the ECL model. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, historical experience and expected future recovery.

#### **Revenue recognition on long term contracts**

The Group estimates the percentage of completion at the period end of projects that span the period end based upon the costs incurred or accrued in the period to date, in accordance with IFRS15.

#### **Provisions**

Provisions are made for warranties on installations, and against future costs for certain historic projects were material. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

The Group also estimates the stock provision based on a years' worth of stock supply and net realisable value of the individual stock lines.

#### **Recoverable value of goodwill**

The Group makes an estimate of the recoverable value of the goodwill arising from the acquisition of subsidiaries. When assessing the recoverable value of goodwill, management considers past performance, forecasted performance and the latest financial position of the subsidiaries.

#### **Recoverable value of intangible assets**

Management makes an estimate of the recoverable value of intangible assets. When assessing impairment of intangible assets, management considers factors including the historic cashflows generated from the intangible assets and those cashflows forecasted to be generated by said intangible assets.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**Fair value of share based payments**

Management estimates the fair value at the grant date of the share options granted. Management uses a valuation technique to assist (Black Scholes) which in itself requires a number of subjective inputs including the assessed share price, volatility and risk-free rate at the date of the grant. See note 10 for commentary on the inputs used within the fair value calculation and the method used to derive the subjective inputs.

**Recoverable value of capitalised development costs**

Management assesses impairment of capitalised developments costs on a project by project basis, management considers the cashflows forecasted to be generated by each of the projects.

**Classification and measurement of Warrants**

The Management Board assessed the classification of warrants in accordance with IAS 32 under which the warrants do not meet the criteria for equity treatment and must be recorded as derivatives. Accordingly, the Company classifies the Class A warrants and Class B warrants as liabilities at their fair value and adjust them to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the consolidated statement of comprehensive income. The fair value of Class A warrants is determined based on its quoted market price or independently valued using Binomial Tree method and the Monte Carlo method for periods when there are no observable trades, as of each relevant date. Likewise, the Class B warrants which are not listed to the stock exchange are also independently valued using the Binomial Tree method and the Monte Carlo method to determine its fair value.

**3. Business Combinations**

**3.1. Acquisition of Complete Energy Controls Limited (“CEC”)**

On 2 May 2023, learn d Ltd acquired 100% of the share capital of Complete Energy Controls Ltd, a UK business, thereby obtaining control. The acquisition was made to enhance the Group’s customer base and expertise.

The details of the business combination as follows:

	Notes	£
<b>Fair value of consideration transferred</b>		
Cash consideration		1,750,000
Share-based consideration		2,000,000
Deferred cash consideration		250,000
<b>Total</b>		<b>4,000,000</b>
<b>Recognised amounts of identifiable net assets</b>		
Property, plant and equipment	5	13,729
Intangible assets	6	800,000
<b>Total non-current assets</b>		<b>813,729</b>
Trade and other receivables		699,686
Cash and cash equivalents		1,060,256
Stock		14,013
<b>Total current assets</b>		<b>1,773,955</b>
Trade and other creditors		(835,356)
Borrowings		(32,291)
<b>Total current liabilities</b>		<b>(867,647)</b>
<b>Identifiable net liabilities</b>		<b>(1,720,037)</b>
<b>Goodwill on acquisition</b>		<b>2,279,963</b>

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

Consideration transferred settled in cash	1,500,000
Cash and cash equivalents acquired	(1,060,256)
<b>Net cash outflow on acquisition</b>	<b>439,744</b>
Acquisition costs charged to expenses	133,000

**Consideration transferred**

The acquisition of CEC was settled in cash amounting to £1,750,000, shares of £2,000,000 and a deferred cash consideration of £250,000. Cash amounting to £1,500,000 were paid out and shares amounting to £1,750,000 (201,606 shares) were issued on the closing date 5 May 2023.

Acquisition related costs amounting to £133,000 are not included as part of the consideration transferred and have been recognised as an expense in the unaudited interim condensed consolidated statement of comprehensive income.

**Goodwill**

Goodwill of £2,279,963 at acquisition related to the engineers and reputation of the business. Goodwill has been reviewed for impairment, and no impairment recognised.

**Contribution to Group results**

CEC contributed £837,428 of revenue and a loss of £91,341 to the Consolidated Statement of Comprehensive Income for the period from 02 May 2023 to 30 June 2023.

**3.2. De-SPAC Transaction**

learn SE was originally known as GFJ ESG Acquisition I SE a special purpose acquisition company (SPAC), established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. Since 19 October 2021, the Company has been listed on the regulated market of the Frankfurt Stock Exchange (General Standard) in Germany.

On 27 October 2022, GFJ Acquisition and learn Ltd entered into a business combination agreement (as amended on 9 December 2022) (the "BCA"), whereby GFJ Acquisition acquired 100% of the learn Ltd shares and became the legal parent of learn Ltd and its subsidiaries for a contribution and exchange of all learn Ltd shares for 7,289,582 new Public Shares ("Class A Shares") with par value of €0.0384. This business combination is thereafter also referred to as the "de-SPAC Transaction" or the "Transaction". On 18 January 2023, the business combination was consummated and GFJ Acquisition changed its name to learn SE.

