

**LEARND SE**

**ANNUAL REPORT**

**AS AT AND FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2023**

**LEARND SE**

**ANNUAL REPORT 2023**

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**GROUP MANAGEMENT REPORT 2023**

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## 1. Fundamental Information about the Group

### 1.1 Business model

The learnd Group (hereinafter also referred to as “learnd” or the “Group”), comprises the parent entity learnd SE (hereinafter the “Company”), Luxembourg, and its direct and indirect subsidiaries. The Group aims to become a leading force in European building management by addressing the pressing challenges of recent energy price volatility and the increasing demand for connected sustainable and energy-efficient buildings of owners and commercial users.

The Group specialises in the provision and administration of cloud-based proprietary solutions for building management systems (“BMS”), which are computer-based control systems used to monitor and manage a building’s essential services such as lightning, power, and heating. learnd offers tailored services encompassing installation, management, and maintenance of these systems, provided by third-party suppliers in its customers’ buildings. Additionally, learnd’s remote operations centre (“ROC”) and open data platform combine in-field and remote engineering expertise, ensuring real-time, efficient customer support. Through these services, customers can reduce the energy consumption and carbon emissions of their buildings, thereby decreasing their maintenance costs and enhancing overall cost and energy efficiency.

learnd specializes in a diverse portfolio of products and services, broadly summarized below:

- **On Site BMS Services:** This includes the on-site provision of BMS installation, maintenance, upgrades, repairs, and on-site optimisation. The objective of these services is to ensure that customer’s buildings are safe, efficient, resilient and perform well. By directly managing and improving the BMS on-site, learnd can effectively address immediate and specific needs of building owners and managers, ensuring that their buildings operate optimally.
- **Remote and Energy Services:** These services are delivered remotely through learnd’s ROC. They utilize technology and skilled engineering resources to monitor, fix, and optimize buildings remotely through secure connections. The focus here is on enabling customers to monitor and subsequently reduce the energy and carbon emissions of their buildings. This approach aims to minimize costs and reduce environmental impact, aligning with the growing emphasis on sustainability and energy efficiency in the building management sector.
- **Unified BMS, smartphone app and other technology propositions:** learnd offers a cloud-hosted solution for legacy BMS systems. This eliminates the need for a traditional BMS “head-end”, such as a PC or similar terminal used for monitoring and managing the BMS. The unified BMS solution provides customers with a central point of access for all buildings in their estate, along with secure connectivity and modern features like multi-factor authentication. These service streamlines the management of building systems, making it easier and more efficient for customers to oversee and control multiple properties from a single platform.

Moreover, the Group’s business model includes a low-risk buy-and-strategy by acquiring companies that provide traditional building control solutions and then enhancing their offerings with learnd’s advanced technology. Through the plug-&-play technology, learnd enables acquired companies to quickly adapt the Group’s cloud-based building and energy management solutions, directly optimizing cost and energy efficiency at scale for their customers.

learnd’s current operations and customers are primarily located in the United Kingdom (UK), from where the Group manages over 8,000 sites, primarily commercial buildings, and data centres, with approximately 3.9TWh energy capacity, also including over 50 sites in Europe.

## 1.2 Capital markets, governance and takeover law

### *General information*

learned SE shares are traded on the regulated market (General Standard) on the Frankfurt Stock Exchange under the symbol “LRND” and ISIN LU2358378979 in Frankfurt, Germany.

The Company’s governing bodies are the Management Board, the Supervisory Board and the shareholders’ meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board in two-tier governance structure. The members of the Supervisory Board were appointed by an extraordinary shareholders’ meeting of the Company held on 12 January 2023. The Supervisory Board also determines the number of members of the Management Board, their remuneration and the terms of their office. Pursuant to the Articles of Association, the members of the Management Board are elected for a term of up to five years. The members of the Management Board are eligible for re-appointment. A member of the Management Board may be removed by a resolution adopted by the Supervisory Board. A member of the Management Board cannot be a member of the Supervisory Board at the same time.

## 1.3 External factors that affect learned’s business

Material factors that could impact the Group’s business in the short term include general macroeconomic and sector-specific developments. Please refer to section 2.1 and section 3. for more detail.

## 1.4 Group Structure

learned 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 reorganisation or similar transaction.

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

The Business Combination was completed on 18 January 2023 and GFJ Acquisition changed its name to learned SE to align with name of the operating group learned Ltd.. While learned SE was the legal acquirer, learned Ltd was deemed as the accounting acquirer and the predecessor entity in the subsequent filings of the combined company.

Therefore, the Group presents as comparative information, the consolidated financial information of learned Ltd as at and for the year ended 31 December 2022 (prior to the Business Combination).

learned SE, the ultimate parent company of the Group, operates as a public European company (Société Européenne or “SE”), with its headquarters in Luxembourg. The Group comprises the parent entity, learned SE, and its subsidiaries in Germany, UK and Luxembourg. As at 31 December 2023, the Company had direct or indirect shareholdings in 14 companies, which belong to the Group, and from which all are fully consolidated.

On 2 May 2023, the Group 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.

In November 2023, the Group established Learned Acquisition S.à r.l as part of its strategic preparations for two planned acquisitions in 2024.

learned is organised as one reportable segment.

#### 1.5 Group Strategy

##### *Vision and Mission*

We have the mission to transform buildings into smart, interconnected ecosystems that optimize energy efficiency and costs and foster a more sustainable future. Our vision is to unite the power of many by connecting every single commercial building and managing it smartly through leading cloud-based building management technology. With every building that is optimized, learnt contributes to a collective effort to combat climate change and build a greener, more resilient planet.

##### *Strategic priorities*

The “Power of Many” strategy aims to bring together the best talent in the industry, the maximum levels of energy capacity (through customer buildings), like-minded investors and, importantly, new acquisitions that align to the Group’s vision. This strategy will not only take learnt on a path to becoming the leading energy management provider in Europe, but also help significantly the decarbonization of Europe’s energy grid and quest for net zero.

To achieve our vision and the Group’s strategic mid-term goals, learnt’s “Power of Many” strategy is based on the following four key strategic priorities:

##### *Geographical expansion to Europe through selective pursuit of M&A opportunities*

The Group is actively pursuing a low-risk buy-and-build acquisition strategy of acquiring traditional, cash generative BMS integrators. learnt’s efforts have already gained significant momentum in the United Kingdom, where the Group continuously assesses and monitors both existing and adjacent markets for potential M&A opportunities. As part of this strategy, the Group has acquired Complete Energy Controls in May 2023.

In line with the Group’s expansion strategy, learnt is broadening its acquisition focus to include BMS businesses across Europe. This move aims to diversify the Group’s operations and introduce advanced technology solutions to the European BMS market.

##### *Deployment of Internet-Connected Products*

Traditional BMS are typically offline, relying on occasional on-site readings and optimization. This approach often leads to limited improvements in the reliability, accessibility, and efficiency of customers’ BMS. learnt is addressing these limitations by integrating customers’ BMS with its own internet-connected products and services. This integration allows for continuous online monitoring and optimisation of building systems, resulting in significant reductions in emissions and energy costs.

##### *Boost Customer Loyalty*

learnd is actively encouraging both existing and potential customers to connect their BMS to its cloud-based services. These services, including Trojan Horse secure connectivity, energy management, and capacity access platform, offer substantial improvements in energy and cost efficiencies. The strategy to upsell cloud-based BMS services aims to foster long-term customer relationships and generate a high margin of subscription-based recurring revenue, complementing the stable income from traditional BMS operations.

##### *Data-Driven Solutions*

By connecting buildings through cloud-based systems, learnt is able to collect and analyze customer data. This data collection facilitates the creation of a sizeable building access platform and raises barriers to entry for competing BMS firms. Additionally, the aggregated data opens new avenues for partnerships and utilization in managing energy supply and consumption. This data application includes enhancing power grid monitoring, developing smart grid technologies, and implementing dynamic response systems to efficiently manage power demands. These data-driven solutions represent a forward-thinking approach in energy management and technological innovation in the BMS industry.

learnd have launched “Unified BMS”, their unique cloud hosted BMS system as well as the learnt smartphone app for both Apple and Android devices. In addition, their new critical alarms monitoring platform allows customers to see critical alarms in real time through alerts, web dashboard or app. These launches

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demonstrate progress in the ambition to increase the proportion of revenues and profit from Data-Driven services and solutions.

### 1.6 Internal Management System

#### *Basis of information*

The Management Board is responsible for steering the Group, endowed with extensive powers to act on the Group's behalf and undertake actions necessary or useful for fulfilling its corporate purpose. The Management Board monitors and controls the Group's development and performance through a comprehensive reporting system. learn d's reports are prepared monthly, utilizing unified data, and are supplemented with specialized analyses and information that focuses on economically and strategically significant management and control measures.

At least once every calendar quarter, the Supervisory Board receives a written report about the business of the Group and its foreseeable future development. Additionally, the Management Board must inform the Supervisory Board without undue delay of any events likely to have an appreciable influence on the Group.

#### *Group's most important financial key performance indicators*

learn d's prime objective is to realize sustainable and profitable growth in enterprise value. Trends in learn d's **most important financial key performance indicators (KPIs)** are, therefore, defining factors and essential basis for the Group's lasting success.

The Group's business is managed primarily using the following most important financial KPIs:

- **Revenue**
- **Adjusted EBITDA**

Both financial KPIs facilitate a comprehensive comparison of the Group's business performance across various reporting periods. Internally, the Management Board utilizes these financial KPIs to inform a range of operational decisions. This includes the analysis the Group's financial performance, strategic planning, and the formulation of annual budgets. The definitions of these financial KPIs are shown in the following table below:

Revenue	Revenue according to IFRS Accounting guideline. Revenue arises mainly from the design, installation, and maintenance services for BMS.
Adjusted EBITDA	Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation and amortisation ("EBITDA"), further adjusted for non-recurring items. These non-recurring items relate to expenses incurred where management believes adjustments should be made due to their non-recurring or non-operational character, alongside the remaining costs incurred on the level of the Company (corporate expenses).

The most important financial KPI's are shown in the table below:

Financial Key Performance Indicators	Year ended		Change %
	31 December 2023	31 December 2022	
	£	£	
Revenue	32,112,791	30,420,919	6%
Adjusted EBITDA	2,573,183	2,561,363	0%

See section 2 for further details.



### **1.7 Research and Development**

learn'd is investing significant resources in technology to create opportunities to upsell our online energy monitoring and optimisation services to customers. For example, the Group is currently developing a central data platform which represents the culmination of key technology projects undertaken by the learn'd labs team. This platform is believed to put the learn'd engineers in a strong position to develop bespoke solutions to solve the problems of individual customers. Through this platform, learn'd aims to generate insights to help customers identify potential opportunities for optimisation in their BMS.

The investment in technology is reflected in the research and development expenses, which amounted to £1,142,582 for the financial year ended 31 December 2023 representing an increase of 30% from £880,456 for the financial year ended 31 December 2022 (including capitalised research and development expenses in the amount of £395,956 (2022: £496,822)). Over the longer term, learn'd's investments in technology are believed to increase the capacity to upsell online energy monitoring and optimisation services to customers and, as a result, increase revenue and EBITDA margin.

The vast majority of R&D is carried out in-house with specialist contractors used where needed, if skills are not available within the learn'd developer team.

### **1.8 Employees**

In the financial year 2023, the Group had employed an average of 211 employees, representing an increase of 9.9% compared to the previous year (2022: 192). The overall increase in the head count is attributed to the Group's acquisition of Complete Energy Controls, reflecting the Group's strategic expansion and integration of new business units.

## **2. Report on Economic Position**

### **2.1 Macroeconomic and sector-specific conditions**

The economic expansion and recovery in UK and Europe were hindered by several challenging factors in the financial year 2023. The ongoing war in Ukraine, persistently high inflation rates, continuous supply bottlenecks, and an increasing shortage of skilled workers were all contributing to this slowdown. These adverse macroeconomic conditions are affecting both investment and consumption, impeding overall economic growth. For instance, real GDP growth in the United Kingdom was 0.5%, while it remained on a comparative level in the entire European Union with 0.6% in 2023. However, cooling headline inflation is providing some relief to households and firms. Easing commodity prices and supply constraints have been mainly responsible, but persistent core inflation has proved more difficult to tackle. Central banks across Europe have tightened their monetary policies substantially, e.g. the Bank of England raised the official bank rate from 3.5 to 5.25% throughout the financial year 2023, and governments are scaling back fiscal support.

In the UK, the wholesale price for electricity has steadily declined from £165/MWh in mid-January to £110/MWh in late October of 2023 after a peak of £618/MWh in August 2022. In Europe, improved market fundamentals supported an accompanying fall in wholesale electricity prices in European markets in Q2 2023. The European Power Benchmark averaged €89/MWh, 53% lower than in Q2 2022. The total demand in the EU dropped 6% compared with last year's levels in Q2 2023, following the impact of milder weather, combined with the aftermath of the industrial demand reduction due to high prices in 2022 and behavioural changes in consumption. Demand levels for the second quarter of 2023 were also well below the 2019- 2022 range, registering the lowest value in June.

The BMS market in UK had a market size of £827.600.000 in 2023, representing an increase of 0.5% compared to the previous year. The market for building management and maintenance services is increasingly competitive and learn'd faces competition from a diversified group of other companies. learn'd's main competitors are essentially large, internationally active companies and smaller producers in emerging markets. Moreover, learn'd competes with local companies such as system integrators and building management companies. The results of operations and the financial performance of the Group's customers may vary based on the impact of changes in the global economy and political environment.

## 2.2 Results of operations, financial position and assets and liabilities of the Group

### 2.2.1 Results of operations

#### Condensed Consolidated Statement of Comprehensive Income

	Year ended		
	31 December 2023	31 December 2022	Change
	£	£	%
Revenue	32,112,791	30,420,919	6%
Cost of sales	(19,383,187)	(18,888,535)	3%
<b>Gross profit</b>	<b>12,729,604</b>	<b>11,532,384</b>	<b>10%</b>
Administrative expenses	(20,946,243)	(11,392,302)	84%
Other expenses	(48,070,476)	-	n/a
Fair value gain on warrants	7,441,613	-	n/a
Finance income	1,682	-	n/a
Finance expense	(738,803)	(410,494)	80%
Income tax	143,705	266,591	(46)%
<b>Loss for the period</b>	<b>(49,438,919)</b>	<b>(3,821)</b>	<b>n/a</b>

The development of individual income and expense items is presented in the following sections:

#### Revenue by area of activity

	Year ended		
	31 December 2023	31 December 2022	Change
	£	£	%
Strategic accounts and projects	24,257,918	22,100,109	10%
Services	6,373,452	5,017,093	27%
Data enabled services	1,481,421	1,570,110	(6)%
Lift installation and service	-	1,733,607	n/a
<b>Total</b>	<b>32,112,791</b>	<b>30,420,919</b>	<b>6%</b>

	Year ended		
Revenue by region	31 December 2023	31 December 2022	Change
	£	£	%
United Kingdom	30,937,710	29,730,104	4%
Rest of the world	1,175,081	690,815	70%
<b>Total</b>	<b>32,112,791</b>	<b>30,420,919</b>	<b>6%</b>

In the financial year 2023, the Group's total **revenues** increased by 6% to £32,112,791. While the revenues from Services are continuously growing, the major portion of the revenues was generated from Strategic accounts and projects. The increased revenues in Strategic accounts and projects are mainly contributed by the acquisition of net new customers and the acquisition of Complete Energy Controls. In addition, the increased revenues in Services primarily resulted from organic growth due to new customer acquisition and high retention rates of existing customers. By contrast, revenues in Data enables services and Lifts installation and services dropped by 6% and 100% respectively. The Group registered a decline in revenues in the Data enables services operations due to a small reduction in revenues from the Remote Operations

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Centre and Data Enabled Services related to the CEC acquisition not yet being attributed to this revenue area. The Lift installation and service operations were disposed in 2022.

In the United Kingdom revenue grew by 4%. In the rest of the world, the customer countries Germany and Spain recorded the strongest revenue growth.

**Cost of sales** increased by 3% to £19,368,084, mainly including costs for internal and external labour as well as products and consumables costs.

**Administrative expenses** grew by £9,553,941 or 84% from £11,392,302 in 2022 to £20,946,243 in 2023. The Group's 2023 costs are primarily driven by expenses in relation with one-off bonus payments for directors and founders in the amount of £6,067,499 during the financial year ended 31 December 2023.

**Other expenses** in the amount of £48,070,476 were initially recognised in relation to the share listing expenses for the Business Combination.

The Group recognized a **fair value gain on warrants** linked to the Business Combination involving 7,500,000 Class A warrants and 7,145,833 Class B warrants of learnd SE (together the "warrants"). These were part of the liabilities assumed by learnd Ltd from learnd SE. The fair value of these warrants decreased from €1.34 per Class A warrant and €2.03 per Class B warrant as at the closing of the Business Combination on 18 January 2023, to €0.97 per Class A warrant and €1.22 per Class B warrant by 31 December 2023. This decline in fair value resulted in a gain of £7,441,613 (€8,563,125) for the period.

**Finance expenses** increased mainly due to higher interest expenses for loans and borrowings, totalling £314,974, up from £128,006 in 2022. This rise is largely caused by increased interest expenses from the bank loans, which bear a variable interest rate of 11.23%, up from 9.79% in 2022, reflecting the Bank of England's rate hike. Additionally, new interest-bearing loans added from learnd SE as part of the Business Combination and the acquisition of CEC contributed to the increase.

In 2023, the Group reported a consolidated **loss** of £49,438,919, a significant increase from the £3,821 loss in 2022. This increase in consolidated loss is primarily related to the share listing expense recognised in accordance with IFRS 2, resulting from the Business Combination, and the one-off bonuses to the directors and founders. These were partly offset by the fair value gains from the Class A and Class B warrants of learnd SE.

### *Profitability*

**Adjusted EBITDA** totalled £2,573,183 in the financial year ended 31 December 2023 (2022: £2,561,363). The adjustments to EBITDA totalling £57,665,162 in the financial year ended 31 December 2023 (2022: £1,563,137) include non-recurring expenses resulting from the De-SPAC Transaction of £49,331,317, one-off bonus payments of £6,067,499, transaction costs related to the acquisition of new subsidiaries of £578,923 and expenses related with the reorganisation of the Group of £195,159. Furthermore, the adjustments to EBITDA include corporate expenses of £1,488,276 which incurred by learnd SE from 19 January to 31 December 2023 and includes i.e. expenses for legal and professional fees and other expenses. The adjustments to EBITDA in the financial year ended 31 December 2022 also include the costs related with the disposal of a subsidiary which operated the lift installation business of £797,809.

For details, please refer to the note 6 in the consolidated financial statements of learnd Group thereafter.

## 2.2.2 Financial Position

### *Principles and goals*

The group operates a central treasury management function, headed and controlled by learnd Ltd. For learnd, the management of liquidity and central financing holds significant importance.

The financial policy of learnd is meticulously designed to always prioritize and ensure the solvency of the Group. This policy is also aimed at minimizing the risks associated with financing activities. Additionally, a key objective of learnd's financial strategy is to optimize its cost of capital, thereby enhancing financial efficiency and stability within the Group. Cash is forecasted and monitored daily to ensure the business can meet its short- and long-term needs. This approach reflects a prudent and strategic focus on maintaining financial health and mitigating financial risks.

### *Capital structure*

The following table provides an overview on the outstanding loans within the Group as at 31 December 2023:

Loans and borrowings	Original currency	Matures in	Interest type	Effective interest rate in %	Nominal value £	Carrying amount £
<b>31 December 2023</b>						
Bank Loans	GBP	May 2027	Variable interest rate	11.23	2,579,838	2,579,838
Shareholder loan AFT Tech	GBP	No fixed repayment date	Fixed-interest rate	5	3,612,470	3,612,470
Shareholder loan GFJ Holding	EUR	December 2025	Fixed-interest rate	2.5	1,496,439	1,496,439
Other loans	GBP	June 2026	Fixed-interest rate	2.55	25,755	25,755
<b>Total</b>					<b>7,714,502</b>	<b>7,714,502</b>

In November 2022, the Group's subsidiary learnd UK Limited entered into a loan agreement with an alternative finance provider Thincats Loans Limited ("Thincats"), under which Thincats provided learnd UK Limited with two loan facilities A and B ("**Bank Loans**") in the amount of £2,000,000 and £1,000,000, respectively. The loan facility A is payable monthly in the amount of £37,037 and loan facility B is payable at the end of a fixed term of 54 months from the date of drawdown. Both Bank Loans bear a variable interest rate consisting of a base rate plus 6.75% margin per annum. The base rate is determined by the Bank of England's Bank Rate as published by the Bank of England from time to time. Interest payments are due on a monthly basis. Certain subsidiaries of the Group act as guarantors for both Bank Loans. As at 31 December 2023, the loan balance includes £2,555,556 of principal and £24,282 of interest (31 December 2022: £2,962,963 of principal and £7,833 of interest).

In the financial year ended 31 December 2022, KVI Aimteq Limited, as one of the Group's shareholders, provided a shareholder loan of £3,000,000 to learnd Ltd ("**Shareholder loan AFT**"). This Shareholder loan AFT Tech does not have a set repayment schedule, bears an annual interest of 5% and is unsecured. In September 2022, as part of AFT Tech Ventures AG's acquisition of all shares held by KVI Aimteq Ltd, the loan note along with its accumulated interest was transferred to AFT Tech Ventures AG ("AFT Tech"), with the acquisition finalised on 17 November 2022. The balance of the Shareholder loan AFT Tech as at 31 December 2023 comprises of £3,000,000 capital and £612,470 interest outstanding. The balance of the Shareholder loan AFT Tech as at 31 December 2022 comprises of £3,000,000 capital and £462,470 interest outstanding.

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Since 31 May 2022, GFJ Holding GmbH & Co.KG ("GFJ Holding"), the shareholder of the Company, provided the Company under several shareholder loan agreements with £1,438,278 (€1,655,000) in thirteen instalments. These loans totalling €1,655,000 were part of the liabilities learn d Ltd assumed from learn d SE during the Business Combination. On 30 January 2023, the two parties entered into a shareholder loan agreement to rearrange these loans into one loan ("**Shareholder loan GFJ Holding**"). This Shareholder loan GFJ Holding has a fixed repayment date on 31 December 2025 and incurs interest at an annual rate of 2.5%. It is unsecured. The Shareholder loan GFJ Holding balance as at 31 December 2023 comprises £1,438,278 (€1,655,000) principal recorded in the consolidated statement of financial position under "loans and borrowings (non-current)", and £58,161 (€66,925) interest categorized under "short term borrowings".

**Other loans** were acquired from the acquisition of CEC, which was obtained by CEC from Coronavirus Business Interruption Loan Scheme (CBILS) in UK. For the related terms to these loans please refer to the schedule above. The Group plans to repay this loan in 2024 and therefore presents this loan as "short term borrowings" in the statement of financial position as at 31 December 2023.

On 17 March 2023, the Company has entered into a EUR 800,000 (£695,240) shareholder loan agreement with GFJ Holding with 2.0% interest per annum. On 24 November 2023, the Company made a repayment in the whole amount of £695,240 (€800,000) with the total interest accrued thereon up to the repayment date.

#### *Investments*

The **investment volume** (investments in property, plant and equipment and intangible assets) is above the previous year's level at £4,114,563 in 2023 and £824,667 in 2022. The primary reason for the increase in investments was the acquisition of CEC. As a result of this acquisition, the intangible assets of the Group increased by 3,304,963 due to identified customer relationship and recognized goodwill.

Further investments in the financial year ended 2023 relate to the acquisition of software Microsoft Dynamics 365. The investment volume comprises of new and further developments of software applications Including Unified BMS, learn d's cloud hosted BMS platform solution, Critical Alarm Monitoring platform and learn d's smartphone application.

#### *Condensed Consolidated Statement of Cashflow*

The condensed consolidated statement of cashflow can be summarised as follows:

	Year ended		
	31 December 2023	31 December 2022	Change absolute
	£	£	
Net cash generated from operating activities	(6,324,646)	1,171,243	(7,495,889)
Net cash used in investing activities	(1,724,345)	(920,944)	(803,401)
Net cash used in financing activities	7,209,669	4,207	7,205,262

**Net cash generated from operating** activities amounted to £(6,324,646) in the reporting year, a significant decrease from the previous year's figure of £1,171,243. This decline is largely attributable to fair value measurement of the warrants, resulting in a fair value gain of £7,441,613, which is a non-cash item and adversely impacted net cash generated from operating activities.

**Net cash outflows used in investing activities** increased by £803,401 mainly caused by the net cash outflow occurred in relation with consideration payment for the acquisition of CEC in the amount of £914,744.

**Net cash inflows generated from financing activities** increased by £7,205,462 from £4,207 to £7,209,669 is mainly attributed to cash acquired from reverse acquisition of learn d SE in the amount of £1,755,610 (€2,005,724) and the proceeds from the sales of class A shares (treasury shares) after the Business Combination to external investors in the amount of £6,991,428 (€8,045,093), which has been used as one additional financing source for the Group after the Business Combination. The increase was offset, in part, by interest payments totaling £432,597 and loan and borrowing repayments amounting to £413,942.

### 2.2.3 Assets and Liabilities

*Condensed consolidated statement of financial position*

	31 December 2023	as % of total assets	31 December 2022	as % of total assets	Change in %
Non-current assets	12,486,932	51%	8,606,511	48%	45%
Current assets	12,214,947	50%	9,310,889	52%	31%
<b>Total assets</b>	<b>24,701,879</b>	<b>100%</b>	<b>17,917,400</b>	<b>100%</b>	<b>38%</b>
Equity	(12,838,854)	(52)%	1,967,505	11%	(753)%
Non-current liabilities	19,273,493	78%	4,200,938	23%	359%
Current liabilities	18,267,240	74%	11,748,957	66%	55%
<b>Total equity and liabilities</b>	<b>24,701,879</b>	<b>100%</b>	<b>17,917,400</b>	<b>100%</b>	<b>38%</b>

As at 31 December 2023, **total assets** amounted to £24,701,879, representing a 38% increase. This growth was mainly attributable to the following effects:

**Non-current assets** increased by £3,880,421 to £12,486,932. This was largely due to recognition of the goodwill of £2,504,963 and the customer relationship of £800,000 as intangible assets in relation with the acquisition of CEC. Furthermore, development costs of £395,956 were capitalised in 2023 which led to an additional increase in intangible assets.

