

Registered number: 12149503

BRAIN LABS DC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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BRAIN LABS DC LIMITED

COMPANY INFORMATION

Directors

D L Gilbert

P J Avery (appointed 20 September 2024)

H J Bennett (appointed 20 September 2024)

O De Canson (resigned 20 September 2024)

Registered number

12149503

Registered office

Building 4

2 Old Street Yard

London

EC1Y 8AF

BRAIN LABS DC LIMITED

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BRAIN LABS DC LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

Principal activity

The Brainlabs group is on a mission to be the best and biggest digital-first media agency: powered by experimentation, supercharged by technology and delivered by outstanding talent. Brainlabs' global team of 800+ people drives results for clients across Paid Media, Media Solutions, Owned Media and Performance Creative & Influencer.

These financial statements report on the performance and position of Brain Labs DC Limited ("the Company") which is a UK trading entity of the Brainlabs Group. The principal activity of Brain Labs DC Limited itself is as a Google Marketing Platform Sales Partner, licensing enterprise software to clients in both Europe and North America.

Results and dividends

The profit for the period, after taxation, amounted to £2,384,741 (2023: £2,904,930). No dividends were paid in this period (2023: £nil).

Directors' and Officers' indemnity insurance

Brainstormer Inc., on behalf of the company, has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of this report. The Company maintains Directors' and Officers' liability insurance for its Directors and Officers.

Directors

The directors who have served since the start of the year through to signing the financial statements are:

O J M de Canson (resigned 20 September 2024)
D L Gilbert
P J Avery (appointed 20 September 2024)
H J Bennett (appointed 20 September 2024)

Going Concern

Brain Labs DC Limited is a subsidiary which forms part of the wider Brain Labs Group and its results are consolidated under Brainstormer, Inc. a company incorporated in Delaware, United States of America.

The going concern review has been performed by the Board on a group basis and the Group is providing support to all subsidiaries to ensure they will be able to meet liabilities as and when they fall due. The Company has received a letter of support from Brainstormer Inc. that the Group has the ability and willingness to support the Company for at least 12 months from the date these financial statements were signed. The financial statements have been prepared on a going concern basis and the Directors believe this is appropriate for the following reasons:

The Group has experienced significant growth during the period ended 31 March 2024 and beyond. The Group has continued to add new customers which, combined with a diversified and resilient current customer base, has supported the growth. In addition, the Group completed an acquisition in Australia during the financial year 2024 which brought additional revenue and operating profit and expanded the Group's global operations in the Asia-Pacific region. Moreover, the forecast for FY25 shows revenue of \$140.9m and EBITDA of \$29.4m, up \$30.1m (27%) and \$5.3m (22%), respectively, from the FY24 numbers. Not only this, but the FY26 forecast also indicates further improvements in both revenue and EBITDA - revenue is expected to rise a further 10% compared to FY25's figures to \$154.5m, with EBITDA rising 8% compared to the FY25 forecast to \$31.7m, with no decline in performance predicted in FY27 either.

The Group had \$14.2m cash at bank as at the period end - as at 31 August 2025, this had risen further still to \$16.8m.

BRAIN LABS DC LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Brainlabs continues to benefit from a multi-currency debt facility agreement with our lending partners, Alcentra. During the period, we added an additional \$29.4m facility ('Alcentra incremental 2') to take the total available to approximately \$138.8m and drew down \$10.2m as part of the Brainstormer Inc. acquisition of Brain Labs Topco Limited, with a further \$19.2m ('Alcentra Acquisition Facility 3') being drawn in relation to the acquisition of Sparro. Additionally, subsequent to the period-end, the Group has amended this debt facility agreement resulting in an favourable change in interest pricing. Further details are provided in note 15.

These facilities include financial covenants which require the Group to meet minimum levels of EBITDA and net debt relative to EBITDA (net leverage). A minimum EBITDA of £4.0 million and an initial net leverage maximum of 7.00 times) are tested quarterly. At 30 June 2025, the actual net leverage was 4.40 times. Additionally, financial covenants for RCF require a Super Senior minimum EBITDA of £3.6m and an initial net leverage maximum of 7.50 times (down to 6.67 at 31 March 2026, 6.11 at 31 March 2027 and 5.56 times thereafter) tested quarterly.