This Transaction is considered being similar to a reverse acquisition under IFRS 3. However, as GFJ Acquisition does not meet the definition of a business in accordance with IFRS 3, the Transaction is assessed not falling within the scope of IFRS 3, but within the scope of IFRS 2. The Transaction has been accounted for as a capital reorganization, whereby GFJ Acquisition was treated as the acquired company and learn Ltd as the acquirer for financial reporting purposes. Operations prior to this Transaction are those of learn Ltd and historical financial statements of learn Ltd became the historical financial statements of the combined entity, upon the consummation of the Transaction. Accordingly, the unaudited interim condensed consolidated financial statement of comprehensive income for the 6 months period ended 30 June 2023 includes the transactions of learn SE starting from the date of the closing of this de-SPAC Transaction (18 January 2023).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

The de-SPAC Transaction is treated as the equivalent of learnd Ltd issuing shares for the net assets of GFJ Acquisition as of the closing date, accompanied by a recapitalisation. Any excess of fair value of GFJ Acquisition's shares deemed to be issued over the fair value of GFJ Acquisition's identifiable net assets acquired represents compensation for the service of a stock exchange listing for its shares and is expensed as incurred. The expense recognized in accordance with IFRS 2 was based on the difference between the fair value of the Public Shares deemed issued by learnd Ltd to GFJ Acquisition's shareholders and the fair value of GFJ Acquisition's identifiable net assets at the closing date. No Goodwill or other intangible assets has been recognized in connection with this Transaction.

Pursuant to the Closing several transactions occurred:

- GFJ Acquisition entered into Redemption Backstop Agreements with the Backstop Investors, pursuant to which, the Backstop Investors agreed to purchase, and GFJ Acquisition agreed to sell and transfer to the Backstop Investors, an aggregate number of 230,000 Public Shares that have been redeemed by GFJ Acquisition shareholders in conjunction with de-SPAC Transaction for a purchase price of €10.00 per Public Share for gross proceeds of €2.3 million on the Closing.
- Also, in connection with the Business Combination, learnd assumed the obligation under learnd Ltd previously established share option scheme for certain of its employees and executive directors (the "learnd SOS"). Pursuant to the learnd SOS, the Management Board may in its discretion grant share options, entitling the beneficiary to acquire a certain number of Public Shares at a certain exercise price. In this respect, learnd entered into several option agreements and thereunder granted 527,500 options to employees. For more detail information please refer to note 10.

**Share listing expense**

As the business combination is accounted for as a capital reorganization under IFRS 2, a share listing expense has been recognized for the difference between the fair value of the shares deemed to have been issued to GFJ Acquisition shareholders and the fair value of the identifiable net assets of GFJ Acquisition.

Learnd Ltd issued shares with a fair value of £22.7 million to GFJ Acquisition shareholders. The fair value of the shares deemed to have been issued was calculated based on learnd SE share price on 18 January 2023 of €10.20 per Class A share and the fair value of Class B shares as of 18 January 2023. The fair value of the Class B1 shares is determined using the learnd SE share price as of closing date adjusted for transfer restrictions. The fair values of Class B2 and B3 shares are determined using the adjusted Black & Scholes – Gap Options approach and adjusted for the transfer restrictions. For more detail information of the shares please refer to note 3.

In exchange, learnd Ltd received the identifiable net assets held by GFJ Acquisition, which had a fair value upon closing of £-25,372,427 (€-28,987,121), mainly comprising of financial liabilities in the amount of £21.5 million (€24.6 million) accounted for the 7,500,000 GFJ class A Warrants and 7,145,833 class B warrants considering a fair value of the warrants of €1.34 per Class A warrant and €2.03 per Class B warrant as of 18 January 2023.

The excess of the fair value of the equity instruments issued over the fair value of the identified net assets contributed represents a non-cash expense in accordance with IFRS 2. This one-time expense in the amount of £48,070,476 (€54,918,858) has been considered as share listing expense in administrative expenses within the unaudited interim condensed consolidated statement of profit and loss and other comprehensive income. Details of the calculation of the share listing expense are as follows:

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

<b>in GBP</b>		<b>Fair Value</b>
Class A Shares (at EUR 10.2 per share)	A	2,205,088
Class B1 shares (at EUR 9.18 per share)	B	10,044,068
Class B2 shares (at EUR 5.23 per share)	C	5,722,274
Class B3 shares (at EUR 4.32 per share)	D	4,726,620
<b>Fair value of shares deemed issued (A + B + C + D)</b>	<b>E</b>	<b>22,698,049</b>
GFJ Acquisition's net assets	F	(25,372,427)
<b>Excess of Fair value of shares over GFJ Acquisition's net assets acquired (E - F)</b>	<b>G</b>	<b>48,070,476</b>

GFJ Acquisition net assets on 18 January 2023 include:

<b>in GBP</b>	<b>Fair Value</b>
Cash and cash equivalents	2,681,532
Trade and other receivables	297,270
Class A warrants at fair value	(8,796,765)
Class B warrants at fair value	(12,697,137)
Accruals and trade creditors	(6,857,327)
<b>GFJ Acquisition's net assets</b>	<b>(25,372,427)</b>

As part of the public share offering a total of 14,983,017 shares with an agreed price of €10.20 were redeemed and 230,000 shares were purchased by Backstop Investors as described above. The remaining unsold redeemed shares of 14,753,016 are held as treasury shares as of the closing date.

