



CONSOLIDATED FINANCIAL STATEMENTS

**according to the International Financial
Reporting Standards for the financial year
from 1 January 2025 to 31 December 2025**

Table of contents

Consolidated statement of comprehensive income.....	4
Consolidated statement of financial position.....	5
Consolidated statement of changes in equity.....	6
Consolidated statement of cash flows	8
Notes.....	9
1. General information	9
2. Structure of the Group	11
3. Basis for financial statements preparation	12
4. Basic accounting principles	13
5. Financial risk management.....	27
6. Important accounting estimates and judgements.....	29
7. Information on business segments.....	31
8. Approval of the consolidated financial statements for the previous financial year	31
9. Revenues from sales.....	31
10. Costs by type and manufacturing cost of sold products and services.....	31
11. Other operating revenues.....	32
12. Other operating costs	32
13. Financial revenues	32
14. Financial costs	33
15. Income tax.....	33
16. Net profit/(loss) on discontinued operations	35
17. Net profit/(loss) per share	35
18. Tangible fixed assets	37
19. Intangible assets	39
20. Goodwill.....	41
21. Goodwill impairment test.....	43
22. Right-of-use assets	45
23. Investment in joint venture	46
24. Inventories.....	46
25. Costs of contracts with customers.....	47
26. Trade and other receivables	47
27. Cash and short-term deposits.....	48
28. Equity	48
29. Credits and loans.....	50
30. Bond liabilities	51
31. Lease liabilities	51
32. Provisions.....	52
33. Trade and other liabilities.....	52
34. Liabilities under contracts with customers and deferred income	53
35. Payments in the form of shares - incentive programme.....	53
36. Transactions with related parties	55
37. Remuneration of the Group's senior management.....	56
38. Employment structure.....	56
39. Contingent liabilities and assets	56

40. Seasonal or cyclical nature of operations	57
41. Claims and litigation.....	57
42. Adjustments of errors	57
43. Significant events related to previous years.....	57
44. Events that occurred after the balance sheet date	57

Consolidated statement of comprehensive income

	Note	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Continued operations			
Net revenues from sales			
Revenues from sales of products and services		348,998	292,582
Revenues from sales of goods and materials		1,258	607
	9	350,256	293,189
Costs of products, goods and materials sold			
Manufacturing cost of sold products and services		(186,865)	(174,701)
Value of goods and materials sold		(564)	(373)
	10	(187,429)	(175,074)
		162,827	118,115
Gross profit on sales			
Sales costs	10	(8,063)	(7,042)
General management costs	10	(66,355)	(49,380)
Other operating revenues	11	1,193	5,567
Other operating expenses	12	(120)	(450)
Profit on operating activity		89,482	66,810
Financial revenues	13	4,106	4,776
Financial costs	14	(2,790)	(2,402)
Result on financial operations		1,316	2,374
Share in the result of joint venture and write-off of the investment in joint venture	23	(30)	-
Profit before tax		90,768	69,184
Income tax	15	(13,508)	(8,729)
Net profit		77,260	60,455
Other comprehensive income / (loss), net			
Actuarial losses		(215)	(226)
Income tax relating to other comprehensive income		32	36
Other comprehensive income/ (loss) not transferable to the income statement		(183)	(190)
Foreign exchange differences on translation of subsidiaries		46	(164)
Other comprehensive income/(losses) to be transferred to the income statement		46	(164)
		(137)	(354)
Total income		77,123	60,101
Net profit attributable to:			
- Shareholders of the parent company		77,260	60,455
Comprehensive income/(losses) attributable to:			
- Shareholders of the parent company		77,123	60,101
Basic net profit per share (not in PLN thousands)	17	3.40	2.66
Diluted net profit per share (not in PLN thousands)	17	3.40	2.66

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Consolidated statement of financial position

