

Registered number 440863

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

ESCHER GROUP HOLDINGS LIMITED

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ESCHER GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R Buhler I Powell G Smyth J Woodard (Resigned 27 January 2025) S Barton T Skelton T Russell (Resigned 27 January 2025) J DiBari (Resigned 30 September 2024) N Stone (Appointed 20 September 2024 and resigned 11 November 2024)
Company secretary	A Kumar
Registered number	440863
Registered office	The Greenway Ardilaun Court 112-114 St. Stephen's Green Dublin 2 D02 TD28
Independent auditor	KPMG Chartered Accountants, Statutory Audit Firm 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Bankers	Bank of Ireland 88 Lower Camden Street Dublin 2 Ireland
Solicitors	Eversheds Sutherland Earlsfort Terrace Dublin 2 Ireland

ESCHER GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

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

Principal activities

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

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

Review of the business

During the financial year, the Company continued to operate as a non-trading holding company, overseeing the strategic direction, governance, and financial management of its subsidiary undertakings. The Company's focus remained on managing risks prudently, and supporting subsidiaries in delivering sustainable long-term value. The Company's own income primarily comprised of management fees from its subsidiaries. Administrative expenses were kept at a controlled level, reflecting the lean structure of the holding company. The loss of the Company for the year after taxation amounted to \$1,031k (2023 (restated): \$2,101k). There were no dividends paid, recommended or declared during the current or previous financial year. The Company maintained a strong balance sheet with adequate liquidity to meet its obligations as they fell due. No significant impairments to investments in subsidiaries were identified. Intercompany balances remain recoverable based on current and projected subsidiary performance.

Directors

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

R Buhler	
I Powell	
G Smyth	
J Woodard	(Resigned 27 January 2025)
S Barton	
T Skelton	
T Russell	(Resigned 27 January 2025)
J DiBari	(Resigned 30 September 2024)
N Stone	(Appointed 20 September 2024 and resigned 11 November 2024)

The Company Secretary who served throughout the financial year was A Kumar.

Directors' and secretary's interests

The Directors and Company Secretary had no disclosable interest in the shares of the Company or any group company at the beginning or end of the financial year.

Principal risks and uncertainties

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

Economic conditions and current economic weakness

The Board will continue to review and monitor the following:

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

ESCHER GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

We closely monitor geopolitical and economic developments in key markets and sectors and undertake scenario analysis where appropriate. This helps us to take actions to manage our costs where necessary, including through enhanced monitoring, amending our risk appetite and/or reducing limits and exposures.

Credit risk

The Company's primary financial assets are bank balances, amounts owed by fellow group undertakings and other receivables. Bank balances are lodged with a sponsoring bank which carries a high credit rating. Amounts owed by fellow group undertakings and other receivables are shown net of expected credit losses.

Currency risk

The Company also has revenues and costs in other currencies. The Company does not utilise financial instruments to mitigate the potential effects of currency fluctuations but has access to such instruments should it decide to utilise them in the future.

Liquidity risk

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

Research and development

The Company did not engage in any research and development activities in the current or prior year.

Political contributions

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

Going concern

The Company has net assets of \$18,238k (2023: (restated): \$19,314k) and made a loss for the year of \$1,031k (2023: (restated): \$2,101k).

Funding arrangements between the Company's sponsoring bank and the Company, are repayable by 2029. These arrangements comprise a five-year \$11.25m term loan and a five-year \$8m revolving credit facility, all of which was drawn at year end. At the year end, the Company held cash and cash equivalents of \$2,339k (2023: \$nil). The Board of the Company's immediate parent undertaking Escher Acquisition Limited ("The Group") has reviewed potential financial scenarios, taking into account the current economic climate compared to the original operating plan, and is satisfied that there is no material deviation in expected cash generation, access to funding, or financial performance of the Group.