**Current assets** totalled £12,214,947, resulted in a £2,904,058 increase from the previous year. This growth mainly stemmed from the acquisition of CEC, resulting in an increase in trade and other receivables, alongside cash and cash equivalents, totalling £1,778,555. Additionally, there was an increase in trade and other receivables of the existing business due to timing differences.

**Equity** decreased from £1,967,505 to £(12,838,854), largely because of the acquired net assets in the amount of £(25,372,427) from the reverse acquisition of learnd SE (formerly GFJ Acquisition) by learnd Ltd. related to the Business Combination, included in share premium. This decrease was partially offset by the proceeds from the sale of treasury shares of learnd SE totalling £9,075,145 (including £2,000,000 share-based compensation used to acquire CEC), resulting in a net equity decrease of £14,806,359.

**Non-current liabilities** increased by £15,072,555 as at 31 December 2023, primarily driven by the recognition of class A warrants valued at £6,322,339 and class B warrants valued at £7,576,306 as at 31 December 2023. These warrants were part of the liabilities assumed by learnd Ltd from learnd SE during the Business Combination closed on 18 January 2023. Additionally, learnd Ltd assumed loans from learnd SE totalling £1,438,278 (€1,655,000) during the Business Combination, which were provided by the shareholder GFJ Holding to the Company in 2022.

At £18,267,240 as at 31 December 2023, **current liabilities** were £6,518,283 above the previous year's figure of £11,748,957 primarily due to the increase in trade and other payables from £7,470,658 to £13,399,428. The increase in trade and other payables is mainly attributed to the accrued exceptional cash bonus to founders and directors amounting to £3,493,151, deferred consideration payable for the acquisition of CEC in the amount of £250,000, the unsettled trade and other payables acquired from CEC amounting to £511,760 at year end, the increase in accrued taxation and social security of £1,315,246, as well as the accrued legal and professional fees and tax compliance and director fee incurred by learnd SE of £ 877,310 during the period after the Business Combination with learnd Ltd. from 19 January 2023 to 31 December 2023.

### 2.2.4 Overall statement

The Management Board views the overall business development as substantially positive for the Group, specifically given the current economic challenges. The core business has demonstrated resilience, and the effectiveness of the growth strategy has been validated, specifically with the underlying growth of recurring revenue and the addition of CEC to the Group, expanding the Group's operations into Scotland. Further, the Business Combination with GFJ Acquisition has been strongly improved the Group's liquidity situation and provides the Group with another financing channel from potential investors on the capital market.

## 3. Report on Risks and Opportunities

### 3.1. Risk and opportunities management system

A prerequisite for the long-term success of our Group is to identify risks and opportunities at an early stage and to exploit or manage them. learn d has established a range of controls over financial reporting and business activities, which undergo evaluation via a continuous program of self-assessment.

learn d operates in an environment where it is subject to a large number of risks and opportunities. These are defined as events and developments with a certain likelihood of occurrence, capable of exerting a material negative or positive impact, financially or otherwise, on the Group's achievement of its forecasts and targets. The Group places great emphasis on risk management as a crucial component of its operations, viewing it as key to ensuring transparency regarding potential risks and opportunities, thereby enhancing its decision-making processes.

The Group regularly analyses and reviews all risks and opportunities 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. This ensures accountability, transparency, and review of progress against the identified risks.

The identified risks from operating activities, along with their potential adverse effects on earnings, have not undergone a significant change compared to the previous year.

### 3.2. Risks

Internally, the materiality of the risks described below has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact on the Group. These risks are presented in categories depending on their nature. They are currently considered primarily on a qualitative basis and, initially before risks measures are considered. Accordingly, these risks are not set out in any particular order and learn d recognises that the risks mentioned may materialize individually or cumulatively over time.

#### *Macroeconomic and political risks*

The global economic growth outlook for 2024 continues to be marked by uncertainty. Our results of operations and the financial performance of customers may vary based on the impact of changes in the global economy and political environment. The UK, where the majority of revenues is generated, and other markets in which learn d operates are currently subject to a very high degree of volatility and uncertainty caused by a number of factors, including (but not exclusively) labor constraints, supply chain cost inflation and disruptions, the risk of regional or global recessions and the Russia-Ukraine war.

Inflation, despite showing evident signs of deceleration, is expected to stay elevated, likely constraining capital and consumer spending.

The Russia-Ukraine war has led to increased energy prices and inflation, initially boosting demand for energy-efficient services. However, the longer-term effects include global supply chain disruptions and material shortages due to sanctions against Russia. This has resulted in economic challenges in the UK, such as higher inflation and interest rates, and reduced credit availability, potentially impacting business operations and customer activities adversely.

*Credit and counterparty risks*

The Group is exposed to certain financial risks related to our customers' payment cycles. learnd carries substantial accounts receivable balances from a number of customers. The potential inability or unwillingness of customers that represent a portion of our accounts receivable balance to pay such balances in a timely fashion could adversely affect our business. A customer may become unable or unwilling to timely pay its balance due to a general economic slowdown, economic weakness in its industry, the financial solvency of its business or the filing for bankruptcy. If the Group is unable to collect our receivables from, or bill our unbilled services to, our customers, the Group's financial condition and cash flows could be adversely affected.

*Cashflow and liquidity risks*

learnd faces financial risk as it may seek additional funds to support growth, technological advancements, competitive responses, acquisitions, or to manage financial liabilities. The unpredictability of capital requirements, influenced by economic, financial, or political instability, could necessitate further capital. Financing through equity could dilute current equity holders, while debt financing could restrict business operations through covenants and allocate a significant portion of cash flows to debt servicing, limiting growth and operational flexibility.

*Currency Risk*

The Group is exposed to translation and transaction foreign exchange risk, with only 4% its revenue derived from foreign currencies (2022: 2%). Although, most of the revenue is priced and invoiced in sterling, it occasionally invoices in relevant foreign currencies. Moreover, the Group benefits from a natural hedge through its purchases of some equipment from Europe and incurring costs in Luxembourg following the Business Combination with learnd SE, settling acquisition or service costs in Euros.

*Interest Rate Risk*

The Group is exposed to minimal interest rate risk since almost all external borrowings carry fixed interest rates, except one loan facility with variable interest rates which have been repaid in February 2024.

learnd's future financial performance, influenced by market conditions and interest rates, is crucial for meeting debt obligations and obtaining refinancing on favorable terms. Unfavorable borrowing conditions may increase financing costs, negatively impacting operations, and growth prospects.

*Operative Risks*

The building management and maintenance services market is growing increasingly competitive, with learnd facing challenges from a wide range of competitors, including potential new entrants from abroad. These competitors, often with more substantial brand recognition and resources, may offer more competitive pricing and invest more in developing and marketing their services, potentially weakening learnd's market position. An inability to swiftly adapt to this competitive environment could lead to reduced demand for learnd's services, pressure to lower prices, and negatively impact growth and profit margins. Failure to compete effectively might result in the loss of current customers and difficulty in attracting new ones.

*Legal and regulatory risks*

The Group's business includes rights to intellectual property. In some cases, these can be breached by third parties, which requires us to take legal action. learnd constantly monitors its intellectual property to ensure that all material rights remain in full force and effect. In addition, the Group have engaged patent and trademark lawyers who support learnd in this respect.

**3.3 Opportunities**

While learnd faces several risks, there are also numerous opportunities for the Group. By the most relevant opportunities, as outlined below, learnd means possible future developments or events which, if they occur, could lead to substantial positive deviations from the Group's forecasted growth and profitability targets.



### GROUP MANAGEMENT REPORT 2023

Opportunity management is deeply integrated in the strategy, planning, and reporting processes and an important element of the Group's management approach.

#### *Strong Market Opportunity*

Through the significant operational histories of our key acquisitions, Aimteq and Comfort Controls, both part of learnd UK, the Group positions itself as early movers in a growing market. The BMS market, a mature and competitive sector, is anticipated to expand significantly. Similarly, substantial growth is forecasted in other related market segments, including the global energy management market and the smart grid market. These projections underline the potential for growth and expansion in our market areas, aligning with our strategic objectives and capabilities.

#### *Buy-and-Build Opportunity*

learnd's buy-and-build acquisition strategy could permit the Group to gain further sector expertise and deepen its customer relationships and access to buildings, enabling significant growth in learnd's enterprise value over time.

Once learnd has acquired a target, the Group has the opportunity to create additional enterprise value through multiple arbitrages between the acquisition valuation and its valuation.

learnd sees the opportunity to harness operational synergies as a cornerstone for growth, focusing on:

- Achieving shared services and back-office cost efficiencies across its acquisitions.
- Extracting cost and revenue synergies to enhance pricing power with suppliers and customers.
- Streamlining human capital costs through strategic departures and redundancies among senior staff following acquisitions.

Following company acquisitions, learnd proactively leverages the opportunity to implement technology solutions at new customer sites to enhance the appeal and profitability of its core BMS services, simultaneously opening avenues for upselling additional products and services.

#### *Increased Stickiness via Technology*

learnd leverages technology and data to enhance outcomes and customer loyalty, actively developing and upgrading its offerings to expand its customer base. The integration of learnd's technology into customer BMS operations offers an opportunity to deepen engagement and uncover optimization opportunities. This approach drives demand for learnd's on-site services, creating new recurring revenue streams and strengthening its existing maintenance services.

#### *Proprietary Platform*

learnd estimates it has access to a significant portion of large non-residential buildings in the UK through its market share. The Group's strategy involves safely connecting these buildings with its cloud-based building management technologies, enabling the collection of data from customers' BMS. learnd plans to aggregate this data on its developing open data platform for continuous analysis and monitoring. The incorporation of "smart alerts" further enhances this system by providing real-time notifications of issues, facilitating immediate response to any problems.

Looking ahead, learnd aims to introduce additional technology-driven services, including cloud-hosted systems, improved building visibility through web-based dashboards and a smartphone app, and dynamic demand response in partnership with utilities. These initiatives are expected to further yield energy savings, enhance customer retention, improve margins, and contribute positively to the energy grid and net-zero transition.

**LEARND SE****GROUP MANAGEMENT REPORT 2023****4. Outlook**

The forecast report of the learnd takes into account relevant facts and events that were known at the time of known at the time the Group management report was prepared and which could influence future business development.

*General economic conditions*

The economic forecasts for the year 2024 assume that economic development in Europe and UK will be characterized by economic uncertainty, persistent inflation, ongoing supply chain problems and the ongoing war in Ukraine.

In January 2024, the International Monetary Fund (IMF) forecasted real GDP growth of 0.9% for Europe and a slightly lower rate of 0.6% for United Kingdom in 2024. Additionally, headline inflation is expected to be at 4.1% in Europe, while in the UK the levels are expected to be lower with 3.7%. Moreover, due to ongoing geopolitical tensions affecting the global wholesale market, energy prices in the UK are forecasted to rise in 2024, marking an increase from 2023 levels.

*Business Performance*


The outlook is based on the forecast macroeconomic developments and the current internal Group plans for the internal plans of the Group for the 2024 financial year. These do not consider any significant deterioration or improvement of the described parameters beyond the statements made above, which could have a described parameters that could have a negative or positive impact on European economic development or the business or the business development of the Group. The underlying planning assumptions do not currently take into account any possible business-relevant consequences of the Russian-Ukrainian or the Israeli–Palestinian conflict.


For the financial year 2024, learnd's management expects most important financial KPIs to include revenues ranging from €60.0 to 70.0 million and targets an Adjusted EBITDA between €7.0 and 8.0 million.

**5. Corporate Governance**

As a Luxembourg company whose shares are traded on the Frankfurt Stock Exchange, learnd is not obliged to comply with the Luxembourg corporate governance rules that apply to companies whose shares are traded in Luxembourg, or to the German corporate governance rules that apply to listed companies in Germany. The Company has chosen not to voluntarily apply either the Luxembourg or the German corporate governance system in its entirety.

Learnd SE  
Luxembourg, 30 April 2024

DocuSigned by:  
  
070CB15E98AB480...  
Simon Wood  
Member of the Management Board

DocuSigned by:  
  
C351789A8D884EF  
John Clifford  
Member of the Management Board



Mazars Luxembourg  
5, rue Guillaume J. Kroll  
L-1882 Luxembourg  
Luxembourg  
Tel: +352 27 114 1  
Fax: +352 27 114 20  
www.mazars.lu

To the Shareholders of  
**learnd SE**  
Société européenne

R.C.S. Luxembourg B255487

9, rue de Bitbourg  
L - 1273 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of **learnd SE** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

#### Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" ("CSSF"). Our responsibilities under the EU regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "*réviseur d'entreprises agréé*" for the Audit of the consolidated Financial Statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter:	Recognition of revenue
<b>Description of key audit matter:</b>	<p>The amount of revenue in relation to the sales of learnd Ltd amounting to GBP 32,112,791 (note 7) is dependent on the appropriate estimation of the percentage of completion at the period-end of projects that span beyond the period-end based upon the costs incurred or accrued in the period to date, in accordance with IFRS 15. Therefore, we considered the risk that the revenue is not accurate as a significant risk.</p> <p>The Group has procedures and processes in place to manage the commercial, technical, and financial aspects of sales contracts and the risk of material misstatement is that accounting for the Group's sale contracts does not accurately reflect the timing of recognition.</p>
<b>Our response:</b>	<p>Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> <li>• Evaluation and testing of the design and implementation of the relevant controls over process activities, specifically on controls over cut-off;</li> <li>• Reconciliation of a sample of revenue transactions to sales order/contracts, invoices, completion certificates and bank statements;</li> <li>• Performance of cut-off testing on sales transaction recorded around year-end to ensure that they have been recognized in the appropriate period;</li> <li>• Recalculation of accrued revenue and related revenue amounts for a sample of revenue transactions;</li> <li>• For the same sample, testing of the post year-end invoices and where these have been paid to subsequent bank statements to confirm the occurrence of the accrued revenue at year-end. Where there has been no payment, comparison of the percentage of completion post year-end with the percentage of completion at year-end to confirm progress on the project post year-end;</li> <li>• Challenge of management assessment and obtention of explanations for loss-making contracts to assess appropriateness of their treatment including the accounting for similar ongoing projects;</li> <li>• Performance of reasonableness test on forecast margin for ongoing projects based on realized margin for similar completed projects in the year;</li> <li>• On a sample of completed projects, assessment of the forecast costs to actual costs incurred to complete the project to determine how accurate management's cost to complete forecasting is.</li> </ul> <p>We assessed the completeness and appropriateness of the disclosures in Note 4 'Significant accounting judgements, estimates and assumptions', Note 6 'Segmental information' and Note 7 'Revenue' to the Consolidated Financial Statements.</p>



## Other Information

The Management Board is responsible for the other information. The other information comprises the information stated in the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the “*réviseur d’entreprises agréé*” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

## Responsibilities of the Management Board and Those Charged with Governance for the Consolidated Financial Statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

The Management Board is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format as amended (“the ESEF Regulation”).

## Responsibilities of the “*réviseur d’entreprises agréé*” for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “*réviseur d’entreprises agréé*” that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- Conclude on the appropriateness of Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless laws or regulations preclude public disclosure about the matter.



## Report on Other Legal and Regulatory Requirements

We have been appointed as “*réviseur d’entreprises agréé*” by the Annual General Meeting on 30 June 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as of 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Financial statements prepared in valid xHTML format;
- The XBRL markup of the Consolidated Financial Statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as of 31 December 2023, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee.

Luxembourg, 30 April 2024

For Mazars Luxembourg, Cabinet de révision agréé  
5, rue Guillaume J. Kroll  
L-1882 LUXEMBOURG

DocuSigned by:  
  
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Fabien DELANTE  
Réviseur d’entreprises agréé

**LEARND SE**

**CONSOLIDATED FINANCIAL STATEMENTS 2023**

**LEARND SE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AND FOR THE FINANCIAL YEAR ENDED**

**31 DECEMBER 2023**



**LEARND SE**

**CONSOLIDATED FINANCIAL STATEMENTS 2023**

**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**

**CONSOLIDATED FINANCIAL STATEMENTS 2023**

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## CONSOLIDATED FINANCIAL STATEMENTS 2023

## Consolidated Statement of Comprehensive Income

	Notes	Year ended	
		31 December 2023 £	31 December 2022 £
Revenue	7	32,112,791	30,420,919
Cost of sales	8	(19,383,187)	(18,888,535)
<b>Gross profit</b>		<b>12,729,604</b>	<b>11,532,384</b>
Administrative expenses	9	(20,946,243)	(11,392,302)
Other expenses – share listing expense	5.1	(48,070,476)	-
<b>Operating (loss) / profit</b>		<b>(56,287,116)</b>	<b>140,082</b>
Fair value gain on warrants	26	7,441,613	-
Finance income		1,682	-
Finance expense	10	(738,803)	(410,494)
<b>Loss before tax</b>		<b>(49,582,624)</b>	<b>(270,412)</b>
Income tax	11	143,705	266,591
<b>Loss for the period</b>		<b>(49,438,919)</b>	<b>(3,821)</b>
<b>Other comprehensive income</b>			
<i>Items that can be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		198,050	-
<b>Total comprehensive loss for the period</b>		<b>(49,240,869)</b>	<b>(3,821)</b>
Basic loss per share	12	(4.19)	(0.00)
Diluted loss per share	12	(4.19)	(0.00)

## CONSOLIDATED FINANCIAL STATEMENTS 2023

## Consolidated Statement of Financial Position

		31 December 2023	31 December 2022
	Notes	£	£
<b>Non-current assets</b>			
Intangible assets	13	9,744,737	6,365,603
Property, plant and equipment	14	235,376	249,763
Right-of-use assets	15	2,506,819	1,991,145
<b>Total non-current assets</b>		<b>12,486,932</b>	<b>8,606,511</b>
			-
Inventories	16	623,921	852,336
Trade and other receivables	17	9,388,639	6,504,938
Cash and cash equivalents	18	1,769,046	1,679,138
Deferred tax assets	11	433,342	274,477
<b>Total current assets</b>		<b>12,214,947</b>	<b>9,310,889</b>
<b>Total assets</b>		<b>24,701,879</b>	<b>17,917,400</b>
Share capital		439,218	95
Share premium		31,334,071	-
Foreign currency translation reserve		198,050	-
Share-based payments reserve		2,759,377	98,061
Retained earnings		(47,569,570)	1,869,349
<b>Total equity</b>	19	<b>(12,838,854)</b>	<b>1,967,505</b>
Lease liabilities (non-current)	15	1,852,124	1,481,193
Class A warrants at fair value	26	6,322,339	-
Class B warrants at fair value	26	7,576,306	-
Loans and borrowings	22	3,511,449	2,708,469
Provisions	23	11,276	11,276
<b>Total non-current liabilities</b>		<b>19,273,493</b>	<b>4,200,938</b>
Lease liabilities (current)	15	726,639	553,502
Trade and other payables	24	13,337,547	7,470,658
Short term borrowings	22	4,203,054	3,724,797
<b>Total current liabilities</b>		<b>18,267,240</b>	<b>11,748,957</b>
<b>Total liabilities</b>		<b>37,540,733</b>	<b>15,949,895</b>
<b>Total equity and liabilities</b>		<b>24,701,879</b>	<b>17,917,400</b>

## CONSOLIDATED FINANCIAL STATEMENTS 2023

## Consolidated Statements of Changes in Equity

£	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Share-based payments reserve	Total shareholders' equity
<b>Balance at 31 December 2022</b>	<b>95</b>	<b>-</b>	<b>1,869,349</b>	<b>-</b>	<b>98,061</b>	<b>1,967,505</b>
Loss for the period	-	-	(49,438,919)	-	-	(49,438,919)
Other comprehensive income for the period	-	-	-	198,050	-	198,050
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(49,438,919)</b>	<b>198,050</b>	<b>-</b>	<b>(49,240,869)</b>
Share capital restructuring	244,919	(244,919)	-	-	-	-
Reverse acquisition of GFJ SPAC	134,345	22,563,705	-	-	-	22,698,049
Equity-settled share-based payment	-	-	-	-	2,661,316	2,661,316
Sale of treasury shares	59,859	9,015,286	-	-	-	9,075,145
<b>Total transactions with owners</b>	<b>439,123</b>	<b>31,334,071</b>	<b>-</b>	<b>-</b>	<b>2,661,316</b>	<b>34,434,510</b>
<b>As at 31 December 2023</b>	<b>439,218</b>	<b>31,334,071</b>	<b>(47,569,570)</b>	<b>198,050</b>	<b>2,759,377</b>	<b>(12,838,854)</b>

£	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Share-based payments reserve	Total shareholders' equity
<b>Balance at 31 December 2021</b>	<b>95</b>	<b>-</b>	<b>1,873,170</b>	<b>-</b>	<b>56,207</b>	<b>1,929,472</b>
Loss for the period	-	-	(3,821)	-	-	(3,821)
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(3,821)</b>	<b>-</b>	<b>-</b>	<b>(3,821)</b>
Equity-settled share-based payment	-	-	-	-	41,854	41,854
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(3,821)</b>	<b>-</b>	<b>41,854</b>	<b>38,033</b>
<b>As at 31 December 2022</b>	<b>95</b>	<b>-</b>	<b>1,869,349</b>	<b>-</b>	<b>98,061</b>	<b>1,967,505</b>

## CONSOLIDATED FINANCIAL STATEMENTS 2023

## Consolidated Statement of Cash Flow

		Year ended 31 December 2023	31 December 2022
	Notes	£	£
<b>Loss for the period</b>		(49,438,919)	(3,821)
<b>Adjustments for:</b>			
Depreciation and Amortisation		1,195,137	864,918
Finance expenses		715,595	410,494
Share based payment charge		2,661,316	41,854
Non-cash share listing expense		48,070,476	-
Transaction costs on acquisition of subsidiaries		78,208	-
Loss on disposal of development costs		248,285	-
Gain on disposal of right of use asset		(1,019)	(4,132)
Loss on disposal of a subsidiary		-	756,878
Fair value (gains) on warrants		(7,441,613)	-
Income tax expenses		(143,705)	(266,591)
<b>Change in operating assets and liabilities</b>			
(Increase)/decrease in debtors		(1,937,205)	(1,548,343)
(Increase)/decrease in inventories		242,428	(545,550)
(Decrease)/increase in provisions		-	(87,264)
(Decrease)/increase in creditors		(559,393)	1,335,683
<b>Cash flows from operating activities</b>			
<b>Cash generated from operating activities</b>		<b>(6,310,408)</b>	<b>954,126</b>
Income tax paid		(88,331)	-
Income tax received		74,093	217,117
<b>Net cash generated from operating activities</b>		<b>(6,324,646)</b>	<b>1,171,243</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(255,398)	(141,991)
Purchase of tangible assets		(158,247)	(140,472)
Disposal of subsidiaries		-	(141,658)
Acquisition of subsidiaries, net of cash acquired		(914,744)	-
Capitalised expenditure for research and development		(395,956)	(496,823)
<b>Net cash used in investing activities</b>		<b>(1,724,345)</b>	<b>(920,944)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of class A shares		6,991,428	-
Capital reorganisation (reverse acquisition)		1,755,610	-
Proceeds from loans and borrowings		(0)	988,874
Repayments of loans and borrowings		(413,942)	(587,561)
Proceeds from shareholder loans		695,224	-
Repayment of shareholder loans		(695,224)	-
Payments of lease liabilities		(655,063)	(513,839)
Interest paid		(432,597)	(165,224)
Payments of other finance costs		(35,767)	(52,288)
Increase in discounting facility		-	334,245
<b>Net cash used in financing activities</b>		<b>7,209,669</b>	<b>4,207</b>
<b>Net increase in cash and cash equivalents</b>		<b>(839,323)</b>	<b>254,506</b>
Effects of exchange rate changes on cash and cash equivalents		9,920	-
Restricted cash (cash in escrow)		919,311	-
Cash and cash equivalents at start of period		1,679,138	1,424,632
<b>Cash and cash equivalents at end of period</b>	<b>25</b>	<b>1,769,046</b>	<b>1,679,138</b>

## CONSOLIDATED FINANCIAL STATEMENTS 2023

### 1. General information

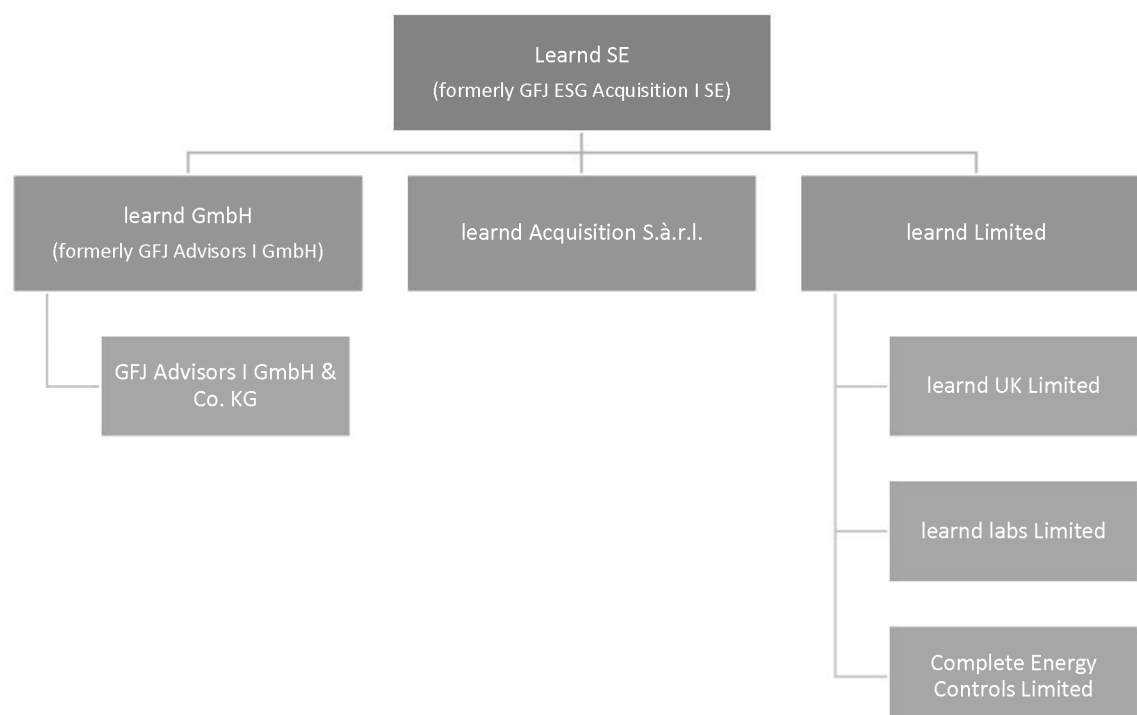
The learnd Group (hereinafter also referred to as “learnd” or the “Group”), comprises the parent entity learnd SE, Luxembourg, Luxembourg (the “Company”), and its direct and indirect subsidiaries. The Company is registered with the Luxembourg Trade and Companies Register under number B255487. Its registered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

The principal activities of the 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. The Business Combination is accounted for as a reverse acquisition in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS”). While learnd SE was the legal acquirer, 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 information, please refer to *Note 5.1 – De-SPAC Transaction*.

