

Y Soft Corporation, a.s.

Annual Report and the Consolidated Financial Statements for the year ended 30 June 2026 prepared in accordance with IFRS Accounting Standards as adopted by the European Union

ANNUAL REPORT

Y SOFT CORPORATION, A.S. FOR YEAR ENDED 30 JUNE 2026

Foreword of CEO

Dear Ladies and Gentlemen,

In the 2026 fiscal year, Y Soft achieved €47.7 million in non-GAAP consolidated billings which is a year-on-year increase by 8 per cent.

In the Office Solutions segment, sales of cloud solutions grew rapidly (growth by 56%), while on-premise solutions declined by almost 15%. Growths in cloud solutions continue to outpace on-premises declines, and the overall Office Solutions segment grew by less than 4%.

In the last annual report, I wrote about hardware: “A significant improvement is expected next year due to a won tender” and “a recovery in sales performance”. In comparison to last year, the Hardware division not only erased last year's decline with its growth of 33% but also delivered all-time best result.

Although overall sales continue to grow, there are several factors that have a negative effect on the achieved profit/(loss) to which I would like to draw the attention of the readers of our statements and which, in my opinion, can provide a more complete picture of the company's performance:

- The growth in cloud service sales had a positive impact on cash flow and increased cash reserves. However, under accounting rules, revenues are recognized gradually, depending on contract duration.
  - On-premise license revenues are recognized immediately. The above treatment results in a decrease in revenue, compensated by an increase in Deferred revenues.
  - At the IFRS consolidated level it is an increase in Deferred revenues by €6.5m to €50.6m so far not recognized in Revenues from sales.
  - An increase in Deferred revenues will increase revenues from sales in the coming five years as they will be gradually capitalized.
- Readers of our statements should be aware not only of the increases in Deferred revenues but also of the R&D capitalization. Y Soft has significant R&D costs as it invests heavily in new cloud-based solutions for AI-powered digitization.
  - The overall budget for development for FY26 was €14.5m, i.e. over 30% of consolidated billings. We expect further budget increases up to 31% until FY28, and then a gradual reduction up to 20% in FY31.
  - This is the total budget of the department, only a part of these costs can be capitalized.
  - Capitalized development costs in the consolidated statements increased by €1m to €9.2m year-on-year, depreciation in respect of capitalized development amounted to €7.6m and the net book value of development increased by €0.8m to €11m (another €10.9m is attributable to development in progress in acquisition).
- An increase in Deferred revenues by €6.5m reduces the reported current year revenues from sales whilst cash from these contracts has already been received.
- The need to account for the potential value of the EIB’s equity share, resulting from its financing, again reduces profit, particularly in the separate financial statement, even though it does not affect cash flow.
- Amortization of goodwill in the field of 3D print in consolidated financial statements in the amount of €2.2m, again without a cash flow effect.
- Massive investments in research and development, especially in cloud solutions, partly financed through an EIB loan, from which we successfully drew the second tranche of €10 million in April 2026 (we are eligible to draw €20 million in total, the last tranche will be drawn in the following years).

Despite the consolidated loss (loss of €3.0m compared to €3.2m last year), the group increased its cash position from €7.4m to €18.5m and can continue operating and financing its investments, particularly in the Cloud area. The strong growth in Cloud billings, continuing in the 2027 fiscal year, is proof that this strategy is the right one.

Over approximately the next three years, we expect a continued significant increase in Deferred revenues due to the time-based recognition of cloud licenses. However, after this period, there will be a massive capitalization of Revenues, and the company will begin generating profits not only in terms of cash flow but also accounting profits.

The future profit has been already largely "stored" in the balance sheet: Deferred revenues in the amount of €50.6m exceed the consolidated net book value of capitalized development, including development in acquisition, by approximately €28.7m (€25.2m last year). This is a rough estimate before tax and without future customer support costs, but it shows that the Deferred revenues increase every year.

In conclusion, I would like to express my explicit thanks to our employees. Without the trust of our partners all over the globe, our efforts to establish a dominant player in the field of digitization would not be feasible. We are incredibly grateful to them for their belief in our technology, and their thoughts and comments are invaluable to the success of our cloud solutions.

Václav Muchna

Digitally signed by Václav Muchna
Date: 2026.11.10 13:03:54 +01'00'

Václav Muchna, CEO
Brno, 10. 11. 2026

Additional information to the Annual Report

Y Soft Corporation, a.s. (the "Company") was founded as at the date of entry in the Commercial Register maintained with the Regional Court in Brno, Section B 8045 on 31 August 2000.

For detailed information about Company's share capital and treasury shares, please visit the Notes to the consolidated financial statements.

The Company and its subsidiaries, (collectively, "the Group") is primarily engaged in providing scalable print system management solutions (software and hardware) that enable companies and organizations to control costs, reduce waste, increase convenience for users, and have a positive effect on the environment.

The Company has branches in the United Kingdom and the United Arab Emirates. For detailed information about the subsidiaries, please visit the Notes to the consolidated financial statements.

For the year ended 30 June 2026, the Group generated revenues of EUR 41,074 thousand, representing an increase of 6% compared with the prior financial year. The increase in revenues was driven mainly by the sale of hardware. Billings of the Group, representing the total amounts invoiced to customers, amounted to EUR 47,655 thousand for the year ended 30 June 2026, reflecting an increase of 8% compared with the preceding financial year.

Revenue recognized during the reporting period was significantly affected by the Group's ongoing transition from the perpetual licensing model used for On-premise Office Solutions to the subscription-based model offered through Cloud Office Solutions. Cloud Office Solution billings continued their strong growth trajectory, increasing by 56%, while billings from On-premise Office Solutions declined by just under 15%. Growth in Cloud Office Solutions more than offset the decline in On-premise offerings, resulting in overall growth of nearly 4% in the Office Solutions segment.

Although total billings continued to increase, the reported financial performance was affected by the different revenue recognition patterns applicable to On-premise and Cloud Office Solutions. Revenue from perpetual On-premise licenses is recognized at a point in time upon delivery, whereas revenue from cloud subscriptions is recognised on a straight-line basis over the subscription term. Consequently, a larger portion of billings remains unrecognised at the reporting date, resulting in lower reported revenue and a corresponding increase in deferred revenue.

Deferred revenue increased by EUR 6,532 thousand during the year to EUR 50,558 thousand. These amounts have not yet been recognized as revenue and are expected to be recognised in profit or loss over the next five years as the underlying subscription services are provided. As a result, the increase in deferred revenue is expected to contribute positively to future revenue growth.

The Group continues to make substantial investments in research and development, particularly in cloud-based digitalization solutions incorporating AI technologies. During the year ended 30 June 2026, development costs of EUR 9,210 thousand were capitalized as intangible assets, representing an increase of EUR 1,078 thousand compared with the previous year. These investments are partially financed through a loan facility provided by the European Investment Bank (EIB).

In October 2024, the Company entered into a financing agreement with the EIB for a facility of up to EUR 30 million, to be disbursed in three equal tranches of EUR 10 million each. The first tranche was drawn in November 2024 and the second tranche in April 2026.

Activities in the field of environmental protection and employment relations are governed by applicable laws and regulations.

Subsequent events are disclosed in the Notes to the consolidated financial statements.

No other information is required under special legislation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR '000)

For the year ended 30 June

	Note	2026	2025
Revenues	10	41,074	38,721
Consumption of services	11	(13,096)	(11,128)
Employee benefit expense	12	(24,839)	(23,102)
Changes in inventories of finished goods and work in progress	13	305	(193)
Raw materials and consumables used	14	(4,694)	(3,324)
Capitalized development costs	15	9,210	8,132
Depreciation and amortization expense	16	(9,389)	(9,476)
Impairment of non-current assets	20	(2,164)	(871)
Other operating income and (expense), net	17	1,305	2,110
Operating profit / (loss)		**(2,288)**	**869**
Finance income	18	2,366	1,032
Finance expenses	18	(2,681)	(5,668)
Loss before tax		**(2,603)**	**(3,767)**
Income tax income / (expense)	19	(362)	558
LOSS FOR THE YEAR		**(2,965)**	**(3,209)**
OTHER COMPREHENSIVE INCOME / (LOSS)		**(117)**	**235**
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		(117)	235
COMPREHENSIVE LOSS FOR THE YEAR		**(3,082)**	**(2,974)**
Total loss for the financial year attributable to equity holders of the parent		(3,164)	(3,659)
Total income for the financial year attributable to non-controlling interests		199	450
Total comprehensive loss for the financial year attributable to equity holders of the parent		(3,271)	(3,467)
Total comprehensive income for the financial year attributable to non-controlling interests		189	493

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(EUR '000)

	Note	30 June 2026	30 June 2025
ASSETS			
Non-current assets		**52,858**	**52,836**
Intangible assets	20	35,544	34,896
Property, plant and equipment	21	752	692
Right-of-use assets	36	2,159	2,879
Investments measured at fair value	24	10,578	10,295
Non-current financial assets	22	-	8
Other non-current assets	25	1,554	1,688
Deferred tax assets	19	2,271	2,378
Current assets		**30,950**	**20,806**
Inventories	26	2,515	2,963
Trade and other receivables	27	7,905	7,989
Prepaid expenses	28	934	721
Current tax assets		174	421
Other current financial assets	22	327	240
Other current assets	29	556	1,045
Cash and cash equivalents	30	18,539	7,427
TOTAL ASSETS		**83,808**	**73,642**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Stockholders' equity		**(3,641)**	**(187)**
Share capital	31	3,483	3,483
Treasury shares	31	(1,069)	(1,069)
Share premium	31	3,346	3,346
Share-based payment reserve	31	243	243
Retained earnings		(15,963)	(13,143)
Foreign currency translation reserve	31	2,012	2,060
Equity attributable to equity holders of the parent		**(7,948)**	**(5,080)**
Non-controlling interests		**4,307**	**4,893**
Non-current liabilities		**53,254**	**40,546**
Interest-bearing loans and borrowings	33	16,095	8,797
Other non-current financial liabilities	22	6,765	6,152
Provisions		21	21
Deferred revenues	10	28,990	24,355
Other non-current liabilities		1	2
Deferred tax liability	19	1,382	1,219
Current liabilities		**34,195**	**33,283**
Trade and other payables	32	2,967	2,788
Interest-bearing loans and borrowings	33	1,541	3,362
Employee benefit obligations	34	2,616	2,367
Provisions		119	142
Current tax liabilities		57	93
Deferred revenues	10	21,568	19,671
Other current financial liabilities	22	5,253	4,706
Other current liabilities	35	74	154
TOTAL EQUITY AND LIABILITIES		**83,808**	**73,642**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(EUR '000)

For the year ended 30 June 2026

		Attributable to the equity holders of the parent								
	Note	Share capital	Treasury shares	Share premium	Share-based payment reserve	Retained earnings	Foreign currency translation difference	Total	Non-controlling interest	Total equity
At June 30, 2025		**3,483**	**(1,069)**	**3,346**	**243**	**(13,143)**	**2,060**	**(5,080)**	**4,893**	**(187)**
Profit / (loss) for the year		-	-	-	-	(3,164)	-	**(3,164)**	199	**(2,965)**
Exchange differences on translation of foreign operations		-	-	-	-	-	(107)	**(107)**	(10)	**(117)**
Comprehensive income / (loss) for the year		-	-	-	-	*(3,164)*	*(107)*	***(3,271)***	*189*	***(3,082)***
Disposal of a subsidiary	2	-	-	-	-	-	35	**35**	-	**35**
Transactions with non-controlling interests	8	-	-	-	-	344	24	**368**	(775)	**(407)**
At June 30, 2026		**3,483**	**(1,069)**	**3,346**	**243**	**(15,963)**	**2,012**	**(7,948)**	**4,307**	**(3,641)**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(EUR '000)