As part of the recapitalization learn d Ltd's share capital was exchanged for shares in learn d SE of £245,014 (€279,920) representing 7,289,582 shares at a par value of €0.0384. This capital reorganization was shown as an increase within share capital by £244,919 from the old share capital (par value of £0.00001) before Closing of £95 by reducing share premium. learn d Group has decided not to adjust the share capital in the comparatives and to show the capital reorganization only in the current financial year.

A total of £ 1.2 million transaction costs incurred by Learn d Ltd. was included in administrative expenses in connection with the de-SPAC transaction.

#### **4. Segmental information**

The chief operating decision-maker has identified as the Board of Directors, which makes the Group's strategic decisions. The Group is focused on the design, installation, service and maintenance of Building Management Systems (BMS). These activities result in multiple revenue streams however are intrinsically linked and as such are considered to be one operating segment and one CGU.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**5. Intangible assets**

(a) Intangible assets for the six months period ended 30 June 2023:

	Development costs £	Software licences £	Customer relationships £	Goodwill £	Total £
<b>Cost</b>					
At 1 January 2023	1,191,806	347,040	110,596	5,167,508	6,816,950
Additions	514,519	176,475	800,000	2,279,963	3,770,957
<b>At 30 June 2023</b>	<b>1,706,325</b>	<b>523,515</b>	<b>910,596</b>	<b>7,447,471</b>	<b>10,587,907</b>
<b>Amortisation</b>					
At 1 January 2023	187,054	210,839	53,454	-	451,347
Charge for the period	52,767	50,537	37,727	-	141,031
<b>At 30 June 2023</b>	<b>239,821</b>	<b>261,376</b>	<b>91,181</b>	<b>-</b>	<b>592,378</b>
<b>Net book value</b>					
<b>At 30 June 2023</b>	<b>1,466,504</b>	<b>262,139</b>	<b>819,415</b>	<b>7,447,471</b>	<b>9,995,529</b>
<b>At 30 June 2022</b>	<b>813,901</b>	<b>109,279</b>	<b>68,200</b>	<b>5,924,386</b>	<b>6,915,766</b>

(b) Intangible assets for the six months period ended 30 June 2022:

	Development costs £	Software licences £	Customer relationships £	Goodwill £	Total £
<b>Cost</b>					
At 1 January 2022	694,985	205,049	110,596	5,924,386	6,935,016
Additions	249,467	87,198	-	-	336,665
<b>At 30 June 2022</b>	<b>944,452</b>	<b>292,247</b>	<b>110,596</b>	<b>5,924,386</b>	<b>7,271,681</b>
<b>Amortisation</b>					
At 1 January 2022	74,049	166,850	31,337	-	272,236
Charge for the period	56,502	16,118	11,059	-	83,679
<b>At 30 June 2022</b>	<b>130,551</b>	<b>182,968</b>	<b>42,396</b>	<b>-</b>	<b>355,915</b>
<b>Net book value</b>					
<b>At 30 June 2022</b>	<b>813,901</b>	<b>109,279</b>	<b>68,200</b>	<b>5,924,386</b>	<b>6,915,766</b>
<b>At 31 December 2021</b>	<b>620,936</b>	<b>38,199</b>	<b>79,259</b>	<b>5,924,386</b>	<b>6,662,780</b>

Total value of wages capitalised as development costs in the six months to June 2023 was £294,235 (six months to June 2022: £226,545).

The goodwill addition relates to the acquisition of Complete Energy Controls Ltd. in May 2023, see note 3.1 for further details.



**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**6. Property, plant and equipment**

(a) Property, plant and equipment for the six months period ended 30 June 2023:

	<b>Motor Vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2023	45,352	263,500	682,317	991,169
Additions	-	5,510	55,210	60,720
Acquisition of subsidiary			29,291	29,291
<b>At 30 June 2023</b>	<b>45,352</b>	<b>269,010</b>	<b>766,818</b>	<b>1,081,180</b>
<b>Depreciation</b>				
At 1 January 2023	45,352	195,704	500,350	741,406
Charge for the period	-	22,143	61,068	83,211
Acquisition of subsidiary			20,299	20,299
<b>At 30 June 2023</b>	<b>45,352</b>	<b>217,847</b>	<b>581,717</b>	<b>844,916</b>
<b>Net book value</b>				
<b>At 30 June 2023</b>	<b>-</b>	<b>51,163</b>	<b>185,101</b>	<b>236,264</b>

(b) Property, plant and equipment for the six months period ended 30 June 2022

	<b>Motor Vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2022	45,352	229,325	576,021	850,698
Additions	-	14,307	91,291	105,598
<b>At 30 June 2022</b>	<b>45,352</b>	<b>243,632</b>	<b>667,312</b>	<b>956,296</b>
<b>Depreciation</b>				
At 1 January 2022	45,352	156,119	380,881	582,352
Charge for the period	-	18,772	100,486	119,258
<b>At 30 June 2022</b>	<b>45,352</b>	<b>174,891</b>	<b>481,367</b>	<b>701,610</b>
<b>Net book value</b>				
<b>At 30 June 2022</b>	<b>-</b>	<b>68,741</b>	<b>185,945</b>	<b>254,686</b>