As at 31 December 2023, the Group structure of Learnd SE with 100% direct and indirect shareholdings is as follows:



## CONSOLIDATED FINANCIAL STATEMENTS 2023

**2. Basis of preparation**

The consolidated financial statements for the financial year ended 31 December 2023 with comparable financial year ended 31 December 2022 of the Group have been prepared in accordance with IFRS as endorsed by the EU and were authorized for issue by the Company's Management Board on 30 April 2024.

The preparation of the consolidated 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 4 – Significant accounting judgements, estimates and assumptions*.

**2.1 Going concern**

The Group headed by the Company forms an operating model with a central treasury function. As a result, 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 29 – Related Party transactions*) in the going concern period being at least 12 months from the date of signing this Group Financial Information Report unless the Group is 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 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 consolidated financial statements.

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

**2.2 Measurement basis**

The consolidated financial statements have been prepared on the basis of historical costs. This does generally not apply to derivative financial instruments, as they are recognised at fair value as at the balance sheet date. A corresponding explanation is provided in the context of the respective accounting policies.

**2.3 Functional and presentation currency**

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which each entity operates. The consolidated financial statements are presented in GBP, which is the functional and reporting currency of the accounting acquirer learn d Ltd and its subsidiaries.

The Group used the following exchange rates to translate the consolidated financial statements of learn d SE from Euro into GBP:

Average rate EUR - GBP	Spot rate EUR-GBP	
19 Jan to 31 Dec 2023	18 January 2023	31 December 2023
0.86903	0.8753	0.86905



## CONSOLIDATED FINANCIAL STATEMENTS 2023

**2.4 Current vs. non-current classification**

An asset is classified as current if it is expected to be realized or consumed within the Group's normal operating cycle of one year. All other assets are classified as non-current.

A liability is classified as current if it is expected to be settled within the Group's normal operating cycle of one year. All other liabilities are classified as non-current.

**3. Summary of significant accounting policies****3.1 Basis of consolidation**

The consolidated financial statements include the balances and results of the Company and its wholly owned subsidiaries as at 31 December 2023.

All transactions and balances between Group companies are eliminated on consolidation and there are no unrealized gains and losses on transactions between Group companies (except for foreign currency transaction gains or losses). Amounts reported in the consolidated financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

**3.1.1 Business combinations**

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 recognized directly in the consolidated 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 recognized 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.

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

**3.1.2 Reverse acquisition**

In a business combination effected primarily by exchanging equity interest, the acquirer is usually the entity that issues its equity interests. However, in some business combinations, commonly called "reverse acquisitions" the issuing entity is the acquiree. A reverse acquisition occurs when the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes (the accounting acquirer). The entity whose equity interests are acquired (the legal acquiree) must be the acquirer for accounting purposes for the transaction to be considered a reverse acquisition. The accounting acquiree must meet the definition of a business for the transaction to be accounted as reverse acquisition. Please refer to *Note 5.1 De-SPAC Transaction* for further information of the Group's reverse acquisition.

When the accounting acquiree is not a business, the recognition and measurement principles of IFRS 3 do not apply to the transaction which should be accounted for in accordance with IFRS 2

## CONSOLIDATED FINANCIAL STATEMENTS 2023

instead. The transaction remains however a reverse acquisition and the guidance of IFRS 3 in this respect remains applicable.

Post business combination, the financial statements will be presented as a continuation of the financial statements of the accounting acquirer. The IFRS 2 accounting for the merger is the following:

- The assets and liabilities of the accounting acquirer recognised and measured at their pre-combination carrying amounts in accordance with relevant IFRS;
- The assets and liabilities of the accounting acquiree recognised and measured in accordance with relevant IFRS;
- The retained earnings and other equity balances of the accounting acquirer before the business combination recognised in accordance with relevant IFRS;
- The equity structure (i.e. the number and type of equity interests issued) reflects the equity structure of the legal acquirer, including the shares issued to effect the combination:
  - Share capital – The share capital account of the accounting acquirer is carried forward. However, the balance is adjusted to reflect the par value and types of the outstanding share capital of the legal acquirer, including the number of shares the legal acquirer issued to effect the acquisition to the shareholders of the legal acquiree and Backstop Investors (as defined in *Note 5.1 De-SPAC Transaction*) in this transaction.
  - Share premium – The share premium account of the accounting acquirer is carried forward and adjusted for any change in par value of the outstanding capital stock and is increased to reflect the difference between the par value and the fair value of the shares issued to the shareholders of the legal acquiree and Backstop Investors (as defined in *Note 5.1 De-SPAC Transaction*).
- The expense recognised, for the difference of the fair value of the shares deemed to have been issued by the accounting acquirer and the carrying amount of the accounting acquiree's identifiable net assets, is considered as a payment for a service of a stock exchange listing for the shares of the accounting acquirer ("share listing expense").

### 3.1.3 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 subsidiaries have a reporting date of 31 December 2023.

## CONSOLIDATED FINANCIAL STATEMENTS 2023

## List of subsidiaries

Besides the Company, the following subsidiaries are included in the scope of consolidation as at 31 December 2023:

Name	Principal place of business, Country	Sum of the direct and indirect shares as at 31 December 2023
GFJ Advisors I GmbH & Co. KG <sup>(1)</sup>	Essen, Germany	100%
learnd GmbH (formerly GFJ Advisors I GmbH) <sup>(1)</sup>	Essen, Germany	100%
learnd Acquisition S.á r.l. <sup>(4)</sup>	Senningerberg, Luxembourg	100%
learnd Limited	London, United Kingdom	100%
learnd UK Limited <sup>(2)</sup>	Manchester, United Kingdom	100%
learnd 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 the Group 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". GFJ Advisors I GmbH changed its name to learnd GmbH in October 2023.

(2) Indirectly through learnd Ltd. WEMS Energy Centre Limited is a dormant entity since inception.

(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 learnd UK limited as at 31 December 2022.

(4) learnd Acquisition S.á r.l was incorporated by learnd SE in November 2023 for the preparation of the two planned acquisitions in 2024 described in note 32.

Please refer to *Note 5 – Business Combinations* for additions to the scope of consolidation during the year 2023.

## CONSOLIDATED FINANCIAL STATEMENTS 2023

**3.2 Foreign currency translation****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 the consolidated statement of comprehensive income.

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "administrative expenses".

**Translation of foreign operations**

Assets and liabilities of the foreign operations of the Group are translated into GBP at the rate of exchange prevailing at the reporting date. The consolidated financial statement of comprehensive income is translated at average exchange rates. The currency translation differences are recognized and presented in the consolidated statement of comprehensive income within "other comprehensive income".

**3.3 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 Management Board which makes the Group's strategic decisions. See *Note 6 - Segmental information*.

**3.4 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.

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.

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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 under other receivables 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 does not need to 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, 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.

**CONSOLIDATED FINANCIAL STATEMENTS 2023****Contract services**

The Group provides a BMS monitoring service where the customers BMS system is monitored, maintained and controlled remotely by a team of the Group. 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.

**3.5 Employee benefits**

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

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

**3.6 Share-based payments**

The Group 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 the consolidated statement of comprehensive income 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 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 consolidated statement of comprehensive income 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, the consolidated statement of comprehensive income is charged with fair value of goods and services received.

**3.7 Finance income**

Interest income is recognised in the consolidated statement of comprehensive income as investment income using the effective interest method.

**CONSOLIDATED FINANCIAL STATEMENTS 2023****3.8 Finance expenses**

Finance costs include interest expenses from loans and borrowings as well as interest expenses from leasing.

Interest expenses from loans and borrowings are charged to the consolidated financial statement of 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.

**3.9 Income taxes**

Tax expense recognised in the consolidated statement of comprehensive income 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.

**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

**Deferred tax**

Deferred income taxes are calculated using the liability method. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the amounts used for tax purposes.

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 recognized in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Group does not recognize 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.

The carrying amounts of deferred tax are reviewed at the end of each reporting period and adjusted if needed.

**3.10 Earnings per share**

Basic and diluted earnings per share is calculated by dividing net profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

**3.11 Intangible assets****Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to *Note 13 – Intangible assets* for a description of impairment testing procedures.

## CONSOLIDATED FINANCIAL STATEMENTS 2023

**Other intangible assets**

Other intangible assets include customer relationships, development costs and software licenses. Acquired intangible assets are initially recognized 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 recognized 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 recognized 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

The amount initially recognized 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 recognized, development expenditure is recognised in the consolidated statement 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 the administrative expenses in the consolidated statement of comprehensive income. Intangible assets with a finite life are amortised on a straight-line basis over their expected useful lives, as follows:

	<b>Years</b>
Customer Relationships	5
Development costs	2-5
Software	3

**3.12 Property, plant and equipment**

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

Depreciation expenses are presented within administrative expenses in the consolidated statement of comprehensive income. Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

	<b>Years</b>
Fixtures and fittings	3
Office equipment	3 - 5

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 recognized in the consolidated statement of comprehensive income either within other income or other expenses.

**3.13 Leases**

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.



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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 recognizes 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 recognized in the consolidated statement of comprehensive income.

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

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 recognized in the consolidated statement of comprehensive income. The right-of-use asset is adjusted for all other

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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 recognized as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

### 3.14 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 recognized immediately in the consolidated statement of comprehensive income.

### 3.15 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 recognized for the amount that the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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.

### 3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.16.1 Financial assets

##### Initial recognition and measurement

The Group recognises a financial asset when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

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

Cash and cash equivalents in the 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 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.

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**Subsequent measurement and gains and losses**

The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired. The Group includes in this category cash and cash equivalents and trade receivables.

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.

Financial assets measured at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss. The Group does not measure any financial assets at fair value through profit or loss as at 31 December 2023 and 2022.

**Impairment of financial assets**

The Group has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to its financial assets.

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

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

The Group recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for cash at bank and trade receivables are deducted from the gross carrying amount of the corresponding assets.

Write-off

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

**Derecognition**

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**3.16.2 Financial liabilities**

**Initial recognition and measurement**

The Group recognises a financial liability when it becomes a party to the contractual provisions of the instrument.

The Group's financial liabilities include trade payables and accrued liabilities and loans and borrowings. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Furthermore, the Group classifies Class A and Class B warrants as financial liabilities measured at fair value through profit or loss because they do not meet the criteria for treatment as equity under IAS 32.

Trade and accrued payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within 12 months or less. If not, they are presented as non-current liabilities.

**Subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including an interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised costs under the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on

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substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**3.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in the active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measure fair values of financial assets and financial liabilities is included in *Note 26 – Financial instruments*.

**3.18 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.

**3.19 Provisions, contingent assets and contingent liabilities**

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognized 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.

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Restructuring provisions are recognized 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 recognized for future operating losses.

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 recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized 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.

**3.20 Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of authorization of issue of the Group's consolidated financial statements and that might have an impact on the Group's consolidated financial statements are disclosed below. The Group intends to adopt the new and amended standards and interpretations, if applicable, when they become effective. The Group does not expect a material impact from the adoption of these standards.

	<b>Standards/Interpretation</b>	<b>Date of application</b>
Amendments to IAS 1	Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely

**4. Significant accounting judgements, estimates and assumptions**

When preparing the financial information, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgements, estimates and assumptions made by management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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.

**Fair values on acquisition of Complete Energy Controls Limited ("CEC")**

The fair value of assets acquired on the acquisition of CEC involved the estimation of future cash flows to be generated over a number of years. The estimation of the fair values requires the combination of assumptions including recoverability of debtors and project completion percentages.

**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. Please refer to *Note 17 – Trade and other receivables* and *Note 26 – Financial instruments* for the net carrying amount of the debtors and associated impairment provision.

**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.

**Inventory provision**

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

**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.

**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.

**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 20 – Share-based payments* 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 at 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.

## 5. Business Combinations

### 5.1 De-SPAC Transaction

learn d 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, reorganisation 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 d Ltd entered into a business combination agreement (as amended on 9 December 2022) (the "BCA"), whereby GFJ Acquisition acquired 100% of the learn d Ltd shares and became the legal parent of learn d Ltd and its subsidiaries for a contribution and exchange of all learn d Ltd shares for 7,289,581 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 d 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 d Ltd as the acquirer for financial reporting purposes. Operations prior to this Transaction are those of learn d Ltd and historical financial statements of learn d Ltd became the historical financial statements of the combined entity, upon the consummation of the Transaction. Accordingly, the consolidated financial statement of comprehensive income for the financial year ended 31 December 2023 includes the transactions of the Company starting from the date of the closing of this de-SPAC Transaction (18 January 2023).

The de-SPAC Transaction is treated as the equivalent of learn d Ltd issuing shares for the net assets of GFJ Acquisition as at the closing date, accompanied by a share restructuring of learn d Ltd. Any excess of fair value of GFJ Acquisition's shares deemed to be issued by learn d Ltd over the fair value of GFJ Acquisition's identifiable net assets acquired represents compensation for the service of a stock exchange listing for the shares of learn d Ltd 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 learn d 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 ("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 the de-SPAC Transaction for a purchase price of €10.00 per Public Share for gross proceeds of €2.3 million on the Closing.
- A total of 14,983,016 GFJ Acquisition public shares were redeemed with an agreed price of €10.20 per share 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 at the closing date.
- The shareholders of learn d Ltd exchanged their 9,500,000 shares of learn d Ltd, with par value of £0.00001 per share, to 7,289,581 new Public Shares ("Class A Shares") of GFJ Acquisition with par value of €0.0384 per share ("share restructuring of learn d Ltd").
- Also, in connection with the Business Combination, the Group assumed the obligation under learn d Ltd previously established share option scheme for certain of its employees and executive directors (the "learn d SOS"). Pursuant to the learn d 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, the Group entered into several option agreements and thereunder



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granted 527,500 options to employees. For more detail information please refer to *Note 20 – Share-based payments*.

**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.

learn d 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 the Group's share price on 18 January 2023 of €10.20 per Class A share and the fair value of Class B shares as at 18 January 2023. The fair value of the Class B1 shares is determined using learn d SE's share price as at 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.

In exchange, learn d 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 at 18 January 2023.

The excess of the fair value of the equity instruments issued over the fair value of the identified net assets acquired by learn d Limited from GFJ Acquisition 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 and separately presented in other expenses within the consolidated statement of comprehensive income and other comprehensive income. Details of the calculation of the share listing expense are as follows:

in GBP		Fair Value
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
Fair value of shares deemed issued (A + B + C + D)	E	22,698,049
GFJ Acquisition's net assets	F	(25,372,427)
Excess of Fair value of shares over GFJ Acquisition's net assets acquired (E - F)	G	48,070,476

GFJ Acquisition net assets on 18 January 2023 include:

in GBP		Fair Value
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)
GFJ Acquisition's net assets		(25,372,427)

As part of the recapitalization learn d Ltd's share capital was exchanged for shares of learn d SE of £245,014 (€279,920) representing 7,289,581 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) of £95 before Closing by reducing share premium at the same amount. The 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.

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## 5.2 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 are as follows:

	£
<b>Fair value of consideration transferred</b>	
Cash consideration	1,975,000
Share-based consideration	2,000,000
Deferred cash consideration	250,000
<b>Total</b>	<b>4,225,000</b>
<b>Recognized amounts of identifiable net assets</b>	
Property, plant and equipment	9,129
Intangible assets	800,000
<b>Total non-current assets</b>	<b>809,129</b>
Trade and other receivables	704,286
Cash and cash equivalents	1,060,256
Stock	14,013
<b>Total current assets</b>	<b>1,778,555</b>
Trade and other payables	(835,356)
Borrowings	(32,291)
<b>Total current liabilities</b>	<b>(867,647)</b>
<b>Identifiable net assets</b>	<b>1,720,037</b>
<b>Goodwill on acquisition</b>	<b>2,504,963</b>
Consideration transferred settled in cash	1,975,000
Cash and cash equivalents acquired	(1,060,256)
<b>Net cash outflow on acquisition</b>	<b>914,744</b>
Acquisition costs charged to expenses	159,683

**Acquired receivables**

The fair value of the acquired receivables amounts to £ 704,286. This corresponds to the contractual receivables at the time of acquisition.

**Consideration transferred**

The acquisition of CEC was settled in cash amounting to £1,975,000, shares of £2,000,000 and a deferred cash consideration of £250,000 due in May 2024. Cash amounting to £1,725,000 were paid out and shares amounting to £1,750,000 (201,606 shares) were issued on the closing date 5 May 2023. Additional shares amounting to £250,000 (28,942 shares) were issued subsequently after closing on 12 October 2023 and the remaining cash consideration amounting to £250,000 were also paid out subsequently after closing.

Acquisition related costs amounting to £159,683 are not included as part of the consideration transferred and have been recognized as an expense in the consolidated statement of comprehensive income.

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**Goodwill**

Goodwill of £2,504,963 at acquisition related to the engineers and reputation of the business. Goodwill has been reviewed for impairment, and no impairment recognized.

**Contribution to Group results**

CEC contributed £3,511,691 of revenue and profit of £817,030 to the consolidated statement of comprehensive income for the period from 02 May 2023 to 31 December 2023.

If the acquisition of CEC had already taken place on 1 January 2023, the consolidated pro forma revenue would have been £5,212,365 and a profit of £1,058,597 for the reporting period.

**6. Segmental information**

The Group consists of one operating reportable segment because the Management Board, who are also the chief operating decision makers (CODM), assess the profitability of the Group on a company-wide basis. Adjusted EBITDA is used to measure performance, as the management is of the opinion that this information is useful for the evaluation of the Group in comparison with other companies operating in the same sectors.

The CODM reviews the Group's business activities by the following three categories, which bundle the main products and services:

**Strategic accounts and projects**

Strategic accounts include major customers such as British Telecommunications plc ("BT") and Atlas Edge, there are multiple revenue streams within these including installations, projects and service contracts. Projects relate to large installation projects spanning a period of up to 1 year.

**Services**

This includes revenue from service contracts which are either straight line monthly or a number of visits in a year which are charged once complete. Remedials are also included here which are effectively small installations and projects.

**Data enabled services**

This includes BT software development which is part of the BT contracts. Additionally, revenue related to the ROC is included in this line. The ROC is the remote operations centre which includes service contracts with customers managed remotely. Subscription revenue is also included here, this relates to new software offerings where customers pay a subscription for the service.

The BMS activities result in multiple revenue streams however are intrinsically linked and as such are considered to be one operating segment and one cash generating unit for goodwill impairment test purposes.

**Information about reportable segments**

The CODM uses the measures of revenue and adjusted EBITDA to assess operating segments' performance to make decisions regarding the allocation of resources.

Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation and amortisation ("EBITDA"), further as adjusted for non-recurring items. These non-recurring items relate to expenses incurred where management believes adjustments should be made due to their non-recurring or non-operational character as well as remaining costs incurred on the level of the Company (corporate expenses).

Adjusted EBITDA totalled £2,573,183 in the financial year ended 31 December 2023 (2022: £2,561,363). The adjustments to EBITDA totalling £(57,665,162) in the financial year ended 31 December 2023 (2022: £(1,563,137)) include non-recurring expenses resulting from the De-SPAC Transaction of £(49,331,317),

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one-off bonus payments of £(6,067,499), transaction costs related to the acquisition of new subsidiaries of £(578,923) and costs related with the reorganisation of the Group of £(195,159). Furthermore, the adjustments to EBITDA include corporate expenses of £1,488,276 which are mainly legal and other professional fees incurred by learnd SE from 19 January to 31 December 2023. The adjustments to EBITDA in the financial year ended 31 December 2022 also include the costs related with the disposal of a subsidiary which operated the lift installation business of £(797,809).

The reconciliation from adjusted EBITDA to profit before tax for the period is as follows:

	Year ended	
	31 December 2023	31 December 2022
	£	£
<b>Adj. EBITDA</b>	<b>2,573,183</b>	<b>2,561,363</b>
<i>Non-recurring items:</i>		
Expenses resulting from the de-SPAC Transaction	(49,331,317)	(321,865)
Bonus payments	(6,067,499)	-
Corporate expenses	(1,488,276)	-
Transaction costs related to acquisition of new subsidiaries	(578,923)	(284,410)
Expenses related with the reorganisation of the Group	(195,159)	(142,467)
Expenses related with the disposal of a subsidiary	-	(797,809)
Other expenses	(3,988)	(16,586)
<b>Total EBITDA Adjustments</b>	<b>(57,665,162)</b>	<b>(1,563,137)</b>
<b>EBITDA</b>	<b>(55,091,979)</b>	<b>998,226</b>
Depreciation and amortisation	(1,195,137)	(858,145)
Finance costs	6,704,491	(410,494)
<b>Loss before tax for the period</b>	<b>(49,582,624)</b>	<b>(270,412)</b>

The breakdown of revenue by business areas reviewed by CODM is as follows:

	Year ended	
	31 December 2023	31 December 2022
	£	£
Strategic accounts and projects	24,257,918	22,100,109
Services	6,373,452	5,017,093
Data enabled services	1,481,421	1,570,110
Lift installation and service	-	1,733,607
	<b>32,112,791</b>	<b>30,420,919</b>

The Lift installation and service was disposed in 2022.

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## Geographical Information

The breakdown of revenue by geographic location is as follows:

	Year ended	
	31 December 2023	31 December 2022
	£	£
United Kingdom	30,937,710	29,730,104
Rest of world	1,175,081	690,815
	<b>32,112,791</b>	<b>30,420,919</b>

All of the Group's non-current assets are located in UK.

## 7. Revenue

The principal activities of the 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.

Revenue is 100% recognized from revenue with customers. Please refer to *Note 6 - Segmental information* for further information regarding the breakdown of revenues by business area and geographical location.

The following table provides information on contract liabilities from contracts with customers:

	31 December 2023	31 December 2022
	£	£
Contract assets	2,791,706	2,021,338
Contract liabilities	699,688	1,829,707

Contract assets are included in trade and other receivables and contract liabilities are included in trade and other payables in the consolidated statement of financial position.

## Major Customer

Revenue from one customer of the Group represented approximately 15% of total revenue (2022: 29%).

**8. Cost of sales**

Cost of sales can be broken down as follows:

	Year ended	
	31 December 2023	31 December 2023
	£	£
Internal labour	7,364,406	5,157,500
External labour	4,647,509	6,869,459
Subcontractors	1,247,050	761,630
Products	3,729,853	3,954,673
Consumables	2,326,306	1,996,717
Other	68,063	148,556
	<b>19,383,187</b>	<b>18,888,535</b>

The labour costs presented in the cost of sales include the personal expenses of engineers and project team members directly attributable to generating revenues.

**9. Administrative expenses**

Administrative expenses can be broken down as follows:

	Year ended	
	31 December 2023	31 December 2022
	£	£
Personnel expenses	13,012,020	5,584,521
Legal and professional	3,896,443	2,247,633
Depreciation and amortisation	1,195,137	858,145
Travel and subsistence	1,049,971	1,004,260
Insurance	328,727	244,639
Costs related with the reorganization of the group	195,159	142,467
Recruitment	165,210	192,267
Other	1,103,577	1,118,371
	<b>20,946,243</b>	<b>11,392,302</b>

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## 10. Finance expense

Finance expenses can be broken down as follows:

	Year ended	
	31 December 2023 £	31 December 2022 £
Loans and borrowings interest	310,464	128,379
Shareholder loan interest	197,978	150,000
IFRS 16 lease interest	127,779	79,828
Other finance costs	102,582	52,287
	<b>738,803</b>	<b>410,494</b>

## 11. Income tax

The amounts recognized in the consolidated statement of comprehensive income are as follows:

	Year ended	
	31 December 2023 £	31 December 2022 £
<b>Current tax expense</b>		
Corporation tax	143,705	155,044
<b>Total current tax expense</b>	<b>143,705</b>	<b>155,044</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	111,547
<b>Total deferred tax expense</b>	<b>-</b>	<b>111,547</b>
<b>Tax expense on continuing operations</b>	<b>143,705</b>	<b>266,591</b>

The applicable income tax rate for 2023 is 24.94%, the Luxembourgish tax rate, as the Company is domiciled in Luxembourg. The applicable income tax rate for 2022 was 19%, the UK tax rate of learnd Limited, as learnd Limited is domiciled in UK before the Business Combination with learnd SE.

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The reconciliation of effective tax rate is as follows:

	Year ended	
	31 December 2023 £	31 December 2022 £
Profit/(loss) on ordinary activities before tax	(49,582,624)	(270,412)
Expected taxes using the Company's corporation tax rate (2023: 24.94%; 2022: 19%)	12,365,907	51,378
<b>Effects of:</b>		
Expenses not deductible for tax purposes (learnd Ltd.)	(55,945)	(195,127)
Expenses not deductible for tax purposes (learnd SE)	(11,988,777)	
Current-year tax losses and temporary differences for which no deferred tax asset is recognized	(879,119)	20,185
Fixed asset timing differences	5,825	8,203
Research and development ("R&D") expense	236,274	133,365
Other tax changes	217,057	137,040
Deferred tax changes	-	111,547
Tax rate difference UK	(44,927)	-
<b>Total tax charge for the period</b>	<b>143,705</b>	<b>266,591</b>
<b>Effective tax rate</b>	<b>(0.3)%</b>	<b>(98.6)%</b>

## Deferred tax balances

Deferred tax assets and liabilities are attributable to the following items:

	31 December 2023 £	31 December 2022 £
Trade and other payables	2,172	2,172
Loans and borrowings	109,375	109,375
R&D expense credits and claims	321,795	162,930
<b>Total of Deferred tax assets (gross and net)</b>	<b>433,342</b>	<b>274,477</b>

## Unrecognised deferred tax assets

Deferred income tax assets are recognized against tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable benefits is probable. The Group did not recognize a potential deferred tax asset of learnd Limited of £29,218 (2022: £125,954) in respect of losses amounting to £116,870 (2022: £503,816) that can be carried forward against future taxable income, on the grounds that at the balance sheet date their utilisation is not considered probable. Deferred tax assets have not been recognised in respect of the loss of learnd SE incurred during the years ended 31 December 2023, as it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.