For the year ended 30 June 2025

		Attributable to the equity holders of the parent								
	Note	Share capital	Treasury shares	Share premium	Share-based payment reserve	Retained earnings	Foreign currency translation difference	Total	Non-controlling interest	Total equity
At June 30, 2024		**3,483**	**(1,069)**	**3,346**	**243**	**(9,461)**	**1,869**	**(1,589)**	**5,495**	**3,906**
Profit / (loss) for the year		-	-	-	-	(3,659)	-	**(3,659)**	450	**(3,209)**
Exchange differences on translation of foreign operations		-	-	-	-	-	192	**192**	43	**235**
Comprehensive income / (loss) for the year		*-*	*-*	*-*	*-*	*(3,659)*	*192*	***(3,467)***	*493*	***(2,974)***
Transactions with non-controlling interests	8	-	-	-	-	(23)	(1)	**(24)**	(1,095)	**(1,119)**
At June 30, 2025		**3,483**	**(1,069)**	**3,346**	**243**	**(13,143)**	**2,060**	**(5,080)**	**4,893**	**(187)**

CONSOLIDATED STATEMENT OF CASH FLOWS
(EUR '000)

For the year ended 30 June

	Note	2026	2025
Cash flows from operating activities			
Loss for the year		**(2,965)**	**(3,209)**
Non-cash adjustments to reconcile loss for the year to net cash flows:			
Depreciation, amortization and impairment	16	9,389	9,476
Impairment losses on receivables, inventories and other assets		202	72
Additions in provisions and employee benefits		57	57
Loss on disposal of non-current assets		2,164	879
Fair value revaluations		(1,329)	44
Interest income	18	(155)	(99)
Interest expense	18	595	723
Income tax expense / (income)	19	362	(558)
Other non-cash items		-	331
Working capital adjustments:			
Decrease in inventories		441	704
Increase in trade receivables and other assets		(80)	(1,622)
Increase in trade payables and other liabilities		191	103
Increase in deferred revenues		6,532	5,485
Income tax paid		(222)	(471)
Income tax refunded		299	440
Net cash generated from operating activities		**15,481**	**12,355**
Cash flows from investing activities			
Acquisition of property, plant and equipment	21	(450)	(217)
Acquisition of intangible assets	20	(10,037)	(8,379)
Payment of deferred purchase consideration in periods after the acquisition	8	-	(8,659)
Investment in associates and other equity investments	24	-	(320)
Proceeds from disposal of investments in associates and other equity investments	24	834	2,452
Interest received		97	42
Net cash used in investing activities		**(9,556)**	**(15,081)**
Cash flows from financing activities			
Distributions to owners of non-controlling interest	8	(407)	(1,098)
Proceeds from borrowings	33	10,000	10,000
Repayment of borrowings	33	(955)	(1,425)
Change in bank overdrafts	33	(1,437)	(282)
Interest paid		(559)	(284)
Payment of principal portion of lease liabilities	36	(1,031)	(910)
Net cash flows from financing activities		**5,611**	**6,001**
Net increase in cash and cash equivalents		**11,536**	**3,275**
Cash and cash equivalents at 1 July	30	**7,427**	**3,813**
Net foreign exchange difference		(424)	339
Cash and cash equivalents at 30 June	30	**18,539**	**7,427**

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1. CORPORATE INFORMATION

Y Soft Corporation, a.s. (henceforth the "Company") is a joint stock company incorporated under the laws of the Czech Republic. The Company was incorporated on 31 August 2000 under the name Y Soft, s.r.o. The registered office is located at Technická 2948/13, 616 00 Brno, Czech Republic. The identification number of the Company is 261 97 740. The Company has branches in the United Kingdom and the United Arab Emirates.

The Company and its subsidiaries, (collectively, "the Group") is primarily engaged in providing scalable print system management solutions (software and hardware) that enable companies and organizations to control costs, reduce waste, increase convenience for users, and have a positive effect on the environment.

Shareholders holding a 10% or greater interest in the Company's basic capital registered in the Commercial Register are as follows:

Shareholder	Interest in basic capital	
	30 June 2026	30 June 2025
Václav Muchna	62.78%	62.78%
Martin de Martini	10.32%	10.32%
Y Soft Corporation, a.s. (treasury shares held by the Company)	14.85%	14.85%

Members of the Company's statutory and supervisory bodies as at 30 June 2026:

Board of Directors	
Chair:	Václav Muchna
Member:	John Collins
Member:	Martin de Martini
Member:	Tavs Dalaa

Supervisory Board	
Chair:	Wouter Koelewijn
Member:	Dieter Kittenberger
Member:	Roman Tihelka

2. GROUP INFORMATION

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

Name	Registered office	Percentage of registered capital at 30 June 2026	at 30 June 2025
Y Soft Magyarország Kft. [1)]	Hungary	-	100%
Y Soft Japan Ltd.	Japan	100%	100%
Y Soft Asia Pacific Pte. Ltd. [2)]	Singapore	100%	100%
Y Soft Israel Ltd.	Israel	65%	65%
Y Soft Americas, Inc.	USA	100%	100%
Y Soft Australia Pty Ltd	Australia	100%	100%
Y Soft Ventures, a.s.	Czech Republic	54.43%[3)]	54.43%[3)]
Y Soft France S.A.R.L.	France	100%	100%
Y Soft Ventures Management, a.s.	Czech Republic	83%	83%
Y Soft China Ltd.	China	100%	100%
Y Soft Print Management Solutions, a.s.	Czech Republic	100%	100%
Y Soft Ventures II, a.s.	Czech Republic	43.55%[4)]	43.55%[4)]
EveryonePrint A/S	Denmark	100%	100%

1) Registered as Y Soft Magyarország Kft. "v.a." following the start of voluntary liquidation on 1 July 2025.

2) Subsidiary of Y Soft Japan Ltd.

3) The Company holds 40.8% of the voting rights, while Y Soft Ventures Management, a.s. holds an additional 20%. The contractual distribution waterfall is taken into account when calculating the non-controlling interest.

4) The Company holds 30.82% of the voting rights, while Y Soft Ventures Management, a.s. holds an additional 20.55%. The contractual distribution waterfall is taken into account when calculating the non-controlling interest.

On 1 July 2025, one of the Company's subsidiaries, Y Soft Magyarország Kft., entered voluntary liquidation because it no longer had a business purpose. The process was completed during the year ended 30 June 2026, and the remaining distributable assets were transferred to the Company. The resulting EUR 35 thousand loss on disposal was recognized in Other operating income and (expense), net.

During the years ended 30 June 2026 and 30 June 2025, Y Soft Ventures, a.s. refunded part of its additional paid-in capital to the Company and other investors following successful exits from certain start-up investments. See Note 8 for further information.

Associates

The Group has investments in the following associates:

Name	Registered office	Percentage of equity interest at 30 June 2026	at 30 June 2025
GreyCortex s.r.o.	Czech Republic	40%	40%
LumiTRIX s.r.o.	Czech Republic	25.09%	25.09%
MySpectroom, s.r.o.	Czech Republic	24%	24%
ARBO Technologies, s.r.o.	Czech Republic	19.075%[*)]	20%

*) The company is not considered an associate as at 30 June 2026.

In July 2024, the Group exited its investment in Sewio Networks s.r.o. in line with its venture capital strategy.

All the above investments are held through a venture capital organization, therefore the Company elected to measure these investments at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*.

3. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments and investments in associates and other investments disclosed in Notes 23 and 24 that have been measured at fair value.

The consolidated financial statements are presented in EUR, and all values are rounded to the nearest thousand (EUR ’000), except where otherwise indicated.

The accompanying consolidated financial statements were prepared on a going concern basis.

The Group's fiscal year begins on 1 July and ends on 30 June.

The consolidated financial statements of the Group for the year ended 30 June 2026 were authorized for issue in accordance with a resolution of the Board of Directors on 10 November 2026.

Information on independent auditor

The financial statements of the Company are audited by Ernst & Young Audit, s.r.o.

4. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

5. SUMMARY OF ACCOUNTING POLICIES

The accounting policies used in preparing the consolidated financial statements are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

5.1. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in Consumption of services.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with changes in fair value recognized in the Other operating income and (expense), net in accordance with IFRS 9. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

5.2. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates are held solely through a venture capital organization, therefore the Company elected to measure these investments at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. Methods used to measure such investments are described in Note 23.

Gain or loss on the fair value measurement is recognized in Other operating income and (expense), net.

5.3. Fair value measurement

The Group measures financial instruments such as derivatives or redeemable shares, and investment in associates, at fair value at the end of each reporting period.

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value-related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Note 23).
- Quantitative disclosures of fair value measurement hierarchy (Note 23).
- Investments measured at fair value (Note 24).
- Financial instruments (including those carried at amortized cost) (Note 22.1).
- Redeemable shares (Note 22.2).
- Derivative financial instruments (Note 22.3).
- Contingent purchase consideration (Note 22.4).

5.4. Revenue from contracts with customers

The Group's revenue is derived primarily from print system management solutions, which contain various components based on the customers' needs. Each component is a separate performance obligation to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, constraining estimates of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if there are any.

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The following are the main streams of revenue:

Sale of hardware

The revenue is recognized at the point in time when control of the asset is transferred to the customer. This generally occurs at delivery.

Provision of hardware warranty

The customers may purchase hardware products including the hardware warranty. For most products, a free six-year lifetime warranty is provided.

The Group concluded that the warranty provided to customers is a service-type warranty. The revenue arising from providing hardware warranty is generally recognized on a straight-line basis over the period to which the warranty applies.

Sale of software license

The software licenses are generally sold to customers including support for the first year. For revenue recognition, the provided license and software support are treated as separate performance obligations. As the license allows customers to use the purchased software indefinitely, the revenue from the sale of license is recognized when the software is delivered to the customer.

The customers may also subscribe to use the Group's software license, together with support and other services, over a limited period of time. In such case, the revenue from the sale of license is recognized on a straight-line basis over the subscription period, because the validity of license is limited to this period.

The Group is currently transitioning from a traditional perpetual licensing model to a subscription-based model.

Provision of software support

Generally, support for one year is included in the software license, however customers may buy additional software support for a period of up to five years. The extended software support may be purchased as part of the original deal, or it can be purchased separately.

The revenue arising from providing software support is recognized on a straight-line basis over the term of the contract.

Provision of services based on Service Level Agreements ("SLA")

The Group provides various levels of premium services, which include different respond times and availabilities of the Group's resources. The services are provided over a specified period of time (generally up to 5 years).

The revenue from SLA is recognized on a straight-line basis over the term of the contract.

Provision of professional services

The Group provides its customers with additional services such as installation and configuration of the purchased software, customization of the software solution, project management or training.

The revenue from professional services is recognized in the accounting period in which the services are rendered.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The Group has currently no conditional contract assets.

Contract receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Contract receivables that are current are presented in Trade and other receivables (Note 27). Non-current contract receivables, if any, are presented in Other non-current assets (Note 25).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The Group's contract liabilities consist principally of the unamortized balance of arrangements which include term-based software support, warranty, SLA and software subscription agreements, and are presented as Deferred revenues (Note 10.2).

5.5. Taxes

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is calculated separately for each company of the Group using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Consumption taxes

Depending on the state in which the Group entity operates, the consumption taxes include value-added tax (VAT), sales tax, goods and services tax (GST) or other taxes of the same nature.

Expenses and assets are recognized net of the amount of consumption tax, except:

- When the consumption tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of consumption tax included.

The net amount of consumption tax recoverable from, or payable to, the taxation authority is included as part of Other current assets or Other current liabilities in the statement of financial position.

5.6. Foreign currency transactions

The Group's consolidated financial statements are presented in EUR. The functional currencies of all Group companies are presented in the table below. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Group company	Functional currency
Y Soft Corporation, a.s.	EUR
Y Soft Magyarország Kft. "v.a."	HUF
Y Soft Japan Ltd.	JPY
Y Soft Asia Pacific Pte. Ltd.	USD
Y Soft Israel Ltd.	ILS
Y Soft Americas, Inc.	USD
Y Soft Australia Pty Ltd	AUD
Y Soft Ventures, a.s.	CZK
Y Soft France S.A.R.L.	EUR
Y Soft Ventures Management, a.s.	CZK
Y Soft China Ltd.	CNY
Y Soft Print Management Solutions, a.s.	EUR
Y Soft Ventures II, a.s.	CZK
EveryonePrint A/S	EUR

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange valid at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss within Finance income of Finance expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising from translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Group companies

On consolidation, the assets and liabilities of foreign operations with non-EUR functional currencies are translated into EUR at the exchange rates prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for the relevant year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date, except for the goodwill and fair value adjustments arising on business combinations that occurred before the date of transition to IFRS and for which the Group decided not to apply IFRS 3 retrospectively.