	Note	As at 31/12/2025	As at 31/12/2024
ASSETS			
Fixed assets			
Tangible fixed assets	18	5,516	3,084
Intangible assets	19	74,214	48,649
Goodwill	20	163,781	161,882
Right-of-use assets	22	8,597	8,252
Investment in a joint venture	23	1,123	1,153
Financial assets measured at amortised cost	26	398	663
Deferred tax assets*	15	10,385	6,843
		264,014	230,526
Current assets			
Inventories	24	143	90
Costs of contracts with customers	25	1,179	607
Trade and other receivables	26	44,713	32,928
Assets from contracts with customers	26	17,812	19,264
Income tax receivables		452	186
Cash and short-term deposits	27	187,657	131,081
Assets classified as held for sale		102	152
		252,058	184,308
TOTAL ASSETS		516,072	414,834
EQUITY AND LIABILITIES			
Equity			
Share capital	28.1	25,956	25,956
Treasury shares	28.3	(867)	(870)
Share premium	28.3	20,763	20,763
Supplementary capital	28.3	226,887	166,760
Reserve capital	28.3	17,753	8,996
Foreign exchange differences on translation of subsidiaries		(118)	(164)
Retained earnings		73,463	62,154
Equity (attributable to shareholders of the parent company)		363,837	283,595
Long-term liabilities			
Lease liabilities	31	5,594	5,124
Trade and other liabilities	33	408	427
Other long-term liabilities		-	4,271
Provisions	32	2,844	3,085
Deferred tax provisions*	15	11,984	8,250
		20,830	21,157
Short-term liabilities			
Credits and loans	29	-	12,044
Trade and other liabilities	33	60,558	45,819
Income tax liabilities		17,392	7,870
Bond liabilities	30	100	100
Lease liabilities	31	3,600	3,322
Other short-term liabilities		6,469	6,760
Provisions	32	1,955	1,787
Liabilities under contracts with customers and deferred income	34	41,331	32,380
		131,405	110,082
Total liabilities		152,235	131,239
TOTAL EQUITY AND LIABILITIES		516,072	414,834

*In the consolidated statement of financial position as at 31 December 2025, the Group has presented deferred tax assets and provisions on a net basis, assuming that offsetting of assets and provisions is carried out at the level of each Group company. Consequently, the comparative figures have been restated using the same method. In the published consolidated statement of financial position for 2024, the Group offset at the level of the consolidated financial statements by presenting only deferred tax provisions totalling 1,407.

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

Consolidated statement of changes in equity

	Attributable to shareholders of the parent company					Foreign exchange differences on translation of subsidiaries	Retained earnings / (uncovered losses)	Equity attributable to shareholders of the parent company	TOTAL EQUITY
	Share capital	Treasury shares	Share premium	Supplementary capital	Reserve capital				
As at 01/01/2025	25,956	(870)	20,763	166,760	8,996	(164)	62,154	283,595	283,595
Total comprehensive income:									
- Net profit/(loss)	-	-	-	-	-	-	77,260	77,260	77,260
- Foreign exchange differences on translation of subsidiaries	-	-	-	-	-	46	-	46	46
- Actuarial profit/(loss)	-	-	-	-	-	-	(215)	(215)	(215)
- Deferred tax on actuarial profit/(loss)	-	-	-	-	-	-	32	32	32
Distribution of the result for 2024*	-	-	-	60,129	5,637	-	(65,766)	-	-
Implementation of incentive programme from treasury shares	-	4,072	-	(3)	(4,069)	-	-	-	-
Deferred tax settled against capital	-	-	-	-	(407)	-	-	(407)	(407)
Incentive programme - share part	-	-	-	-	7,596	-	-	7,596	7,596
Purchase of treasury shares	-	(4,069)	-	-	-	-	-	(4,069)	(4,069)
As at 31/12/2025	25,956	(867)	20,763	226,887	17,753	(118)	73,463	363,837	363,837

* On 30 June 2025, the Ordinary General Meeting of Sygnity passed a resolution to allocate the profit for the financial year 2024 to capital for the payment of dividends and investment purposes in the amount of 60,129 and to reserve capital for the purchase of treasury shares in the amount of 5,637.

	Attributable to shareholders of the parent company						Foreign exchange differences on translation of subsidiaries	Retained earnings / (uncovered losses)	Equity attributable to shareholders of the parent company	TOTAL EQUITY
	Share capital	Treasury shares	Share premium	Supplementary capital	Reserve capital					
As at 01/01/2024	25,956	(438)	20,763	121,014	5,050	-	48,232	220,577	220,577	
Total comprehensive income:										
- Net profit/(loss)	-	-	-	-	-	-	60,455	60,455	60,455	
- Foreign exchange differences on translation of subsidiaries	-	-	-	-	-	(164)	-	(164)	(164)	
- Actuarial profit/(loss)	-	-	-	-	-	-	(226)	(226)	(226)	
- Deferred tax on actuarial profit/(loss)	-	-	-	-	-	-	36	36	36	
Distribution of the result for 2022/2023*	-	-	-	45,000	1,135	-	(46,135)	-	-	
Implementation of incentive programme from treasury shares	-	109	-	747	(856)	-	-	-	-	
Deferred tax settled against capital	-	-	-	-	(773)	-	-	(773)	(773)	
Incentive programme evaluation**	-	-	-	-	4,440	-	-	4,440	4,440	
Purchase of treasury shares	-	(541)	-	-	-	-	-	(541)	(541)	
Other	-	-	-	-	-	-	(210)	(210)	(210)	
As at 31/12/2024	25,956	(870)	20,763	166,760	8,996	(164)	62,154	283,595	283,595	

* On 25 June 2024, the Ordinary General Meeting of Sygnity passed a resolution to allocate the profit for the financial year 2022/2023 to capital for the payment of dividends and investment purposes in the amount of 45,000 and to reserve capital for the purchase of treasury shares in the amount of 1,135.