The Directors' have prepared sensitised cash flow forecasts, including a reverse stress test, for a period of at least 12 months from the date of approval of these financial statements. The forecast revenue and EBITDA would need to fall by more than 31% year on year from the third quarter of the next financial year for the covenants to be breached following the Group's latest acquisition. This has been concluded as an implausible and unrealistic scenario, hence the Group is forecast to be covenant compliant. Given the significant headroom against the covenants agreed, the Group is not forecasting to be in breach of any of its covenants and therefore the Directors believe that it remains appropriate to prepare financial statements on a going concern basis.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

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

The directors confirm that:

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

BRAIN LABS DC LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Future developments

The Group continues to grow, both organically but also through the implementation of its merger and acquisition strategy. After the year end, the Group acquired Exverus Media LLC as part of this strategy - please refer to note 15 for further details. The Company will continue to grow its principal activity for the foreseeable future.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 2 October 2025 and signed on its behalf.

Paul Avery

P J Avery
Director

BRAIN LABS DC LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC LIMITED****Opinion**

We have audited the financial statements of Brain Labs DC Limited (the 'company') for the year ended 31 March 2024, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' 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 to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties both in the UK and globally, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 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.

BRAIN LABS DC LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC LIMITED****Other matter - prior year financial statements unaudited**

The company was not required to have a statutory audit for the year ended 31 March 2023 as it was entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly the corresponding figures for the year ended 31 March 2023 are unaudited.

We have performed procedures to obtain sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current year's financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

BRAIN LABS DC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC LIMITED

of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, and inquires of appropriate personnel within the entity;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Audit procedures performed by the engagement team included:
 - evaluation of the procedures and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to unusual revenue adjustments, management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulating entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

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

BRAIN LABS DC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAIN LABS DC LIMITED

Use of our report

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

Paul Naylor

Paul Naylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
2 October 2025

BRAIN LABS DC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	Unaudited/ Restated 2023 £
Turnover	5	3,130,600	3,701,762
Operating expenses		<u>(740,037)</u>	<u>(802,241)</u>
Operating profit		2,390,563	2,899,521
Interest receivable and similar income	8	-	5,409
Interest payable and similar charges		<u>(5,822)</u>	<u>-</u>
Net interest expense		(5,822)	5,409
Profit before tax		2,384,741	2,904,930
Tax on profit	9	-	-
Profit after tax for the financial year		2,384,741	2,904,930
Total comprehensive income for the year		2,384,741	2,904,930

There were no recognised gains or losses in the period other than those included in the statement of comprehensive income

The notes on pages 12 to 18 form part of these financial statements.

BRAIN LABS DC LIMITED
REGISTERED NUMBER: 12149503

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £	Unaudited/ Restated 2023 £
Current assets			
Debtors	10	8,184,435	5,508,981
Cash at bank and in hand		<u>790,450</u>	<u>662,371</u>
		8,974,885	6,171,352
Creditors: amount falling due within one year	11	(1,306,237)	(887,445)
Net current assets		<u>7,668,648</u>	<u>5,283,907</u>
Total assets less current liabilities		<u>7,668,648</u>	<u>5,283,907</u>
Net assets		<u>7,668,648</u>	<u>5,283,907</u>
Capital and reserves			
Called up share capital	12	1	1
Retained earnings		<u>7,668,647</u>	<u>5,283,906</u>
Total equity		<u>7,668,648</u>	<u>5,283,907</u>

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The notes on pages 12 to 18 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Paul Avery

P J Avery
 Director
 Date: 2 October 2025

BRAIN LABS DC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2022 (unaudited)	1	2,378,994	2,378,995
Profit for the year	-	2,741,358	2,741,358
Total comprehensive income for the year	-	2,741,358	2,741,358
At 31 March 2023 (unaudited)	1	5,120,352	5,120,353
At 1 April 2023 (unaudited)	1	5,120,352	5,120,353
Prior period adjustment - correction to revenue	-	163,554	163,554
Adjusted opening balance at 1 April 2023	1	5,283,906	5,283,907
Profit for the year	-	2,384,741	2,384,741
Total comprehensive income for the year	-	2,384,741	2,384,741
At 31 March 2024	1	7,668,647	7,668,648

During the year, management identified that revenue of £163,554 relating to the financial year ended 31 March 2023 had been incorrectly recognised in the year ended 31 March 2024. As a result, the financial statements for the current year reflect the following adjustment:

- Revenue for the year ended 31 March 2024 has been reduced by £163,554.
- Opening retained earnings at 1 April 2023 have been increased by £163,554.