As at 31 December 2025, the Group was not in compliance with one financial covenant under its financing arrangements due to delayed customer payments. The Group obtained a formal waiver from its sponsoring bank for this covenant, and the lenders confirmed that the covenant would not be tested at this date. The Group expects to be in compliance for the next scheduled covenant test that will occur as at 30 June 2026.

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

The Directors of the Company have obtained written confirmation from the parent undertaking that it will continue to provide financial support to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

ESCHER GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Post reporting date events

Details of important events affecting the Company which have taken place since the end of the financial year are given in note 21 of the financial statements.

Future developments

There are no future material changes anticipated in the business of the Company at this time.

Directors' compliance statement

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

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

Relevant audit information

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

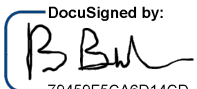
Accounting records


The Directors acknowledge that during the current financial reporting period, they identified certain matters relating to the maintenance of the Company's records which resulted in the accounting records being inaccurate in some respects (see note 4). The Directors believe that having dealt with these matters, they are now in compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 regarding maintaining adequate accounting records by employing accounting personnel with the necessary expertise and by providing adequate resources to the financial function. The accounting records of the Company and Group are maintained at 112-114 St. Stephen's Green, Dublin 2, D02 TD28.

Auditor

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

Approved by the Board of Directors and signed by order of the Board

DocuSigned by:

 79459F66A6D14CD.....
 R Buhler
 Director

Signed by:

 D5A7BDD7B9046B.....
 G Smyth
 Director

26-Mar-26
Date:



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

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

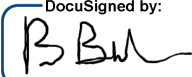
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

In preparing the financial statements, the directors are required to:

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

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

On behalf of the board

[Director]  DocuSigned by:
79459F5CA6D14CD...

[Director]  Signed by:
D5A7BDDD7B9048B...

[Date] 26-Mar-26



KPMG

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

Independent Auditor's Report to the Members of Escher Group Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Escher Group Holdings Limited ('the Company') for the year ended 31 December 2024 set out on pages 9 to 25, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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



Independent Auditor's Report to the Members of Escher Group Holdings Limited (*continued*)

Report on the audit of the financial statements (*continued*)

Other information

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

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

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

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

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

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

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

Matters on which we are required to report by exception

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

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report to the Members of Escher Group Holdings Limited (*continued*)

Respective responsibilities and restrictions on use (*continued*)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

27 March 2026

Emma O'Driscoll

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St. Stephen's Green

Dublin 2

D02 DE03

ESCHER GROUP HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
	Notes	\$'000	as restated \$'000
Administrative expenses		(775)	(2,757)
Operating loss before exceptional items, depreciation and amortisation		(775)	(2,757)
Exceptional items	7	(1,957)	(1,457)
Other income	8	2,771	2,771
Operating profit/(loss)	6	39	(1,443)
Finance costs	9	(1,070)	(901)
Loss before taxation		(1,031)	(2,344)
Taxation credit	10	-	243
Loss for the year		(1,031)	(2,101)

The notes on pages 13 to 25 form part of these financial statements.

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

There are no items of other comprehensive income in the current or preceding financial year other than those dealt with in the profit or loss account.

ESCHER GROUP HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		2024	2023
	Notes	\$'000	as restated \$'000
Non-current assets			
Property, plant and equipment	11	1	1
Investments	12	4,164	4,164
		<u>4,165</u>	<u>4,165</u>
Current assets			
Trade and other receivables	14	39,256	32,827
Cash and cash equivalents		2,339	-
		<u>41,595</u>	<u>32,827</u>
Total assets		<u>45,760</u>	<u>36,992</u>
Current liabilities			
Trade and other payables	15	(8,373)	(6,440)
Borrowings	16	(1,625)	(3,021)
		<u>(9,998)</u>	<u>(9,461)</u>
Non-current liabilities			
Borrowings	16	(17,479)	(8,217)
Total liabilities		<u>(27,477)</u>	<u>(17,678)</u>
Net assets		<u>18,283</u>	<u>19,314</u>
Equity			
Share capital	17	128	128
Share premium account	18	26,909	26,909
Capital contribution reserve	18	2,831	2,831
Retained losses	18	(11,585)	(10,554)
Total equity		<u>18,283</u>	<u>19,314</u>

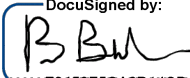
The notes on pages 13 to 25 form part of these financial statements.