**7. Leases**

**Right-of-use assets**

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

(a) The unaudited interim condensed consolidated statement of financial position shows the following amounts relating to leases for the six months period ended 30 June 2023:

	<b>Land &amp; buildings £</b>	<b>Plant &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2023	1,171,498	2,135,973	3,307,471
Additions	-	494,590	494,590
Disposals		(40,796)	(40,796)
<b>At 30 June 2023</b>	<b>1,171,498</b>	<b>2,589,767</b>	<b>3,761,265</b>
<b>Depreciation</b>			
At 1 January 2023	398,862	917,464	1,316,326
Charge for the period	59,793	290,484	350,277
Disposals		(29,166)	(29,166)
<b>At 30 June 2023</b>	<b>458,655</b>	<b>1,178,782</b>	<b>1,637,437</b>
<b>Net carrying value</b>			
<b>At 30 June 2023</b>	<b>712,843</b>	<b>1,410,985</b>	<b>2,123,828</b>
<b>At 30 June 2022</b>	<b>868,362</b>	<b>686,210</b>	<b>1,554,572</b>

(b) The unaudited interim condensed consolidated statement of financial positions shows the following amounts relating to leases for the six months ended 30 June 2022:

	<b>Land &amp; buildings £</b>	<b>Plant &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2022	604,412	1,183,069	1,787,481
Additions	595,718	224,224	819,942
<b>At 30 June 2022</b>	<b>1,200,130</b>	<b>1,407,293</b>	<b>2,607,423</b>
<b>Depreciation</b>			
At 1 January 2022	254,478	559,845	814,323
Charge for the period	77,290	161,238	238,528
<b>At 30 June 2022</b>	<b>331,768</b>	<b>721,083</b>	<b>1,052,851</b>
<b>Net carrying value</b>			
<b>At 30 June 2022</b>	<b>868,362</b>	<b>686,210</b>	<b>1,554,572</b>
At 31 December 2021	349,933	623,225	973,158

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**Lease liabilities**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£</b>	<b>£</b>
Lease Liabilities:		
Current	599,899	452,566
Non-current	1,579,802	1,137,613
	<b>2,179,701</b>	<b>1,590,179</b>

**Maturity of the lease liability**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£</b>	<b>£</b>
Lease Liabilities:		
Within one year	599,899	452,566
Between two and five years	1,262,226	733,853
In more than five years	317,577	403,760
	<b>2,179,701</b>	<b>1,590,179</b>

**Lease payments due**

	<b>Land &amp; Buildings</b>		<b>Plant &amp; Machinery</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	140,857	140,857	567,175	604,244
Between two and five years	380,428	404,578	1,039,182	1,311,886
In more than five years	354,802	401,080	-	-
	<b>876,087</b>	<b>946,515</b>	<b>1,606,357</b>	<b>1,916,130</b>

**Amounts recognised in profit or loss for the period**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£</b>	<b>£</b>
Interest	59,261	31,057
Depreciation	321,111	238,527
	<b>380,372</b>	<b>269,584</b>

**Lease payments not recognised as a liability**

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. Payments made under such leases in the six months to June 2023 totalled £6,414 (six months to June 2022: £8,000).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**8. Trade and other receivables**

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Trade receivables	4,815,265	4,089,382
Provisions for bad debts	(202,450)	(185,765)
	<b>4,612,815</b>	<b>3,903,617</b>
Other receivables	209,329	219,380
Prepayments and accrued income	3,351,104	2,403,076
Taxation debtor	253,342	253,342
	<b>8,426,590</b>	<b>6,779,415</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Included in trade receivables are the following amounts that are past due at the reporting date by the following periods:

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Non-overdue receivables	3,459,398	2,214,586
1 - 30 days	909,018	983,562
30 - 60 days	87,108	214,622
60 - 90 days	106,882	333,658
Over 90 days	252,859	342,954
	<b>4,815,265</b>	<b>4,089,382</b>

Group trade debtors are stated after provisions for impairment of £202,450 (2022: £185,765).

In the six months period ended 30 June 2023, the movement in provision for impairment of trade debtors resulted in a net expense to the P&L of £17k (six months to June 2022: release to the P&L of £17k).

The Group's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, the Directors set limits for customers based on a combination of payment histories and third-party credit references. Where it is not possible to obtain a credit limit, or an amount is requested by the customer in excess of the allocated amount, such cases are reviewed and approved by the Directors accordingly. Credit limits are monitored by the credit controller on a regular basis in conjunction with debt ageing and collection history. The Group also operates a credit insurance policy which hedges against this risk.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**9. Equity**

The different shareholder classes can be summarized as follows:

	<b>learnd Ltd (£0.00001 nominal value)</b>		<b>GFJ Acquisition (€0.0384 nominal value)</b>			
	Ordinary Shares	Series A Shares	Class A Shares	Class B1 Shares	Class B2 Shares	Class B3 Shares
<b>As of 1 Jan, 2023</b>	<b>2,000,000</b>	<b>7,500,000</b>				
Capital reorganization	(2,000,000)	(7,500,000)	7,289,582			
Shares issued in recapitalization, net of redemptions			16,984	1,250,000	1,250,000	1,250,000
Shares issuance to Backstop investors			230,000			
Shares issued/ sold after de-SPAC Transaction			674,541			
<b>As of 30 June, 2023</b>	<b>-</b>	<b>-</b>	<b>8,211,107</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>

**Share capital**

Prior to the de-SPAC transaction, the accounting acquirer learnd Ltd had 9,500,000 shares with a par value of £0.00001, which resulted in a share capital of £95. On 18 January 2023 learnd Ltd and GFJ Acquisition (now learnd SE) consummated the business combination which led to the listing on the Frankfurt Stock Exchange and a capital reorganization of the Group. See Note 3.2 – de-SPAC Transaction for further information. As described in Note 3.2, the share capital of the accounting acquirer is carried forward and then adjusted to reflect the par value of the outstanding share capital of the legal acquirer GFJ Acquisition.