The financial statements for the year ended 31 March 2023 were unaudited and as a result of this error have now been restated. The adjustment has therefore been accounted for as a prior period adjustment and disclosed in accordance with FRS 102 Section 10.23.

Furthermore, there was also a reclassification made in respect to the prior year figures between the VAT payable and the amounts owed by group undertakings balances. This reclassification had no impact on profit or the tax charge for the year - see also note 11 for further information.

The notes on pages 12 to 18 form part of these financial statements.

BRAIN LABS DC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024****1. General information**

Brain Labs DC Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Building 4, 2 Old Street Yard, London, EC1Y 8AF, United Kingdom.

2. Statement of compliance

The company financial statements of Brain Labs DC Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

3. Accounting policies**3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Where material errors are identified in a prior period, the financial statements are restated in accordance with FRS 102 Section 10. Where the prior year financial statements have not been restated (for example, because they were unaudited or impractical to amend), the effect of the error is recognised in the opening balance of retained earnings in the current year, and the nature and effect of the adjustment is disclosed in the notes to the financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies (see note 4).

The figures for the comparative year ended 31 March 2023 are unaudited because the company was not required to have a statutory audit for the year, as it was entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477, and members did not request an audit.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;

This information is included in the consolidated financial statements of Brain Labs Topco Ltd as at 31 March 2024 and these financial statements may be obtained from Companies House.

The following principal accounting policies have been applied:

3.2 Going concern

Brain Labs DC Limited is a subsidiary which forms part of the wider Brain Labs Group and its results are consolidated under Brainstormer, Inc. a company incorporated in Delaware, United States of America.

BRAIN LABS DC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024**

The going concern review has been performed by the Board on a group basis and the Group is providing support to all subsidiaries to ensure they will be able to meet liabilities as and when they fall due. The Company has received a letter of support from Brainstormer Inc. that the Group has the ability and willingness to support the Company for at least 12 months from the date these financial statements were signed.

The financial statements have been prepared on a going concern basis and the Directors believe this is appropriate for the following reasons:

The Group has experienced significant growth during the period ended 31 March 2024 and beyond. The Group has continued to add new customers which, combined with a diversified and resilient current customer base, has supported the growth. In addition, the Group completed an acquisition in Australia during the financial year 2024 which brought additional revenue and operating profit and expanded the Group's global operations in the Asia-Pacific region. Moreover, the forecast for FY25 shows revenue of \$140.9m and EBITDA of \$29.4m, up \$30.1m (27%) and \$5.3m (22%), respectively, from the FY24 numbers. Not only this, but the FY26 forecast also indicates further improvements in both revenue and EBITDA - revenue is expected to rise a further 10% compared to FY25's figures to \$154.5m, with EBITDA rising 8% compared to the FY25 forecast to \$31.7m, with no decline in performance predicted in FY27 either.

The Group had \$14.2m cash at bank as at the period end - as at 31 August 2025, this had risen further still to \$16.8m.

Brainlabs continues to benefit from a multi-currency debt facility agreement with our lending partners, Alcentra. During the period, we added an additional \$29.4m facility ('Alcentra incremental 2') to take the total available to approximately \$138.8m and drew down \$10.2m as part of the Brainstormer Inc. acquisition of Brain Labs Topco Limited, with a further \$19.2m ('Alcentra Acquisition Facility 3') being drawn in relation to the acquisition of Sparro. Additionally, subsequent to the period-end, the Group has amended this debt facility agreement resulting in an favourable change in interest pricing. Further details are provided in note 15.

These facilities include financial covenants which require the Group to meet minimum levels of EBITDA and net debt relative to EBITDA (net leverage). A minimum EBITDA of £4.0 million and an initial net leverage maximum of 7.00 times) are tested quarterly. At 30 June 2025, the actual net leverage was 4.40 times. Additionally, financial covenants for RCF require a Super Senior minimum EBITDA of £3.6m and an initial net leverage maximum of 7.50 times (down to 6.67 at 31 March 2026, 6.11 at 31 March 2027 and 5.56 times thereafter) tested quarterly.