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## 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 the 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, 7,289,581, to that of the legal subsidiary, 9,500,000. Please refer to *Note 19 - 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 financial year ended 31 December 2022 were adjusted retrospectively to reflect the number of shares after the recapitalisation of learnd Ltd.

	Year ended	
	31 December 2023	31 December 2022
	£	£
Net loss for the period	(49,438,919)	(3,821)
Weighted average number of ordinary shares issued	11,786,549	7,289,581
<b>Basic losses per share attributable to the ordinary equity holders of the Company</b>	<b>(4.19)</b>	<b>(0.00)</b>
Effect of share options on issue	-	-
Weighted average number of ordinary shares issued (diluted)	11,786,549	7,289,581
<b>Diluted losses per share attributable to the ordinary equity holders of the Company</b>	<b>(4.19)</b>	<b>(0.00)</b>

Basic and diluted losses per share attributable to the ordinary equity holders of the Company for the year ended 31 December 2023 and 2022 are the same, as 14,645,833 warrants (2022: nil) and 775,000 options (2022: 527,500) are antidilutive due to the consolidated loss of the Group in the financial year 2023 and 2022.

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## 13. Intangible assets

## Reconciliation of carrying amount

(a) Intangible assets for the fiscal year ended 31 December 2023:

	Development costs	Software licenses	Customer relationships	Goodwill	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2023	1,191,807	347,039	110,596	5,167,508	6,816,950
Acquisition of subsidiary	-	-	800,000	2,504,963	3,304,963
Additions	395,956	255,398	-	-	651,354
Disposals	(248,285)	-	-	-	(248,285)
<b>At 31 December 2023</b>	<b>1,339,478</b>	<b>602,437</b>	<b>910,596</b>	<b>7,672,471</b>	<b>10,524,982</b>
<b>Amortisation</b>					
At 1 January 2023	187,054	210,838	53,455	-	451,347
Acquisition of subsidiary	-	-	106,667	-	106,667
Charge for the year	86,865	113,247	22,119	-	222,231
<b>At 31 December 2023</b>	<b>273,919</b>	<b>324,085</b>	<b>182,241</b>	<b>-</b>	<b>780,245</b>
<b>Net book value</b>					
<b>At 31 December 2023</b>	<b>1,065,559</b>	<b>278,352</b>	<b>728,355</b>	<b>7,672,471</b>	<b>9,744,737</b>

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(b) Intangible assets for the fiscal year ended 31 December 2022:

	Development costs	Software licenses	Customer relationships	Goodwill	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	694,985	205,049	110,596	5,924,386	6,935,016
Additions	496,822	141,990	-	-	638,812
Disposals	-	-	-	(756,878)	(756,878)
<b>At 31 December 2022</b>	<b>1,191,807</b>	<b>347,039</b>	<b>110,596</b>	<b>5,167,508</b>	<b>6,816,950</b>
<b>Amortisation</b>					
At 1 January 2022	74,049	166,850	31,337	-	272,236
Charge for the year	113,005	43,988	22,118	-	179,111
Impairment charge	-	-	-	-	-
<b>At 31 December 2022</b>	<b>187,054</b>	<b>210,838</b>	<b>53,455</b>	<b>-</b>	<b>451,347</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>1,004,753</b>	<b>136,202</b>	<b>57,141</b>	<b>5,167,508</b>	<b>6,365,603</b>

The net book value of development costs includes internally generated capitalised development costs that meet the definition of an intangible asset. Wages totalling £395,956 in 2023 (2022: £496,821) were capitalized as part of development costs included in intangible assets.

The software principally relates to the purchase and installation cost of the Group's main ERP system.

The addition to customer relationships and goodwill in the year ended 31 December 2023 represents the customer relationship and goodwill recognized on the acquisition of Complete Energy Controls Ltd. in May 2023, see *Note 5.2 – Acquisition of CEC* for further details. The reduction to goodwill in the year ended 31 December 2022 related to the disposal of 100% of the shares in Allied Lift Services Division (UK) Ltd., a subsidiary acquired in 2021.

The amortisation charge of development costs, software and customer relationships of £328,898 (2022: £179,111) is included in administrative expenses in the statement of comprehensive income.

**Impairment tests for goodwill**

Goodwill impairment reviews are undertaken annually. The Group manages its operations under one strategy and therefore has one operating segment and one cash generating unit ("CGU"). The CGU is expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below and is compared to its recoverable amount.

The recoverable amount was determined based on value-in-use calculation, covering a five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful life using a growth rate determined by management. The present value of the expected cash flows is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks.

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Growth rates years 1 - 4		Growth rates in perpetuity		Discount rates	
2023	2022	2023	2022	2023	2022
6 - 52%	37 - 39%	2%	2%	10%	10%

Were cashflows in perpetuity to not be included in management's value in use calculation in respect of the segment, no impairment would be required within 5 years.

As part of the impairment review management performed sensitivity analysis on the assumptions used. Sensitivity analysis was applied to forecasted EBITDA for the following four years, the discount rate used and the perpetuity growth rate.

This is an area that management believe that changes are reasonably possible however sensitivity analysis showed that the discount rate would need to vary significantly to the rate used before an impairment would be required.

Management's forecasts are robust however it is reasonably possible to assume forecasted EBITDA could vary. The sensitivity analysis shows that forecasted EBITDA would need to be significantly lower than expected before an impairment is required. Management do not believe that forecasted EBITDA will vary to this extent.

**Growth rates**

The growth rates reflect the long-term average growth rates determined by management to be prudent and relevant to the industries and markets in which the Group operates.

**Discount rates**

The discount rates reflect appropriate adjustments relating to market rate risk and specific risk factors.

**Cash flow assumptions**

Management's key assumptions include steady growth in profit and improving profit margins, based on past experience in this market and the Group's future plans. Cash flow projections reflect steady growth in profit and improving profit margins.

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## 14. Property, plant and equipment

(a) Property, plant and equipment for the fiscal year ended 31 December 2023:

	Motor Vehicles £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2023	45,352	263,500	682,317	991,169
Additions	-	7,954	150,292	158,246
Acquisition of subsidiary	-	-	28,316	28,316
<b>At 31 December 2023</b>	<b>45,352</b>	<b>271,454</b>	<b>860,926</b>	<b>1,177,732</b>
<b>Depreciation</b>				
At 1 January 2023	45,352	195,704	500,350	741,406
Charge for the year	-	45,313	136,450	181,763
Acquisition of subsidiary	-	-	19,187	19,187
<b>At 31 December 2023</b>	<b>45,352</b>	<b>241,017</b>	<b>655,987</b>	<b>942,356</b>
<b>Net book value</b>				
<b>At 31 December 2023</b>	<b>-</b>	<b>30,437</b>	<b>204,939</b>	<b>235,376</b>

(b) Property, plant and equipment for the financial year ended 31 December 2022:

	Motor Vehicles £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2022	45,352	229,325	576,021	850,698
Additions	-	34,677	151,178	185,855
Disposal of subsidiary	-	(502)	(44,882)	(45,384)
<b>At 31 December 2022</b>	<b>45,352</b>	<b>263,500</b>	<b>682,317</b>	<b>991,169</b>
<b>Depreciation</b>				
At 1 January 2022	45,352	156,119	380,881	582,352
Charge for the year	-	39,785	158,786	198,571
Disposal of subsidiary	-	(200)	(39,317)	(39,517)
<b>At 31 December 2022</b>	<b>45,352</b>	<b>195,704</b>	<b>500,350</b>	<b>741,406</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>-</b>	<b>67,796</b>	<b>181,967</b>	<b>249,763</b>

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## 15. Leases

**Right-of-use assets**

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 motor vehicle leases are more standardised.

The consolidated statement of financial position shows the following amounts relating to leases for the financial year ended 31 December 2023:

	<b>Land &amp; buildings</b>	<b>Plant &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2023	1,171,498	2,135,973	3,307,471
Additions	-	1,211,780	1,211,780
Disposals	-	(40,796)	(40,796)
<b>At 31 December 2023</b>	<b>1,171,498</b>	<b>3,306,957</b>	<b>4,478,455</b>
<b>Depreciation</b>			
At 1 January 2023	398,862	917,464	1,316,326
Charge for the year	119,586	564,890	684,476
Disposals	-	(29,166)	(29,166)
<b>At 31 December 2023</b>	<b>518,448</b>	<b>1,453,188</b>	<b>1,971,636</b>
<b>Net carrying value</b>			
<b>At 31 December 2023</b>	<b>653,050</b>	<b>1,853,769</b>	<b>2,506,819</b>

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The consolidated statement of financial positions shows the following amounts relating to leases for the financial year ended 31 December 2022:

	Land & buildings £	Plant & equipment £	Total £
<b>Cost</b>			
At 1 January 2022	604,412	1,183,069	1,787,481
Additions	600,085	952,904	1,552,989
Disposals	(32,999)	-	(32,999)
<b>At 31 December 2022</b>	<b>1,171,498</b>	<b>2,135,973</b>	<b>3,307,471</b>
<b>Depreciation</b>			
At 1 January 2022	254,478	559,845	814,323
Charge for the year	169,134	357,619	526,753
Disposals	(24,750)	-	(24,750)
<b>At 31 December 2022</b>	<b>398,862</b>	<b>917,464</b>	<b>1,316,326</b>
<b>Net carrying value</b>			
<b>At 31 December 2022</b>	<b>772,636</b>	<b>1,218,509</b>	<b>1,991,145</b>

## Lease liabilities

	31 December 2023 £	31 December 2022 £
Current	726,639	553,502
Non-current	1,852,124	1,481,193
	<b>2,578,763</b>	<b>2,034,695</b>

## Amounts recognised in the consolidated statement of comprehensive income for the period

	Year ended	
	31 December 2023 £	31 December 2022 £
Interest expense relating to lease liabilities	127,779	79,828
Depreciation for right-of-use assets	684,475	526,754
Expenses for short term leases and low value leases	51,594	15,146
	<b>863,848</b>	<b>621,728</b>

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The Group has elected not to recognize 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.

**Amounts recognised in the consolidated statement of cash flows**

The following lease payments are recorded in the consolidated statement of cash flows, of which payments for lease liabilities including principal portion and interests are presented in cash flows from financing activities and payments for short term lease contracts and payments for low value asset leases are presented in cash flows from operating activities:

	Year ended	
	31 December 2023	31 December 2022
	£	£
Payments for lease liabilities	782,842	593,667
Payments for short term lease contracts and low value lease contracts	49,893	11,698
<b>Total cash outflow for leases</b>	<b>832,735</b>	<b>605,365</b>

Please refer to *Note 28 – Commitments and contingencies* for lease commitments which have not yet commenced as at 31 December 2023 and 2022.

**16. Inventories**

	31 December 2023	31 December 2022
	£	£
Work in progress	170,373	554,270
Finished goods	625,796	455,211
Provisions	(172,248)	(157,145)
	<b>623,921</b>	<b>852,336</b>

There is no material difference between the replacement cost of the stock and its carrying amount.

In the financial year ended 31 December 2023, the movement in stock provisions led to a credit to inventories of £15,103 (2022: debit to inventories of £28,229) being recognized within cost of sales.

The cost of sales in respect of inventory was £3,729,853 (2022: £3,954,673).



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## 17. Trade and other receivables

Trade and other receivables include mainly trade receivables and accrued income from contracts with customers, tax debtors, prepayments, and other non-financial receivables. The breakdown of trade and other receivable is as follows:

	31 December 2023 £	31 December 2022 £
<b>Financial assets</b>		
Trade receivables (net)	5,169,475	3,903,617
Receivable of consideration of disposal	-	100,000
<b>Total financial assets</b>	<b>5,169,475</b>	<b>4,003,617</b>
<b>Non-financial assets</b>		
Accrued income	2,791,706	2,021,338
Tax debtors	1,084,842	27,420
Prepayments	314,709	392,662
Other receivables	27,907	59,901
<b>Total non-financial assets</b>	<b>4,219,164</b>	<b>2,501,321</b>
<b>Total trade and other receivables</b>	<b>9,388,639</b>	<b>6,504,938</b>

Accrued income results from revenue recognised from contracts with customers according to IFRS 15 but has not reached the agreed billing term, which belongs to contract assets.

Trade receivables are stated after provisions for impairment of £180,058 (2022: £185,765).

	31 December 2023 £	31 December 2022 £
Trade receivables	5,349,533	4,089,382
Provisions for bad debts	(180,058)	(185,765)
<b>Trade receivables (net)</b>	<b>5,169,475</b>	<b>3,903,617</b>

Further information for provisions of bad debts, please refer to *Note 27.1 - Credit risk*.

In period ended 31 December 2023, the movement in provision for impairment of trade receivables resulted in a net expense to the consolidated statement of comprehensive income of £1,138 (December 2022: release to the consolidated statement of comprehensive income of £110).

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## 18. Cash and cash equivalents

	31 December 2023	31 December 2022
	£	£
Cash at bank	1,767,938	1,679,138
Cash in hand	1,108	1,108
<b>Cash at bank and in hand</b>	<b>1,769,046</b>	<b>1,679,138</b>

As at 31 December 2023 the Group had no restricted cash.

## 19. Equity

## Share capital

The different shareholder classes can be summarized as follows:

	learnd Ltd (£0.00001 nominal value)		Learnd SE (formerly GFJ Acquisition) (€0.0384 nominal value)			
	Ordinary Shares	Series A Shares	Class A Shares	Class B1 Shares	Class B2 Shares	Class B3 Shares
<b>As at 1 Jan, 2023</b>	<b>2,000,000</b>	<b>7,500,000</b>				
Capital reorganization	(2,000,000)	(7,500,000)	7,289,581			
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			1,788,516			
<b>As at 31 December, 2023</b>	<b>-</b>	<b>-</b>	<b>9,325,081</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>

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 the Company) consummated the Business Combination which led to learnd Ltd listing on the Frankfurt Stock Exchange and a capital reorganization of the learnd Group. See *Note 5.1 – De-SPAC Transaction* for further information. As described in *Note 5.1*, the share capital of the accounting acquirer is carried forward and then adjusted to reflect the number and type of shares, including the par value of the outstanding share capital of the legal acquirer Learnd SE (formerly 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 learnd Ltd and an increase in share capital in the amount of £134,345 from the deemed issued shares consideration of leard Ltd to reverse

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acquire GFJ Acquisition, including the shares purchased by the backstop investors as part of the de-SPAC Transaction. For further information, please refer to *Note 5.1 - De-SPAC Transaction*.

The movements in the share capital resulted from the following adjustments to reflect the par value, the number and the types of the shares of the legal acquirer GFJ Acquisition resulted from the de-SPAC Transaction as described in note 3.1.2, as well as the change of treasury shares after the consummation of the de-SPAC Transaction from 19 January 2023 to 31 December 2023.

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, resulting in 16,984 Class A shares outstanding after the redemption.
- Out of redeemed Class A shares described above, 230,000 Class A shares were purchased by backstop investors for a price of €10.00 per share. The remaining redeemed shares were kept as treasury shares.
- As part of the de-SPAC Transaction, 7,289,581 new Public Shares (“Class A Shares”) with par value of €0.0384 were issued to learn d Ltd.’s Shareholders in exchange for the 9,500,000 shares of learn d Ltd, which were contributed to GFJ Acquisition.

Class B Shares:

- In 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.

After the closing of the de-SPAC Transaction from 19 January 2023 to 31 December 2023, 1,545,630 treasury shares (“Class A Shares”) were sold to private investors, 230,558 shares were given as part of the consideration for acquiring Complete Energy Controls Ltd on 5 May 2023, and 12,328 shares were given to an external service provider to settle certain service fee in the amount of €90,000 in September 2023. As at 31 December 2023, there were 12,964,500 treasury shares held by the Company.

Hence, the share capital of the Group amounted to £439,218 and 13,075,082 shares are outstanding as at 31 December, 2023, including 9,325,082 Class A shares and 3,750,000 Class B shares, each with a nominal value of €0.0384.

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**Share premium**

Prior to the de-SPAC Transaction, no share premium was recognized by the accounting acquirer learn d Ltd. As at the closing date of the de-SPAC Transaction 18 January 2023, the share premium of the accounting acquirer learn d Ltd was adjusted for the share premium of the legal acquirer GFJ Acquisition. These adjustments are described in the following. All amounts in euro were converted into GBP using the exchange rate as at 18 January 2023 as listed in note 2.3.

As at incorporation the share capital of the Company was €120,000 represented by 12,000,000 redeemable class B shares without nominal value.

In 2021, the sole shareholder resolved to convert the existing 12,000,000 class B shares into 3,125,000 class B shares divided into 1,041,667 Class B1 shares, (ii) 1,041,667 Class B2 shares and (iii) 1,041,666 Class B3 shares.

In 2021, the sole shareholder of GFJ Acquisition contributed an amount €380,000 (£332,614) to the equity of the Company without issuance of shares.

The issuance of 15,000,000 Class A Shares completed on 15 October 2021, resulted in an increase in share premium in the amount of €149,349,000 (£130,725,180).

At the same date the Management Board of GFJ Acquisition has decided to increase the Company's share capital by an amount of €24,000 to an amount €720,000 through the issuance of 208,333 Class B1 Shares, 208,333 Class B2 Shares and 208,334 Class B3 Shares for an aggregate price of €100,000, which resulted in an increase in share premium of €76,000 (£66,523).

In connection with the de-SPAC Transaction, the following transactions resulted in the changes in share premium:

- the redemption of 14,983,016 Class A Shares of GFJ Acquisition with €10.20 per share, resulted in a decrease in share premium of €152,251,415 (£133,265,664).
- The purchase of 230,000 Class A shares by Backstop Investors with €10 per share, resulted in an increase in share premium of €2,291,168 (£2,005,459).
- a decrease in the amount of £244,919 resulting from the share restructuring of learn d Ltd

Additionally, the share premium includes the share listing expense in the amount of £48,070,476 recognized according to IFRS 2 as a result of the de-SPAC Transaction. For further information, please refer to *Note 5.1 – De-SPAC Transaction*.

GFJ Acquisition's accumulated loss for the period from inception of 2 June 2021 until 18 January 2023, which is the period before the de-SPAC Transaction, was reclassified to share premium, resulting in a decrease in share premium of €28,985,358 (£25,370,884).

Furthermore, the issuance of 1,788,516 treasury shares after the consummation of the de-SPAC Transaction from 19 January to 31 December 2023 resulted in an increase in share premium amounting to an amount of £9,015,286. Share premium amounted to £31,334,071 as at 31 December 2023.

**Foreign currency translation reserves**

Foreign currency translation differences arise on translation of the Company to the presentation currency of GBP of the Group amounting to £198,050 as at 31 December 2023 and are recognized in other comprehensive income.

**Retained earnings**

Retained earnings include the accumulated losses attributable to the shareholders. As at 31 December 2023, the retained earnings amount to £(47,569,570). In connection with the de-SPAC Transaction, a share listing expense in the amount of £48,070,476 is included in the retained earnings as at 31 December 2023.

For further information, please refer to *Note 5.1- De-SPAC Transaction*.

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**Share-based payments reserve**

As at 31 December 2023, the share-based payments reserve amounts to 2,759,377. This includes an amount of £2,661,316 which was recognized for the fair value of the share-based options under IFRS 2. For further information, please refer to *Note 20 - Share-based payments*.

**20. Share-based payments**

Prior to the de-SPAC Transaction, the Group headed by learnd Ltd provides share options to certain employees and executive directors as remuneration (the "learnd Ltd. SOS"). Pursuant to the learnd 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 learnd 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 have the following vesting period depending on an exit event: 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 will become vested and exercisable on a takeover event. All options generally expire on the earlier of cessation of employment or tenth (10th) anniversary of date of grant.

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 recognized as an expense is adjusted to reflect the actual number of options that will vest.

In connection with the de-SPAC Transaction, the Group assumed the obligations under learnd Ltd's previously established share option scheme for certain of its employees and executives (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 shares at a certain exercise price. In this respect, the Group entered into several option agreements and thereunder granted 527,500 options to employees as replacements of the original share options granted by learnd 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 the Group were accounted for as modifications to the original learnd Ltd share options and under IFRS 2 for the incremental fair value of share options granted to the Group employees as a result of the amendment to the learnd 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. The terms of the newly granted options are not beneficial to the employees, as the exercisability is conditional upon an exit event or board decision and learnd's assessment is less than more likely than not as at 31 December 2023. Therefore, no expenses were recognised for the newly granted options of this program as at 31 December 2023.

On 22 November 2023, supervisory board approved to grant the two founders of learnd limited ("Founders", and each a "Founder") with 150,000 share options, each, in acknowledgment of the exceptional work the Founders put into the Company, and its subsidiaries, and in consideration for the excellent performance during the de-SPAC Transaction. The Founders are entitled to purchase shares of the Company with the same exercise price under learnd SOS.

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The following table sets forth information regarding the outstanding employee share-based options as at 31 December 2023 and 2022:

	No. of shares options	Weighted average exercise price per share option
Outstanding as at 31 December 2021	475,000	£0.01
<i>Thereof exercisable</i>	-	-
Granted	52,500	£0.01
Cancelled	-	-
Exercised	-	-
Outstanding as at 31 December 2022	527,500	£0.01
<i>Thereof exercisable</i>	-	-
Granted	827,500	€0.04
Cancelled	(527,500)	£0.01
Exercised	-	-
Outstanding as at 31 December 2023	827,500	€0.04
<i>Thereof exercisable</i>	300,000	€0.04
Weighted average remaining contractual life (years)	9.9	

#### Measurement of fair values

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 historical 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 determining the share price for the options grant in the financial year ended 31 December 2022 management took into account the consideration paid for the Group's acquisitions and calculated the relevant EBITDA multiple. The multiple was then applied to the EBITDA of the learnd Group.

The share prices for the options granted in the financial year ended 31 December 2023 are determined using the share price of the Company at the respective grant dates.

Historical volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term (if available). The expected term of the instruments has been based on management expectation.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

	<b>Share options - 2023</b>	
	<b>Founder share options</b>	<b>Learnd SOS</b>
Fair value per option at grant date	9.86	10.06
Share price at grant date	9.9	10.2
Exercise price	0.04	0.04
Historical volatility	27.60%	10.15%
Expected life (weighted average)	2.5	3
Expected dividends	0	0
Risk-free interest rate (based on government bonds)	2.81%	2.16%

The incremental fair value of options granted on 18 January 2023 under the learnd SOS was EUR 9.71 and EUR 9.74 per option, respectively. However, as the likelihood of an exist event or board decision is less than mostly likely than not as at 31 December 2023, no expense was recognized for the period.

	<b>Share options – 2021 and 2022</b>	
	<b>2021 grant</b>	<b>2022 grant</b>
Fair value per option at grant date	0.35	0.32
Share price at grant date	0.36	0.33
Exercise price	0.01	0.01

The total share-based payment expense for the year ended 31 December 2023 was £2,661,317 (2022: £41,853). This relates to share options accounted for as equity-settled share-based payment transactions during the year.

## 21. Capital management

The Management Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the capital-to-overall financing ratio on a regular basis to continually assess the adequacy of the Group's capital structure and capacity.

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The capital-to-overall financing ratio for the financial year ended 2023 and 2022 was calculated as follows:

	31 December 2023 £	31 December 2022 £
Total equity	(12,838,854)	1,967,505
<b>Capital</b>	<b>(12,838,854)</b>	<b>1,967,505</b>
Total equity	(12,838,854)	1,967,505
Borrowings	7,714,502	6,433,266
Leasing liabilities	2,578,763	2,034,695
<b>Overall financing</b>	<b>(2,545,589)</b>	<b>10,435,466</b>
<b>Capital-to-overall financing ratio</b>	<b>5.04</b>	<b>0.19</b>

Group management is also in constant discussion with its banks to obtain new credit lines and approaching potential investors for issuance of its treasury shares or new Class A shares to always maintain sufficient liquidity for the Group. The Group has obtained a new credit line in the subsequent period after the reporting date. For details, please refer to note 32. Subsequent events.

For further information regarding loan covenants, please refer to *Note 22 – Loans and borrowings*.