On 18 January 2023, in connection with the De-SPAC Transaction, an increase of the share capital in the amount of £244,919 due to the share capital restructuring of the Group and an increase in share capital in the amount of £134,345 from the deemed issued shares including the shares purchased by the backstop investors as part of the de-SPAC Transaction. The movements in the share capital resulted from the following transactions as part of the de-SPAC Transaction. For further information, please refer to Note 3.2 - De-SPAC Transaction.

Class A Shares:

- On 15 October 2021, GFJ Acquisition had issued 15,000,000 redeemable public shares (or “Class A Shares”) with a par value of €0.0384 per share, together with ½ Class A Warrants for an aggregate price of €10.00 per unit. The proceeds were temporarily held in escrow and were released upon the consummation of de-SPAC Transaction.
- In connection with the de-SPAC Transaction, 14,983,016 Class A shares were redeemed by GFJ Acquisition’s holders of Public Shares for a price of €10.20 per share, out of which 230,000 Class A shares were purchased by backstop investors for a price of €10.00 per share and are

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

currently held as treasury shares. The remaining redeemed shares were kept as treasury shares.

- As part of the Transaction, 7,289,582 new Public Shares ("Class A Shares") with par value of €0.0384 were issued to learn d Ltd. shareholders in exchange for the 9,500,000 shares of learn d Ltd, which were contributed to GFJ Acquisition.
- After the closing of the de-SPAC Transaction until 30 June 2023, 472,925 treasury shares ("Class A Shares") were sold to private investors and 201,616 shares were given as part of the consideration for acquiring Complete Energy Controls Ltd on 5 May, 2023.

### Class B Shares:

- On 15 October 2021, GFJ Acquisition had issued 3,750,000 sponsor shares ("Class B shares") at a par value of €0.0384 per share. GFJ Acquisition created three classes of Class B Shares, namely Class B1, Class B2 and Class B3 Shares, (together as "Class B Shares"). Upon and following the completion of the de-SPAC Transaction, the Sponsor Shares convert on a one-on-one basis into Public Shares in accordance with the following schedule:
  1. Class B1 Shares convert into Class A Shares on the earlier date of the trading day following the first anniversary of the consummation of the de-SPAC Transaction, or post consummation of the de-SPAC Transaction, on which the closing price of the Class A Shares for any 20 trading days within a 30 days trading period exceeds €12,00 ("Lock-up End Date");
  2. Class B2 Shares convert into Class A Shares on the later date of the Lock-up End Date or post consummation of the de-SPAC Transaction, the trading day after which the closing price of the Class A Shares for any 10 trading days within a 30 day trading period exceeds €12,00;
  3. Class B3 Shares convert into Class A Shares on the later date of the Lock-up End Date or post consummation of the de-SPAC Transaction, the trading day after which the closing price of the Class A Shares for any 10 trading days within a 30 day trading period exceeds €14,00.

Hence, the share capital of the Group amounted to £394,888 and 11,961,107 shares are outstanding, including 8,211,107 Class A shares and 3,750,000 Class B shares, each with a nominal value of €0.0384.

### **Share premium**

Prior to the de-SPAC Transaction, no share premium was recognised by the accounting acquirer learn d Ltd. As of 30 June 2023, an amount of £-244,919 resulting from the capital restructuring and an amount of £-25,506,772 related to the consideration for the reverse acquisition of GFJ Acquisition were included in the share premium for the first time as an effect of the de-SPAC Transaction. For further information, please refer to Note 3.2 - De-SPAC Transaction.

As of 30 June 2023, the share premium amounts to £-23,213,733.

### **Share-based payments reserve**

On 30 June 2023 the share-based payments reserve amounts to 50,255,506. The share-based payments reserve included the share listing expense in the amount of £48,070,476 as an effect of the de-SPAC Transaction. In addition, £86,969 were recognized for the amortization of the shares options under IFRS 2. For further information, please refer to note 10 Share based payment.

Within the share-based payments reverse, £2,000,000 relates to the consideration in shares for the acquisition of Complete Energy Controls Ltd.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023****Foreign currency translation reserves**

Foreign currency translation differences arise on translation of learnt SE to the presentation currency of GBP of the Group amounting to £446,357 as of 30 June 2023 and are recognized in other comprehensive income.

**Retained earnings**

Retained earnings include the accumulated losses attributable to the shareholders. In connection with the de-SPAC Transaction, a share listing expense in the amount of £48,070,476. For further information, please refer to Note 3.2 De-SPAC Transaction.