5.7. Intangible Assets

Intangible assets are carried at cost, net of accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Amortization of intangible assets with finite lives is recorded on a straight-line basis over their estimated useful lives, generally as follows:

	Years
Development costs	3
Software	3
Patents and rights	Per Contract
Other intangible assets	6-8

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, The Group has no intangible assets with indefinite useful lives other than goodwill.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs

Research costs are expensed when incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

5.8. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

The Group applies a single recognition and measurement approach for all leases where the Group is a lessee, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The cost of a right-of-use asset includes an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, if the recognition criteria for a provision are met. Refer to accounting policy for provisions in Note 5.19.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Premises and buildings	1-6
Machinery and equipment	4-5
Vehicles	3-4

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy for impairment in Note 5.10.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 33).

Short-term leases and leases of low-value assets

The Group currently does not have short-term leases (i.e., leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) other than occasional leases with a lease term of one month or less. A recognition exemption is applied in such case. It also applies the lease of low-value assets recognition exemption to leases of office machinery and equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

5.9. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any costs directly attributable to making the asset capable of operating as intended.

Ordinary repairs and maintenance costs are charged to the income statement in the accounting period during which they are incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset, generally as follows:

	Years
Buildings	8
Leasehold improvements	Per contract
Machinery, computer equipment and other hardware	3-5
Furniture and fixtures	5
Other tangible fixed assets	3-5

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is de-recognized.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

5.10. Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group generally bases its impairment calculation on a five-year plan approved by the management of the Group, which shows growth in billings and is prepared separately for each of the Group's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

Goodwill is tested for impairment annually as at 30 June. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

5.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expense calculated using the effective interest method.

The Group capitalizes borrowing costs as part of the costs of its development projects (Note 20).

5.12. Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is deducted from the carrying amount of the related assets and recognized in the consolidated statements of comprehensive income as a reduction to depreciation expense.

5.13. Financial instruments

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

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized costs, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exemption of trade receivables, that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue from Contracts with Customers*.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into the following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through profit or loss.

The Group has currently no financial assets at fair value through OCI.

Financial assets at amortized cost (debt instruments)

The following category is the most relevant to the Group. The Group measures financial assets at amortized costs if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized costs include mainly trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments such as foreign currency contracts and interest rate swaps, and investments which are held through venture capital organizations.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures, for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, redeemable shares and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9 *Financial Instruments*. Separated embedded derivatives are also classified as held for trading.

A derivative embedded in a hybrid contract is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the entire hybrid contract is not measured at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

This category includes derivative financial instruments such as foreign currency contracts, and the derivatives embedded in the loan contract.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 *Financial Instruments* are satisfied. The Company's Class D and former Class C shares were classified as financial liabilities at fair value through profit or loss due to the existence of the embedded put option that enabled the holders to sell the shares at their market value (see Note 22.2).

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Trade and other payables

Trade payables are recognized at their nominal value which is deemed to be materially the same as the fair value.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.14. Derivative financial instruments

The Group uses derivative financial instruments, such as foreign currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

In October 2024, the Company entered into a finance contract with the European Investment Bank. In consideration for the loan granted and in addition to the interest payable, EIB is entitled to receive any amounts due in connection with the synthetic warrants granted. The warrants, including the related put option, meet the definition of embedded derivative, and are separately recognized according to IFRS 9.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

5.15. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: actual cost being determined using the weighted average price method. Costs of purchased inventory include acquisition-related costs such as freight or customs.
- Finished goods and work in progress: actual own cost. The cost of inventory produced internally includes direct material, direct labor costs and production overhead costs. Production overhead costs include indirect labor costs, depreciation and amortization, and other overhead costs, and are allocated on the basis of the time required to complete the job.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

5.16. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits and valuables.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts, if any, that are considered an integral part of the Group's cash management.

5.17. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium.

5.18. Stock purchase schemes

Employee Stock Allocation Program

The Company enables its employees and employees of the Group to buy the Company's shares when meeting the conditions defined by internal Employee Stock Allocation Program. Generally, the shares are offered to eligible employees on a quarterly basis, in exchange for the portion of bonus earned for the respective quarter. The choice of whether to settle the bonus in shares or cash is the right of the employee. Shares are sold to employees for the actual stock price. The sales are satisfied with the Company's treasury shares.

In the years ended 30 June 2026 and 30 June 2025, no shares were purchased within the Employee Stock Allocation Program. The program is suspended for the moment.

Share Option Plan

On 7 October 2020, the Company implemented a Share Option Plan for certain employees. The plan acts as a long-term incentive for those employees by fixing the stock purchase price. The purchase price and the maximum amount of the nominal value of shares, which the Company may offer the participants to purchase during the plan term, is stipulated in separate option agreements entered between the Company and the participants. The plan is valid for ten years.

The participants' right to buy shares relates to their annual or one-off bonus. Grant of a bonus is at the sole discretion of the Company. The Company is to notify the participants of a bonus, if any, in a notice. The option to buy shares is granted to a participant upon the delivery of a share offer, included in such notice to that participant, and vest immediately. Generally, only an amount of money corresponding to the net bonus (i.e., bonus after taxation and contributions imposed by law) can be used to buy shares. The choice of whether to settle the net bonus in shares or cash, fully or partially, is the right of the participant.

Considering a short period between the grant date and the exercise date, the Company recognized directly in Share premium the difference between the fair value of the shares purchased by participants of the plan, measured at the grant date, and the reduction of treasury shares used to satisfy the purchase. No shares were purchased by the participants in the years ended 30 June 2026 and 30 June 2025.

Before the option to buy shares is granted to the participants, bonuses are recognized according to IAS 19 *Employee Benefits.*

5.19. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

5.20. Current versus non-current classification

The Group presents assets and liabilities in a statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in its normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5.21. Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its consolidated financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Development costs

Development costs for the Group's products were capitalized in accordance with the Group's accounting policy on Research and development costs as described in Note 5.7. Initial capitalization of costs is based on management's judgment that technological and economic feasibility are confirmed.

When determining the amounts to be capitalized, management makes assumptions about future cash flows, discount rate and useful economic life of capitalized intangibles. In the year ended 30 June 2026, development costs of EUR 9,210 thousand were capitalized to assets (2025: EUR 8,132 thousand).

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are generally derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 20.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. A significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has EUR 30,207 thousand (2025: EUR 26,066 thousand) of tax losses carried forward. Further details on taxes are disclosed in Note 19.

Fair value measurement of financial instruments

When the fair values of financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 23 for further disclosures.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of office premises with a non-cancellable period of one year. The Group typically exercises its option to renew these leases. Furthermore, several leases of office parking spaces and storage units were concluded for an indefinite period with the possibility to terminate the lease by notice. The lease terms of related office premises were considered as one of the factors when determining the lease term for such leases. Leases with an indefinite period are however not material to the Group.

7. ADOPTION OF NEW AND REVISED STANDARDS

7.1. New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS amendments which have been adopted by the Group as of 1 July 2025. The amendments had no material impact on the financial statements of the Group.

- Amendment to IAS 21 – Lack of Exchangeability. The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

7.2. Standards issued but not yet effective and not early adopted

The Group has not applied the following new or revised standards and interpretations that have been issued but are not yet effective.

Amendments to IAS 28 – Investments in Associates and Joint Ventures: Fair Value Option

In June 2026, the IASB issued Amendments to the Fair Value Option for Investments in Associates and Joint Ventures. The amendments clarify which entities can apply the fair value option in IAS 28 Investments in Associated and Joint Ventures. The amendments respond to stakeholder feedback highlighting diversity in practice in applying the fair value option and how this interacts with the classification requirements introduced by IFRS 18. To address stakeholders' concerns, the IASB developed narrow-scope amendments aimed at clarifying that:

- A 'similar entity' includes an entity with a main business activity of investing in particular types of assets, as described in paragraph 49(a) of IFRS 18. This revision replaces the previous reference to 'similar entity, including investment-linked insurance funds', and removes the example of an investment-linked insurance fund from IAS 28. This amendment does not change the existing requirements for venture capital organizations, mutual funds or unit trusts that are eligible to apply the fair value option.
- Eligibility to apply the fair value option is assessed based on the entity that directly holds the investment in the associate or joint venture. Accordingly, in a group structure, the assessment is made at the level of the entity holding the investment, rather than at the level of the reporting entity.

The amendments are applied when an entity first applies IFRS 18. If an entity elects to apply IFRS 18 for an earlier period, the amendments are applied consistently with that early application. The amendments have not yet been endorsed by the EU.

No impact from the implementation of these amendments is expected by the Group.

IFRS 20 – Regulatory Assets and Regulatory Liabilities

In May 2026, the IASB issued IFRS 20, which sets out requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

A regulatory asset (liability) is an enforceable present right (obligation), created by a regulatory agreement, to add (deduct) an amount in determining a regulated rate to be charged to customers in future periods because part or all of the total allowed compensation for regulatory goods or services supplied by an entity in a reporting period is charged to customers through regulated rates in a different period (past or future) creating a difference in timing.

IFRS 20 introduces requirements that will result in information that supplements the information an entity already provides by applying IFRS accounting standards, including IFRS 15 *Revenue from Contracts with Customers*. Such information enables users of financial statements to understand the total allowed compensation for regulatory goods or services supplied in each reporting period and the related rights and obligations. Narrow scope amendments have been made to a number of accounting standards, including IFRS 1 *First-time Adoption of IFRS*, IFRS 3 *Business Combinations* and IFRS 18 *Presentation and Disclosure in Financial Statements*.

The standard becomes effective for reporting periods beginning on or after 1 January 2029, with earlier application permitted. The standard has not yet been endorsed by the EU.

No significant impact from the implementation of this standard is expected by the Group.

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Translation to Hyperinflationary Presentation Currency

In November 2025, the IASB issued *Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21*. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also introduce certain additional disclosure requirements.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. The amendments have not yet been endorsed by the EU.

No significant impact from the implementation of these amendments is expected by the Group.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

In August 2025, IASB issued amendments to IFRS 19, completing its planned catch-up work on the standard.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. The standard and its amendments have not yet been endorsed by the EU.

As the Company is not a subsidiary, it is not eligible to apply IFRS 19.

IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group identified the impacts that the new standard and the amendments will have on the primary financial statements and notes to the financial statements and is working on the implementation of the changes in its financial statements for the year ended 30 June 2028.

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity

In December 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments only apply to contracts that reference nature-dependent electricity. These are contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind. The amendments clarify the application of the 'own-use' requirements and amend the designation for a hedged item in a cash flow hedging relationship for in-scope contracts. They also add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments are effective for annual periods beginning on or after 1 January 2026.

The amendments are not expected to apply to the Group.

Annual Improvements to IFRS Accounting Standards

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. Volume 11 amends:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Hedge Accounting by a First-time Adopter.
- IFRS 7 *Financial Instruments: Disclosures* – Gain or Loss on Derecognition.
- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures* – Introduction.
- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures* – Disclosure of Deferred Difference between Fair Value and Transaction Price.
- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures* – Credit Risk Disclosures.
- IFRS 9 *Financial Instruments* – Lessee Derecognition of Lease Liabilities.
- IFRS 9 *Financial Instruments* – Transaction Price.
- IFRS 10 *Consolidated Financial Statements* – Determination of a 'De Facto Agent'.
- IAS 7 *Statement of Cash Flow* – Cost Method.

The amendments are effective for annual periods beginning on or after 1 January 2026, with early application permitted.

No significant impact from the implementation of this amendment is expected by the Group.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, which:

- Clarifies that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- Clarifies the treatment of non-recourse assets and contractually linked instruments.
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

No significant impact from the implementation of this amendment is expected by the Group.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalized any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments have not yet been endorsed by the EU.

No significant impact from the implementation of this amendment is expected by the Group.

8. BUSINESS COMBINATIONS AND TRANSACTIONS WITH NON-CONTROLLING INTEREST

Business combinations

On 13 July 2022, the Company acquired 100% interest in the Danish company EveryonePrint A/S, a leading provider of Cloud-based document infrastructure. The acquisition purchase price included deferred and contingent considerations. The amount of unwinding of discount from the deferred acquisition considerations affecting the consolidated statement of comprehensive income is disclosed in Note 18. The deferred considerations were fully repaid in the year ended 30 June 2025. A change in fair value of the contingent consideration is disclosed in Note 22.4.