** The increase results from the settlement of the 2023 incentive programme in the amount of 370 and the recognition of the 2024 incentive programme in the amount of 4,070. The detailed rules of the incentive programme are described in note 35.

Consolidated statement of cash flows

	Note	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Cash flows from operating activity			
Profit before taxation		90,768	69,184
Adjustments for items:		23,953	14,903
Share in the result of joint venture and write-off of the investment in joint venture		30	-
Amortisation/depreciation	10	13,960	14,916
Interest costs		459	1,407
Implementation of the managerial options programme		4,069	856
Loss on investment activity		170	4
Change in long-term provisions		(242)	(355)
Changes in working capital*		14,095	(127)
Received/(paid) income tax		(8,588)	(1,798)
		114,721	84,087
Cash flow from investing activities			
Proceeds from sale of tangible fixed assets and intangible assets		-	-
Purchase of tangible fixed assets and intangible assets, other than development work		(1,758)	(3,025)
Expenses on development work		-	(29)
Expenses on purchase of shares in subsidiaries		(35,736)	(34,342)
Other inflows from investments		-	57
		(37,494)	(37,339)
Cash flows from financial activity			
Expenditures on redemption of debt securities		-	-
Proceeds from credits and loans		-	-
Expenses from repayment of credits and loans		(12,000)	(12,000)
Repayment of lease liabilities		(3,950)	(4,859)
Expenses for the purchase of treasury shares		(4,070)	(541)
Interest received (paid)		(503)	(1,369)
Other proceeds/(expenditures) from financial activities		-	304
		(20,523)	(18,465)
Total net cash flows		56,704	28,283
Cash opening balance		131,081	102,937
Foreign exchange differences on translation of subsidiaries		(128)	(139)
Cash closing balance		187,657	131,081
*Change in working capital			
Change in provisions		(72)	(1,010)
Change in inventory / cost of contracts with customers		(626)	621
Change in receivables/assets from contracts with customers		(7,395)	(6,260)
Change in liabilities**		11,171	5,699
Change in liabilities from contracts with customers / accrued income		11,017	823
Total		14,095	(127)

**The change in liabilities included in the change in working capital for purposes of the statement of cash flows is the difference between the closing balance and the opening balance of the following balance sheet items: Trade and other payables, lease payables and other financial liabilities less the amount of increases in lease payables during the period (4,497) and increased by repayments of lease payables (3,950) and the amount of the valuation of the incentive programme recognised in equity (3,528), the amount of reductions in lease payables (30) and the reclassification of acquisition-related liabilities.

Notes

1. General information

1.1 Sygnity Group

Sygnity S.A. ("Parent Company", "Sygnity", "Issuer" or "Company") is a joint stock company registered in Poland. The financial year at the Parent Company begins on 1 January and runs until 31 December.

The Parent Company was established on 24 July 1991.

The registered office of the Parent Company is Warsaw (02-676), ul. Postępu 17B.

The Company was registered under the KRS number 0000008162 and assigned the statistical number REGON 190407926.

The basic object of activity of the Sygnity Group is computer programming, computer consultancy and related activities.

The duration of the Company and of the companies being members of the Group is indefinite.

The Parent Company's shares have been listed on the Warsaw Stock Exchange since 1995.

The higher-level parent company is TSS Europe B.V.

The ultimate parent company is Constellation Software Inc.

1.2 Composition of the Supervisory Board

The composition of the Supervisory Board during the reporting period was as follows:

- ✓ Mr Ivo van den Heuvel - Chairperson of the Supervisory Board;
- ✓ Mr Ramon Zanders - Deputy Chairperson of the Supervisory Board;
- ✓ Mrs Ioana Corutiu - Member of the Supervisory Board;
- ✓ Mr Raimondo Eggink - Member of the Supervisory Board;
- ✓ Mr Lucas de Ponte - Member of the Supervisory Board;
- ✓ Mr Rafał Wnorowski - Member of the Supervisory Board;
- ✓ Mr Przemysław Aleksander Schmidt - Member of the Supervisory Board.