## 22. Loans and borrowings

Current and non-current loans and borrowing recognised in the Group's consolidated statement of financial position are as follows:

Loans and borrowings	31 December 2023 £	31 December 2022 £
<b>Current</b>		
Bank loans	506,667	262,327
Shareholder loan AFT Tech	3,612,470	3,462,470
Shareholder loan GFJ Holding (accrued interest)	58,161	-
Other loans	25,755	-
<b>Total current</b>	<b>4,203,053</b>	<b>3,724,797</b>
<b>Non-current</b>		
Bank loans	2,073,171	2,708,469
Shareholder loan GFJ Holding	1,438,278	-
<b>Total non-current</b>	<b>3,511,449</b>	<b>2,708,469</b>
<b>Total</b>	<b>7,714,502</b>	<b>6,433,266</b>



**Terms and repayment schedule**

The terms and conditions of outstanding loans are as follows:

Loans and borrowings	Original currency	Matures in	Interest type	Effective interest rate in %	Nominal value	Carrying amount
<b>31 December 2023</b>						
Bank Loans	GBP	May 2027	Variable-rate interest	11.23	2,579,838	2,579,838
Shareholder loan AFT Tech	GBP	No fixed repayment date	Fixed-rate interest	5	3,612,470	3,612,470
Shareholder loan GFJ Holding	EUR	December 2025	Fixed-rate interest	2.5	1,496,439	1,496,439
Other loans	GBP	June 2026	Fixed-rate interest	2.55	25,755	25,755
<b>Total</b>					<b>7,714,502</b>	<b>7,714,502</b>

Loans and borrowings	Original currency	Matures in	Interest type	Effective interest rate in %	Nominal value	Carrying amount
<b>31 December 2022</b>						
Bank Loans	GBP	May 2027	Variable-rate interest	9.79	2,970,796	2,970,796
Shareholder loan AFT Tech	GBP	No fixed repayment date	Fixed-rate interest	5	3,462,470	3,462,470
<b>Total</b>					<b>6,433,266</b>	<b>6,433,266</b>

In November 2022, Aimteq Solutions Limited (renamed to learnt UK Limited subsequently) entered into a loan agreement with an alternative finance provider Thincats Loans Limited ("Thincats"), under which Thincats provided Aimteq Solutions Limited with two loan facilities A and B ("Bank Loans") in the amount of £ 2,000,000 and £ 1,000,000, respectively. The loan facility A is payable monthly in the amount of £ 37,037 and loan facility B is payable at the end of a fixed term of 54 months from the date of drawdown. Both loan facilities bear a variable interest rate consisting of a base rate plus 6.75% margin per annum. The base rate is determined by the Bank of England's Bank Rate as published by the Bank of England from time to time. Interest payments are due on a monthly basis. The entities of learnt Ltd, Comfort Controls (Group) Limited, Comfort Controls Ltd., Comfort Controls (Midlands) Limited, Comfort Controls (Services) Limited, Complete Energy Controls Ltd., Enterprise Solutions Holdings Limited, Aimteq Energy Management Limited and WEMS Energy Centre Limited are the security and guarantee parties to these two loan facilities. As at 31 December 2023, the loan balance includes £2,555,556 of principal and £24,282 of interest (31 December 2022: £2,962,963 of principal and £7,833 of interest).

Other loan was acquired from the acquisition of CEC, which was obtained by CEC from Coronavirus Business Interruption Loan Scheme (CBILS) in UK. For the related terms to this loan please refer to the schedule above. The Group plans to repay this loan in 2024 and therefore presents this loan as short term borrowings in the statement of financial position as at 31 December 2023.

Information regarding shareholder loans please refer to *Note 29 – Related party transactions*.

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## Loan Covenants

*Bank loan covenants*

Pursuant to the loan agreement with Thincats, learnd Limited must comply with the following financial covenants during the duration of the bank loans:

Learnd Limited was required to comply with a permitted financial indebtedness covenant. The aggregate amount of the group's obligations for or in respect of financial indebtedness shall not exceed the aggregate of its obligations in respect of respective bank loan.

Learnd Limited was also required to comply with a maximum leverage covenant whereby total debt to earnings before interest, taxes, depreciation and amortisation shall not exceed a ratio of 1.75:1.

Furthermore, learnd Limited was required to comply with a minimum liquidity covenant whereby the group shall maintain a minimum unencumbered cash balance in the amount of £250,000.

Additionally, learnd Limited was required to comply with a debt service cover whereby the ratio of cash flow available for debt service ("CFADS") to debt service shall not be less than the ratio of 1.20:1.

As at 31 December 2023, learnd Limited does not fulfil the covenant requirements, however the bank did not take any measurement regarding the breach of covenant and this loan still presented as non-current loan in the consolidated statement of financial position. As at 31 December 2022, learnd Limited was in compliance with all financial covenants set by the facility agreements with the banks.

## 23. Provisions

The provision consists of warranty provisions learnd Limited provided to customers for installation services on site in 2022.

£	Warranties
<b>At 1 January 2023</b>	<b>11,276</b>
Added during the year	7,234
Used during the year	(7,234)
Reversed during the year	-
<b>At 31 December 2023</b>	<b>11,276</b>
<b>Date of maturity</b>	
Current	-
Non-current	11,276
<b>Total Provisions</b>	<b>11,276</b>

£	Warranties
<b>At 1 January 2022</b>	<b>98,540</b>
Added during the year	-
Used during the year	(134)
Reversed during the year	(87,130)
<b>At 31 December 2022</b>	<b>11,276</b>
<b>Date of maturity</b>	
Current	-
Non-current	11,276
<b>Total Provisions</b>	<b>11,276</b>

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## 24. Trade and other payables

Trade and other payables include mainly trade payables, accrued liabilities, and other non-financial liabilities including deferred income from contracts with customers, other tax payables and payroll related payables. Due to the short-term due date, management determines the book value of trade payables and accrued liabilities approximates to their fair value at the reporting date.

The breakdown of trade and other payables is as follows:

	31 December 2023 £	31 December 2022 £
<b>Financial liabilities</b>		
Trade payables	3,280,103	2,854,752
Accrued liabilities	6,696,490	2,000,355
	<b>9,976,594</b>	<b>4,855,107</b>
<b>Non-financial liabilities</b>		
Deferred income	699,688	1,829,707
Other taxation and social security	2,101,270	785,844
Other payables	559,996	-
	<b>3,360,953</b>	<b>2,615,551</b>
<b>Total trade and other payables</b>	<b>13,337,547</b>	<b>7,470,658</b>

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## 25. Notes to the consolidated statement cashflow statement

The following table provides a reconciliation between the opening and closing balances in the consolidated statement of financial position. The changes from financing cash flows of loans and borrowings and lease liabilities are presented separately.

<b>Loans and borrowings &amp; Lease liabilities (Reconciliation of movements)</b>	<b>Lease Liabilities</b>	<b>Loans and borrowings</b>	<b>Total</b>
£			
<b>Balance as at 1 January 2023</b>	<b>2,034,695</b>	<b>6,433,267</b>	<b>8,467,962</b>
Proceeds from loans and borrowings	-	-	-
Repayments of loans and borrowings	-	(413,942)	(413,942)
Proceeds from shareholder loans	-	695,224	695,224
Repayment of shareholder loans	-	(695,224)	(695,224)
Payments of the principal portion of lease liabilities	(655,063)	-	(655,063)
Interest paid	(127,779)	(304,818)	(432,597)
<b>Total Changes from financing cash flows</b>	<b>(782,842)</b>	<b>(718,760)</b>	<b>(1,501,602)</b>
<b>Liability-related</b>			
Changes in consolidation scope	-	1,438,280	1,438,280
Changes from disposals	(12,649)	-	(12,649)
New lease liabilities	1,211,780	32,291	1,244,071
Interest expense	127,779	529,425	657,205
<b>Total liability-related other changes</b>	<b>1,326,910</b>	<b>1,999,996</b>	<b>3,326,906</b>
<b>Balance as at 31 December 2023</b>	<b>2,578,763</b>	<b>7,714,502</b>	<b>10,293,266</b>

<b>Loans and borrowings &amp; Lease liabilities (Reconciliation of movements)</b>	<b>Lease Liabilities</b>	<b>Loans and borrowings</b>	<b>Total</b>
£			
<b>Balance as at 1 January 2022</b>	<b>1,007,927</b>	<b>5,646,386</b>	<b>6,654,313</b>
Proceeds from loans and borrowings	-	988,874	988,874
Repayments of loans and borrowings	-	(587,561)	(587,561)
Payments of the principal portion of lease liabilities	(513,840)	-	(513,840)
Interest paid	(79,828)	(85,396)	(165,224)
Increase in discounting facility	-	334,244	334,244
<b>Total Changes from financing cash flows</b>	<b>(593,667)</b>	<b>650,161</b>	<b>56,494</b>
<b>Liability-related</b>			
Changes in consolidation scope	-	(141,658)	(141,658)
Changes from disposals	(8,655)	-	(8,655)
New lease liabilities	1,549,263	-	1,549,263
Interest expense	79,828	278,378	358,206
<b>Total liability-related other changes</b>	<b>1,620,436</b>	<b>136,720</b>	<b>1,898,814</b>
<b>Balance as at 31 December 2022</b>	<b>2,034,695</b>	<b>6,433,266</b>	<b>8,609,620</b>

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## 26. Financial instruments

The following table shows the classification of financial assets and financial liabilities in accordance with IFRS 9 Financial Instruments and their carrying amounts as at 31 December, 2023 and 2022:

**Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023	Carrying amount		Level 1	Fair value	
£	AC	FVTPL		Level 2	Level 3
Financial assets measured at amortised cost					
Cash and cash equivalents	1,769,046	-	-	-	-
Trade receivables	5,169,475	-	-	-	-
Financial liabilities measured at amortised cost					
Loans and borrowings (current and non-current)	7,714,502	-	-	-	-
Trade payables and accrued liabilities	9,976,594	-	-	-	-
Lease liabilities (current and non-current)	2,578,763	-	-	-	-
Financial liabilities measured at FVTPL					
Class A warrants	-	6,322,339	-	-	6,322,339
Class B warrants	-	7,576,306	-	-	7,576,306
	27,208,380	13,898,645	-	-	13,898,645

31 December 2022	Carrying amount		Fair value		
£	AC	FVTPL	Level 1	Level 2	Level 3
Financial assets measured at amortised cost					
Cash and cash equivalents	1,679,138	-	-	-	-
Trade receivables	3,903,617	-	-	-	-
Receivable of consideration of disposal	100,000	-	-	-	-
Financial liabilities measured at amortised cost					
Loans and borrowings (current and non-current)	6,433,266	-	-	-	-
Trade payables and other accrued liabilities	4,855,107	-	-	-	-
Lease liabilities (current and non-current)	2,034,695	-	-	-	-
		-	-	-	-
	19,005,823	-	-	-	-

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**Financial instruments measured at amortised costs**

Financial assets that are measured at amortised cost consist of cash and cash equivalents and trade receivables from contracts with customers. Accrued income from contracts with customers (contract assets) recognized according to IFRS 15 is excluded from the table above. Financial assets as at 31 December 2022 also include the receivable related to the disposal of lift business. All amounts are short-term. Therefore the net carrying amount of trade receivables is considered a reasonable approximation of fair value.

Financial liabilities that are measured at amortised cost consist of all current and non-current liabilities other than deferred income from contracts with customers (contract liabilities) recognized according to IFRS 15 and tax related liabilities. The net carrying amounts of all financial liabilities are considered a reasonable approximation of their fair values, due to either short-term in nature or bearing market interest rates.

**Financial instruments measured at fair value - Class A and Class B warrants**

7,500,000 Class A warrants and 7,145,833 Class B warrants of learn d SE were part of the liabilities assumed by learn d Ltd from learn d SE during the de-SPAC Transaction. The Class A and Class B warrants of learn d SE do not meet the criteria for treatment as equity under IAS 32, which requires the warrants to be recognized as financial liabilities at fair value through profit or loss.

As at 31 December, 2023, the fair value of Class A and Class B warrants were independently valued using the average of Binomial Option Pricing and Monte Carlo models (level 3). The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk free rates of German government bonds and volatility. As learn d SE has consummated a Business Combination with learn d Limited on 18 January 2023, the volatility was calculated by reference to the volatilities of companies operating in similar sectors of learn d Group ("peers"). A discount rate for lack of marketability was applied for Class B warrants to reflect the transfer restrictions of Class B warrants.

The fair value of warrants decreased from €1.34 per Class A warrant and €2.03 per Class B warrant as at the closing of the de-SPAC Transaction at 18 January 2023 to €0.97 per Class A warrant and €1.22 per Class B warrant as at 31 December 2023, resulting in a decrease in fair value of warrant liabilities and a gain recognised for the period of £7,441,613 (€8,563,125).

**Changes between levels 2 and 3 and changes in measurement methods**

There were no changes between the levels of the fair value hierarchy in the 2023 financial year. In addition, there were also no changes in the valuation techniques applied as at 31 December 2023 from 18 January 2023.

**27. Financial Risk Management**

The Group uses a range of financial instruments to manage the business. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk including currency risk and interest rate risk. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from the previous year.

**27.1 Credit Risk**

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group's principal financial assets are cash and cash equivalents 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.

## CONSOLIDATED FINANCIAL STATEMENTS 2023

The Group also operates a credit insurance policy which hedges against this risk.

Cash and cash equivalents mainly consists of cash at banks. The corresponding creditworthiness of banks is monitored regularly. The Group determines that its cash and cash equivalents are subject to a very low default risk based on the external ratings and the short remaining terms. No impairment losses on cash and cash equivalents were therefore recognized in the financial years ended 31 December 31, 2023 and 2022.

For trade receivables, the Company applies the so-called "simplified approach" and recognizes the expected credit losses over the entire remaining term already upon addition. Under the simplified approach, the Company determines the expected credit losses by considering historical default rates on the basis of historical default data from the last financial year and taking into account forward-looking macroeconomic indicators.

A bad debt provision is recognized on an individual basis under the simplified approach if one or more events with an adverse effect on the debtor's credit rating have occurred. These events are, among others, payment delays, an impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off directly when their recoverability is no longer reasonably expected. This is the case, for example, when the debtor is determined to be insolvent.

Included in trade receivables and accrued income related to contracts with customers are the following amounts that are past due at the reporting date by the following periods:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Non-overdue receivables and accrued income	3,770,541	2,214,586
1 - 30 days	1,131,703	983,562
30 - 60 days	252,991	214,622
60 - 90 days	25,622	333,658
Over 90 days	168,676	342,954
	<b>5,349,533</b>	<b>4,089,382</b>
Bad debts provision as at year end	180,058	185,765
% of bad debts provision at year end	3%	5%

## CONSOLIDATED FINANCIAL STATEMENTS 2023

Expected credit loss on trade receivables have developed in the financial years ended 31 December 2023 and 2022 as follows:

<b>Balance at 1 January 2023</b>	<b>185,765</b>
Utilisation of impairment	(7,322)
Reversal of impairment	(46,862)
Additional impairment recognised	48,000
Acquisitions	477
<b>Balance at 31 December 2023</b>	<b>180,058</b>

<b>Balance at 1 January 2022</b>	<b>233,930</b>
Utilisation of impairment	(48,055)
Additional impairment recognised	39,000
Reversal of impairment	(37,000)
Disposal	(2,110)
<b>Balance at 31 December 2022</b>	<b>185,765</b>

## 27.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The group operates a central treasury management function, headed and controlled by learnd Ltd. The table below shows cashflow between periods. Cash is forecasted and monitored daily to ensure the business can meet its short and long term needs.

	<b>31 December 2023 £</b>	<b>31 December 2022 £</b>
Cash and cash equivalents at start of year	1,679,138	1,424,632
Net increase in cash and cash equivalents	89,908	254,506
<b>Cash and cash equivalents at end of year</b>	<b>1,769,046</b>	<b>1,679,138</b>



## CONSOLIDATED FINANCIAL STATEMENTS 2023

The following table shows the remaining contractual maturities of the Group's financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

Liquidity risk	Carrying amount	Total	<1 years	1-5 years	More than 5 years
£					
<b>31 December 2023</b>					
Borrowings	7,714,502	7,714,502	4,203,054	3,511,449	-
Lease liabilities	2,578,763	2,985,379	857,885	1,818,971	308,523
Trade payables and accruals	9,976,594	9,976,594	9,976,594	-	-
Warrants	13,898,645	13,898,645	-	13,898,645	-
<b>Total</b>	<b>34,168,504</b>	<b>34,575,120</b>	<b>15,037,532</b>	<b>19,229,064</b>	<b>308,523</b>

Liquidity risk	Carrying amount	Total	<1 years	1-5 years	More than 5 years
£					
<b>31 December 2022</b>					
Borrowings	6,433,266	6,433,266	3,724,797	2,708,469	-
Lease liabilities	2,034,695	2,862,645	745,101	1,716,464	401,080
Trade payables and accruals	4,855,107	4,855,107	4,855,107	-	-
<b>Total</b>	<b>13,323,068</b>	<b>14,151,018</b>	<b>9,325,005</b>	<b>4,424,933</b>	<b>401,080</b>

## 27.3 Market risk

## Currency Risk

The Group is exposed to translation and transaction foreign exchange risk. Only 4% the Group's revenue is in foreign currency (2022: 2%). Most of the revenue is priced and invoiced in sterling but occasionally is invoiced in the applicable foreign currencies. The Group also has a natural hedge, as it does purchase some equipment from Europe and incurs costs in Luxembourg after the Business Combination with learnd SE and uses Euros to settle the acquisition or service costs.

In 2023 foreign currency translation resulted in other comprehensive income of £198,050 (2022: £0) from translating learnd SE's financial statements from Euro to sterling, the Group's reporting currency. The foreign currency translation amount is not significant. Therefore, the group does not see any significant currency risk in this regard as at 31 December 2023. At the same time, management is closely monitoring the transactions of learnd SE and restructure the function of it within the learnd Group to better control and reduce any potential financial risks exposed to the Group.

## Interest Rate Risk

The Group is exposed to minimal interest rate risk, as all external borrowings have fixed interest rates, except one loan facility with variable interest rates which have been repaid in February 2024.

## Other market risks

The Group is not significantly exposed to other market risks.

## CONSOLIDATED FINANCIAL STATEMENTS 2023

## 28. Commitments and contingencies

The group has committed to several car leases which have not yet commenced as at 31 December 2023. These lease commitments all have durations of 48 months with different starting date in January or February 2024 and monthly payment obligations in the total amount of £5,370 including monthly lease payments and maintenance cost (31 December 2022: £7,434).

Learnd Group is not involved in any court or arbitration proceedings that could have a material effect on the financial position of learnd Group.

## 29. Related party transactions

## Controlling party

On 18 January 2023, learnd Limited was legally acquired by learnd SE, a company incorporated in Luxembourg, which is listed on the Frankfurt Stock Exchange. As at 31 December 2023, the ultimate controlling party is Josef Brunner.

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.

## 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 financial year ended 31 December 2023, the total remuneration of the key management personnel amounts to £6,885,982 (2022: £1,154,637). Directors' remuneration breakdown is as follows:

	Year ended	
	31 December 2023	31 December 2022
	£	£
Short-term employee benefits	4,268,294	1,117,912
Share-based compensation	2,574,347	-
Company contributions to money purchase pension schemes	43,341	36,725
	<b>6,885,982</b>	<b>1,154,637</b>

There are no other personnel that meet the definition of key management personnel under IAS 24, other than the Directors.

For further information regarding the share-based payments for key management personnel, please refer to *Note 20 – Share-based payments*.

## Supervisory Board

Through the De-SPAC transaction learnd Limited became a listed company. According to the listing requirements a supervisory board was established in January 2023. The current members of the Supervisory Board did not receive any compensation in 2023 and will be entitled to a fixed remuneration of 10,000 shares per financial year starting in 2024.

## CONSOLIDATED FINANCIAL STATEMENTS 2023

During the financial year ended 31 December 2023, the Supervisory Board is composed of the following members:

- Gisbert Rühl
- Josef Brunner
- Stefan Spang

**Related party transactions**

In the financial year ended 31 December 2022, KVI Aimteq Limited, as one of the Group's shareholders, provided a shareholder loan of £3,000,000 to learnd Ltd ("Shareholder loan AFT Tech"). This Shareholder loan AFT Tech does not have a set repayment schedule, bears an annual interest of 5% and is unsecured. In September 2022, as part of AFT Tech Ventures AG's acquisition of all shares held by KVI Aimteq Ltd, the loan note along with its accumulated interest was transferred to AFT Tech Ventures AG ("AFT Tech"), with the acquisition finalised on 17 November 2022. The balance of the Shareholder loan AFT Tech as at 31 December 2023 comprises of £ 3,000,000 principal and £ 612,470 interest outstanding. The balance of the Shareholder loan AFT Tech as at 31 December 2022 comprises of £ 3,000,000 principal and £ 462,470 interest outstanding.

Since 31 May 2022, GFJ Holding GmbH & Co.KG ("GFJ Holding"), the shareholder of the Company, provided the Company under several shareholder loan agreements with £ 1,438,278 (€ 1,655,000) in thirteen instalments. On 30 January 2023, the two parties entered into a shareholder loan agreement to rearrange these loans into one loan ("Shareholder loan GFJ Holding"). The Shareholder loan GFJ Holding has a fixed repayment date on 31 December 2025 and bears interest at an annual rate of 2.5%. It is unsecured. The Shareholder loan GFJ Holding balance as at 31 December 2023 comprises £ 1,438,278 (€ 1,655,000) principal recorded in the consolidated statement of financial position under "loans and borrowings (non-current)", and £ 58,161 (€ 66,925) interest categorized under "short term borrowings".

On 17 March 2023 the Company entered into a EUR 800,000 (£ 695,240) shareholder loan agreement with GFJ Holding with 2% interest per annum. On 24 November 2023, the Company repaid this loan in the full amount of £ 695,240 (€ 800,000) and with the total interest accrued thereon up to the repayment date.

**30. Employees****Employment costs**

Employment costs for the year including directors were as follows:

	Year ended	
	31 December 2023	31 December 2022
	£	£
Wages and salaries	18,152,058	10,426,976
Social security costs	1,415,214	1,191,579
Pension costs	437,666	249,315
	<b>20,004,938</b>	<b>11,867,870</b>

The Group operates a defined contribution pension scheme and is also making employer contribution to defined contribution private pension plans for the directors and employees who opt to pay to private pensions. The assets of the pension scheme are held separately from those of the Group in an independently administered fund. Total pension payments to the pension scheme and private pensions recognised as an expense during the period amount to £ 437,666 (2022: £ 249,315). The pension cost charge represents contributions payable by the Group to the fund and the private pension plans and the

## CONSOLIDATED FINANCIAL STATEMENTS 2023

amount paid in the financial year ended 31 December 2023 amounted to £ 422,680 (2022: £ 246,974). Contributions totalling £ 93,121 (2022: £ 53,220) were payable to the fund and private pension plans as at 31 December 2023.

**Number of employees**

The average number of employees (including directors) during the year was 211 (2022: 192).

	Year ended	
	31 December 2023	31 December 2022
Sales and administration	45	41
Management	7	6
Engineering and technical	159	145
	<b>211</b>	<b>192</b>

**31. Audit service fees**

The total fees charged by our external auditors during the years 2023 and 2022 amounted to:

	Year ended	
	31 December 2023 £	31 December 2022 £
Audit services	512,014	137,800
Other confirmation services	-	119,150
Tax compliance services	-	34,625
Corporate finance transactions	-	80,000
Other services	19,895	29,048
	<b>531,909</b>	<b>400,623</b>

**32. Subsequent events****Group restructuring**

On 23 February 2024, learnd Acquisition S.á r.l (a company newly incorporated on 27 November 2023) acquired the entire issued share capital of learnd Limited from learnd SE in exchange for an issuance of new ordinary shares in learnd Acquisition S.á r.l to learnd SE.

**Group refinancing**

On 9 February 2024, learnd Acquisition S.á r.l entered into a loan agreement with P Capital Partner AB as arranger and multiple banks as original lenders, under which the Group will be provided with three credit facilities totalling EUR 30 million including Acquisition Facility in the amount of EUR 12.5 million, Facility A in the amount of GBP 7.5 million, and Facility B in the amount of EUR 17.5 million less the EUR-equivalent amount of GBP 7.5 million. All the three credit facilities are with term of five years and bearing variable interest rates.

On 23 February 2024, learnd Acquisition S.á r.l drawn down €8,725,000 from the Acquisition Facility to make payment of the cash considerations and transaction costs of two acquisitions which are introduced below. Additionally, learnd Limited has drawn down £7.5 million from the Facility A. The draw down in learnd Limited has been partially used to repay the bank loans from ThinCats with principal of £2.48 million and accrued interest of £25 thousand as at the date of repayment.

**Restructuring of AFT Tech Ventures Loan**

In February 2024, learnd SE assumed the £3 million shareholder loan and £625 thousand accrued interest payable by learnd Limited to AFT Tech Ventures.

**Acquisition of Crucible Holding Limited**

On 13 February 2024, learnd Ltd acquired 100% of the share capital of Crucible Holding Limited, a UK business, and its subsidiaries, thereby obtaining control. The acquisition was made to leverage the target's installation base for its own proprietary software and consolidate its geographical outreach within the UK market.

The acquisition was settled in a cash consideration of £3,285,000 and retention of £100,000 payable by Learnd Ltd. and 310,465 existing treasury shares of Learnd SE with a current market value of €8.30 per share.

## CONSOLIDATED FINANCIAL STATEMENTS 2023

The details of the business combination are as follows:

	£
<b>Fair value of consideration transferred</b>	
Initial cash consideration	3,285,000
Retention	100,000
Share-based consideration	2,200,000
<b>Total</b>	<b>5,585,000</b>
<b>Recognised amounts of identifiable net assets</b>	
Intangible assets (Customer relationships)	1,215,000
Intangible assets (software)	719,000
Property, plant and equipment	40,159
<b>Total non-current assets</b>	<b>1,974,159</b>
Trade and other receivables	830,448
Cash and cash equivalents	1,370,000
Inventories	70,330
Applications	833,635
Other debtors	58,381
<b>Total current assets</b>	<b>3,162,794</b>
Trade and other creditors	(538,139)
Taxation & social security	(171,726)
Other creditors	(322,020)
Corporation Tax Liability	(200,000)
<b>Total current liabilities</b>	<b>(1,231,885)</b>
<b>Identifiable net assets</b>	<b>3,905,108</b>
<b>Goodwill on acquisition</b>	<b>1,679,892</b>
Consideration transferred settled in cash	4,410,000
Cash and cash equivalents acquired	(1,370,000)
<b>Net cash outflow on acquisition</b>	<b>3,040,000</b>
Acquisition costs charged to expenses	€ 128,778

#### Acquisition of Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switch Gear Limited

On 23 February 2024, learnd acquired 100% of the issued capital of three Irish incorporated and tax resident companies: Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switch Gear Limited (collectively Ashdown Controls Group), Irish business, thereby obtaining control. The acquisition was made to expand the Group's client base and geographic outreach into Ireland.

Learnd Acquisition S.á r.l acquires 68% of the issued share capital of these three companies with a cash consideration of £4,029,837 million. Learnd SE acquires the remaining 32% of the issued share capital in exchange for an issue of 230,303 new Public (Class A) shares with a current market value of €8.30 per share (i.e. total share consideration of €1.9 million).