Transactions with non-controlling interest

During the year ended 30 June 2026, Y Soft Ventures, a.s. made a partial refund of additional paid in capital of EUR 407 thousand to owners of the non-controlling interest, following successful investment exits in the current and previous fiscal years. Following this refund and a reassessment of participations under the contractual distribution waterfall, EUR 344 thousand was credited to the Group's Retained earnings and EUR 24 thousand to the Foreign currency translation reserve, while EUR 775 thousand was debited to the Non-controlling interest.

In the year ended 30 June 2025, Y Soft Ventures, a.s. refunded EUR 1,098 thousand of additional paid-in capital to owners of the non-controlling interest following the successful exit from an investment. Consequently, the Group debited Retained earnings by EUR 23 thousand, the Foreign currency translation reserve by EUR 1 thousand and Non-controlling interest by EUR 1,095 thousand.

9. MATERIAL PARTLY OWNED SUBSIDIARIES

The table below shows the interest in registered capital held by non-controlling interests:

Name	Registered office	30 June 2026	30 June 2025
Y Soft Israel Ltd.	Israel	35%	35%
Y Soft Ventures, a.s.*)	Czech Republic	45.57%	45.57%
Y Soft Ventures Management, a.s.	Czech Republic	17%	17%
Y Soft Ventures II, a.s.*)	Czech Republic	56.45%	56.45%

*) In calculating the share of accumulated profits, the contractual distribution waterfall is also taken into account. The participations are reassessed each year-end.

Accumulated balances of material non-controlling interest as at 30 June were as follows:

EUR '000	30 June 2026	30 June 2025
Y Soft Ventures, a.s.	2,255	2,722
Y Soft Ventures II, a.s.	2,792	2,880

The summarized financial information of subsidiaries that have material non-controlling interests is provided below. This information is based on amounts before inter-company eliminations.

Summarized financial information of Y Soft Ventures, a.s.:

EUR '000	30 June 2026	30 June 2025
Current assets	13	279
Non-current assets	6,233	5,832
Current liabilities	-	-
Non-current liabilities	806	623

EUR '000	30 June 2026	30 June 2025
Revenue	-	-
Profit for the period	668	774
Total comprehensive income	783	820

Summarized financial information of Y Soft Ventures II, a.s.:

EUR '000	30 June 2026	30 June 2025
Current assets	285	366
Non-current assets	4,388	4,463
Current liabilities	48	47
Non-current liabilities	54	68

EUR '000	30 June 2026	30 June 2025
Revenue	-	-
Profit / (loss) for the period	(238)	36
Total comprehensive income / (loss)	(143)	90

10. REVENUE AND DEFERRED REVENUE BALANCES

10.1. Revenue

The Group derived the following types of revenue for the year ended 30 June:

EUR '000	2026	2025
Sale of hardware	8,277	6,140
Sale of software and related services	32,797	32,581
Total	**41,074**	**38,721**

Revenue recognized during the reporting period was significantly affected by the Group's ongoing transition from the perpetual licensing model used for On-premise Office Solutions to the subscription-based model offered through Cloud Office Solutions. Management evaluates the Group's performance primarily based on billings, which represent the total amounts invoiced to customers during the reporting period.

The table below shows the Groups' billings for the year ended 30 June:

EUR '000	2026	2025
Billings (non-IFRS measure)	47,655	44,251

Although total billings continued to increase, reported revenue was affected by the differing revenue recognition profiles of the declining On-premise Office Solutions business and the rapidly growing Cloud Office Solutions business. Revenue from perpetual on-premise licenses is recognized at a point in time upon delivery, whereas revenue from cloud subscriptions is recognised on a straight-line basis over the subscription term. Consequently, a larger portion of billings remains unrecognised at the reporting date, resulting in lower reported revenue and a corresponding increase in deferred revenue (Note 10.2). Deferred revenue balances are expected to be recognised in profit or loss over the next five years as the underlying subscription services are provided. As a result, the increase in deferred revenue is expected to contribute positively to future revenue growth.

For more information regarding customer credit risk refer to Note 37.

10.2. Deferred revenues

The table below shows the opening and closing balances of Group's contract liabilities from contracts with customers:

EUR '000	30 June 2026	30 June 2025	30 June 2024
SW support and SLA	29,873	32,534	32,546
HW warranty	569	642	641
Subscription revenue	20,116	10,841	5,344
Other	-	9	10
Total	**50,558**	**44,026**	**38,541**
Current	21,568	19,671	17,566
Non-current	28,990	24,355	20,975

Revenue recognized in the reporting periods ended 30 June 2026 and 30 June 2025 that was included in the deferred revenue balance at the beginning of the period amounted to EUR 19,673 thousand and EUR 17,564 thousand, respectively.

11. CONSUMPTION OF SERVICES

Consumption of services for the year ended 30 June consists of the following:

EUR '000	2026	2025
Outsourced and contracted services	(6,131)	(5,372)
Licensing, hosting, and other software expenses	(3,644)	(3,074)
Legal, tax, accounting, other consultancy fees	(820)	(986)
Rent, repairs and maintenance, office services	(466)	(418)
Travel and entertainment	(1,011)	(617)
Marketing and advertising	(332)	(203)
Other services and fees	(692)	(458)
Total	**(13,096)**	**(11,128)**

12. EMPLOYEE BENEFIT EXPENSE

Employee benefit expense for the year ended 30 June consists of the following:

EUR '000 / number of employees	2026	2025
Average number of employees	291	287
Wages and salaries	(18,989)	(17,654)
Social security and health insurance	(5,158)	(4,676)
Other employee benefits	(433)	(455)
Termination-related benefits	(198)	(372)
Unused vacation	(61)	55
Total	**(24,839)**	**(23,102)**

13. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Changes in inventories of finished goods and work in progress for the year ended 30 June consist of the following:

EUR '000	2026	2025
Change in inventories of finished goods and work in progress	371	(87)
Change in inventory allowance	11	(25)
Stocktake differences and damages	(77)	(81)
Total	**305**	**(193)**

14. RAW MATERIALS AND CONSUMABLES USED

Raw materials and consumables used for the year ended 30 June consist of the following:

EUR '000	2026	2025
Raw material consumed	(4,177)	(2,783)
Expensed equipment	(197)	(244)
Energies consumed	(224)	(241)
Fuel consumed	(14)	(16)
Other material and consumables used	(62)	(31)
Change in inventory allowance	(18)	(14)
Stocktake differences and damages	(2)	5
Total	**(4,694)**	**(3,324)**

15. CAPITALIZED DEVELOPMENT COSTS

Capitalized development costs for the year ended 30 June consist of the following:

EUR '000	2026	2025
Capitalized services	3,953	3,242
Capitalized employee benefits	5,176	4,801
Capitalized material and consumables	24	31
Capitalized depreciation of right-of-use assets	57	58
Total	**9,210**	**8,132**

16. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation of property, plant and equipment for the year ended 30 June:

EUR '000	2026	2025
Leasehold improvements	(20)	(2)
Machinery, computer equipment and other hardware	(293)	(332)
Vehicles	-	(4)
Furniture and fixtures	(1)	(3)
Total	**(314)**	**(341)**

Depreciation of right-of-use assets for the year ended 30 June:

EUR '000	2026	2025
Premises and buildings	(888)	(888)
Machinery, computer equipment and other hardware	(45)	(3)
Vehicles	(69)	(44)
Total	**(1,002)**	**(935)**

Amortization of intangible assets for the year ended 30 June:

EUR '000	2026	2025
Development costs	(7,556)	(7,632)
Software	(2)	(31)
Other intangible assets	(515)	(537)
Total	**(8,073)**	**(8,200)**

17. OTHER OPERATING INCOME AND (EXPENSE), NET

Other operating income and (expense), net for the year ended 30 June consist of the following:

EUR '000	2026	2025
Other taxes and fees *)	(128)	(110)
Revaluation of investments measured at fair value (Note 24)	679	702
Remeasurement of contingent consideration (Note 22.4)	1,401	1,745
Insurance costs	(176)	(167)
Gifts and donations	(263)	(41)
Bad debt expenses and changes in allowance for expected credit losses	(116)	32
Other operating income / (expense)	(92)	(51)
Total	**1,305**	**2,110**

*) During the years ended 30 June 2026 and 30 June 2025, withholding tax of EUR 79 thousand and EUR 65 thousand, respectively, previously recognized in current tax assets, was released to profit or loss as it was no more probable that the tax would be offset against income tax liability.

18. FINANCE INCOME AND EXPENSES

Finance income and expenses include foreign currency gains and losses, gains and losses from realization of and change in the fair value of derivative financial instruments, change in the fair value of redeemable shares, unwinding of discount from the deferred acquisition payments, interest income and expenses, and other financial expenses such as bank fees.

Interest income primarily represents interest from loans provided by the Group.

Interest expense consists of interest on the bank and other borrowings (calculated using the effective interest method) and interest on lease liabilities.

EUR '000	2026	2025
Interest income	155	99
Interest expense:		
- Interest on debts and borrowing (Note 33)	(464)	(574)
- Interest on lease liabilities (Note 36)	(131)	(149)
Unwinding of discount from deferred consideration (Note 8)	-	(331)
Foreign currency exchange gains / (losses), net	673	(922)
Fair value gains / losses:		
- Redeemable shares (Note 22.2)	(554)	(2,740)
- Embedded derivative in long-term debt (Note 22.3)	(241)	(37)
- Other financial derivatives (Note 22.3)	332	104
Bank charges and other finance costs	(85)	(86)
Total	**(315)**	**(4,636)**

19. INCOME TAX

Structure of the income tax for the year ended 30 June is as follows:

EUR '000	2026	2025
Current income tax	(66)	(94)
Deferred income tax	(296)	652
Income tax income / (expense)	**(362)**	**558**

The income tax in the year ended 30 June 2026 represents tax income of the Company of EUR 94 thousand (2025: tax expense of EUR 15 thousand) and a total tax expense of EUR 456 thousand for the subsidiaries (2025: tax income of EUR 573 thousand).

The current income tax for the year ended 30 June 2026 represents tax expense of the Company of EUR 32 thousand (2025: EUR 31 thousand) and a total tax expense of EUR 34 thousand (2025: EUR 63 thousand) for the subsidiaries.

The reconciliation of income tax applicable to accounting loss before income tax at the statutory income tax rate to income tax at the Group's effective income tax rate for the year ended 30 June is as follows.

EUR '000	2026	2025
Accounting loss before income tax	**(2,603)**	**(3,767)**
Income tax income at statutory income tax rate of 21%	(547)	(791)
Special deductible items – R&D costs	(266)	(360)
Non-taxable income or tax-deductible expenses	(439)	(255)
Non-deductible expenses or taxable income	908	74
Utilization of previously unrecognized tax losses	(166)	(200)
Current year's tax losses and changes in recognized unused tax losses and credits	861	985
Foreign country rate differential	-	(1)
Income tax expense / (income) for the current period	351	(548)
Income tax expense / (income) for the previous periods	11	(10)
Income tax expense / (income) recognized in profit or loss	**362**	**(558)**
Effective income tax rate	(13.91%)	14.81%

The Company quantified deferred taxes as follows:

EUR '000	30 June 2026		30 June 2025	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	215	(522)	391	(528)
Unused tax deductions for unused tax losses and R&D costs	2,657	-	2,347	-
Other temporary differences:				
- Investments	-	(860)	-	(691)
- Borrowing costs	(799)	-	(542)	-
- Allowances	218	-	200	-
- Provisions and accruals	(20)	-	(36)	-
- Other	-	-	18	-
Total	**2,271**	**(1,382)**	**2,378**	**(1,219)**
Net	889	-	1,159	-

Changes in deferred tax for the year ended 30 June are as follows:

EUR '000	2026 asset / (liability)	2025 asset / (liability)
Deferred tax as at 1 July	1,159	502
Charge to profit or loss	(296)	652
Translation differences	26	5
Deferred tax as at 30 June	889	1,159

The Group has tax losses of EUR 30,207 thousand (2025: EUR 26,066 thousand) that are available for offsetting against future taxable profits of the companies in which the losses arose. Tax losses arising for companies with registered office in the Czech Republic are available for 5 years. Tax losses arising for companies with registered office in other countries are available for periods from 9 to 20 years or indefinitely.