The Directors' have prepared sensitised cash flow forecasts, including a reverse stress test, for a period of at least 12 months from the date of approval of these financial statements. The forecast revenue and EBITDA would need to fall by more than 31% year on year from the third quarter of the next financial year for the covenants to be breached following the Group's latest acquisition. This has been concluded as an implausible and unrealistic scenario, hence the Group is forecast to be covenant compliant. Given the significant headroom against the covenants agreed, the Group is not forecasting to be in breach of any of its covenants and therefore the Directors believe that it remains appropriate to prepare financial statements on a going concern basis.

3.3 Revenue

The Company drives growth for clients across our main revenue streams of Paid Media and Media Solutions.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

BRAIN LABS DC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024**

The company recognises revenue when:

- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the entity; and
- when the specific criteria relating to each of the company's sales channels have been met, as described below

Revenue from Paid Media comprises billings to customers relating to fees for digital advertising services across search (e.g. Google), social (e.g. Meta), programmatic (e.g. YouTube) and marketplace (e.g. Amazon) is recognised over time when the service is performed. Where the cost of any media placements is invoiced onto our customers any commission received is recognised as revenue on the basis that the Group is agent to the transaction.

Revenue from Media Solutions includes services provided as a Google Marketing Platform Sales Partner (GMP), Data Services, Consultancy and Planning. For GMP services, where the cost of any media placements is invoiced onto our customers, any commission received is recognised as revenue on the basis that the Group is agent to the transaction. Revenue from contracts for the provision of consultancy and other professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred, and costs to complete can be measured reliably.

3.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

BRAIN LABS DC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024****4. Judgements in applying accounting policies and key sources of estimation uncertainty***Revenue recognition – principal vs agent*

The Directors' have considered the following in determining that the Company recognises revenue associated with the onward invoicing of paid media

- The Company does not have the primary responsibility for providing the paid media services to the customer and is not accountable for the acceptability of the paid media adverts;
- The Company cannot vary the selling price set by media organisations;
- The Company receives a commission for the procurement of paid media; and
- Although the Company bears the credit risk to the gross value of onward invoicing this is not considered to be the most significant factor given the other.

When considering the above factors, the Directors consider the presentation of revenue associated with the onward invoicing of paid media to be on a net basis.

5. Turnover

The Company's revenues relate to Paid Media and Media Solutions. Analysis of turnover by country of origin is below:

	2024 £	Unaudited/ Restated 2023 £
United Kingdom	3,130,600	3,701,762
Total	3,130,600	3,701,762

A prior period adjustment affecting revenue is disclosed in the Statement of Changes in Equity. The adjustment relates to revenue of £163,554 that has been reclassified to the correct reporting period.

6. Employees

There are no employees in Brain Labs DC Limited. No directors are remunerated from the company.

7. Auditor's remuneration

The audit fees for the year were settled by another group company on behalf of Brain Labs DC Limited. These amounted to £20,000 for Brain Labs DC Limited.

8. Interest receivable and similar income

	2024 £	Unaudited/ Restated 2023 £
Exchange differences on intercompany loans	-	5,409
Total	-	5,409

BRAIN LABS DC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024

Interest payable and similar charges

	2024	Unaudited/ Restated 2023
	£	£
Exchange differences on intercompany loans	5,822	-
Total	5,822	-

9. Taxation

	2024	Unaudited/ Restated 2023
	£	£
Corporation tax:		
UK corporation tax on profits for the period	-	-
Total corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax	-	-
Reconciliation of tax charge	£	£

The charge for the period can be reconciled to the profit per the income statement as follows:

Profit before tax for the period	2,384,741	2,904,930
Tax on profit at standard UK tax rate of 25% (2023: 19%)	596,185	551,937
Effects of:		
Impact of group relief	(596,185)	(551,937)
Total tax charge for the period	-	-

10. Debtors

	2024	Unaudited/ Restated 2023
	£	£
Trade debtors	249,573	1,224,848
Amounts owed by group undertakings	7,930,695	4,213,428
Other debtors	4,167	70,705
Total	8,184,435	5,508,981

Amounts owed by group undertakings related primarily to cash transactions between Brain Labs DC Limited and Brain Labs Digital Ltd, which are interest free and repayable on demand.

BRAIN LABS DC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024

11. Creditors: Amounts falling due within one year

	2024	Unaudited/ Restated 2023
	£	£
Trade creditors	140	-
VAT	851,178	773,765
Other creditors and accruals	454,919	113,680
Total	1,306,237	887,445

In the comparative period ended 31 March 2023, an amount of £4,452,981 previously included within amounts owed by group undertakings within debtors has been reclassified to VAT payable.