The details of the business combination are as follows:


## CONSOLIDATED FINANCIAL STATEMENTS 2023


<b>Fair value of consideration transferred</b>	
Cash consideration	4,029,837
Share-based consideration	1,900,000
<b>Total</b>	<b>5,929,837</b>
<b>Recognised amounts of identifiable net assets</b>	
Customer Relationships	958,000
Property, plant and equipment	503,759
<b>Total non-current assets</b>	<b>1,488,759</b>
Trade and other receivables	2,441,379
Cash and cash equivalents	80,611
Inventories	2,058,154
Other debtors	530,814
Intercompany debtors and creditors	(308,708)
<b>Total current assets</b>	<b>4,802,250</b>
Trade and other creditors	(270,204)
Taxation & social security	(123,816)
Other creditors	26,465
Loans	(145,658)
Invoice Discounting Facility	(1,134,291)
Finance Leases	(166,254)
Corporation Tax	(123,541)
<b>Total current liabilities</b>	<b>(1,937,299)</b>
<b>Identifiable net assets</b>	<b>4,326,710</b>
Less: Excluded items	(2,793,719)
<b>Adjusted Net Asset Value</b>	<b>1,532,992</b>
<b>Goodwill on acquisition</b>	<b>4,396,845</b>
Consideration transferred settled in cash	3,570,000
Cash and cash equivalents acquired	(80,611)
<b>Net cash outflow on acquisition</b>	<b>3,489,389</b>
Acquisition costs charged to expenses	€ 395,961

Due to the fact that the closing date accounts of the two targets are still in the process of preparation, the purchase price allocations of the two acquisitions illustrated above are still subject to change as at the date of the authorisation of the issuance of the consolidated financial statements of the learn d Group.

**LEARND SE**  
**CONSOLIDATED FINANCIAL STATEMENTS 2023**

Learnd SE  
Luxembourg, 30 April 2024

DocuSigned by:  
  
070CB15E98AB480...  
Simon Wood  
Member of the Management Board

DocuSigned by:  
  
C351789A8D884EF...  
John Clifford  
Member of the Management Board



**learnd SE**  
(formerly GFJ ESG Acquisition I SE)

**Société européenne**  
**Annual Accounts**  
**For the financial year ended December 31, 2023**  
**and the report of the Réviseur d'Entreprise Agréé**

Registered office:  
5, Heienhaff  
L - 1736 Senningberg  
RCS Luxembourg: B255487

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**

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**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**  
**Management report**  
**for the financial year ended December 31, 2023**

The Management Board of learnd SE (former GFJ ESG Acquisition I SE) (hereafter the “Company”) submit their management report with the non audited annual financial statements of the Company for the year ended December 31, 2023.

## **1. Overview**

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 reorganisation or similar transaction.

The purpose of the Company was to complete the Business Combination using cash from the proceeds of the Private Placement of Class A shares and warrants.

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”) of learnd SE.

The Business Combination was completed on 18 January 2023 and GFJ Acquisition changed its name to learnd SE to align with name of the operating group learnd Ltd.

The annual financial statements have been prepared in accordance with generally accepted accounting principles in Luxembourg.

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.

The Company is undertaking continuous control and monitoring measures of the ongoing legal and regulatory landscape. Moreover, the Management Board and the Supervisory Board is supported by leading service providers on the respective legal, accounting and tax domains.

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

On 27 October 2022, GFJ Acquisition and learnd Ltd entered into a business combination agreement (as amended on 9 December 2022) (the “BCA”), whereby GFJ Acquisition acquired 100% of the learnd Ltd shares and became the legal parent of learnd Ltd and its subsidiaries for a contribution and exchange of all learnd Ltd shares for 7,289,581 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 learnd SE.

The reserves for own shares increased by EUR 152,826,763 in the year. Luxembourg companies are required to appropriate to the legal reserve a minimum of 5% of the net profit for the year after deduction of any losses brought forward, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company. The appropriation to legal reserve is effected after approval at the general meeting of shareholders.

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**  
**Management report**  
**for the financial year ended December 31, 2023**

**2. Review and development of the Company's financial position (continued)**

The investments held by learnd SE increased by EUR 75,173,191. Of which EUR 72,895,810 as a result of the consummation of the business combination. EUR 2,265,381 related to the acquisition of 100% of the share capital of Complete Energy Controls Ltd by learnd Ltd, whereby the consideration was in part made up of learnd SE public shares ("Class A Shares"). The remaining EUR 12,000 increase was due to the establishment of learnd Acquisition S.à r.l, which was established as part of strategic preparations for future planned acquisitions.

The Company did not generate revenue during the year ended December 31, 2023, and is not expected to generate any operating revenues. The Company incurred expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance).

The net loss of the Company for the year ended December 31, 2023 is EUR 28,574,369 (2021: a loss of EUR 5,848,910).

**3. Principal risk and uncertainties**

The Company has analyzed 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 Company has in place and steps the Company can take to mitigate such risks.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on February 24, 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

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**

The Company's financial risk management policies and objectives are strictly reviewed and controlled controlled by the Supervisory Board and the Management Board.

**5. Related party transactions**

On December 31, 2023, the outstanding amount drawn was EUR 1,655,000 (2022 EUR 1,555,000) and interest amounted to EUR 67,276 (2022 EUR 18,175). The movement in the principal balance under the shareholders loan facility for the year is attributed to the transfer the amount owed to AFT Invest AG to GFJ Holding GmbH&Co. KG, as a result of internal reallocation between affiliates.

During the year the Company borrowed EUR 267,118 from a shareholder. On December 31, 2023, the outstanding loan was EUR 267,118 (2022 EUR nil) and interest amounted to EUR 11,842 (2022 EUR nil).

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**  
**Management report**  
**for the financial year ended December 31, 2023**

**5. Related party transactions (continued)**

In April 2023 the Company loaned EUR 1,983,250 to learnd Ltd. On December 31, 2023, the outstanding loan due from learnd Ltd was EUR 1,983,250 (2022 EUR nil) and interest amounted to EUR 69,317 (2022 EUR nil).

**6. Events after the reporting year**

**Group restructuring**

On 23 February 2024, learnd Acquisition S.à r.l (a company newly incorporated on 27 November 2023) acquired the entire issued share capital of learnd Limited from learnd SE in exchange for the issuance of new ordinary shares in learnd Acquisition S.à r.l to learnd SE.

**Group refinancing**

On 9 February 2024, learnd Acquisition S.à r.l entered into a loan agreement with P Capital Partner AB as arranger and multiple banks as original lenders, under which the Group will be provided with three credit facilities totalling EUR 30 million including Acquisition Facility in the amount of EUR 12.5 million, Facility A in the amount of GBP 7.5 million, and Facility B in the amount of EUR 17.5 million less the EUR-equivalent amount of GBP 7.5 million. All the three credit facilities are with term of five years and bearing variable interest rates.

On 23 February 2024, learnd Acquisition S.à r.l drawn down EUR 8,725,000 from the Acquisition Facility to make payment of the cash considerations and transaction costs of two acquisitions which are introduced below. Additionally, learnd Limited has drawn down GBP 7.5 million from the Facility A. The draw down in learnd Limited has been partially used to repay the bank loans from ThinCats with principal of GBP 2.48 million and accrued interest of GBP 25 thousand as at the date of repayment.

**Restructuring of AFT Tech Ventures Loan**

In February 2024, learnd SE assumed the GBP 3 million shareholder loan and GBP 625 thousand accrued interest payable by learnd Limited to AFT Tech Ventures.

**Acquisition of Crucible Holdings Limited**

On 13 February 2024, learnd Ltd acquired 100% of the share capital of Crucible Holdings Limited, a UK business, and its subsidiaries, thereby obtaining control. The acquisition was made to leverage the target's installation base for its own proprietary software and consolidate its geographical outreach within the UK market.

The acquisition was settled in a cash consideration of GBP 3,285,000 and retention of GBP 100,000 payable by learnd Ltd. and 310,465 existing treasury shares of learnd SE with a current market value of EUR 8.30 per share.

**learnr SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**  
**Management report**  
**for the financial year ended December 31, 2023**

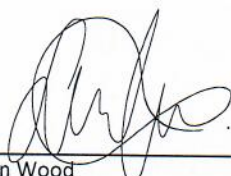
**6. Events after the reporting year (continued)**


**Acquisition of Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited**


On 23 February 2024, learnr acquired 100% of the issued capital of three Irish incorporated and tax resident companies: Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited (collectively Ashdown Controls Group), Irish businesses, thereby obtaining control. The acquisition was made to expand the Group's client base and geographic outreach into Ireland.

Learnr Acquisition S.à r.l. acquires 68% of the issued share capital of these three companies with a cash consideration of GBP 4,029,837 million. learnr SE acquired the remaining 32% of the issued share capital in exchange for the issuance of 230,303 new Public (Class A) shares with a current market value of EUR 8.30 per share (i.e. total share consideration of EUR 1.9 million).

Luxembourg, 30 April 2024

  
\_\_\_\_\_  
Simon Wood  
Member of the Management Board

  
\_\_\_\_\_  
John Clifford  
Member of the Management Board

  
\_\_\_\_\_  
Gisbert Rühl  
Member of the Supervisory Board

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**

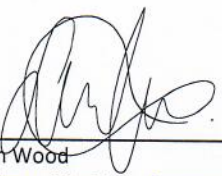
**Corporate Governance Statement by the Management Board for the year ended 31 December 2023**

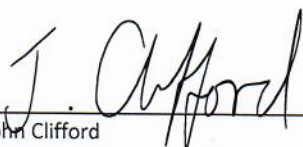
The Management Board and the executive management of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the Company with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Company's business operations are carried out efficiently and transparently.

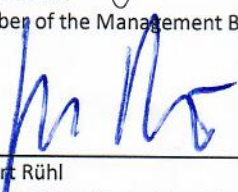
In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, LEARNd SE declares that, to the best of our knowledge, the audited financial statements for the year ended 31 December 2023, prepared in accordance and compliance with Luxembourg legal and regulatory requirements applicable to the preparation of financial statements and are prepared under the historical cost convention, give a true and fair view of the assets, liabilities, financial position as of that date and results for the year then ended.

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

Luxembourg, 30 April 2024

  
Simon Wood  
Member of the Management Board

  
John Clifford  
Member of the Management Board

  
Gisbert Rühl  
Member of the Supervisory Board

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**

**REPORT OF THE REVISEUR D'ENTREPRISES AGREE**



**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**

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**REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

**Annual Accounts Helpdesk :****Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu**

RCSL Nr. : B255487

Matricule : 2021 8400 141

eCDF entry date :

**BALANCE SHEET****Financial year from** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 31/12/2023 *(in* <sup>03</sup> EUR *)*

learned SE

5, Heienhaff

L-1736 Senningerberg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>			
I. Intangible assets	1109 _____	109 <u>75.204.491,00</u>	110 <u>31.300,00</u>
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

RCSL Nr. : B255487

Matricule : 2021 8400 141

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____	135 <u>75.204.491,00</u>	136 <u>31.300,00</u>
1. Shares in affiliated undertakings	1137 _____ 3	137 <u>75.204.491,00</u>	138 <u>31.300,00</u>
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
<b>D. Current assets</b>	1151 _____	151 <u>142.078.865,00</u>	152 <u>154.391.622,00</u>
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 <u>3.368.619,00</u>	164 <u>154.328.593,00</u>
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 <u>2.169.834,00</u>	172 <u>154.328.593,00</u>
a) becoming due and payable within one year	1173 _____ 4	173 <u>2.169.834,00</u>	174 <u>154.328.593,00</u>
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 <u>1.198.785,00</u>	184 _____
a) becoming due and payable within one year	1185 _____ 4	185 <u>1.198.785,00</u>	186 _____
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

RCSL Nr. : B255487

Matricule : 2021 8400 141

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>138.592.898,00</u>	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 <u>5</u>	209 <u>138.592.898,00</u>	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 <u>6</u>	197 <u>117.348,00</u>	198 <u>63.029,00</u>
<b>E. Prepayments</b>	1199 <u>7</u>	199 <u>46.326,00</u>	200 <u>188.992,00</u>
<b>TOTAL (ASSETS)</b>		201 <u>217.329.682,00</u>	202 <u>154.611.914,00</u>

RCSL Nr. : B255487

Matricule : 2021 8400 141

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301	206.634.833,00	149.612.921,00
I. Subscribed capital	1303 8	1.078.083,00	720.000,00
II. Share premium account	1305 8	82.216.435,00	149.805.000,00
III. Revaluation reserve	1307		
IV. Reserves	1309	163.620.513,00	10.793.750,00
1. Legal reserve	1311		
2. Reserve for own shares	1313 8	152.826.763,00	
3. Reserves provided for by the articles of association	1315		
4. Other reserves, including the fair value reserve	1429	10.793.750,00	10.793.750,00
a) other available reserves	1431		
b) other non available reserves	1433 8	10.793.750,00	10.793.750,00
V. Profit or loss brought forward	1319	-11.705.829,00	-5.856.918,00
VI. Profit or loss for the financial year	1321 8	-28.574.369,00	-5.848.911,00
VII. Interim dividends	1323		
VIII. Capital investment subsidies	1325		
<b>B. Provisions</b>	1331		740.018,00
1. Provisions for pensions and similar obligations	1333		
2. Provisions for taxation	1335		
3. Other provisions	1337 9		740.018,00
<b>C. Creditors</b>	1435	10.694.849,00	4.258.975,00
1. Debenture loans	1437		
a) Convertible loans	1439		
i) becoming due and payable within one year	1441		
ii) becoming due and payable after more than one year	1443		
b) Non convertible loans	1445		
i) becoming due and payable within one year	1447		
ii) becoming due and payable after more than one year	1449		
2. Amounts owed to credit institutions	1355	1.812,00	
a) becoming due and payable within one year	1357 10	1.812,00	
b) becoming due and payable after more than one year	1359		

The notes in the annex form an integral part of the annual accounts



RCSL Nr. : B255487

Matricule : 2021 8400 141

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>2.243.015,00</u>	368 <u>2.574.600,00</u>
a) becoming due and payable within one year	1369 <u>10</u>	369 <u>2.243.015,00</u>	370 <u>2.574.600,00</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>7.959.236,00</u>	380 <u>1.670.375,00</u>
a) becoming due and payable within one year	1381 <u>10</u>	381 <u>6.304.236,00</u>	382 <u>115.375,00</u>
b) becoming due and payable after more than one year	1383 <u>10</u>	383 <u>1.655.000,00</u>	384 <u>1.555.000,00</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>490.786,00</u>	452 <u>14.000,00</u>
a) Tax authorities	1393 <u>10</u>	393 <u>490.786,00</u>	394 <u>14.000,00</u>
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 _____	398 _____
i) becoming due and payable within one year	1399 _____	399 _____	400 _____
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 _____

**TOTAL (CAPITAL, RESERVES AND LIABILITIES)**405 217.329.682,00406 154.611.914,00

**Annual Accounts Helpdesk :**

**Tel. :** (+352) 247 88 494  
**Email :** centralebilans@statec.etat.lu

RCSL Nr. : B255487

Matricule : 2021 8400 141

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**
**Financial year from** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 31/12/2023 (in <sup>03</sup> EUR )

learnr SE  
 5, Heienhaff  
 L-1736 Senningerberg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 <u>-6.457.622,00</u>	672 <u>-5.589.385,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>11</u>	603 <u>-6.457.622,00</u>	604 <u>-5.589.385,00</u>
<b>6. Staff costs</b>	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 <u>12</u>	621 <u>-7.492.350,00</u>	622 <u>-241.350,00</u>

RCSL Nr. : B255487

Matricule : 2021 8400 141

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	82.390,00	728
a) derived from affiliated undertakings	1729 13	69.352,00	730
b) other interest and similar income	1731	13.038,00	732
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	-14.233.865,00	666
<b>14. Interest payable and similar expenses</b>	1627	-460.812,00	628 -18.175,00
a) concerning affiliated undertakings	1629 14	-59.901,00	630 -18.175,00
b) other interest and similar expenses	1631 14	-400.911,00	632
<b>15. Tax on profit or loss</b>	1635 15	635	636
<b>16. Profit or loss after taxation</b>	1667	-28.562.259,00	668 -5.848.910,00
<b>17. Other taxes not shown under items 1 to 16</b>	1637 15	637 -12.110,00	638
<b>18. Profit or loss for the financial year</b>	1669	669 -28.574.369,00	670 -5.848.910,00

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**  
**NOTES TO THE ANNUAL ACCOUNTS**  
**for the financial year ended December 31, 2023**  
**(Expressed in EUR)**

**1. General**

GFJ ESG Acquisition I SE (the “Company”) was incorporated on June 2, 2021 in Luxembourg as a European company (Société Européenne or “SE”) based on the laws of the Grand Duchy of Luxembourg (“Luxembourg”) for an unlimited period of time. The Company is registered with the Luxembourg Trade and Companies Register under number B255487.

The registered office of the Company is located at 5, Heienhaff, L-1736 Senningerberg, Luxembourg.

Following the Business Combination with learnd Limited on January 18, 2023, the Company changed its name from "GFJ ESG Acquisition I SE" to "learnd SE".

The purpose of the company is the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

Since October 19, 2021 the Company has been listed on the regulated market on the Frankfurt stock exchange in Germany.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the comparative period on these annual accounts were prepared from June 8, 2021 to December 31, 2021. Any act performed and any transaction carried out by the Company between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the annual accounts. The Company’s financial year runs from 1 January to 31 December.

The Company’s financial year starts on January 1 and ends on December 31 of each year, with the exception of the first financial year which started on June 8, 2021 (date of registration with the RCS) and ended on December 31, 2021.

The Company also prepares consolidated financial statements which are published under International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company’s website.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of preparation**

The annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention and on a going concern basis.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19th December 2002, determined and applied by the directors.

The preparation of these annual accounts requires the use of certain critical accounting estimates. It also requires the Management Board to exercise significant judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Management Board believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

**learnd SE**  
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**Société européenne**  
**NOTES TO THE ANNUAL ACCOUNTS**  
**for the financial year ended December 31, 2023**  
**(Expressed in EUR)**

**2. Summary of Significant Accounting Policies (continued)**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments 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.

**2.2 Significant accounting policies**

The following are the significant accounting policies and valuation rules adopted by the Company in the preparation of these annual accounts.

**2.2.1 Foreign currency translation**

The Company maintains its books and records in Euro ("EUR"). The balance sheet and the profit and loss account are expressed in EUR.

*Translation of foreign currency transactions*

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions.

*Translation of foreign currency balances as at the balance sheet date*

- Financial assets denominated in currencies other than EUR are translated at the historical exchange rates;
- Debts denominated in currencies other than EUR are translated at the higher between the exchange rate prevailing at the balance sheet date and the historical exchange rate; and
- Cash at bank and in hand denominated in currencies other than EUR are translated at the exchange rates prevailing at the balance sheet date.

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account. Unrealized exchange gains are not recognized unless it arises from cash at bank and in hand.

**2.2.2 Formation expenses**

Formation expenses include costs and expenses incurred in connection with the incorporation of the Company and subsequent capital increases. Formation expenses are charged to the profit and loss account of the year in which they were incurred.

**2.2.3 Financial assets**

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Management Board, value adjustments are made in respect of financial assets, so that they are valued at the lower amount to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

**2.2.4 Cash at bank and in hand**

Cash at bank and in hand comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

**learnr SE**  
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**Société européenne**

**NOTES TO THE ANNUAL ACCOUNTS**  
**for the financial year ended December 31, 2023**  
**(Expressed in EUR)**

**2. Summary of Significant Accounting Policies (continued)**

**2.2.5 Debtors**

Debtors are recorded at their nominal value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

**2.2.6 Own shares**

Own shares are initially measured at acquisition cost and recognized as an asset with a corresponding non-distributable reserve. Own shares are subsequently remeasured at the lower of cost or market value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

**2.2.7 Prepayment**

Prepayments include expenditure incurred during the financial year but relating to a subsequent financial year.

**2.2.8 Provisions**

Provisions are intended to cover losses or debts which originate in the financial year under review or in the previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date they will arise.

*Provisions for taxation*

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Creditors becoming due and payable within one year". The advance payments are shown in the assets of the balance sheet under the "Debtors becoming due and payable within one year" item.

**2.2.9 Creditors**

Creditors are recorded at their reimbursement value. Where the amount repayable of a financial liability is higher than the amount of cash received upfront, the related repayment premium is shown in the balance sheet as an asset and is amortized over the period of the related debt on a straight-line method.

**2.2.10 Expenses**

Expenses are accounted for on an accrual basis.

**2.2.11 Income tax**

The Company is subject to income taxes in Luxembourg.

**2.2.12 Warrants**

The Company has issued class A warrants and class B warrants, which are equity settled instruments and are presented as part of other non available reserves. When such warrants are expected to be equity settled, the Company does not book any provision to cover any surplus of the fair value of those warrants compared to the amounts booked in other non available reserves, as the Company will not suffer any loss in relation to those warrants in the future.

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**

**NOTES TO THE ANNUAL ACCOUNTS (continued)**  
**for the financial year ended December 31, 2023**  
**(Expressed in EUR)**

**2. Summary of Significant Accounting Policies (continued)**

**2.3 Provisions for liabilities and charges**

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

**Note 3. Financial assets**

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
Net book value as at January 1, 2023	31,300	-
Acquisitions during the year	75,173,191	31,300
<b>Net book value as at December 31, 2023</b>	<b>75,204,491</b>	<b>31,300</b>

The acquisition made during the financial year ended 2023 consists of the acquisition of learnd Ltd as a result of the consummation of the business combination. Apart from the transaction, there were acquisition of investments made in learnd CEC S.à r.l. for EUR 2,265,381 and learnd acquisition S.à r.l. for EUR 12,000.

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.

The breakdown of investment as at 31 December 2023 and 31 December 2022 is as follows:

<b>Name of the undertaking</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
learnd GmbH (formerly GFJ Advisors I GmbH)	28,500	28,500
GFJ ESG Advisors I GmbH & Co. KG	2,800	2,800
learnd Ltd - CEC	2,265,381	-
learnd Ltd	72,895,810	-
learnd Acquisition S.à r.l.	12,000	-
	<b>75,204,491</b>	<b>31,300</b>

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**Société européenne**

**NOTES TO THE ANNUAL ACCOUNTS (continued)**  
**for the financial year ended December 31, 2023**  
**(Expressed in EUR)**

**Note 3. Financial assets**  
**(Continued)**

Undertakings in which the Company holds at least 20% of the share capital or in which it is a general partner are as follows:

Name of the undertaking	Registered office	Ownership	Last balance sheet date	Net equity at balance sheet date (EUR)	Profit or loss for the last financial year (EUR)
		%			
GFJ Advisors I GmbH	Rüttenscheider Strasse 84 D-45130 Essen	100%	31/12/2022	24,482	(1,015)
GFJ Advisors I GmbH & Co. KG	Rüttenscheider Strasse 84 D-45130 Essen	100%	31/12/2022	(467,737)	(441,942)
Learnd Acquisition S.à r.l.	5, Heienhaff L-1736 Senningerberg	100%	31/12/2022	(12,000)	(304,228)
Learnd CEC	5, Heienhaff L-1736 Senningerberg	100%	31/12/2022	(12,000)	-
Learnd Ltd	Third Floor 1 New Fetter Lane London	100%	31/12/2022	(2,023,853)	(1,513,589)

A thorough impairment testing and analysis was conducted in accordance with Luxembourg GAAP and it has been determined that no permanent impairment indicator exists and therefore no impairment was recorded in the financial statement as at 31 December 2023.

**Note 4. Debtors**

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
<b><i>Amounts owed by affiliated undertakings</i></b>		
<i>(a) becoming due and payable within one year</i>		
Current account GFJ ESG Advisors I GmbH & Co. KG	59,264	154,218,750
IBL - GFJ ESG Advisors I GmbH & Co. KG	25,035	80,000
GFJ Holding GmbH&Co. KG	351	351
Current Account AFT Invest AG	2,800	-
GEM Deposit	29,492	29,492
Current Account GFJ Advisors I	325	-
	<b>117,267</b>	<b>154,328,593</b>
<i>(b) becoming due and payable after one year</i>		
Loan to Learnd Ltd - GBP Loan principle	1,983,250	-
Loan to Learnd Ltd - GBP Loan interest	69,317	-
	<b>2,052,567</b>	<b>-</b>
<b>Total Amounts owed by affiliated undertakings</b>	<b>2,169,834</b>	<b>154,328,593</b>
<b><i>Other debtors</i></b>		
<i>(a) becoming due and payable within one year</i>	1,198,785	-
<b>Total other debtors</b>	<b>1,198,785</b>	<b>-</b>
<b>Total Debtors</b>	<b>3,368,619</b>	<b>154,328,593</b>



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**NOTES TO THE ANNUAL ACCOUNTS (continued)**  
**for the financial year ended December 31, 2023**  
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**Note 4. Debtors (Continued)**

In the financial year 2021 the Company has transferred all of the gross proceeds from the private placement or IPO of the public units of GFJ ESG Acquisition I SE to investors for the benefit of the public shareholders into an escrow account with a German bank (the "Escrow Account") opened by the Company's affiliate GFJ Advisors I GmbH & Co. KG.

The business combination was concluded in the current financial year on the 18th January 2023 and the restricted cash was released from this current account in the 2023 financial year.

In the 2023 financial year Learnd SE advanced to Learnd Ltd a Loan (GBP denominated) to value of EUR 1,983,250. The Loan term is for a period of 5 years with a final repayment date of 31 December 2028. Interest on the loan is at a rate of 5% per annum.

The purpose of the Loan was to finance the acquisition of another affiliate, Learnd CEC (Please see note 3).

**Note 5. Own shares**

On 18 January 2023, the Company redeemed 14,983,016 class A shares in connection with the Business Combination for a total redemption price of EUR 152,826,763 (2022: nil).

The Management Board identified a permanent value adjustment within the own shares for the year ended 31 December 2023. Therefore, an impairment of the own shares amounting to EUR 14,233,865 has been recognized.

**Note 6. Cash at bank and in hand**

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
Deutsche Bank AG - current EUR account	105,488	61,349
Banque Internationale à Luxembourg S.A. - Invest Account	11,860	1,680
<b>Total Cash at bank and in hand</b>	<b>117,348</b>	<b>63,029</b>

**Note 7. Prepayments**

As at December 31, 2023, prepayments amounted to EUR 46,326 (2022: EUR 188,992) and are composed mainly of other professional fees and insurances paid in 2023 for services related to 2024.