In the year ended 30 June 2026, tax losses of EUR 249 thousand will expire if not utilized.

20. INTANGIBLE ASSETS

Intangible assets at cost:

EUR '000	Goodwill	Development costs	Software	Other intangible assets	Assets in progress	Total
At 30 June 2024	**13,583**	**36,394**	**2,363**	**4,365**	**7,310**	**64,015**
Additions	-	-	-	-	723	723
Additions – internally developed	-	-	-	-	8,132	8,132
Disposals	-	-	(59)	(29)	(867)	(955)
Transfers	-	6,430	-	68	(6,498)	-
Translation differences	(245)	-	-	-	-	(245)
At 30 June 2025	**13,338**	**42,824**	**2,304**	**4,404**	**8,800**	**71,670**
Additions	-	-	-	-	1,587	1,587
Additions – internally developed	-	-	-	-	9,210	9,210
Disposals	(2,164)	(212)	(55)	-	-	(2,431)
Transfers	-	8,365	1	153	(8,519)	-
Translation differences	88	-	-	-	-	88
At 30 June 2026	**11,262**	**50,977**	**2,250**	**4,557**	**11,078**	**80,124**

Accumulated amortization:

EUR '000	Goodwill	Development costs	Software	Other intangible assets	Assets in progress	Total
At 30 June 2024	**-**	**(24,972)**	**(2,331)**	**(1,355)**	**-**	**(28,658)**
Amortization	-	(7,632)	(31)	(537)	-	(8,200)
Disposals	-	-	59	25	-	84
At 30 June 2025	**-**	**(32,604)**	**(2,303)**	**(1,867)**	**-**	**(36,774)**
Amortization	-	(7,556)	(2)	(515)	-	(8,073)
Disposals	-	212	55	-	-	267
At 30 June 2026	**-**	**(39,948)**	**(2,250)**	**(2,382)**	**-**	**(44,580)**

Net book value:

EUR '000	Goodwill	Development costs	Software	Other intangible assets	Assets in progress	Total
At 30 June 2025	13,338	10,220	1	2,537	8,800	34,896
At 30 June 2026	11,262	11,029	-	2,175	11,078	35,544

Intangible assets in progress comprise mainly of unfinished development projects.

In the years ended 30 June 2026 and 2025, borrowing costs of EUR 1,465 thousand and EUR 625 thousand, respectively, were capitalized as part of the costs of Group's development projects. The capitalization rate used to determine the borrowings costs eligible for capitalization in the year ended 30 June 2026 was 18.42%. For the year ended 30 June 2025, the Group used different capitalization rates for the first six months (5.64%) and the following months of the year (15.52%) to ensure that the capitalized borrowing costs reflect the actual costs of financing over time (in the middle of November 2024, a new significant financing was drawn).

For the year ended 30 June 2026, the Group recognized an impairment loss of EUR 2,164 thousand on goodwill allocated to the 3d printing group due to the reduced strategic focus on this business segment. For the year ended 30 June 2025, the Company wrote off one unfinished development project and a minor related asset, with a total value of EUR 871 thousand, due to technical obsolescence. These amounts are recognized in profit or loss under Impairment of non-current assets.

Impairment testing

Goodwill acquired through business combinations is allocated to the respective CGUs for impairment testing.

Carrying amount of the goodwill allocated to each of the CGUs:

EUR '000	30 June 2026	30 June 2025
Y Soft Americas, Inc.	2,263	2,200
Y Soft Australia Pty Ltd	325	300
3d printing group	-	2,164
Cloud segment	8,674	8,674
Total	**11,262**	**13,338**

For the impairment testing, the Group has prepared the valuation using the discounted cash flow model. The Group used a five-year plan approved by the management of the Group, which shows growth in billings. In the case of the 3d printing group, the eight-year period was used. For the years ending 30 June 2026 and 2025, the Group used a pre-tax discount rate of 15.54% and 14.2%, respectively.

The value of cash flows after the five-year period for Y Soft Americas, Inc., Y Soft Australia Pty Ltd and the Cloud segment, and the eight-year period for 3d printing group, was set by using the Gordon growth model assuming linear growth rate of 2.0% p.a. for the periods ended 30 June 2026 and 2025.

The goodwill allocated to the 3d printing group was fully impaired during the year ended 30 June 2026 due to the Group's reduced strategic focus on this business segment.

Key Assumptions Used for Impairment Testing

Discounted cash flow model and Gordon growth model is based on the following key assumptions:

- Billings growth;
- Discount rate;
- Terminal growth rate covering a period of more than five years for Y Soft Americas, Inc., Y Soft Australia Pty Ltd and the Cloud segment, and eight years for the 3d printing group.

The billings growth was determined by the management separately for each controlled subsidiary and for each segment of sales. The growth is based on the knowledge of each particular market taking into account the historical development of billings and estimated macroeconomic developments in individual regions. Estimated billings growth represents the best possible assumption of the Group's management considering the future development at the end of the period.

The discount rate reflects specific risks relating to the industry in which the Group operates. The used discount rate is based on the weighted average cost of capital (WACC) of the Group as presumed by the Capital Asset Pricing Model. The Group has taken into account the risk-free yield rate, the Beta coefficient for the industry and the expected yield rate of the market portfolio. Furthermore, the current and future expenses of external financing were also considered.

The terminal growth rate was determined by the management of the Group with regard to the historical development and the expected development of markets and the macroeconomic environment in the regions in which the Group operates.

The Sensitivity Analysis

The sensitivity analysis shows the relative percentage changes in key assumptions (assuming that the other parameters are constant) after which the total value of the investment computed using a discounted cash flow model and Gordon model would be equal to the carrying value of the investment as of 30 June 2026 and 2025.

In case of greater change in the expectations, the value of investment calculated using discounted cash flow model and Gordon model would be lower than the carrying value of the investment:

	30 June 2026			30 June 2025		
CGU	Changes in billings growth	Changes in discount rate	Changes in rate of growth	Changes in billings growth	Changes in discount rate	Changes in rate of growth
Y Soft Americas, Inc.	More than 100%	More than 100%	More than 100%	More than 100%	More than 100%	More than 100%
Y Soft Australia Pty Ltd	More than 100%	More than 100%	More than 100%	More than 100%	More than 100%	More than 100%
3d printing group	-	-	-	1%	5%	More than 100%
Cloud segment	More than 100%	More than 100%	More than 100%	74%	More than 100%	More than 100%

As at 30 June 2026 and 2025, the Group assessed whether there were any indicators that its intangible assets with definite useful lives might be impaired. No indicators of impairment were identified. In addition, no changes in assumptions were identified that would result in the impairment of these assets.

21. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at cost:

EUR '000	Buildings	Leasehold improvements	Machinery, computer equipment and other hardware	Vehicles	Furniture and fixtures	Tangibles in progress	Total
At 30 June 2024	**7**	**2,133**	**2,992**	**-**	**428**	**119**	**5,679**
Additions	-	-	66	12*)	-	176	254
Disposals	-	-	(122)	(12)	(135)	-	(269)
Transfers	-	-	102	-	-	(102)	-
Translation differences	-	(3)	(11)	-	(7)	-	(21)
At 30 June 2025	**7**	**2,130**	**3,027**	**-**	**286**	**193**	**5,643**
Additions	-	-	149	-	-	223	372
Disposals	-	(11)	(321)	-	(2)	-	(334)
Transfers	-	101	308	-	-	(409)	-
Translation differences	-	1	10	-	3	-	14
At 30 June 2026	**7**	**2,221**	**3,173**	**-**	**287**	**7**	**5,695**

*) In the year ended 30 June 2025, one of the Group's leased vehicles was re-purchased.

Accumulated depreciation:

EUR '000	Buildings	Leasehold improvements	Machinery, computer equipment and other hardware	Vehicles	Furniture and fixtures	Tangibles in progress	Total
At 30 June 2024	**(7)**	**(2,129)**	**(2,333)**	**-**	**(420)**	**-**	**(4,889)**
Depreciation	-	(2)	(332)	(4)	(3)	-	(341)
Disposals	-	-	122	4	135	-	261
Translation differences	-	3	9	-	6	-	18
At 30 June 2025	**(7)**	**(2,128)**	**(2,534)**	**-**	**(282)**	**-**	**(4,951)**
Depreciation	-	(20)	(293)	-	(1)	-	(314)
Disposals	-	11	321	-	2	-	334
Translation differences	-	(1)	(8)	-	(3)	-	(12)
At 30 June 2026	**(7)**	**(2,138)**	**(2,514)**	**-**	**(284)**	**-**	**(4,943)**

Net book value:

EUR '000	Buildings	Leasehold improvements	Machinery, computer equipment and other hardware	Vehicles	Furniture and fixtures	Tangibles in progress	Total
At 30 June 2025	-	2	493	-	4	193	692
At 30 June 2026	-	83	659	-	3	7	752

22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

22.1. Financial instruments by category

Financial assets

30 June 2026 (EUR '000)	Note	At amortized costs	At fair value through profit or loss	Total
Investments measured at fair value	24	-	10,578	10,578
Contract receivables	25, 27	7,905	-	7,905
Derivative financial instruments	22.3	-	140	140
Other receivables (excluding prepayments)		2,038	-	2,038
Cash and cash equivalents	30	18,539	-	18,539
Total		**28,482**	**10,718**	**39,200**

30 June 2025 (EUR '000)	Note	At amortized costs	At fair value through profit or loss	Total
Investments measured at fair value	24	-	10,295	10,295
Contract receivables	25, 27	7,988	-	7,988
Derivative financial instruments	22.3	-	105	105
Other receivables (excluding prepayments)		2,686	-	2,686
Cash and cash equivalents	30	7,427	-	7,427
Total		**18,101**	**10,400**	**28,501**

Financial liabilities

30 June 2026 (EUR '000)	Note	At amortized costs	At fair value through profit or loss	Total
Borrowings	33	17,636	-	17,636
Trade and other payables	32	2,967	-	2,967
Redeemable shares	22.2	-	5,253	5,253
Embedded derivative in long-term debt	22.3	-	5,926	5,926
Contingent purchase consideration	8, 22.4	-	839	839
Other liabilities (excluding non-financial liabilities)		2,888	-	2,888
Total		**23,491**	**12,018**	**35,509**

30 June 2025 (EUR '000)	Note	At amortized costs	At fair value through profit or loss	Total
Borrowings	33	12,159	-	12,159
Trade and other payables	32	2,788	-	2,788
Redeemable shares	22.2	-	4,699	4,699
Embedded derivative in long-term debt	22.3	-	3,911	3,911
Other derivative financial instruments	22.3	-	8	8
Contingent purchase consideration	8, 22.4	-	2,240	2,240
Other liabilities (excluding non-financial liabilities)		2,779	-	2,779
Total		**17,726**	**10,858**	**28,584**

22.2. Redeemable shares

The Company's Class C shares and Class D shares were classified as financial liabilities at fair value through profit or loss due to the existence of the embedded put option that enables the holders to sell the shares at their market value.

During the year ended 30 June 2022, all Class C shares were converted into ordinary Class B shares, however the redemption right associated with certain Class C shares is after the conversion maintained for the shareholders on a contractual basis. Therefore, these particular shares keep being classified as financial liabilities at fair value through profit or loss.

The following table sets forth a summary of changes in the value of the Company's redeemable shares:

	EUR '000
Balance as at 30 June 2024	**1,959**
Fair value revaluation	2,740
Balance as at 30 June 2025	**4,699**
Fair value revaluation	554
Balance as at 30 June 2026	**5,253**

Due to the negative equity position of the Company in the standalone financial statements, the Company is currently legally restricted from buying back the shares, therefore the redemption is unlikely to happen before the end of fiscal year ended 30 June 2027.

The table below shows the number of the Company's class D shares and former class C shares classified as financial liabilities at fair value through profit or loss:

	30 June 2026	30 June 2025
Former class C shares	30,948	30,948
Class D shares	2,392	2,392
Total	**33,340**	**33,340**

The rights of holders of Class D and former Class C shares are as follows:

Dividend Rights: The holders of former Class C shares are entitled to receive dividends declared by the General Meeting of the Company pro rata to each CZK 100 of their shareholdings. Class D shares carry the right to receive a 300% share of the Company's profits compared to the other stock issued by the Company in the same nominal value.