**10. Share based payments**

Prior to the de-SPAC Transaction, the Group headed by learnt Ltd provides share options to certain employees and executive directors as remuneration (the "learnt Ltd. SOS"). Pursuant to the learnt Ltd. SOS, the Management Board may in its discretion grant share options, entitling the beneficiary to acquire a certain number of shares at a certain exercise price. Under the learnt Ltd. SOS 475,000 share options were granted on 7 July 2021 and 52,500 were granted on 16 December 2022. The share options granted in 2021 and 2022 were granted in four tranches with separate vesting period: 25% of options granted vested immediately, 25% of options vest 12 months after grant date, 25% of options granted vest 24 months after grant date and 25% of options granted vest 36 months after grant date. All options generally expire on the earlier of cessation of employment or third (3rd) anniversary of date of grant. All options will become exercisable on a takeover event.

These share options are measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of options that will vest. The fair value at the grant date is determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option and the correlations and volatilities of peer group companies.

In connection with the de-SPAC Transaction, learnt SE assumed the obligations under learnt Ltd's previously established share option scheme for certain of its employees and executives (the "learnt SOS"). Pursuant to the learnt SOS, the Management Board may in its discretion grant share options, entitling the beneficiary to acquire a certain number of shares at a certain exercise price. In this respect, learnt SE entered into several option agreements and thereunder granted 527,500 options to employees as replacements of the original share options granted by learnt Ltd to the same employees. At the same time, the original share option agreements were terminated. Under the new option agreements, the options are exercisable either on an exit event or on Board decision.

The newly granted options by learnt SE were accounted for as modifications to the original learnt Ltd share options and under IFRS 2 for the incremental fair value of share options granted to learnt employees as a result of the amendment to the learnt SOS should be estimated and recognized. The incremental fair value granted is the difference between the fair value of the new share options and that of the original share options, both estimated as at the grant date of the new share options. As the terms of the newly granted options are not beneficial to the employees, the incremental fair value is assessed as zero, no expenses were booked for the newly granted options as of 30 June 2023.

**11. Warrants**

The Class A and Class B warrants of learnt SE do not meet the criteria for treatment as equity under IAS 32, which requires the warrants to be recognized as a financial liability at fair value through profit or loss. The fair value of Class A warrants is determined based on its quoted market price or independently valued using Binomial Tree method and the Monte Carlo method for periods when there are no observable trades, as of each relevant date. Likewise, the Class B1 warrants which are not listed to the

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

stock exchange are also independently valued using the Binomial Tree method and the Monte Carlo method to determine its fair value.

The fair value of warrants decreased from €1.34 per Class A warrant and €2.03 per Class B warrant as of 18 January 2023 to €1.12 per Class A warrant and €1.55 per Class B warrant as of 30 June 2023, resulting in a decrease in fair value of warrant liabilities of £4,447,692 (€5,080,000) for the period.

**12. Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

As the de-SPAC Transaction is accounted for as a recapitalization of learnd Ltd., the number of shares of learnd Group is adjusted from learnd Ltd. shares to reflect the capital structure of the legal parent as at 18 January 2023. In accordance with IAS 33.64, the calculation of the basic and diluted earnings per share for all periods presented must be adjusted retrospectively due to these changes. The conversion ratio is calculated as the number of shares of the legal parent, 7,289,582, to that of the legal subsidiary, 9,500,000. Please refer to Note 9 Equity for an overview of the conversion and the different share classes. Basic and diluted earnings per share attributable to the ordinary equity holders of the Company for the 6 months period ended as at 30 June 2022 were adjusted retrospectively to reflect the number of shares after the recapitalisation of learnd Limited.

Basic and diluted earnings per share attributable to the ordinary equity holders of the Company for the 6 months period ended as at 30 June 2023 is the same, as warrants and options are antidilutive due to the consolidated loss of the Group in this period.

£	6 months to	
	30 June 2023	30 June 2022
Net income (loss) for the period	(44,154,969)	1,046,107,00
Weighted average number of ordinary shares issued	11,131,249	7,289,582
Basic (losses) earnings per share attributable to the ordinary equity holders of the Company	(3.97)	0.14
Diluted (losses) earnings per share attributable to the ordinary equity holders of the Company	(3.97)	0.13

**13. Other loans**

	30 June 2023 £	31 December 2022 £
Amounts due:		
Within one year	-	-
Between one and two years	246,667	271,865
Between two and five years	4,300,296	2,436,604
	<b>4,546,963</b>	<b>2,708,469</b>



**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**
**14. Provisions**

The provision consists of warranty provisions against installations on sites. No changes have incurred in this reporting period.

**15. Trade and other payables**

	30 June 2023 £	31 December 2022 £
Trade creditors	7,058,518	2,854,752
Other taxation and social security	1,537,657	785,844
Other creditors	(1,119,780)	-
Accruals and deferred income	2,433,041	3,830,062
	<b>9,909,435</b>	<b>7,470,658</b>

The Directors consider that the book value of trade payables, taxation, other payables, accrued liabilities and deferred income approximates to their fair value at the reporting date.