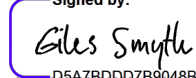
ESCHER GROUP HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2024

The financial statements were approved by the Board of Directors and authorised for issue on 26-Mar-26 and are signed on its behalf by:

DocuSigned by:

.....79459F5CA6D14CD.....
R Buhler
Director

Signed by:

.....D5A7BDD7B9048B.....
G Smyth
Director

Registered number 440863

ESCHER GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital \$'000	Share premium account \$'000	Capital contribution reserve \$'000	Retained losses \$'000	Total equity \$'000
Balance at 1 January 2023 (as previously reported)		128	26,909	2,831	(8,426)	21,442
Adjustment on correction of error	4	-	-	-	(27)	(27)
Restated balance at 1 January 2023		128	26,909	2,831	(8,453)	21,415
Year ended 31 December 2023:						
Loss and total comprehensive loss (restated)		-	-	-	(2,101)	(2,101)
Restated balance at 31 December 2023		128	26,909	2,831	(10,554)	19,314
Year ended 31 December 2024:						
Loss and total comprehensive loss		-	-	-	(1,031)	(1,031)
Balance at 31 December 2024		128	26,909	2,831	(11,585)	18,283

The notes on pages 13 to 25 form part of these financial statements.

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 General information

Escher Group Holdings Limited (the "Company") is a private company limited by shares and is registered and incorporated in the Republic of Ireland (Registered number 440863). The registered office is The Greenway, Ardilaun Court, 112-114 St. Stephen's Green, Dublin, D02 TD28.

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

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

2 Accounting policies

2.1 Basis or preparation

The financial statements have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2014. There have been no material departures from the Standards.

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

The Company is exempt from preparing consolidated financial statements for its group under section 300 of the Companies Act 2014, as the Company's immediate parent undertaking, Escher Acquisition Limited, prepares group financial statements, which are publicly available (see note 23). These financial statements present information about the Company only and not the group which it heads.

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

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

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies

(Continued)

2.2 Going concern

The Company has net assets of \$18,238k (2023: (restated): \$19,314k) and made a loss for the year of \$1,031k (2023: (restated): \$2,101k).

Funding arrangements between the Company's sponsoring bank and the Company, are repayable by 2029. These arrangements comprise a five-year \$11.25m term loan and a five-year \$8m revolving credit facility, all of which was drawn at year end. At the year end, the Company held cash and cash equivalents of \$2,339k (2023: \$nil). The Board of the Company's immediate parent undertaking Escher Acquisition Limited ("The Group") has reviewed potential financial scenarios, taking into account the current economic climate compared to the original operating plan, and is satisfied that there is no material deviation in expected cash generation, access to funding, or financial performance of the Group.

As at 31 December 2025, the Group was not in compliance with one financial covenant under its financing arrangements due to delayed customer payments. The Group obtained a formal waiver from its sponsoring bank for this covenant, and the lenders confirmed that the covenant would not be tested at this date. The Group expects to be in compliance for the next scheduled covenant test that will occur as at 30 June 2026.