**Note 8. Capital and reserves**

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.

In 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.

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**NOTES TO THE ANNUAL ACCOUNTS (continued)**  
**for the financial year ended December 31, 2023**  
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**Note 8. Capital and reserves (continued)**

In 2021, the sole shareholder decided to contribute an amount of EUR 380,000 to the equity of the Company without issuance of shares, account 115. These monies were used to cover the operating expenses as well as due diligence costs.

In 2021, the Management Board of the Company decided, to increase the Company's share capital by an amount of five hundred seventy-six thousand euro (EUR 576,000) to an amount of six hundred ninety-six thousand euro (EUR 696,000) through the issuance of fifteen million (15,000,000) new redeemable class A shares, each without nominal value, for an aggregate price of one hundred forty-nine million nine hundred twenty-five thousand euro (EUR 149,925,000).

The total contribution in the amount of one hundred forty-nine million nine hundred twenty-five thousand euro (EUR 149,925,000) consisted of five hundred seventy-six thousand euro (EUR 576,000) for the share capital and one hundred forty-nine million three hundred forty-nine thousand euro (EUR 149,349,000) allocated to the share premium.

At the same date 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 thirtythree (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).

The contribution in cash amounting to one hundred thousand euro (EUR 100,000) consists of twenty-four thousand euro (EUR 24,000) allocated to the share capital and seventy-six thousand euro (EUR 76,000) for the share premium.

As at December 31, 2023, EUR 3,750,000 (2022: EUR 3,750,000) Class B shares were issued and fully paid.

On 27 October 2022, GFJ Acquisition and learnd Ltd entered into a business combination agreement (as amended on 9 December 2022) (the "BCA"), whereby GFJ Acquisition acquired 100% of the learnd Ltd shares and became the legal parent of learnd Ltd and its subsidiaries for a contribution and exchange of all learnd Ltd shares for 7,289,581 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 learnd SE.

A further 1,788,516 public shares ("Class A Shares") were issued during the course of the year. The shares issued were also issued at a par value of EUR 0.0384.

The movements for the year are as follows:

	<b>Subscribed capital</b>	<b>Share premium account</b>	<b>Reserves</b>	<b>Result brought forward</b>	<b>Result for the financial year</b>	<b>Total</b>
	<b>(EUR)</b>	<b>(EUR)</b>	<b>(EUR)</b>	<b>(EUR)</b>	<b>(EUR)</b>	<b>(EUR)</b>
Balance as at January 1, 2023	720,000	149,805,000	10,793,750	(5,856,918)	(5,848,911)	149,612,921
Share capital increase	358,083	-	-	-	-	358,083
Share premium variation	-	(67,588,565)	-	-	-	(67,588,565)
Reserve for own shares	-	-	152,826,763	-	-	152,826,763
Allocation of prior period 's result	-	-	-	(5,848,911)	5,848,911	-
Loss for the year	-	-	-	-	(28,574,369)	(28,574,369)
<b>Balance as at December 31, 2023</b>	<b>1,078,083</b>	<b>82,216,435</b>	<b>163,620,513</b>	<b>(11,705,829)</b>	<b>(28,574,369)</b>	<b>206,634,833</b>

**Legal reserve**

Luxembourg companies are required to appropriate to the legal reserve a minimum of 5% of the net profit for the year after deduction of any losses brought forward, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company. The appropriation to legal reserve is effected after approval at the general meeting of shareholders.

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NOTES TO THE ANNUAL ACCOUNTS (continued)  
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**Note 8. Capital and reserves (continued)**

Other reserves

In 2021, it was resolved to acknowledge, approve, and authorise in the name and on behalf of the Supervisory Board the issuance, within the framework of the authorised capital of seven million five hundred thousand (7,500,000) new Class A Warrants in accordance with the terms and conditions of Class A Warrants, for a subscription price of seventy-five thousand euro (EUR 75,000); and to acknowledge, approve and ratify in the name and on behalf of the Supervisory Board the issuance within the framework of the authorised capital of (i) six million four hundred ten thousand four hundred seventeen (6,410,417) new Class B Warrants for an aggregate subscription price of nine million six hundred fifteen thousand six hundred twenty five euro and fifty cents (EUR 9,615,625.50), which has been settled by set off against an amount of one million nine hundred thousand euro (EUR 1,900,000) drawn down under the shareholder loan granted by GFJ Holding GmbH & Co. KG to the Company which loan shall be terminated following such set off and seven million seven hundred fifteen thousand six hundred twenty-five euro and fifty cents (EUR 7,715,625.50) paid in cash, and, (ii) under the additional sponsor subscription of Class B Warrants, an additional number of seven hundred thirty-five thousand four hundred sixteen (735,416) Class B Warrants for the price of one million one hundred three thousand one hundred twenty-five euro (EUR 1,103,125) in accordance with the terms and conditions of Class B Warrants.

On 18 January 2023, the Company repurchased 14,983,016 Class A shares as part of the business combination, at a total redemption price of EUR 152,826,763 (2022:nil). In accordance with the law, learnd SE created a non-distributable reserve included in the account "Reserve for own shares" as depicted in the table above, and is duly reflected in the financial statement.

No other movements in Other Reserves have been noted to date.

**Note 9. Provisions**

	31.12.2023 (EUR)	31.12.2022 (EUR)
Accrued audit fees	-	652,433
Accrued director fees	-	62,500
Accrued administration fees	-	25,085
	-	740,018

**Note 10. Creditors**

	31.12.2023 (EUR)	31.12.2022 (EUR)
<u>Amounts owed to credit institutions</u>		
<i>becoming due and payable within one year</i>		
BIL - General account - EUR Overdraft	1,812	-
<u>Trade creditors</u>		
<i>becoming due and payable within one year</i>	2,243,015	2,574,600
<u>Amounts owed to affiliated undertakings</u>		
<i>becoming due and payable within one year</i>		
AFT Invest AG - current account	-	97,200
IBL - GFJ Holding GmbH&Co. KG - acc interest	67,276	18,175
IBL - Ray Mac Ban - Principal	267,118	-
IBL - Ray Mac Ban - Interest	11,842	
Accrued Founder Bonuses	5,958,000	
<i>becoming due and payable after more than one year</i>		
IBL - GFJ Holding GmbH&Co. KG - principal	1,655,000	1,555,000
<u>Other creditors</u>		
Tax authorities	27,550	14,000
VAT - Luxembourg	463,236	-
<b>Total Creditors</b>	<b>10,694,849</b>	<b>4,258,975</b>

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**NOTES TO THE ANNUAL ACCOUNTS (continued)**  
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**Note 10. Creditors (continued)**

On December 31, 2023, the outstanding amount drawn on the shareholders loan facility was EUR 1,655,000 (2022 EUR 1,555,000) and interest amounted to EUR 67,276 (2022 EUR 18,175). The movement in the principal balance for the year is attributed to the transfer of the amount owed to AFT Invest AG to GFJ Holding GmbH&Co. KG, as part of internal allocations between affiliates.

**Note 11. Gross profit/(loss)**

	<b>2023</b>	<b>2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
<i>Other external expenses:</i>		
Bank charges	(12,943)	(6,461)
Legal and professional fees	(3,992,083)	(3,371,741)
Administration fees	(69,463)	(84,293)
Audit fees	(193,391)	(658,985)
Tax advisory and compliance fees	(145,720)	(125,703)
IPO fees	-	(107,500)
Other expenses	(1,259,749)	(983,074)
D&O insurance	(603,457)	(228,800)
Contributions to professional associations	(180,816)	(22,828)
	<b><u>(6,457,622)</u></b>	<b><u>(5,589,385)</u></b>

"Legal and Professional fees" (2023: EUR 3,992,083, 2022: EUR 3,371,741) were largely driven by the Business combination finalisation between GFJ Acquisition (Now learnd SE) and learnd Ltd that was finalised on the 18th of January 2023 (Please refer to note 3 for further detail). These can be broken down further to Consultancy, Listing Fees and Advisory fees.

"Other Expenses" (2023: EUR 1,259,749, 2022: EUR 772,154) are driven more by commercial rationale. These are largely in relation to Consultancy, Advisory (outside of the business combination) and Marketing related expenses.

**Note 12. Other operating expenses**

	<b>2023</b>	<b>2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
Director fees	(112,231)	(241,350)
Bonuses - Directors	(1,023,921)	-
Bonuses - Founders	(5,958,000)	-
VAT non-recoverable	(16,958)	-
Other registration fees, stamp duties and mortgage	(380,968)	-
Fines, sanctions and penalties	(274)	-
	<b><u>(7,492,352)</u></b>	<b><u>(241,350)</u></b>

The Management Board consists of 3 members and the supervisory board consists of 5 members are entitled, based on a shareholder resolution from July 5, 2021, to an aggregate remuneration of EUR 255,000 per annum payable on a quarterly basis for providing director/advisory services to the Company (see note 17).

In the 2023 financial year bonuses were granted to the Founders and Directors for the successful completion of the Business acquisition finalised on the 18 January 2024.

**Note 13. Other interest receivable and similar income**

	<b>2023</b>	<b>2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
<i>Derived from affiliated undertakings</i>		
IBL - GFJ ESG Adv I GmbH&CoKG - interest	35	-
IBL - learnd Ltd - 1,750k GBP - interest	69,317	-
	<b><u>69,352</u></b>	<b><u>-</u></b>
<i>other interest and similar income</i>		
Trade Creditor Write Off	<b><u>13,038</u></b>	<b><u>-</u></b>

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NOTES TO THE ANNUAL ACCOUNTS (continued)  
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**Note 14. Interest payable and similar expenses**

*a) concerning affiliated undertakings*

Shareholder loan interest expense

2023 (EUR)	2022 (EUR)
<u>(59,901)</u>	<u>(18,175)</u>

*b) other interest and similar expenses*

Bank debit interest

Fees on escrow account

Other late payment interest

IBL - Ryan Mac Ban - interest

Foreign exchange losses

(334,199)	-
-	-
(43,414)	-
(11,842)	-
(11,456)	-
<u>(400,911)</u>	<u>-</u>

**Note 15. Tax on profit and loss**

The Company is subject to all income taxes applicable to Luxembourg companies.

**Note 15. Staff**

During the year under review, the Company did not employ any personnel and, consequently, no payment for wages, salaries or social securities were made (2022: nil).

**Note 16. Related party transactions**

During the financial year under review, no further significant transactions were entered into with related parties apart from those with affiliated undertakings disclosed under notes 10 and 14.

**Note 17. Emoluments**

The Board of Directors, which consists of 3 members (2022: 3 members), did receive remuneration in the amount of EUR 7,094,152 (2022: EUR 241,350) during the year ended on December 31, 2023. Please see below for the breakdown

	2023 (EUR)	2022 (EUR)
Director Fees	112,231	241,350
Director Bonus	1,023,921	-
Founder Bonus	5,958,000	-
	<u>7,094,152</u>	<u>241,350</u>

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NOTES TO THE ANNUAL ACCOUNTS (continued)  
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**Note 18. Post balance sheet events**

***Restructuring of AFT Tech Ventures Loan***

In February 2024, learnd SE assumed the GBP 3 million shareholder loan and GBP 625 thousand accrued interest payable by learnd Limited to AFT Tech Ventures.

***Acquisition of Crucible Holdings Limited***

On 13 February 2024, learnd Ltd acquired 100% of the share capital of Crucible Holdings Limited, a UK business, and its subsidiaries, thereby obtaining control. The acquisition was made to leverage the target's installation base for its own proprietary software and consolidate its geographical outreach within the UK market.

The acquisition was settled in a cash consideration of GBP 3,285,000 and retention of GBP 100,000 payable by learnd Ltd. and 310,465 existing treasury shares of learnd SE with a current market value of EUR 8.30 per share.

***Acquisition of Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited***

On 23 February 2024, learnd acquired 100% of the issued capital of three Irish incorporated and tax resident companies: Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited (collectively Ashdown Controls Group), Irish businesses, thereby obtaining control. The acquisition was made to expand the Group's client base and geographic outreach into Ireland.

Learnd Acquisition S.á r.l. acquires 68% of the issued share capital of these three companies with a cash consideration of GBP 4,029,837 million. learnd SE acquires the remaining 32% of the issued share capital in exchange for an issue of 230,303 new Public (Class A) shares with a current market value of EUR 8.30 per share (i.e. total share consideration of EUR 1.9 million).

No other events have taken place since the balance sheet date that would have had a significant impact on the financial position of the Company as at the closing date.

**learnd SE**  
(formerly GFJ ESG Acquisition I SE)

**Société européenne**  
**Annual Accounts**  
**For the financial year ended December 31, 2023**  
**and the report of the Réviseur d'Entreprise Agréé**

Registered office:  
5, Heienhaff  
L - 1736 Senningberg  
RCS Luxembourg: B255487

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**learnd SE**  
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**Management report**  
**for the financial year ended December 31, 2023**

The Management Board of learnd SE (former GFJ ESG Acquisition I SE) (hereafter the “Company”) submit their management report with the non audited annual financial statements of the Company for the year ended December 31, 2023.

## **1. Overview**

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 reorganisation or similar transaction.

The purpose of the Company was to complete the Business Combination using cash from the proceeds of the Private Placement of Class A shares and warrants.

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”) of learnd SE.

The Business Combination was completed on 18 January 2023 and GFJ Acquisition changed its name to learnd SE to align with name of the operating group learnd Ltd.

The annual financial statements have been prepared in accordance with generally accepted accounting principles in Luxembourg.

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.

The Company is undertaking continuous control and monitoring measures of the ongoing legal and regulatory landscape. Moreover, the Management Board and the Supervisory Board is supported by leading service providers on the respective legal, accounting and tax domains.

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

On 27 October 2022, GFJ Acquisition and learnd Ltd entered into a business combination agreement (as amended on 9 December 2022) (the “BCA”), whereby GFJ Acquisition acquired 100% of the learnd Ltd shares and became the legal parent of learnd Ltd and its subsidiaries for a contribution and exchange of all learnd Ltd shares for 7,289,581 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 learnd SE.

The reserves for own shares increased by EUR 152,826,763 in the year. Luxembourg companies are required to appropriate to the legal reserve a minimum of 5% of the net profit for the year after deduction of any losses brought forward, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company. The appropriation to legal reserve is effected after approval at the general meeting of shareholders.

**learnd SE**  
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**2. Review and development of the Company's financial position (continued)**

The investments held by learnd SE increased by EUR 75,173,191. Of which EUR 72,895,810 as a result of the consummation of the business combination. EUR 2,265,381 related to the acquisition of 100% of the share capital of Complete Energy Controls Ltd by learnd Ltd, whereby the consideration was in part made up of learnd SE public shares ("Class A Shares"). The remaining EUR 12,000 increase was due to the establishment of learnd Acquisition S.à r.l, which was established as part of strategic preparations for future planned acquisitions.

The Company did not generate revenue during the year ended December 31, 2023, and is not expected to generate any operating revenues. The Company incurred expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance).

The net loss of the Company for the year ended December 31, 2023 is EUR 28,574,369 (2021: a loss of EUR 5,848,910).

**3. Principal risk and uncertainties**

The Company has analyzed 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 Company has in place and steps the Company can take to mitigate such risks.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on February 24, 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

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**

The Company's financial risk management policies and objectives are strictly reviewed and controlled controlled by the Supervisory Board and the Management Board.

**5. Related party transactions**

On December 31, 2023, the outstanding amount drawn was EUR 1,655,000 (2022 EUR 1,555,000) and interest amounted to EUR 67,276 (2022 EUR 18,175). The movement in the principal balance under the shareholders loan facility for the year is attributed to the transfer the amount owed to AFT Invest AG to GFJ Holding GmbH&Co. KG, as a result of internal reallocation between affiliates.

During the year the Company borrowed EUR 267,118 from a shareholder. On December 31, 2023, the outstanding loan was EUR 267,118 (2022 EUR nil) and interest amounted to EUR 11,842 (2022 EUR nil).

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**for the financial year ended December 31, 2023**

**5. Related party transactions (continued)**

In April 2023 the Company loaned EUR 1,983,250 to learnd Ltd. On December 31, 2023, the outstanding loan due from learnd Ltd was EUR 1,983,250 (2022 EUR nil) and interest amounted to EUR 69,317 (2022 EUR nil).

**6. Events after the reporting year**

**Group restructuring**

On 23 February 2024, learnd Acquisition S.à r.l (a company newly incorporated on 27 November 2023) acquired the entire issued share capital of learnd Limited from learnd SE in exchange for the issuance of new ordinary shares in learnd Acquisition S.à r.l to learnd SE.

**Group refinancing**

On 9 February 2024, learnd Acquisition S.à r.l entered into a loan agreement with P Capital Partner AB as arranger and multiple banks as original lenders, under which the Group will be provided with three credit facilities totalling EUR 30 million including Acquisition Facility in the amount of EUR 12.5 million, Facility A in the amount of GBP 7.5 million, and Facility B in the amount of EUR 17.5 million less the EUR-equivalent amount of GBP 7.5 million. All the three credit facilities are with term of five years and bearing variable interest rates.

On 23 February 2024, learnd Acquisition S.à r.l drawn down EUR 8,725,000 from the Acquisition Facility to make payment of the cash considerations and transaction costs of two acquisitions which are introduced below. Additionally, learnd Limited has drawn down GBP 7.5 million from the Facility A. The draw down in learnd Limited has been partially used to repay the bank loans from ThinCats with principal of GBP 2.48 million and accrued interest of GBP 25 thousand as at the date of repayment.

**Restructuring of AFT Tech Ventures Loan**

In February 2024, learnd SE assumed the GBP 3 million shareholder loan and GBP 625 thousand accrued interest payable by learnd Limited to AFT Tech Ventures.

**Acquisition of Crucible Holdings Limited**

On 13 February 2024, learnd Ltd acquired 100% of the share capital of Crucible Holdings Limited, a UK business, and its subsidiaries, thereby obtaining control. The acquisition was made to leverage the target's installation base for its own proprietary software and consolidate its geographical outreach within the UK market.

The acquisition was settled in a cash consideration of GBP 3,285,000 and retention of GBP 100,000 payable by learnd Ltd. and 310,465 existing treasury shares of learnd SE with a current market value of EUR 8.30 per share.

learnd SE  
(former GFJ ESG Acquisition I SE)  
Société européenne  
Management report  
for the financial year ended December 31, 2023

6. Events after the reporting year (continued)

**Acquisition of Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited**

On 23 February 2024, learnd acquired 100% of the issued capital of three Irish incorporated and tax resident companies: Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited (collectively Ashdown Controls Group), Irish businesses, thereby obtaining control. The acquisition was made to expand the Group's client base and geographic outreach into Ireland.

Learnd Acquisition S.à r.l. acquires 68% of the issued share capital of these three companies with a cash consideration of GBP 4,029,837 million. learnd SE acquired the remaining 32% of the issued share capital in exchange for the issuance of 230,303 new Public (Class A) shares with a current market value of EUR 8.30 per share (i.e. total share consideration of EUR 1.9 million).

Luxembourg, 30 April 2024



Simon Wood  
Member of the Management Board



John Clifford  
Member of the Management Board



Gisbert Rühl  
Member of the Supervisory Board

**learnd SE**  
**(former GFJ ESG Acquisition I SE)**  
**Société européenne**

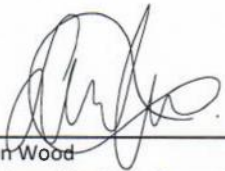
**Corporate Governance Statement by the Management Board for the year ended 31 December 2023**

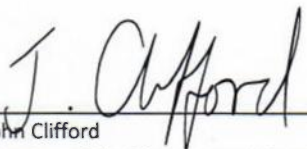
The Management Board and the executive management of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the Company with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Company's business operations are carried out efficiently and transparently.

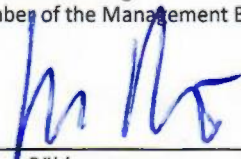
In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, LEARNd SE declares that, to the best of our knowledge, the audited financial statements for the year ended 31 December 2023, prepared in accordance and compliance with Luxembourg legal and regulatory requirements applicable to the preparation of financial statements and are prepared under the historical cost convention, give a true and fair view of the assets, liabilities, financial position as of that date and results for the year then ended.

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

Luxembourg, 30 April 2024

  
Simon Wood  
Member of the Management Board

  
John Clifford  
Member of the Management Board

  
Gisbert Rühl  
Member of the Supervisory Board



Mazars Luxembourg  
5, rue Guillaume J. Kroll  
L-1882 Luxembourg  
Luxembourg  
Tel: +352 27 114 1  
Fax: +352 27 114 20  
www.mazars.lu

To the Shareholders of  
**learnd SE**  
Société européenne

R.C.S. Luxembourg B255487

9, rue de Bitbourg  
L - 1273 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the Annual Accounts

#### Opinion

We have audited the annual accounts of **learnd SE** (the "Company"), which comprise the balance sheet as of 31 December 2023, the profit and loss for the year then ended, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2023, and of the result of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" ("CSSF"). Our responsibilities under the EU regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "*réviseur d'entreprises agréé*" for the Audit of the Annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter:	Impairment of shares in affiliated undertakings
<b>Description of key audit matter:</b>	<p>learned SE, as ultimate parent of the learned group, holds shares in affiliated undertaking amounting to an aggregate amount of EUR 75,204,491 as of 31 December 2023 as disclosed in Note 3 to the annual accounts. No impairment was recorded during the year.</p> <p>As stated in Note 2.2.3 to the annual accounts, value adjustments are made in respect of financial assets so that these are valued at the lower amount to be attributed at the balance sheet date with any resulting impairments reflected in the profit and loss account in the relevant period.</p> <p>If an impairment indicator is identified, the estimated recoverable amount of the shares is determined. The estimated recoverable amount is calculated as the higher of the value-in-use or fair value less costs to sell.</p> <p>The key factors used by management in determining the estimated recoverable amount are:</p> <ul style="list-style-type: none"> <li>the future revenue and EBITDA assumptions taken from Learned group's most recent budgets (the "Plan");</li> <li>the long-term growth rate used beyond the period covered by the Plan.</li> </ul> <p>The outcome of the impairment review could vary significantly if different assumptions were applied in the valuation model.</p> <p>Impairment of shares in affiliated undertakings is considered a key audit matter because of the significant judgement involved regarding the assessment of their recoverable amount.</p>
<b>Our response:</b>	<p>Our audit procedures in relation to the impairment of the shares in affiliated undertakings included the following, among others:</p> <ul style="list-style-type: none"> <li>We assessed management's impairment testing by obtaining the supporting model and assessing the methodology and key assumptions used: <ul style="list-style-type: none"> <li>future revenue and EBITDA forecasts – we assessed management's forecasts and tested the underlying values used in the calculations by comparing managements' forecasts to the latest budget;</li> <li>long-term growth rate – we have challenged the management about the rates applied ;</li> <li>key inputs – we performed sensitivity analysis on the main assumptions where applicable.</li> </ul> </li> <li>We compared the carrying amount of the shares to their recoverable amount in order to assess whether an impairment exists.</li> <li>We assessed the completeness and appropriateness of the disclosures in Notes 2.2.3 and 3 to the annual accounts.</li> </ul>



## Other Information

The Management Board is responsible for the other information. The other information comprises the information stated in the Management Report and the Corporate Governance Statement but does not include the annual accounts and our report of the “*réviseur d’entreprises agréé*” thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

## Responsibilities of the Management Board and Those Charged with Governance for the Annual Accounts

The Management Board is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Management Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

The Management Board is responsible for presenting and marking up the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format as amended (“the ESEF Regulation”).





## **Responsibilities of the “*Réviseur d’Entreprises Agréé*” for the Audit of the Annual Accounts**

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “*réviseur d’entreprises agréé*” that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless laws or regulations preclude public disclosure about the matter.

### **Report on Other Legal and Regulatory Requirements**

We have been appointed as “*réviseur d’entreprises agréé*” by the Annual General Meeting on 30 June 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the annual accounts of the Company as of 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the annual accounts. For the Company, it relates to annual accounts prepared in valid xHTML format.

In our opinion, the annual accounts of the Company as of 31 December 2023, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee.

We confirm that no prohibited non-audit services referred to in EU Regulation No 537/2014 were provided and that we remained independent of the Company in conducting the audit.

Luxembourg, 30 April 2024

For Mazars Luxembourg, Cabinet de révision agréé  
5, rue Guillaume J. Kroll  
L-1882 LUXEMBOURG

DocuSigned by:  
  
4574F35253B847A...