**16. Short term borrowings**

	30 June 2023 £	31 December 2022 £
Invoice discounting facility	-	-
Other loans	330,158	262,327
Amounts due to related parties	3,578,736	3,462,470
	<b>3,908,894</b>	<b>3,724,797</b>

**17. Related party transactions**
**Consulting services**

In the period ended 31 December 2020 the parent company KVI Aimteq Limited loaned learn d Limited £3,000,000. This loan has no fixed repayment date and interest is payable at an annual rate of 5% and is unsecured. The loan note and accumulated interest was transferred to AFT Tech Ventures AG in September 2022 as part of the acquisition of all shares held by KVI Aimteq Ltd by AFT Tech Ventures AG on 17 November 2022. The balance as at 30 June 2023 comprises of £3,000,000 capital and £537,470 interest outstanding. The balance as at 31 December 2022 comprises of £3,000,000 capital and £462,470 interest outstanding.

In the period ended 30 June 2023 the shareholder GFJ Holding GmbH & Co.KG loaned learn d SE £2,107,077 (€2,455,000). This loan has a fixed repayment date on 31 December 2025 and interest is payable at an annual rate of 2.5%-5% and is unsecured. The balance as at 30 June 2023 comprises of £2,107,077 (€2,455,000) capital included in the unaudited interim condensed consolidated statement of financial position under "Other loans" and £26,300 (€30,643) interest included in the unaudited interim condensed consolidated statement of financial position under "short term borrowings".

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**Key management personnel**

The Group key management personnel are considered to be the statutory Directors in the year, i.e. John Clifford, Simon Wood and Jennifer Rudder. In the period ended on 30 June 2023, the total remuneration of the key management personnel amounts to £ 532,381 (30 June 2022: £500,937).

**18. Controlling party**

As at 31 December 2022 learnd Limited was owned by private shareholders and was majority owned and controlled by AFT Tech Ventures AG, a company with a registered office in Switzerland. The ultimate controlling party was Josef Brunner.

In January 2023, the learnd Limited was acquired by learnd SE, a company incorporated in Luxembourg, which is listed on the Frankfurt Stock Exchange. As of 30 June 2023, the ultimate controlling party is Josef Brunner.

**19. Subsequent events**

There have been no subsequent events.

# learnd SE

Société européenne

## Consolidated Management Report for the period ended 30 June 2023

The Management Board of learnd SE (hereafter the “Company”) submit their consolidated management report with the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) for the period ended 30 June 2023.

### 1. Overview

The learnd Group (hereinafter also referred to as “learnd” or the “Group”), comprises the parent entity learnd SE, (the “Company”), and its direct and indirect subsidiaries. The Company is registered with the Luxembourg Trade and Companies Register under number B255487.

The principal activities of learnd Group include the design, installation, service and maintenance of Building Management Systems (“BMS”) and Building Energy Management Systems, and the provision of associated bureau services.

learnd SE was originally known as GFJ ESG Acquisition I SE (“GFJ Acquisition”) a special purpose acquisition company (SPAC), incorporated on 2 June 2021 in Luxembourg and established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition reorganization or similar transaction. Since 19 October 2021, the Company has been listed on the regulated market of the Frankfurt Stock Exchange (General Standard) in Germany.

On 27 October 2022, GFJ Acquisition and learnd Limited (“learnd Ltd”) entered a business combination agreement (as amended on 9 December 2022) whereby GFJ Acquisition became the legal parent of learnd Ltd and its subsidiaries by way of contribution of all shares in learnd Ltd into GFJ Acquisition in exchange for the issuance of new public shares (the “Business Combination” or “Transaction”). On 18 January 2023, the Business Combination was consummated and GFJ Acquisition changed its name to learnd SE.

Thereafter, on 2 May 2023, learnd Ltd acquired 100% of the share capital of Complete Energy Controls Ltd (“CEC”), a UK business. The acquisition was made to enhance the Group’s customer base and expertise.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and on a going concern basis.

The Company did not make any distributions during the period. The Company did not conduct any research and development during the period. The Company had no branches at the period end and it did not acquire any of its own shares.

The Company is governed by a Management Board and a Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders’ meeting of the Company held on 18 June 2021. The powers of the Management Board and Supervisory Board are determined by the Luxembourg Company Law, the Articles of Association of the Company and the internal rules of procedure of both the Management Board and Supervisory Board.

### 2. Review and development of the Group’s financial position

On 19 October 2021, the Company issued 15,000,000 class A redeemable shares in dematerialized form on the Frankfurt Stock Exchange through an initial offering (the “Private Placement”) and were admitted to trading on the regulated market (Regulierter Markt), the main characteristics of which are described in the prospectus, approved by the Commission de Surveillance du Secteur Financier (the “CSSF”) in Luxembourg for the purpose of the listing of the shares and the warrants.

The placement occurred in the form of units, each consisting of one class A share from the 15,000,000 class A shares issued with a par value of EUR 0.0384, and 1/2 a class A warrant from the total of 7,500,000 warrants issued by the Company.