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

The Directors of the Company have obtained written confirmation from the parent undertaking that it will continue to provide financial support to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Disclosure exemptions adopted

The following exemptions from the requirements of International Financial Reporting Standards ("IFRS") have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the consolidated financial statements of the group into which this entity consolidates, in accordance with FRS 101:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows and related notes
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting, Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 88C and 88D of IAS 12 Income Taxes

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies

(Continued)

2.4 Finance income and costs

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

2.5 Foreign exchange

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

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

2.6 Exceptional costs

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

2.7 Property, plant and equipment

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

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

Fixtures, fittings and equipment	five years
Computer equipment	three years

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

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies

(Continued)

2.8 Investments in subsidiaries

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

2.9 Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Trade and other receivables

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

2.13 Trade and other payables

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

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies

(Continued)

2.14 Taxation

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

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

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

2.15 Employee benefits

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

2.16 Adoption of new and revised standards and changes in accounting policies

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

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

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

3 Critical accounting estimates and judgements

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

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

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

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Prior year adjustment

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

Upon review of the Company's exceptional costs policy, there were several costs included as exceptional costs in the prior year which are now deemed to be recurring in nature and were incorrectly treated as exceptional costs. The Directors have chosen to reclass these costs as administrative expenses from exceptional items (\$176k). The presentation of the Statement of Financial Position has been updated to reflect the reclassification of the financial asset (\$4,164k) from trade and other receivables to investments. Other adjustments required were to update the provision for income tax for the year 2022 (\$27k) as at 1 January 2023 (opening position at 1 January 2023) and updating the presentation of the Statement of Financial Position for the reclassing of cash and foreign exchange differences (\$10k) from cash and cash equivalents to trade and other payables.

Adjustments were required to the opening position at 1 January 2023 and further adjustments were required at the closing position of 31 December 2023. The impact of these adjustments is summarised in the extracts below.

Statement of Comprehensive Income

	As previously reported \$'000	Adj 1 \$'000	As restated \$'000
YE 31 December 2023			
Administrative expenses	(2,581)	(176)	(2,757)
Operating loss before exceptional items, depreciation and amortisation	(2,581)	(176)	(2,757)
Exceptional items	(1,633)	176	(1,457)
Operating loss	(1,443)	-	(1,443)
Taxation credit	242	1	243
Loss for the year	(2,102)	1	(2,101)

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 Prior year adjustment

(Continued)

Statement of Financial Position

	As previously reported \$'000	Adj 1 \$'000	Adj 2 \$'000	As restated \$'000
As at 31 December 2023				
Non-current assets				
Investments	-	-	4,164	4,164
Current assets				
Trade and other receivables	36,991	-	(4,164)	32,827
Cash and cash equivalents	10	(10)	-	-
Total assets	<u>37,002</u>	<u>(10)</u>	<u>-</u>	<u>36,992</u>
Current liabilities				
Trade and other payables	(6,424)	(16)	-	(6,440)
Total liabilities	<u>(17,662)</u>	<u>(16)</u>	<u>-</u>	<u>(17,678)</u>
Net assets	<u>19,340</u>	<u>(26)</u>	<u>-</u>	<u>19,314</u>
Equity				
Retained losses	(10,528)	(26)	-	(10,554)
Total equity	<u>19,340</u>	<u>(26)</u>	<u>-</u>	<u>19,314</u>

Statement of Financial Position

	As previously reported \$'000	Adj 1 \$'000	Adj 2 \$'000	As restated \$'000
As at 1 January 2023				
Current liabilities				
Trade and other payables	(4,619)	(27)	-	(4,646)
Total liabilities	<u>(13,977)</u>	<u>(27)</u>	<u>-</u>	<u>(14,004)</u>
Net assets	<u>21,442</u>	<u>(27)</u>	<u>-</u>	<u>21,415</u>
Equity				
Retained losses	(8,426)	(27)	-	(8,453)
Total equity	<u>21,442</u>	<u>(27)</u>	<u>-</u>	<u>21,415</u>

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Employees

The Company has no employees other than the Directors. Aggregate Directors emoluments paid to the Directors in the year was \$736k (2023 (restated): \$561k). This amount is an estimated allocation of the emoluments paid or payable in relation to their executive management role. The allocation is based on an estimate of the qualifying services they provided during the financial year, including management of the affairs of the Company.