Conversion Rights: There are no conversion rights attached to former Class C and Class D shares.

Redemption Rights: Class D and former Class C shares give the holders the right to require the Company to redeem all or any portion of their shares for the current market value. The Company is obliged to buy back Class D shares in 60 days upon receipt of the official redemption request, at the latest. Former Class C shares are to be repurchased within 45 days from delivery of the redemption request and from the ordinary financial statements for the previous accounting period being audited. The highest amount to be mandatorily redeemed in one accounting period is limited for former Class C shares to the consolidated EBITDA realized by the Company, that is calculated from audited financial statements for the prior accounting period.

Liquidation Rights: Class D shares and former Class C shares have no liquidation preference. The proceeds shall be distributed to the holders on a pro rata basis based on the nominal value of their shareholdings.

Voting Rights: Each CZK 100 of former Class C shares carries one voting right. There are no voting rights associated with holding Class D shares.

22.3. Derivative financial instruments

Embedded derivatives in long-term debt

In November 2024 and April 2026, the Company drew the first two tranches of the loan facility provided by the European Investment Bank (EIB). In relation to the tranches drawn, the Company issued warrants representing 1.75% and 0.75%, respectively, of the fully diluted share capital of the Company. The warrants give EIB a contractual claim for payment against the Company in the amount corresponding to the given equity percentage in the Company's fair market value. The warrants have no expiry date and can be exercised at the earliest occurrence of any event specified in the contract. Along with the warrant, the Company also granted EIB the put option, allowing them to require Company to purchase any or all the warrant tranches they hold for the price equal to the fair value of the warrant, which shall not (i) be lower than the minimum put option price (EUR 3,252 thousand for the first tranche, EUR 1,394 thousand for the second tranche) and (ii) exceed the maximum put option price equal to the disbursement amount. The put option has no expiry date and can be exercised at the earliest of (i) the maturity date of the first tranche or (ii) any event date specified in the contract. The Company expects the warrants and the related put option to become first exercisable upon the maturity date of the first tranche.

The following table sets forth a summary of changes in the value of the embedded derivative:

	EUR '000
Balance as at 30 June 2024	**-**
Embedded derivative separated from the host loan contract (first tranche)	3,874
Fair value revaluation	37
Balance as at 30 June 2025	**3,911**
Embedded derivative separated from the host loan contract (second tranche)	1,774
Fair value revaluation	241
Balance as at 30 June 2026	**5,926**

Other derivative financial instruments

The Group periodically enters into foreign currency contracts to reduce the risks associated with changes in foreign currency exchange rates.

The carrying amount of such derivative financial instruments held by the Group was as follows (EUR '000):

Financial assets	30 June 2026	30 June 2025
Foreign currency contracts	140	105
Current	140	97
Non-current	-	8

Financial liabilities	30 June 2026	30 June 2025
Foreign currency contracts	-	8
Current	-	7
Non-current	-	1

The notional amounts and fair value of derivative financial instruments outstanding are presented below (EUR '000):

Foreign currency contracts	30 June 2026	30 June 2025
Notional amount (EUR equivalent)	3,876	15,041
Fair values	140	97

22.4. Contingent purchase consideration

Under the purchase agreement with the former owners of EveryonePrint A/S, the Company agreed to make additional cash payments of up to EUR 6,000 thousand in aggregate, based on targeted billings to specified customers and subject to the agreement's conditions. Payments of up to EUR 2,000 thousand, EUR 3,000 thousand, and EUR 1,000 thousand are payable upon reaching the applicable thresholds within the defined earn-out periods. At the acquisition date, all payouts were expected to be achieved. The probability of the payouts is reassessed at the end of each reporting period based on the Group's billings plans. As at 30 June 2026, the thresholds for the first two earn-outs had not been met; therefore, those payouts are no longer probable.

The following table sets forth a summary of changes in the value of the contingent purchase consideration:

	EUR '000
Balance as at 1 July 2024	**3,985**
Change in fair value *)	(1,745)
Balance as at 30 June 2025	**2,240**
Change in fair value *)	(1,401)
Balance as at 30 June 2026	**839**

*) The change in fair value of the contingent purchase consideration liabilities, which was included in Other operating income and (expenses), net, is due to passage of time and decrease of the likelihood of the payouts.

23. FAIR VALUE MEASUREMENT

The following tables summarize the Group's financial instruments that are measured and recorded at fair value (EUR '000):

30 June 2026	Note	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Investments measured at fair value 1)	24	-	-	10,578	10,578
Derivative financial instruments 2)	22.3	-	140	-	140
Total		**-**	**140**	**10,578**	**10,718**
Liabilities measured at fair value					
Redeemable shares 3)	22.2	-	-	5,253	5,253
Embedded derivative in long-term debt 4)	22.3	-	-	5,926	5,926
Contingent purchase consideration 5)	22.4	-	-	839	839
Total		**-**	**-**	**12,018**	**12,018**

30 June 2025	Note	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value					
Investments measured at fair value [1)]	24	-	-	10,295	10,295
Derivative financial instruments [2)]	22.3	-	105	-	105
Total		**-**	**105**	**10,295**	**10,400**
Liabilities measured at fair value					
Redeemable shares [3)]	22.2	-	-	4,699	4,699
Embedded derivative in long-term debt [4)]	22.3	-	-	3,911	3,911
Other derivative financial instruments [2)]	22.3	-	8	-	8
Contingent purchase consideration [5)]	22.4	-	-	2,240	2,240
Total		**-**	**8**	**10,850**	**10,858**

The following methods and assumptions were used to estimate fair values of financial instruments disclosed in the above tables:

(1) The Group has investments in several startup companies which are held through a venture capital arm. The investments are appraised using Venture Capital Method (VCM), a recognized valuation approach commonly used in the venture capital industry, which combines elements of discounted cash flow and Valuation Multiples approach. VCM respects the venture capital business model in which investor realizes return at one point in future via exit, not by receiving annual dividend from free cash flows, reflecting the fact that the investor prefers reinvesting free cash flow into growth, maximizing the exit value, rather than distributing them.

VCM estimates the business valuation using the following steps:

- Forecasting the start-up financial performance at the end of the investment horizon.
- Estimating the potential exit valuation using relevant Valuation Multiples (usually of revenue or EBITDA).
- Determining the discount factor (linked to a required return) to convert the potential exit proceeds to their present value.
- Calculating the current valuation from the potential exit valuation using the determined discount factor.

The key assumptions used in the model are:

- Investment horizon (set for 6-13 years).
- Discount factor (set for 30% p.a.).
- Revenue multiple (set for 2.50 for companies offering primarily hardware-based product or 3.50 for companies offering primarily software-based product).

(2) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. All derivative contracts are fully cash collateralized, thereby eliminating both counterparty and the Group's own non-performance risk. As at 30 June 2026 and 2025, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on financial instruments recognized at fair value.

(3) The fair value of redeemable shares is determined by the reference to the current market price. As the Company is not listed, the Discounted Cash Flow method (DCF) is used to determine the fair market value of the Company based on its consolidated five-year business plan. The key inputs used in the model are:

- Terminal growth rate for cash flows for subsequent years.
- Discount rate estimate based on the Weighted Average Cost of Capital (WACC).

(4) The fair value of the derivatives embedded in the loan contract with the European Investment Bank (EIB) comprises of the fair value of the warrants and the fair value of the related put options. The key inputs and assumptions used for the valuations are as follows:

- Since both warrant and put option pay-offs depend on the fair market value of the Company, the key input for the valuation is the starting equity value of the Company determined using the DCF method described in (3) above.
- Evolution of the Company's equity value is simulated using the Monte-Carlo method with volatility of equity, approximated as an average historical annual volatility of publicly traded companies, being the key input.
- The contract with the EIB specifies the events that trigger the start of the warrant and put option exercise periods. The valuation works with the assumption that both warrants and the options are first exercisable upon maturity of the first loan tranche drawn.

(5) The fair value of the contingent purchase considerations is determined using the income approach with significant inputs that are not observable in the market. The expected outcomes are recorded at net present value, which requires adjustment over life of the instruments for changes in risks and probabilities. The key inputs used for the valuation are:

- Risk probability to achieve the milestones.
- Discount rate consistent with the level of risk associated with the outcomes and the risks of payments.
- Discount periods derived from the expectation about the milestone achievement timing and the payment dates.

There have been no transfers between Level 1 and Level 2 during the year ended 30 June 2026 and 2025, respectively.

For reconciliation of fair value measurements of Level 3 financial instruments refer to Note 24 (Investments measured at fair value), Note 22.2 (Redeemable shares), Note 22.3 (Derivative financial instruments – Embedded derivative in long-term debt) and Note 22.4 (Contingent purchase consideration).

The management assessed that the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, bank overdrafts and other current liabilities approximate their respective fair values largely due to the short-term maturities of these instruments.

24. INVESTMENTS MEASURED AT FAIR VALUE

The Group holds investments in associates (see Note 2) and other start-up companies, which are all measured at fair value through profit and loss:

EUR '000	30 June 2026	30 June 2025
Fair value of associates	5,806	5,229
Fair value of other investments	4,772	5,066
Total	**10,578**	**10,295**

The following table sets forth a summary of changes in the value of the Group's investments measured at fair value:

	EUR '000
Balance as at 30 June 2024	**11,918**
Cash contributions	320
Disposal of interest	(2,722)
Net gain from the investment revaluation	702
Translation difference	77
Balance as at 30 June 2025	**10,295**
Disposal of interest	(605)
Net gain from the investment revaluation	679
Translation difference	209
Balance as at 30 June 2026	**10,578**

As part of the venture capital acquisition exit strategy, the investments in Comprimato Systems s.r.o. and Sewio Networks s.r.o. were sold in April 2026 and July 2024, respectively.

Gains and losses from the investment revaluation are presented in Other operating income and (expense), net. For more details regarding the revaluation model refer to Note 23.

Translation difference for the periods ended 30 June 2026 and 30 June 2025 is attributable to the change in FX rates used for translation from functional currency, in which the investments are recorded, to the presentation currency of the Group.

None of the associates are individually material to the Group.

25. OTHER NON-CURRENT ASSETS

EUR '000	30 June 2026	30 June 2025
Deposits	220	186
Deferred expenses	213	426
Receivables from Board members	1,079	1,074
Other non-current assets	42	2
Total	**1,554**	**1,688**

No long-term contract receivables were outstanding as of 30 June 2026, 30 June 2025 and 30 June 2024.

26. INVENTORIES

Excess, obsolete and slow-moving inventory has been written down to its estimated net realizable value by an allowance account. The allowance was determined by management based on an inventory analysis.

EUR '000	30 June 2026	30 June 2025
Raw materials (at lower of cost and net realizable value)	1,585	2,350
Work in progress (at lower of cost and net realizable value)	487	350
Finished goods (at lower of cost and net realizable value)	443	263
Total	**2,515**	**2,963**

For details of inventories recognized as an expense during the years ended 30 June 2026 and 2025 refer to Notes 13 and 14.

In the years ended 30 June 2026 and 30 June 2025, write-downs of inventories to net realizable value via the allowance account amounted to EUR 18 thousand and EUR 39 thousand, respectively. In the year ended 30 June 2026, previously recognized write-downs of inventories to net realizable value in the amount of EUR 11 thousand were reversed.

27. TRADE AND OTHER RECEIVABLES

EUR '000	30 June 2026	30 June 2025
Trade receivables	8,061	8,044
Less: Allowance for expected credit losses	(156)	(81)
Trade receivables, net	**7,905**	**7,963**
Unbilled contract receivables	-	25
Other receivables	-	1
Total	**7,905**	**7,989**

Trade receivables are non-interest bearing and are generally payable on 30-day terms. The fair value of receivables approximates their carrying value due to their short-term maturity.

The table below shows the outstanding balances of gross current contract receivables presented in Trade and other receivables:

EUR '000	30 June 2026	30 June 2025	30 June 2024
Contract receivables	8,061	8,069	6,574

Non-current contract receivables, if any, are presented in Other non-current assets (see Note 25).