The Company also issued class B shares. As at incorporation, the share capital of the Company was EUR 120,000 represented by 12,000,000 redeemable class B shares without nominal value. On 13 October 2021, the sole shareholder resolved to convert the existing twelve million (12,000,000) class B shares into three million one hundred twenty-five thousand (3,125,000) class B shares divided into one million forty-one thousand six hundred sixty-seven (1,041,667) class B1 shares, (ii) one million forty-one thousand six hundred sixty-seven (1,041,667) class B2 shares and (iii) one million forty-one thousand six hundred sixty-six (1,041,666) class B3 shares. On 18 October 2021, the Management Board of the Company has decided, to increase the Company's share capital by an amount of twenty-four thousand euro (EUR 24,000) to an amount of seven hundred twenty thousand euro (EUR 720,000) through the issuance of two hundred eight thousand three hundred thirty-three (208,333) class B1 Shares, two hundred eight thousand three hundred thirty three (208,333) Class B2 Shares and two hundred eight thousand three hundred thirty-four (208,334) class B3 Shares for an aggregate price of one hundred thousand euro (EUR 100,000). As at 30 June 2022, 3,750,000 (31 December 2021: 3,750,000) class B shares were issued and fully paid.

In October 2021, the Supervisory Board approved the issuance of 7,145,833 class B warrants. All class B warrants were issued for a subscription price of EUR 1.50 per warrant. In connection with the Business Combination, 14,983,016 Public Shares (approximately 99.89% of the then outstanding Public Shares) were redeemed by the holders of Public Shares.

The acquisition of CEC contributed £837,428 of revenue and a loss of £91,341 to the unaudited consolidated statement of comprehensive income for the period from 02 May 2023 to 30 June 2023.

The Group generated revenues of GBP 14,155,790 during the period ended 30 June 2022.

The net loss of the Group for the period ended 30 June 2023 is GBP 43,708,613 due to administration and finance expenses including one-off non-cash expenses related to the business combination.

### **3. Principal risk and uncertainties**

The Group analyses and evaluates the risks and uncertainties to which its business is subject, and the Management Board of the Company has considered their potential impact, their likelihood, controls that the Group has in place and steps the Group can take to mitigate such risks.

The Management Board continues to monitor the evolving macroeconomic and geopolitical situation and its impact on the financial position and results of the Company. At the date of this report, the high inflation combined with higher interest rates have not materially impacted the Company's performance, going concern basis or operations.

The Company regards these events as non-adjusting events after the reporting period. Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Management Board continues to monitor the evolving situation and its impact on the financial position and results of the Company.

### **4. Financial risk management objectives and policies**

As at 30 June 2023, the Group had GBP 1,424,455 in cash and cash equivalents..

The unaudited interim condensed consolidated financial statements are presented in GBP, which is the functional currency of Learnd Limited and its subsidiaries. Learnd SE and the SE entities have Euro as their functional currency. A foreign exchange gain of GBP 446,357 on translation of foreign operations was recognised for the period ended 30 June 2023.

As at 30 June 2023, the Management Board believes that the funds available to the Company are sufficient to pay costs and expenses. Having raised funds through the placement, the Company maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions.

## 5. Related party transactions

In the period ended 31 December 2020, the parent company KVI Aimteq Limited loaned learnd Limited £3,000,000. The loan note and accumulated interest was transferred to AFT Tech Ventures AG in September 2022 as part of the acquisition of all shares held by KVI Aimteq Ltd by AFT Tech Ventures

AG on 17 November 2022. The balance as at 30 June 2023, comprises of £3,000,000 capital and £537,470 interest outstanding.

In the period ended 30 June 2023, the shareholder GFJ Holding GmbH & Co.KG, loaned learnd SE £2,107,077. The balance as at 30 June 2023, comprises of £2,107,077 capital and £26,300 interest outstanding. (disclosed in Notes 13, 16 and 17 of the unaudited interim condensed consolidated financial statements).

## 6. Outlook

With the Business Combination, the Company's vision is to create one of the world's leading building management companies by seeking to address challenges in European energy management, including recent volatility in energy prices and a growing demand among owners and commercial users of buildings to reduce energy consumption.

To accomplish this, the Group intends to continue to acquire companies, which currently provide traditional building controls solutions to a long-standing customer base, and then to upsell our technology to these customers to facilitate the secure connection of their buildings via the internet to our cloud-based building and energy management solutions. We expect to then seek to leverage the capacity within these connected buildings at scale, with the aim of improving overall cost and energy efficiency for our customers. The Group's strategy is to invest in technology development and new propositions, while maintaining profitability.

## 7. Events after the reporting period

After the reporting period, there have been no events to note that would have a significant impact on the financial position of the Company.

Luxembourg, 29 September 2023.



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John Clifford  
Member of the Management Board



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Simon Wood  
Member of the Management Board



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Jennifer Rudder  
Member of the Management Board

# learnrd SE

*Société européenne*

Responsibility Statement by the Management Board for the period ended 30 June 2023

The Management Board and the executive management of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the consolidated financial position of the Group with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried out efficiently and transparently. In accordance with Article 4 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are submitted to trading on a regulated market, learnrd SE declares that, to the best of our knowledge, the consolidated financial statements for the period ended 30 June 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position as of that date and results for the period then ended.

In addition, management's report includes a fair review of the development and performance of the Group's operations during the period and of business risks, where appropriate, faced by the Group as well as other information required by the Article 68 of the law of 19 December 2002 on the commercial companies register and on the accounting records and financial statements of undertakings, as amended.

Luxembourg, 29 September 2023



John Clifford

Member of the Management Board



Simon Wood

Member of the Management Board



Jennifer Rudder

Member of the Management Board