6 Operating profit/(loss)

	2024	2023 Restated
	\$'000	\$'000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(28)	(175)
Audit fees payable to the Company's auditor	122	28
	<u> </u>	<u> </u>

7 Exceptional items

	2024	2023 Restated
	\$'000	\$'000
Exceptional costs	1,957	1,457
	<u> </u>	<u> </u>

Exceptional costs relate to transaction and integration costs of \$1,508k (2023: \$924k), non-recurring activity of \$3k (2023: \$12k) and board and advisory fees of \$446k (2023: \$521k).

8 Other income

	2024	2023
	\$'000	\$'000
Intercompany service charge	2,771	2,771
	<u> </u>	<u> </u>

The Company holds no contracts and generates no revenue from customers. The intercompany service charge is related to support for services and product management provided to other Group subsidiaries.

9 Finance costs

	2024	2023
	\$'000	\$'000
Interest on loans	1,070	901
	<u> </u>	<u> </u>

10 Taxation

	2024	2023 Restated
	\$'000	\$'000
Current tax		
Tax on profits for the current period	-	(243)
	<u> </u>	<u> </u>

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Taxation

(Continued)

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

	2024 \$'000	2023 Restated \$'000
Loss before taxation	(1,031)	(2,344)
Expected tax credit based on a corporation tax rate of 12.50% (2023: 12.50%)	(129)	(293)
Expenses not deductible for tax	92	61
Group relief	37	-
Depreciation on assets not qualifying for tax allowances	-	4
Other tax adjustments	-	(15)
Taxation credit for the year	-	(243)

Factors that may affect future current and total tax charges

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

11 Property, plant and equipment

	Fixtures, fittings and equipment \$'000	Computer equipment \$'000	Total \$'000
Cost			
At 1 January 2024	1	24	25
At 31 December 2024	1	24	25
Accumulated depreciation			
At 1 January 2024	1	23	24
At 31 December 2024	1	23	24
Carrying amount			
At 31 December 2024	-	1	1
At 31 December 2023	-	1	1

12 Fixed asset investments

	2024 \$'000	2023 \$'000
Investments in subsidiary undertakings	4,164	4,164

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12	Fixed asset investments	(Continued)
		Investments in subsidiary undertakings
		\$'000
	Cost or valuation	
	At 1 January 2024 & 31 December 2024	7,504
	Impairment	
	At 1 January 2024 & 31 December 2024	(3,340)
	Carrying amount	
	At 31 December 2024	4,164
	At 31 December 2023	4,164

13 Subsidiaries

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

Name of undertaking	Registered office	Principal activities	Class of shares	% Held	
				Direct	Indirect
Escher Group (Irl) Ltd	The Greenway, Ardilaun Court, 112-114 St Stephens Green, Dublin 2, Ireland	Irish trading company (software development, professional services and, Software licencing)	Ordinary	100.00	-
Escher Logistics Software OY	Porkkalankatu 7 A 6, 00180, Helsinki, Finland	Finnish trading company (Software development, professional service, and software licencing)	Ordinary	100.00	-
Escher Group Ltd	260 Federal Street, Boston, MA 02110, USA	US trading company (software development, professional services, and software licencing)	Ordinary	-	100.00
Escher Group Africa (Pty) Ltd	26 Vincent Road, Vincent, East London, 5217, South Africa	Professional services to Escher subsidiaries	Ordinary	-	100.00
Escher Asia Pacific (Pte) Ltd	67 Ubi Avenue 1, #06-03 StarHub Green, Singapore 408942	Professional services to Escher subsidiaries	Ordinary	-	100.00
NG Postal FinCo Ltd	The Greenway, Ardilaun Court, 112-114 St Stephens Green, Dublin 2, Ireland	Holding company	Ordinary	100.00	-
Escher Software Services Malaysia Sdn Bhd	10th Floor, Cigars Lounge Menara Hap Seng, 1&3 Jalan Ramlee, 50250 Kuala Lumpur, Malaysia	Professional services to Escher subsidiaries	Ordinary	-	100.00
Escher Software Services Canada Inc	275 Fell Ave, Suite 204, Vancouver, British Columbia, Canada	Professional services to Escher subsidiaries	Ordinary	-	100.00
Escher Group Services LLC	260 Federal Street, Boston, MA 02110, USA	Professional services to Escher subsidiaries	Ordinary	-	100.00
Escher Software Services UK Limited	25 Saville Row, London, W1S 2ER	UK trading company (software development, professional services and, Software licencing)	Ordinary	100.00	-