The movement of allowance for expected credit losses in the years ended 30 June 2026 and 2025 was as follows:

	EUR '000
Allowances as at 30 June 2024	**(172)**
Charged	(60)
Written off or used	147
Translation differences	4
Allowances as at 30 June 2025	**(81)**
Charged	(143)
Written off or used	69
Translation differences	(1)
Allowances as at 30 June 2026	**(156)**

The ageing analysis of trade receivables is showed below (carrying amounts after valuation allowance):

			Past due but not impaired			
EUR '000	Neither past due nor impaired	Past due 1 - 90 days	Past due more than 90 days	Past due more than 180 days	Past due more than 360 days	Total
As at 30 June 2025	6,464	1,335	99	52	13	7,963
As at 30 June 2026	5,970	1,796	119	11	9	7,905

28. PREPAID EXPENSES

EUR '000	30 June 2026	30 June 2025
Deposits and advance payments	233	199
Deferred expenses	701	522
Total	**934**	**721**

Deferred expenses primarily represent items such as consultation services, certification services, data processing services and cost of software maintenance, which are charged to expenses in the period in which the related goods and services are consumed.

29. OTHER CURRENT ASSETS

EUR '000	30 June 2026	30 June 2025
Receivables from employees and Board members	82	102
VAT and other tax assets	346	549
Other current assets	128	394
Total	**556**	**1,045**

As at 30 June 2026 and 30 June 2025, loans to key management personnel represented EUR 74 thousand and EUR 73 thousand, respectively, of total balance of receivables from employees and Board members.

30. CASH AND CASH EQUIVALENTS

EUR '000	30 June 2026	30 June 2025
Cash at banks and on hand	7,131	2,136
Short-term deposits	11,408	5,291
Total	**18,539**	**7,427**

The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturity.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following as at 30 June:

EUR '000	30 June 2026	30 June 2025
Cash at banks and on hand	7,131	2,136
Short-term deposits	11,408	5,291
Bank overdrafts forming part of cash management	-	-
Total	**18,539**	**7,427**

Generally, the Group considers its banking overdraft arrangements integral to its cash management. However, the bank overdrafts acquired in the most recent business combination represented a form of financing because their balances rarely fluctuated from negative to positive.

31. SHARE CAPITAL AND RESERVES

Share capital

	Shares	EUR'000
As at 30 June 2024	**966,270**	**3,483**
Conversion of Gold share to Class A shares	4	-
As at 30 June 2025	**966,274**	**3,483**
As at 30 June 2026	**966,274**	**3,483**

The Company's authorized, issued and outstanding ordinary shares consisted of the following:

	As at 30 June 2026		As at 30 June 2025	
	Shares	Par value EUR'000	Shares	Par value EUR'000
Class A shares (CZK 100 per share)	627,760	2,272	627,760	2,272
Class B shares (CZK 100 per share) *)	329,026	1,174	329,026	1,174
Class E shares (CZK 100 per share)	9,488	37	9,488	37
Total	**966,274**	**3,483**	**966,274**	**3,483**

*) Excluding former Class C shares recognized as financial liabilities at fair value through profit or loss (refer to Note 22.2).

The movement in the Company's issued, fully paid and outstanding ordinary shares by class is as follows:

	Gold share	Class A shares	Class B shares (CZK 100)	Class E shares	Total
As at 30 June 2024	**1**	**627,755**	**329,026**	**9,488**	**966,270**
Conversion of Gold share to Class A shares	(1)	5	-	-	4
As at 30 June 2025	**-**	**627,760**	**329,026**	**9,488**	**966,274**
As at 30 June 2026	**-**	**627,760**	**329,026**	**9,488**	**966,274**

There are no ordinary shares of any Class in issue which are not fully paid.

The pertinent rights and privileges of holders of Gold share and Class A, B and E shares are as follows:

Dividend Rights: The holders of Gold share, Class A and B shares are entitled to receive dividends declared by the General Meeting of the Company pro rata to each CZK 100 of their shareholdings. Class E shares carry the right to receive a 150% share of the Company's profits compared to the other stock issued by the Company in the same nominal value.

Conversion Rights: Class E shares become eligible for conversion into class D shares in a three-years period after their original purchase. The conversion is subject to the approval of the General Meeting of the Company. For more information regarding Class D shares refer to Note 22.2.

Redemption Rights: Gold share, Class A and Class B shares have no redemption rights and are not subject to mandatory redemption. The Company has the right to redeem the Class E shares at any time for the price equal to 70% of the fair market value at the minimum.

Liquidation Rights: Gold share, Class A, Class B and Class E shares have no liquidation preference. The proceeds shall be distributed to the holders on a pro rata basis based on the nominal value of their shareholdings.

Voting Rights: Each CZK 100 of Class A and Class B shares carries one voting right. The Gold share carries a decisive right, meaning that any decision made by the General Meeting of shareholders requires approval from the vote of a Gold share owner regardless of whether quorum was reached. There are no voting rights associated with holding Class E shares.

General Meeting of the Company held on 25 September 2024 decided about the split of the Gold share with a nominal value of CZK 500 into five Class A shares with a nominal value of CZK 100. The change is effective for the year ended 30 June 2025.

Treasury shares

	Shares	EUR'000
As at 30 June 2024	**(148,065)**	**(1,069)**
As at 30 June 2025	**(148,065)**	**(1,069)**
As at 30 June 2026	**(148,065)**	**(1,069)**

As at 30 June 2026 and 30 June 2025, the Company held 138,602 Class B shares and 9,463 Class E shares.

Share premium

	EUR'000
As at 30 June 2024	**3,346**
As at 30 June 2025	**3,346**
As at 30 June 2026	**3,346**

Share-based payment reserve

On 30 August 2022, the Company entered into a preliminary share transfer agreement with its leaving key management personnel. Under the agreement, the Company will transfer to the former employee 4,600 pieces of Class B shares, no later than six years after conclusion of the agreement. The shares will be provided free of charge, with the work performed by the former employee being considered an adequate consideration for the shares. The transaction was recognized in the year ended 30 June 2023 as an employee benefit expense and the corresponding increase in equity at the fair value of the equity instrument granted of EUR 243 thousand.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations to the Group's presentation currency.

32. TRADE AND OTHER PAYABLES

EUR '000	30 June 2026	30 June 2025
Trade payables	487	604
Accrued expenses	1,599	1,142
Accrued interest (Note 33.1)	822	636
Other payables	59	406
Total	**2,967**	**2,788**

The fair value of trade and other payables approximates their carrying value due to their short-term maturity.

33. INTEREST BEARING LOANS AND BORROWINGS

EUR '000	30 June 2026	30 June 2025
Bank loans (Note 33.1)	15,273	7,607
Bank overdrafts (Note 33.2)	-	1,438
Lease liability (Note 36)	2,363	3,114
Total	**17,636**	**12,159**

In the years ended 30 June 2026 and 2025, the Company was provided with the treasury line for the exchange and interest rate risk in the amount of EUR 1,000 thousand, by UniCredit Bank Czech Republic and Slovakia, a.s. The Group used this line for foreign currency contracts and interest swaps (see Note 22.3).

The effective interest expense relating to bank loans, overdrafts and non-bank loans for the years ended 30 June 2026 and 2025 was EUR 1,929 thousand and EUR 1,199 thousand, respectively. From these amounts, EUR 1,465 thousand and EUR 625 thousand, respectively, was capitalized as part of the costs of Group's development projects (Note 20).

33.1. Bank loans

The table below shows the overview of the Group's bank loans as at 30 June 2026 and 30 June 2025.

				Carrying amount in EUR '000 as at	
Bank	Maturity	Contracted interest rate	Currency	30 June 2026	30 June 2025
European Investment Bank	12.11.2029	10% p.a.	EUR	6,761	6,189
European Investment Bank	24.4.2031	10% p.a.	EUR	8,049	-
Raiffeisenbank a.s.	31.5.2027	1M EURIBOR + 1.4% p.a.	EUR	463	968
Raiffeisenbank a.s.	30.9.2025	1M PRIBOR + 1.5% p.a.	CZK	-	10
Raiffeisenbank a.s.	30.9.2025	1M PRIBOR + 1.5% p.a.	CZK	-	7
Nykredit Bank A/S	31.3.2026	3M CIBOR + 5.75% p.a.	DKK	-	433
Total				**15,273**	**7,607**
Current portion				463	955
Non-current portion				14,810	6,652

Loan from European Investment Bank

On 25 October 2024, the Company entered into a financing contract with the European Investment Bank (EIB) worth a total of EUR 30 million, disbursable in three equivalent tranches. The purpose of the loan is to co-fund Company's ongoing EUR 60 million 4-year long R&D investment project into Cloud Transformation and AIVA robotics.

The Company drew the first tranche in November 2024 and the second in April 2026. Disbursement of the third tranche is subject of the additional conditions that the Company must comply with.

The principal for each tranche is payable in a single installment on the maturity date, set to five years from the disbursement date. The interest on the outstanding balance of each tranche is stated at a fixed rate and is payable annually in arrears. In addition to the interest payable, EIB is entitled to receive any amounts due in connection with the warrants. The issued warrants are separated from the host loan contract and measured at fair value through profit or loss (Note 22.3). Transaction costs directly attributable to the issuance of the EIB loan are deducted from the initial carrying amount of the loan and reflected in determination of the effective interest.

The carrying amount of the EIB loan shown in the accompanying consolidated statement of financial position is analyzed as follows:

EUR'000	30 June 2026	30 June 2025
Principal	20,000	10,000
Unamortized deferred financing costs, warrants and discounts	(5,190)	(3,811)
Total	**14,810**	**6,189**
Current portion	-	-
Non-current portion	14,810	6,189

Accrued contracted interest is presented in Trade and other payables (Note 32).

The finance agreement contains conditions that the Group must comply with. As at 30 June 2026 and 30 June 2025, the Group complied with all conditions.

Other loans

The loans are secured by a pledge of selected fixed tangible assets, a security interest in insurance proceeds in respect of pledged assets, a pledge of receivables and blank bills of exchange.

The loan agreements contain conditions that the Group must comply with. As at 30 June 2026 and 30 June 2025, the Group complied with all conditions.

33.2. Bank overdrafts

The table below shows the overview of Group's bank overdrafts as at 30 June 2026 and 30 June 2025.

			Carrying amount in EUR '000 as at	
Bank	Interest rate	Currency	30 June 2026	30 June 2025
Nykredit Bank A/S	3M CIBOR + 5.25% p.a.	DKK	-	1,438
Total			**-**	**1,438**

During the years ended 30 June 2026 and 30 June 2025, the Company drawn CZK overdraft from Raiffeisenbank a.s., bearing the interest rate of 1M PRIBOR + 1.45% p.a.

33.3. Non-bank loans

As at 30 June 2024, the Company drew a loan from non-bank entity in the amount of EUR 420 thousand that was repaid in the year ended 30 June 2025.

The loan was denominated in CZK and was payable on demand. In the year ended 30 June 2025, the loan born interest at a rate of 3M PRIBOR plus 3% p.a.

34. EMPLOYEE BENEFIT OBLIGATIONS

EUR '000	30 June 2026	30 June 2025
Salary and related benefits	1,606	1,486
Accrued bonuses	550	501
Untaken vacation	460	380
Total	**2,616**	**2,367**

Employees-related liabilities include liabilities owing to social security and health insurance premiums, liabilities to employees for salaries and remuneration, and accrued employee vacation to be taken or compensated for in the following accounting period.

35. OTHER CURRENT LIABILITIES

EUR '000	30 June 2026	30 June 2025
VAT and other tax liabilities	74	154
Total	**74**	**154**

36. LEASES

The Group has lease contracts for its office premises, vehicles and certain office machinery and equipment. Leases of office premises have lease terms between 1 and 6 years, while motor vehicles and office machinery and equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets without the landlord's consent.