Fabien DELANTE  
Réviseur d’entreprises agréé

**Annual Accounts Helpdesk :**

**Tel. :** (+352) 247 88 494  
**Email :** centralebilans@statec.etat.lu

RCSL Nr. : B255487

Matricule : 2021 8400 141

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 31/12/2023 (in <sup>03</sup> EUR )

learn SE  
 5, Heienhaff  
 L-1736 Senningerberg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>			
I. Intangible assets	1109 _____	109 75.204.491,00	110 31.300,00
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____	120 _____
4. Payments on account and intangible assets under development	1121 _____	121 _____	122 _____
II. Tangible assets	1123 _____	123 _____	124 _____
1. Land and buildings	1125 _____	125 _____	126 _____
2. Plant and machinery	1127 _____	127 _____	128 _____
	1129 _____	129 _____	130 _____

RCSL Nr. : B255487

Matricule : 2021 8400 141

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____	135 75.204.491,00	136 31.300,00
1. Shares in affiliated undertakings	1137 _____ 3	137 75.204.491,00	138 31.300,00
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
<b>D. Current assets</b>	1151 _____	151 142.078.865,00	152 154.391.622,00
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 3.368.619,00	164 154.328.593,00
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 2.169.834,00	172 154.328.593,00
a) becoming due and payable within one year	1173 _____ 4	173 2.169.834,00	174 154.328.593,00
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 1.198.785,00	184 _____
a) becoming due and payable within one year	1185 _____ 4	185 1.198.785,00	186 _____
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

RCSL Nr. : B255487

Matricule: 2021 8400 141

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>138.592.898,00</u>	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____ 5	209 <u>138.592.898,00</u>	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____ 6	197 <u>117.348,00</u>	198 <u>63.029,00</u>
<b>E. Prepayments</b>	1199 _____ 7	199 <u>46.326,00</u>	200 <u>188.992,00</u>
<b>TOTAL (ASSETS)</b>		201 <u>217.329.682,00</u>	202 <u>154.611.914,00</u>

RCSL Nr. : B255487

Matricule : 2021 8400 141

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301	206.634.833,00	149.612.921,00
I. Subscribed capital	1303 8	1.078.083,00	720.000,00
II. Share premium account	1305 8	82.216.435,00	149.805.000,00
III. Revaluation reserve	1307		
IV. Reserves	1309	163.620.513,00	10.793.750,00
1. Legal reserve	1311		
2. Reserve for own shares	1313 8	152.826.763,00	
3. Reserves provided for by the articles of association	1315		
4. Other reserves, including the fair value reserve	1429	10.793.750,00	10.793.750,00
a) other available reserves	1431		
b) other non available reserves	1433 8	10.793.750,00	10.793.750,00
V. Profit or loss brought forward	1319	-11.705.829,00	-5.856.918,00
VI. Profit or loss for the financial year	1321 8	-28.574.369,00	-5.848.911,00
VII. Interim dividends	1323		
VIII. Capital investment subsidies	1325		
<b>B. Provisions</b>	1331		740.018,00
1. Provisions for pensions and similar obligations	1333		
2. Provisions for taxation	1335		
3. Other provisions	1337 9		740.018,00
<b>C. Creditors</b>	1435	10.694.849,00	4.258.975,00
1. Debenture loans	1437		
a) Convertible loans	1439		
i) becoming due and payable within one year	1441		
ii) becoming due and payable after more than one year	1443		
b) Non convertible loans	1445		
i) becoming due and payable within one year	1447		
ii) becoming due and payable after more than one year	1449		
2. Amounts owed to credit institutions	1355	1.812,00	
a) becoming due and payable within one year	1357 10	1.812,00	
b) becoming due and payable after more than one year	1359		

RCSL Nr. : B255487

Matricule : 2021 8400 141

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>2.243.015,00</u>	368 <u>2.574.600,00</u>
a) becoming due and payable within one year	1369 <u>10</u>	369 <u>2.243.015,00</u>	370 <u>2.574.600,00</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>7.959.236,00</u>	380 <u>1.670.375,00</u>
a) becoming due and payable within one year	1381 <u>10</u>	381 <u>6.304.236,00</u>	382 <u>115.375,00</u>
b) becoming due and payable after more than one year	1383 <u>10</u>	383 <u>1.655.000,00</u>	384 <u>1.555.000,00</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>490.786,00</u>	452 <u>14.000,00</u>
a) Tax authorities	1393 <u>10</u>	393 <u>490.786,00</u>	394 <u>14.000,00</u>
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 _____	398 _____
i) becoming due and payable within one year	1399 _____	399 _____	400 _____
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>217.329.682,00</u>	406 <u>154.611.914,00</u>

**Annual Accounts Helpdesk :**

**Tel.** : (+352) 247 88 494  
**Email** : centralebilans@statec.etat.lu

RCSL Nr. : B255487

Matricule : 2021 8400 141

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 31/12/2023 *(in* <sup>03</sup> EUR *)*

learnr SE  
 5, Heienhaff  
 L-1736 Senningerberg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 <u>-6.457.622,00</u>	672 <u>-5.589.385,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>11</u>	603 <u>-6.457.622,00</u>	604 <u>-5.589.385,00</u>
<b>6. Staff costs</b>	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 <u>12</u>	621 <u>-7.492.350,00</u>	622 <u>-241.350,00</u>



RCSL Nr. : B255487

Matricule: 2021 8400 141

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	82.390,00	728
a) derived from affiliated undertakings	1729 13	69.352,00	730
b) other interest and similar income	1731	13.038,00	732
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	-14.233.865,00	666
<b>14. Interest payable and similar expenses</b>	1627	-460.812,00	628 -18.175,00
a) concerning affiliated undertakings	1629 14	-59.901,00	630 -18.175,00
b) other interest and similar expenses	1631 14	-400.911,00	632
<b>15. Tax on profit or loss</b>	1635 15	635	636
<b>16. Profit or loss after taxation</b>	1667	-28.562.259,00	668 -5.848.910,00
<b>17. Other taxes not shown under items 1 to 16</b>	1637 15	637 -12.110,00	638
<b>18. Profit or loss for the financial year</b>	1669	669 -28.574.369,00	670 -5.848.910,00

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**NOTES TO THE ANNUAL ACCOUNTS**  
**for the financial year ended December 31, 2023**  
**(Expressed in EUR)**

**1. General**

GFJ ESG Acquisition I SE (the "Company") was incorporated on June 2, 2021 in Luxembourg as a European company (Société Européenne or "SE") based on the laws of the Grand Duchy of Luxembourg ("Luxembourg") for an unlimited period of time. The Company is registered with the Luxembourg Trade and Companies Register under number B255487.

The registered office of the Company is located at 5, Heienhaff, L-1736 Senningerberg, Luxembourg.

Following the Business Combination with learnd Limited on January 18, 2023, the Company changed its name from "GFJ ESG Acquisition I SE" to "learnd SE".

The purpose of the company is the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

Since October 19, 2021 the Company has been listed on the regulated market on the Frankfurt stock exchange in Germany.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the comparative period on these annual accounts were prepared from June 8, 2021 to December 31, 2021. Any act performed and any transaction carried out by the Company between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the annual accounts. The Company's financial year runs from 1 January to 31 December.

The Company's financial year starts on January 1 and ends on December 31 of each year, with the exception of the first financial year which started on June 8, 2021 (date of registration with the RCS) and ended on December 31, 2021.

The Company also prepares consolidated financial statements which are published under International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company's website.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of preparation**

The annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention and on a going concern basis.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19th December 2002, determined and applied by the directors.

The preparation of these annual accounts requires the use of certain critical accounting estimates. It also requires the Management Board to exercise significant judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Management Board believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

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**2. Summary of Significant Accounting Policies (continued)**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments 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.

**2.2 Significant accounting policies**

The following are the significant accounting policies and valuation rules adopted by the Company in the preparation of these annual accounts.

**2.2.1 Foreign currency translation**

The Company maintains its books and records in Euro ("EUR"). The balance sheet and the profit and loss account are expressed in EUR.

*Translation of foreign currency transactions*

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions.

*Translation of foreign currency balances as at the balance sheet date*

- Financial assets denominated in currencies other than EUR are translated at the historical exchange rates;
- Debts denominated in currencies other than EUR are translated at the higher between the exchange rate prevailing at the balance sheet date and the historical exchange rate; and
- Cash at bank and in hand denominated in currencies other than EUR are translated at the exchange rates prevailing at the balance sheet date.

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account. Unrealized exchange gains are not recognized unless it arises from cash at bank and in hand.

**2.2.2 Formation expenses**

Formation expenses include costs and expenses incurred in connection with the incorporation of the Company and subsequent capital increases. Formation expenses are charged to the profit and loss account of the year in which they were incurred.

**2.2.3 Financial assets**

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Management Board, value adjustments are made in respect of financial assets, so that they are valued at the lower amount to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

**2.2.4 Cash at bank and in hand**

Cash at bank and in hand comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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**NOTES TO THE ANNUAL ACCOUNTS**  
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**2. Summary of Significant Accounting Policies (continued)**

**2.2.5 Debtors**

Debtors are recorded at their nominal value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

**2.2.6 Own shares**

Own shares are initially measured at acquisition cost and recognized as an asset with a corresponding non-distributable reserve. Own shares are subsequently remeasured at the lower of cost or market value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

**2.2.7 Prepayment**

Prepayments include expenditure incurred during the financial year but relating to a subsequent financial year.

**2.2.8 Provisions**

Provisions are intended to cover losses or debts which originate in the financial year under review or in the previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date they will arise.

*Provisions for taxation*

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Creditors becoming due and payable within one year". The advance payments are shown in the assets of the balance sheet under the "Debtors becoming due and payable within one year" item.

**2.2.9 Creditors**

Creditors are recorded at their reimbursement value. Where the amount repayable of a financial liability is higher than the amount of cash received upfront, the related repayment premium is shown in the balance sheet as an asset and is amortized over the period of the related debt on a straight-line method.

**2.2.10 Expenses**

Expenses are accounted for on an accrual basis.

**2.2.11 Income tax**

The Company is subject to income taxes in Luxembourg.

**2.2.12 Warrants**

The Company has issued class A warrants and class B warrants, which are equity settled instruments and are presented as part of other non available reserves. When such warrants are expected to be equity settled, the Company does not book any provision to cover any surplus of the fair value of those warrants compared to the amounts booked in other non available reserves, as the Company will not suffer any loss in relation to those warrants in the future.

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**NOTES TO THE ANNUAL ACCOUNTS (continued)**  
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**2. Summary of Significant Accounting Policies (continued)**

**2.3 Provisions for liabilities and charges**

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

**Note 3. Financial assets**

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
Net book value as at January 1, 2023	31,300	-
Acquisitions during the year	75,173,191	31,300
<b>Net book value as at December 31, 2023</b>	<b>75,204,491</b>	<b>31,300</b>

The acquisition made during the financial year ended 2023 consists of the acquisition of learnd Ltd as a result of the consummation of the business combination. Apart from the transaction, there were acquisition of investments made in learnd CEC S.à r.l. for EUR 2,265,381 and learnd acquisition S.à r.l. for EUR 12,000.

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.

The breakdown of investment as at 31 December 2023 and 31 December 2022 is as follows:

<b>Name of the undertaking</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
learnd GmbH (formerly GFJ Advisors I GmbH)	28,500	28,500
GFJ ESG Advisors I GmbH & Co. KG	2,800	2,800
learnd Ltd - CEC	2,265,381	-
learnd Ltd	72,895,810	-
learnd Acquisition S.à r.l.	12,000	-
	<b>75,204,491</b>	<b>31,300</b>

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NOTES TO THE ANNUAL ACCOUNTS (continued)  
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**Note 3. Financial assets**  
**(Continued)**

Undertakings in which the Company holds at least 20% of the share capital or in which it is a general partner are as follows:

Name of the undertaking	Registered office	Ownership	Last balance sheet date	Net equity at balance sheet date (EUR)	Profit or loss for the last financial year (EUR)
		%			
GFJ Advisors I GmbH	Rüttenscheider Strasse 84 D-45130 Essen	100%	31/12/2022	24,482	(1,015)
GFJ Advisors I GmbH & Co. KG	Rüttenscheider Strasse 84 D-45130 Essen	100%	31/12/2022	(467,737)	(441,942)
Learnd Acquisition S.à r.l.	5, Heienhaff L-1736 Senningerberg	100%	31/12/2022	(12,000)	(304,228)
Learnd CEC	5, Heienhaff L-1736 Senningerberg	100%	31/12/2022	(12,000)	-
Learnd Ltd	Third Floor 1 New Fetter Lane London	100%	31/12/2022	(2,023,853)	(1,513,589)

A thorough impairment testing and analysis was conducted in accordance with Luxembourg GAAP and it has been determined that no permanent impairment indicator exists and therefore no impairment was recorded in the financial statement as at 31 December 2023.

**Note 4. Debtors**

	31.12.2023 (EUR)	31.12.2022 (EUR)
<b>Amounts owed by affiliated undertakings</b>		
<i>(a) becoming due and payable within one year</i>		
Current account GFJ ESG Advisors I GmbH & Co. KG	59,264	154,218,750
IBL - GFJ ESG Advisors I GmbH & Co. KG	25,035	80,000
GFJ Holding GmbH&Co. KG	351	351
Current Account AFT Invest AG	2,800	-
GEM Deposit	29,492	29,492
Current Account GFJ Advisors I	325	-
	<b>117,267</b>	154,328,593
<i>(b) becoming due and payable after one year</i>		
Loan to Learnd Ltd - GBP Loan principle	1,983,250	-
Loan to Learnd Ltd - GBP Loan interest	69,317	-
	<b>2,052,567</b>	-
<b>Total Amounts owed by affiliated undertakings</b>	<b>2,169,834</b>	154,328,593
<b>Other debtors</b>		
<i>(a) becoming due and payable within one year</i>	1,198,785	-
<b>Total other debtors</b>	<b>1,198,785</b>	-
<b>Total Debtors</b>	<b>3,368,619</b>	154,328,593

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**NOTES TO THE ANNUAL ACCOUNTS (continued)**  
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**Note 4. Debtors (Continued)**

In the financial year 2021 the Company has transferred all of the gross proceeds from the private placement or IPO of the public units of GFJ ESG Acquisition I SE to investors for the benefit of the public shareholders into an escrow account with a German bank (the "Escrow Account") opened by the Company's affiliate GFJ Advisors I GmbH & Co. KG.

The business combination was concluded in the current financial year on the 18th January 2023 and the restricted cash was released from this current account in the 2023 financial year.

In the 2023 financial year Learnd SE advanced to Learnd Ltd a Loan (GBP denominated) to value of EUR 1,983,250. The Loan term is for a period of 5 years with a final repayment date of 31 December 2028. Interest on the loan is at a rate of 5% per annum.

The purpose of the Loan was to finance the acquisition of another affiliate, Learnd CEC (Please see note 3).

**Note 5. Own shares**

On 18 January 2023, the Company redeemed 14,983,016 class A shares in connection with the Business Combination for a total redemption price of EUR 152,826,763 (2022: nil).

The Management Board identified a permanent value adjustment within the own shares for the year ended 31 December 2023. Therefore, an impairment of the own shares amounting to EUR 14,233,865 has been recognized.

**Note 6. Cash at bank and in hand**

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>(EUR)</b>	<b>(EUR)</b>
Deutsche Bank AG - current EUR account	105,488	61,349
Banque Internationale à Luxembourg S.A. - Invest Account	11,860	1,680
<b>Total Cash at bank and in hand</b>	<b>117,348</b>	<b>63,029</b>

**Note 7. Prepayments**

As at December 31, 2023, prepayments amounted to EUR 46,326 (2022: EUR 188,992) and are composed mainly of other professional fees and insurances paid in 2023 for services related to 2024.

**Note 8. Capital and reserves**

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.

In 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.

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NOTES TO THE ANNUAL ACCOUNTS (continued)  
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**Note 8. Capital and reserves (continued)**

In 2021, the sole shareholder decided to contribute an amount of EUR 380,000 to the equity of the Company without issuance of shares, account 115. These monies were used to cover the operating expenses as well as due diligence costs.

In 2021, the Management Board of the Company decided, to increase the Company's share capital by an amount of five hundred seventy-six thousand euro (EUR 576,000) to an amount of six hundred ninety-six thousand euro (EUR 696,000) through the issuance of fifteen million (15,000,000) new redeemable class A shares, each without nominal value, for an aggregate price of one hundred forty-nine million nine hundred twenty-five thousand euro (EUR 149,925,000).

The total contribution in the amount of one hundred forty-nine million nine hundred twenty-five thousand euro (EUR 149,925,000) consisted of five hundred seventy-six thousand euro (EUR 576,000) for the share capital and one hundred forty-nine million three hundred forty-nine thousand euro (EUR 149,349,000) allocated to the share premium.

At the same date 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 thirtythree (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).

The contribution in cash amounting to one hundred thousand euro (EUR 100,000) consists of twenty-four thousand euro (EUR 24,000) allocated to the share capital and seventy-six thousand euro (EUR 76,000) for the share premium.

As at December 31, 2023, EUR 3,750,000 (2022: EUR 3,750,000) Class B shares were issued and fully paid.

On 27 October 2022, GFJ Acquisition and learnd Ltd entered into a business combination agreement (as amended on 9 December 2022) (the "BCA"), whereby GFJ Acquisition acquired 100% of the learnd Ltd shares and became the legal parent of learnd Ltd and its subsidiaries for a contribution and exchange of all learnd Ltd shares for 7,289,581 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 learnd SE.

A further 1,788,516 public shares ("Class A Shares") were issued during the course of the year. The shares issued were also issued at a par value of EUR 0.0384.

The movements for the year are as follows:

	Subscribed capital	Share premium account	Reserves	Result brought forward	Result for the financial year	Total
	(EUR)	(EUR)	(EUR)	(EUR)	(EUR)	(EUR)
Balance as at January 1, 2023	720,000	149,805,000	10,793,750	(5,856,918)	(5,848,911)	149,612,921
Share capital increase	358,083	-	-	-	-	358,083
Share premium variation	-	(67,588,565)	-	-	-	(67,588,565)
Reserve for own shares	-	-	152,826,763	-	-	152,826,763
Allocation of prior period's result	-	-	-	(5,848,911)	5,848,911	-
Loss for the year	-	-	-	-	(28,574,369)	(28,574,369)
<b>Balance as at December 31, 2023</b>	<b>1,078,083</b>	<b>82,216,435</b>	<b>163,620,513</b>	<b>(11,705,829)</b>	<b>(28,574,369)</b>	<b>206,634,833</b>

Legal reserve

Luxembourg companies are required to appropriate to the legal reserve a minimum of 5% of the net profit for the year after deduction of any losses brought forward, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company. The appropriation to legal reserve is effected after approval at the general meeting of shareholders.



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**Note 8. Capital and reserves (continued)**

Other reserves

In 2021, it was resolved to acknowledge, approve, and authorise in the name and on behalf of the Supervisory Board the issuance, within the framework of the authorised capital of seven million five hundred thousand (7,500,000) new Class A Warrants in accordance with the terms and conditions of Class A Warrants, for a subscription price of seventy-five thousand euro (EUR 75,000); and to acknowledge, approve and ratify in the name and on behalf of the Supervisory Board the issuance within the framework of the authorised capital of (i) six million four hundred ten thousand four hundred seventeen (6,410,417) new Class B Warrants for an aggregate subscription price of nine million six hundred fifteen thousand six hundred twenty five euro and fifty cents (EUR 9,615,625.50), which has been settled by set off against an amount of one million nine hundred thousand euro (EUR 1,900,000) drawn down under the shareholder loan granted by GFJ Holding GmbH & Co. KG to the Company which loan shall be terminated following such set off and seven million seven hundred fifteen thousand six hundred twenty-five euro and fifty cents (EUR 7,715,625.50) paid in cash, and, (ii) under the additional sponsor subscription of Class B Warrants, an additional number of seven hundred thirty-five thousand four hundred sixteen (735,416) Class B Warrants for the price of one million one hundred three thousand one hundred twenty-five euro (EUR 1,103,125) in accordance with the terms and conditions of Class B Warrants.

On 18 January 2023, the Company repurchased 14,983,016 Class A shares as part of the business combination, at a total redemption price of EUR 152,826,763 (2022:nil). In accordance with the law, learnr SE created a non-distributable reserve included in the account "Reserve for own shares" as depicted in the table above, and is duly reflected in the financial statement.

No other movements in Other Reserves have been noted to date.

**Note 9. Provisions**

	31.12.2023 (EUR)	31.12.2022 (EUR)
Accrued audit fees	-	652,433
Accrued director fees	-	62,500
Accrued administration fees	-	25,085
	<u>-</u>	<u>740,018</u>

**Note 10. Creditors**

	31.12.2023 (EUR)	31.12.2022 (EUR)
<u>Amounts owed to credit institutions</u>		
<i>becoming due and payable within one year</i>		
BIL - General account - EUR Overdraft	1,812	-
<u>Trade creditors</u>		
<i>becoming due and payable within one year</i>	2,243,015	2,574,600
<u>Amounts owed to affiliated undertakings</u>		
<i>becoming due and payable within one year</i>		
AFT Invest AG - current account	-	97,200
IBL - GFJ Holding GmbH&Co. KG - acc interest	67,276	18,175
IBL - Ray Mac Ban - Principal	267,118	-
IBL - Ray Mac Ban - Interest	11,842	
Accrued Founder Bonuses	5,958,000	
<i>becoming due and payable after more than one year</i>		
IBL - GFJ Holding GmbH&Co. KG - principal	1,655,000	1,555,000
<u>Other creditors</u>		
Tax authorities	27,550	14,000
VAT - Luxembourg	463,236	-
<b>Total Creditors</b>	<u><b>10,694,849</b></u>	<u><b>4,258,975</b></u>

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**Note 10. Creditors (continued)**

On December 31, 2023, the outstanding amount drawn on the shareholders loan facility was EUR 1,655,000 (2022 EUR 1,555,000) and interest amounted to EUR 67,276 (2022 EUR 18,175). The movement in the principal balance for the year is attributed to the transfer of the amount owed to AFT Invest AG to GFJ Holding GmbH&Co. KG, as part of internal allocations between affiliates.

**Note 11. Gross profit/(loss)**

	2023 (EUR)	2022 (EUR)
<i>Other external expenses:</i>		
Bank charges	(12,943)	(6,461)
Legal and professional fees	(3,992,083)	(3,371,741)
Administration fees	(69,463)	(84,293)
Audit fees	(193,391)	(658,985)
Tax advisory and compliance fees	(145,720)	(125,703)
IPO fees	-	(107,500)
Other expenses	(1,259,749)	(983,074)
D&O insurance	(603,457)	(228,800)
Contributions to professional associations	(180,816)	(22,828)
	<b>(6,457,622)</b>	<b>(5,589,385)</b>

"Legal and Professional fees" (2023: EUR 3,992,083, 2022: EUR 3,371,741) were largely driven by the Business combination finalisation between GFJ Acquisition (Now learnd SE) and learnd Ltd that was finalised on the 18th of January 2023 (Please refer to note 3 for further detail). These can be broken down further to Consultancy, Listing Fees and Advisory fees.

"Other Expenses" (2023: EUR 1,259,749, 2022: EUR 772,154) are driven more by commercial rationale. These are largely in relation to Consultancy, Advisory (outside of the business combination) and Marketing related expenses.

**Note 12. Other operating expenses**

	2023 (EUR)	2022 (EUR)
Director fees	(112,231)	(241,350)
Bonuses - Directors	(1,023,921)	-
Bonuses - Founders	(5,958,000)	-
VAT non-recoverable	(16,958)	-
Other registration fees, stamp duties and mortgage	(380,968)	-
Fines, sanctions and penalties	(274)	-
	<b>(7,492,352)</b>	<b>(241,350)</b>

The Management Board consists of 3 members and the supervisory board consists of 5 members are entitled, based on a shareholder resolution from July 5, 2021, to an aggregate remuneration of EUR 255,000 per annum payable on a quarterly basis for providing director/advisory services to the Company (see note 17).

In the 2023 financial year bonuses were granted to the Founders and Directors for the successful completion of the Business acquisition finalised on the 18 January 2024.

**Note 13. Other interest receivable and similar income**

	2023 (EUR)	2022 (EUR)
<i>Derived from affiliated undertakings</i>		
IBL - GFJ ESG Adv I GmbH&CoKG - interest	35	-
IBL - learnd Ltd - 1,750k GBP - interest	69,317	-
	<b>69,352</b>	<b>-</b>
<i>other interest and similar income</i>		
Trade Creditor Write Off	<b>13,038</b>	<b>-</b>

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**Note 14. Interest payable and similar expenses**

*a) concerning affiliated undertakings*

Shareholder loan interest expense

2023 (EUR)	2022 (EUR)
<u>(59,901)</u>	<u>(18,175)</u>

*b) other interest and similar expenses*

Bank debit interest

Fees on escrow account

Other late payment interest

IBL - Ryan Mac Ban - interest

Foreign exchange losses

(334,199)	-
-	-
(43,414)	-
(11,842)	-
(11,456)	-
<u>(400,911)</u>	<u>-</u>

**Note 15. Tax on profit and loss**

The Company is subject to all income taxes applicable to Luxembourg companies.

**Note 15. Staff**

During the year under review, the Company did not employ any personnel and, consequently, no payment for wages, salaries or social securities were made (2022: nil).

**Note 16. Related party transactions**

During the financial year under review, no further significant transactions were entered into with related parties apart from those with affiliated undertakings disclosed under notes 10 and 14.

**Note 17. Emoluments**

The Board of Directors, which consists of 3 members (2022: 3 members), did receive remuneration in the amount of EUR 7,094,152 (2022: EUR 241,350) during the year ended on December 31, 2023. Please see below for the breakdown

	2023 (EUR)	2022 (EUR)
Director Fees	112,231	241,350
Director Bonus	1,023,921	-
Founder Bonus	5,958,000	-
	<u>7,094,152</u>	<u>241,350</u>

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**Société européenne**

NOTES TO THE ANNUAL ACCOUNTS (continued)  
for the financial year ended December 31, 2023  
(Expressed in EUR)

**Note 18. Post balance sheet events**

***Restructuring of AFT Tech Ventures Loan***

In February 2024, learnd SE assumed the GBP 3 million shareholder loan and GBP 625 thousand accrued interest payable by learnd Limited to AFT Tech Ventures.

***Acquisition of Crucible Holdings Limited***

On 13 February 2024, learnd Ltd acquired 100% of the share capital of Crucible Holdings Limited, a UK business, and its subsidiaries, thereby obtaining control. The acquisition was made to leverage the target's installation base for its own proprietary software and consolidate its geographical outreach within the UK market.

The acquisition was settled in a cash consideration of GBP 3,285,000 and retention of GBP 100,000 payable by learnd Ltd. and 310,465 existing treasury shares of learnd SE with a current market value of EUR 8.30 per share.

***Acquisition of Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited***

On 23 February 2024, learnd acquired 100% of the issued capital of three Irish incorporated and tax resident companies: Ashdown HVAC Controls Limited, ACS Maintenance Limited, and Ashdown Control Switchgear Limited (collectively Ashdown Controls Group), Irish businesses, thereby obtaining control. The acquisition was made to expand the Group's client base and geographic outreach into Ireland.

Learnd Acquisition S.á r.l. acquires 68% of the issued share capital of these three companies with a cash consideration of GBP 4,029,837 million. learnd SE acquires the remaining 32% of the issued share capital in exchange for an issue of 230,303 new Public (Class A) shares with a current market value of EUR 8.30 per share (i.e. total share consideration of EUR 1.9 million).

No other events have taken place since the balance sheet date that would have had a significant impact on the financial position of the Company as at the closing date.