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Trade and other receivables

	2024	2023
	\$'000	Restated \$'000
Amounts owed by fellow group undertakings	39,185	32,612
Other receivables	71	215
	<u>39,256</u>	<u>32,827</u>

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

To reflect the correct treatment of financial assets in both the current and prior year, there has been a reclassification of amounts owed by fellow group undertakings of £4,164k from trade and other receivables to financial investments. This reclassification brings the prior year in line with the current year grouping of assets.

15 Trade and other payables

	2024	2023
	\$'000	Restated \$'000
Trade payables	122	781
Amounts owed to fellow group undertakings	6,999	4,304
Corporation taxes payable	-	257
Accruals and other payables	1,252	1,098
	<u>8,373</u>	<u>6,440</u>

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

16 Borrowings

	Current		Non-current	
	2024	2023	2024	2023
	\$'000	Restated \$'000	\$'000	Restated \$'000
Borrowings held at amortised cost:				
Bank overdrafts	-	2,896	-	-
Bank loans	1,500	-	17,479	8,217
Loans from related parties	125	125	-	-
	<u>1,625</u>	<u>3,021</u>	<u>17,479</u>	<u>8,217</u>

The Company refinanced its bank borrowings with its sponsoring bank on 6 September 2024. The previous facilities were replaced by a Term Loan of \$11.25m (2023: \$8.25m) and a Revolving Credit Facility of \$8m (2023: \$2.9m), both repayable by September 2029. These facilities both carry interest rates of SOFR + 3.25% (2023: SOFR + 3.00%).

Loans from related parties are unsecured, interest free and repayable on demand. The Company has taken the exemption under FRS 101 to not disclose related party transactions entered into between two or more members of the wholly owned group of which it is a member.

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Share capital

	2024	2023	2024	2023
	Number	Number	\$'000	\$'000
Ordinary share capital				
Authorised				
Ordinary shares of €0.005 each	201,000,000	201,000,000	1,350	1,350
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Issued and fully paid				
Ordinary shares of €0.005 each	19,091,758	19,091,758	128	128
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Ordinary shares are entitled to one vote each and carry the right to participate in distributions in regard to dividends.

18 Reserves

Share premium

Share premium of \$26,909k (2023: \$26,909k) relates to proceeds received above the nominal value of issued of share capital.

Capital contribution reserve

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

Retained losses

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

19 Contingent liabilities

The Company had no contingent liabilities at the financial year end (2023: \$nil).

20 Capital commitments

The Company had no capital commitments at the financial year end (2023: \$nil).

21 Events after the reporting date

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

22 Related party transactions

The Company has taken the exemption under FRS 101 to not disclose related party transactions entered into between two or more members of the wholly owned group of which it is a member.

ESCHER GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

23 Controlling party

The Company's immediate parent undertaking is Escher Acquisition Limited, a company incorporated in the Republic of Ireland.

The Company's ultimate parent company is Escher Acquisition (Holding) Limited, a company incorporated and registered in Malta.

Its ultimate controlling party is Hanover Active Equity Fund LP, which is incorporated in the Cayman Islands.

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

24 Approval of financial statements

26-Mar-26

The Directors approved the financial statements on