The Group also has certain leases of machinery and office equipment of low value and occasional leases of premises and equipment for less than one month. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

EUR '000	Premises and buildings	Machinery and equipment	Vehicles	Total
As at 30 June 2024	**2,417**	**6**	**130**	**2,553**
Additions	1,015	211	82	1,308
Depreciation expense	(888)	(3)	(44)	(935)
Translation differences	(47)	-	-	(47)
As at 30 June 2025	**2,497**	**214**	**168**	**2,879**
Additions	245	5	1	251
Depreciation expense	(888)	(45)	(69)	(1,002)
Translation differences	27	-	4	31
As at 30 June 2026	**1,881**	**174**	**104**	**2,159**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) as of 30 June 2026 and 30 June 2025, and the movements in years ended 30 June 2026 and 30 June 2025:

EUR'000	30 June 2026	30 June 2025
Lease liabilities	**2,363**	**3,114**
Current portion	1,078	969
Non-current portion	1,285	2,145

	EUR'000
Lease liabilities recognized as at 30 June 2025	**3,114**
Additions	251
Accretion of interest	131
Payments	(1,164)
Translation differences	31
Lease liabilities recognized as at 30 June 2026	**2,363**

	EUR'000
Lease liabilities recognized as at 30 June 2024	**2,783**
Additions	1,312
Accretion of interest	149
Payments	(1,055)
Translation differences	(75)
Lease liabilities recognized as at 30 June 2025	**3,114**

Maturity analysis of lease liabilities is disclosed in Note 37.

The following are the amounts recognized in profit or loss:

	2026	2025
Depreciation expense of right-of-use assets	(1,002)	(935)
Interest expense on lease liabilities	(131)	(149)
Expense relating to short-term leases (included in Consumption of services)	(29)	(24)
Expense relating to leases of low-value assets (included in Consumption of services)	(22)	(19)
Total	**(1,184)**	**(1,127)**

The Group had total cash outflows for leases of EUR 1,215 thousand in the year ended 30 June 2026 (EUR 1,099 thousand in year ended 30 June 2025). The future cash outflows relating to leases that have not yet been commenced are disclosed in Note 40, if there are any.

37. FINANCIAL RISK MANAGEMENT

The Group's classes of financial instruments correspond with the line items presented in the consolidated statement of financial position.

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The management of the Group identifies the financial risks that may have an adverse impact on the business objectives and through active risk management mitigates these risks to an acceptable level.

Market risk

The market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency transactions and resulting monetary assets and liabilities, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 30 June 2026 and 2025.

The sensitivity analysis on the interest rate foreign exchange movements have been prepared on the basis of the following assumptions:

- The amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analyses exclude the impact of movements in market variables on the carrying value of provisions and on the non-financial assets and liabilities.
- The sensitivity of the relevant consolidated statement of comprehensive income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 30 June 2026 and 2025.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group previously managed its interest rate risk through interest rate swaps, under which it exchanged, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. During the year ended 30 June 2025, the Company entered into a financing contract with the European Investment Bank (EIB). Interest on the EIB loans is fixed. Together with the continual repayment of previously drawn loans and borrowing, this limits the Group's exposure to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows. The impact is disclosed net of capitalized borrowings costs.

Effect on profit before tax as at 30 June:

EUR '000	% change	Effect on profit before tax
2025	+/- 0.5%	(10) / 10
2026	+/- 0.5%	(3) / 3

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk results from monetary assets and liabilities denominated in foreign currency that are translated into the functional currency at each reporting date and transferred to cash at a future date. The current value of these items depends on the spot foreign exchange rates of the functional currency to foreign currency and their fluctuations. The main sources of foreign currency risk are sales and purchases of services and goods to and from external parties in currencies different from the functional currency, intercompany sales, and intercompany loans.

The Group manages its foreign currency risk by using foreign currency forwards.

The Group invoices mainly in EUR and USD. A significant portion of the Group's revenue is generated from subscription licenses, software support, and services provided at an agreed service level. Revenue from these arrangements is recognized over the contract term, despite payment being received at the start of the period. As the release of deferred revenue is performed using the exchange rates valid at the start of the contract term, these balances are not exposed to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date were as follows (EUR '000).

Assets	30 June 2026	30 June 2025
Denominated in USD – for other functional currencies	12,237	14,807
Denominated in EUR – for other functional currencies	182	339
Denominated in CZK – for other functional currencies	4,147	3,887
Denominated in other foreign currencies	868	2,130
Total	**17,434**	**21,163**
Liabilities	30 June 2026	30 June 2025
Denominated in USD – for other functional currencies	4,844	7,656
Denominated in EUR – for other functional currencies	658	605
Denominated in CZK – for other functional currencies	7,937	7,076
Denominated in other foreign currencies	690	2,635
Total	**14,129**	**17,972**

The following table details the Group's sensitivity to a 10% increase and decrease in the USD, EUR and CZK against the relevant functional currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes receivables, payables and loans among group companies creating and exposure for one of the parties. The sensitivity analysis is prepared under the assumption that the other variables are constant.

Effect on profit before tax as at 30 June (EUR '000):

Currency	% change	2026	2025
USD	+/- 10%	759 / (759)	696 / (696)
EUR	+/- 10%	(43) / 43	(27) / 27
CZK	+/- 10%	(379) / 379	(319) / 319

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and payables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The outstanding balances of receivables and the ageing are monitored on a regular basis, and the aim of management is to minimize exposure of credit risk to a single counterparty or group of similar counterparties.

A significant portion of sales is realized through Konica Minolta Business Solutions Europe GmbH where there is limited exposure towards risk. As at 30 June 2026 and 30 June 2025, the outstanding receivables against this partner represented approximately 21% and 19%, respectively, of the total trade receivables. As at 30 June 2026 and 30 June 2025, there were another two partners with outstanding receivables individually exceeding 10% of the total trade receivables.

Liquidity risk

The Group performs regular monitoring of its liquidity position to keep sufficient financial sources to settle its liabilities and commitments.

The following tables summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. The tables include both interest and principal cash flows.

30 June 2026	On demand	Within 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings (excluding lease liabilities)	-	2,472	27,000	-	29,472
Lease liabilities	-	1,161	1,335	-	2,496
Trade and other payables (excluding accrued loan interest)	-	2,145	-	-	2,145
Redeemable shares	5,253[1)]	-	-	-	5,253
Embedded derivative in long-term debt	-	-	5,926[2)]	-	5,926
Contingent purchase consideration	-	-	1,000	-	1,000
Other financial liabilities	-	2,866	22	-	2,888
Total	**5,253**	**8,644**	**35,283**	**-**	**49,180**

1) Due to negative equity position in its standalone financial statements, the Company is currently legally prohibited from repurchasing its shares. As a result, the redemption is unlikely to occur before the end of the fiscal year ending 30 June 2027.

2) EIB warrants and related put options do not expire and may be exercised upon the earliest occurrence of any event specified in the contract. The Company expects them to become exercisable for the first time when the first tranche matures.

30 June 2025	On demand	Within 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings (excluding lease liabilities)	1,438	2,108	14,575	-	18,121
Lease liabilities	-	1,096	2,270	-	3,366
Trade and other payables (excluding accrued loan interest)	-	2,152	-	-	2,152
Redeemable shares	4,699	-	-	-	4,699
Embedded derivative in long-term debt	-	-	3,911	-	3,911
Other derivative financial instruments	-	7	1	-	8
Contingent purchase consideration	-	-	6,000	-	6,000
Other financial liabilities	-	2,756	23	-	2,779
Total	**6,137**	**8,119**	**26,780**	**-**	**41,036**

38. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximize the shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies, or processes for managing capital during the years ended 30 June 2026 and 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Net debt is the sum of:

- interest bearing loans and borrowings;
- trade payables and other liabilities (trade and other payables, employee benefit obligations, redeemable shares, other financial liabilities, other liabilities);
- less cash and cash equivalents.

EUR '000	30 June 2026	30 June 2025
Interest-bearing loans and borrowings	17,636	12,159
Trade payables and other liabilities	17,676	16,169
Less: cash and cash equivalents	(18,539)	(7,427)
Net debt	**16,773**	**20,901**
Equity attributable to the holders of the parent	(7,948)	(5,080)
Capital and net debt	**8,825**	**15,821**
Gearing ratio	1.90	1.32

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

39. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of the Company and its subsidiaries listed in Note 2. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel of the Group

The following table shows the amounts recognized in profit or loss during the reporting period ended 30 June:

EUR '000	2026	2025
Short-term employee benefits	2,690	2,765
Total employee benefits of key management personnel	**2,690**	**2,765**
Services received from entities controlled by key management personnel	510	591
Interest income from loans provided to key management personnel	58	57

The outstanding balances as of 30 June 2026and 30 June 2025 consisted of the following:

EUR '000	30 June 2026	30 June 2025
Outstanding compensations of key management personnel	74	215
Outstanding compensations to entities controlled by key management personnel	41	52
Loans to key management personnel, including accrued interest	1,153	1,147

In the years ended 30 June 2026 and 30 June 2025, loans to key management personnel born interest at a rate of 5%. As at 30 June 2026 and 30 June 2025, EUR 74 thousand and EUR 73 thousand, respectively, were due within one year.

As at 30 June 2026 and 30 June 2025, the key management personnel owned 751,698 shares of the Company. As at 30 June 2026 and 30 June 2025, 56,739 shares were owned by the entity controlled by key management personnel.

Transactions with associates

The following table shows related party transactions during the reporting period ended 30 June:

EUR '000	2026	2025
Sale of goods	8	19
Purchases of goods and services	16	15

As at 30 June 2025, outstanding balances owed by associates amounted to EUR 1 thousand, respectively. As at 30 June 2026, no balances were outstanding.

40. COMMITMENTS AND CONTINGENCIES

As at 30 June 2026 and 30 June 2025, the Group had no material commitments and contingencies other than commitments related to the lease of its facilities, company cars and certain equipment, and contingent liabilities arising from a business combination. The Group applies a single recognition and measurement approach for all leases where the Group is a lessee. The carrying amounts of lease liabilities are disclosed in Note 36. For details about the contingent purchase consideration refer to Note 22.4.

41. GOING CONCERN

As at 30 June 2026 and 30 June 2025, the Group reported negative equity attributable to the holders of the parent in the amount of EUR 7,948 thousand and EUR 5,080 thousand, respectively.

The Group continues to apply the principle of going concern, notwithstanding the negative economic result reported for the financial year ended 30 June 2026. This approach is justified by the Group's stable growth in consolidated billings, particularly within the cloud solutions segment, which recorded a year-on-year increase of 56% in the period ended 30 June 2026. This positive trend continues also in the financial year ended 30 June 2027.

Substantial investments in research and development, financed in part through a loan from the European Investment Bank (EIB), have contributed to an increase in cash reserves and a strengthening of the Group's overall financial stability. Although the accounting impact of deferred recognition of cloud contracts temporarily reduces reported revenues and profits, it simultaneously increases deferred revenue balances, thereby demonstrating the Group's capacity to generate profits in subsequent years.

Based on the above, including the anticipated recognition of revenues from cloud contracts, the Group's positive cash flow, and the successful utilization of investment funding, the management of Y Soft confirms that there are no material circumstances that would cast doubt on the Group's ability to continue as a going concern.

The Group maintains sufficient liquidity to finance both its ongoing operations and its strategic investments, particularly in the area of cloud technologies, and continues to develop its business activities in accordance with its long-term vision.

Accordingly, the consolidated financial statements for the years ended 30 June 2026 and 30 June 2025 were prepared on the assumption that the Company and the Group would be able to continue as a going concern.

42. SUBSEQUENT EVENTS

In July 2026, the ownership and corporate structure of Y Soft China Ltd., a subsidiary of the Company, changed. Its registered capital (share capital) increased, and two new shareholders joined, reducing the Company's ownership interest to 87%. The increased share capital had been subscribed as of the date of preparation of the financial statements but had not yet been paid up.

In July 2026, the Company acquired a 15% interest in Czech startup Believer s.r.o., followed by an additional 34% interest in September 2026.

The Group has evaluated events after the reporting period and found no material or significant events, other than those already disclosed, that would impact the data disclosed in the consolidated financial statements.

Prepared on:	Signature of Company's statutory body:	Signature of person responsible for financial statements:
10 November 2026	Václav Muchna Digitally signed by Václav Muchna Date: 2026.11.10 13:04:34 +01'00' Václav Muchna Chief Executive Officer	John Anthony Collins Digitally signed by John Anthony Collins Date: 2026.11.10 13:42:14 +01'00' John Collins Chief Financial Officer