As a result, the VAT payable balance has decreased from £5,226,746 to £773,765, and the amounts owed by group undertakings has decreased from £8,666,409 to £4,213,428.

This reclassification has been made to more accurately reflect the nature of the balances and has no impact on net assets or retained earnings, nor does it have any impact on the profit or tax charge for the year.

12. Called up share capital	2024
	£
At 31 March 2023 (unaudited)	1
Issue during the year	-
At 31 March 2024	1

1 Ordinary share of 100p is issued and fully paid.

13. Controlling parties

The directors consider the immediate parent undertaking of this company is Brain Labs UK Holdco Limited, a company incorporated in England and Wales, by virtue of its 100% ownership. The largest and smallest group of which the company is a member and for which Group financial statements are drawn up is headed by Brainstormer Inc. Copies of the financial statements of Brainstormer Inc are publicly available from Building 4, 2 Old Street Yard, EC1Y 8AF, London, United Kingdom.

The Group's ultimate parent company is FCP-Cranium Holdings LLC, a limited liability company incorporated in the US state of Delaware, USA. The board consider that there is not one controlling party due to no shareholder having a majority of the voting rights.

14. Related party transactions

The Company has taken advantage of the exemptions available under FRS 102 allowing it to not disclose transactions with other members of the Company which are 100% owned.

The key management personnel of the Company are considered to be directors but there is no remuneration for services to this company.

15. Post Balance Sheet Events

Subsequent to the year end, the company registered a charge in favour of GLAS Trust Corporation Limited as security agent for itself and the other secured parties. The charge comprises fixed and floating charges (the floating charge covering all the property and undertaking of the company) and contains a negative pledge.

BRAIN LABS DC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024***Debt agreement revisions*

On 31 October 2024, the Group amended the Senior Facility Agreement with Alcentra to increase the available facility by \$4.75m ('Alcentra Acquisition Facility 3') at an interest rate of SOFR plus a margin of 5.75% per annum.

On the same date, the Group paid the balance outstanding on the BMO Revolver Credit Facility ('RCF') and entered into a new RCF with Barclays plc. This arrangement includes a new revolver of \$10m at an interest rate of SONIA plus a margin of 3.5% and a non-utilisation fee of 1.22%. The RCF matures 6 months prior to maturity of the connected senior facility in 2028.

Financial covenants for the new RCF require a Super Senior minimum EBITDA of £3.6m and an initial net leverage maximum of 7.5 times (down to; 6.67 times at 31 March 2026, 6.11 times at 31 March 2027 and 5.56 times thereafter) tested quarterly.

On 18 March 2025, the Group amended the Senior Facility Agreement further that resulted in a favourable re-pricing of its interest rates over the remaining term of the facility.

Acquisition earn out payments

On 18 November 2024, the Group paid the first earn out payment to the former owners of Bryant & Brothers Pty. Ltd for \$9,673,291 (AUD14,992,701), net of a completion accounts adjustment of \$372,474 (AUD577,254). This was financed with external debt drawn from the Group's Alcentra Acquisition Facility's 2 and 3.

Group simplification

On 19 December 2024, 7 group entities registered in England and Wales and incorporated in the United Kingdom entered into liquidation under a members voluntary arrangement and in relation to a Group Simplification exercise. These included Molzi Limited, Molzi International Limited, Molzi Retail Limited and Bandzie Limited (t/a Fanbytes), Brain Labs Topco Limited, Brain Labs Midco Limited and BL MidHoldco Limited.

Exverus Acquisition

On 14 July 2025, the Group acquired the entire share capital and 100% controlling interest of Exverus Media LLC, a company incorporated in the United States of America for a total consideration of \$16.5m. The transaction will be settled initially with cash of \$13.5m (before seller expenses) and issue of interest-bearing preference shares with a value of \$3.0m in the Group's ultimate controlling company; FCP Cranium Holdings LLC. As part of the sale and purchase agreement, the former owners are entitled to earn future consideration contingent upon future performance against contractually determined targets. This consideration will be treated as post-acquisition remuneration. To fund this acquisition, the Group extended its existing Senior Finance Facility with Alcentra by \$20.0m and immediately drew down an amount equivalent to settle the cash consideration.