On 3 October 2025, the resignation of Mr Ramon Zanders from the position of Member of the Supervisory Board was received, and on 8 October 2025 the Parent Company received the resignation of Mr Rafał Wnorowski from the position of Member of the Sygnity Supervisory Board. The composition of the Supervisory Board at the balance sheet date and the date of preparation of these financial statements was as follows:

- ✓ Mr Ivo van den Heuvel - Chairperson of the Supervisory Board;
- ✓ Mr Lucas de Ponte - Deputy Chairperson of the Supervisory Board;
- ✓ Mrs Ioana Corutiu - Member of the Supervisory Board;
- ✓ Mr Raimondo Eggink - Member of the Supervisory Board;
- ✓ Mr. Przemysław Aleksander Schmidt - Member of the Supervisory Board.

1.3 Composition of the Management Board

The composition of the Management Board during the reporting period and as at the date of preparation of these financial statements was as follows:

- ✓ Mr Maciej Różycki - President of the Management Board;
- ✓ Mr Mariusz Jurak - Vice-President of the Management Board;
- ✓ Mrs Monika Zientarska - Member of the Management Board for Financial Affairs;
- ✓ Mrs Dorota Beksińska - Member of the Management Board;
- ✓ Mr Daniel Fryga - Vice-President of the Management Board;
- ✓ Mr Adam Larysz - Member of the Management Board.

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

1.4 Audit firm

Forvis Mazars Audyt Sp. z o.o.
ul. Piękna 18
00-549 Warsaw

2. Structure of the Group

Structure of the Sygnity Group during the reporting period:

No.	Company name	Registered office	Object of activity	Consolidation method	Share in equity 31/12/2025	Share in equity 31/12/2024
PARENT COMPANY						
1	Sygnity S.A.	Warsaw, Poland	Software activities and hardware consultancy.	full	n.a.	n.a.
SUBSIDIARIES						
1	Sygnity Business Solutions S.A.	Zielona Góra, Poland	Provision of software and IT services.	full	100.00	100.00
2	Sygnity Holding International Sp. z o.o.	Warsaw, Poland	Activities of head offices and holding companies, excluding financial holdings.	full	100.00	100.00
3	Edrana Baltic UAB	Vilnius, Lithuania	Implementation, development and maintenance of proprietary ERP-class IT systems.	full	100.00	100.00
4	SIA "EDRANA" LTD	Riga, Latvia	Data processing.	full	100.00 ¹⁾	100.00
5	Sagra Technology sp. z o.o. ²⁾	Szczecin, Poland	Software-related activities.	full	100.00	100.00
6	UAB DocLogix ³⁾	Vilnius, Lithuania	Software-related activities.	full	100.00	n.a.
7	SIA "DocLogix Latvia"	Riga, Latvia	Software-related activities.	full	100.00 ⁴⁾	n.a.
8	Mednow Sp. z o.o. ⁵⁾	Katowice, Poland	Software-related activities.	full	100.00	n.a.
CO-SUBSIDIARIES						
1	Budimex S.A. Sygnity S.A. Sp.j.	Warsaw, Poland	Special purpose vehicle for implementation of an investment task.	equity method	33.00	33.00
OTHER						
1	Geomar S.A. in bankruptcy ⁶⁾	Szczecin, Poland	Spatial information, geodesy and cartography.	non-consolidated	100.00	100.00
2	Emtal Sp. z o.o. ⁷⁾	Gdańsk, Poland	Provider and integrator of collective transport systems.	n.a.	50.00	50.00

¹⁾ Indirectly through Edrana Baltic UAB

²⁾ On 1 March 2024, Sygnity concluded an agreement with the partners of Sagra Technology sp. z o.o., based in Szczecin, on the sale of 100 shares in the company, representing 100% of its share capital.

³⁾ On 3 July 2025, Sygnity concluded an agreement to purchase 100% of shares of UAB DocLogix, based in Vilnius (Lithuania).

⁴⁾ Indirectly through the company UAB DocLogix.

⁵⁾ On 2 October 2025, Sygnity concluded a preliminary conditional share sale agreement with Comarch S.A. concerning the acquisition by Sygnity of 100% of the shares in the share capital of Comarch HIS Sp. z o.o. (currently: Mednow Sp. z o.o.) based in Katowice. On 1 December 2025, a promised agreement for the purchase of shares in the entity being acquired by the Issuer was concluded, following the fulfilment of all the conditions precedent agreed in the preliminary agreement.

⁶⁾ In compliance with the information provided by means of current report No. 6/2019, the Management Board of Geomar S.A. made the decision and on 18 January 2019 filed an application for announcement of bankruptcy of the company to the court. On 22 March 2019, the District Court for Szczecin-Centrum in Szczecin appointed for Geomar S.A. the Temporary Court Supervisor and consequently, Sygnity lost control over Geomar S.A. within the meaning of IFRS 10. The Management Board of the Company made the decision on discontinuation of consolidation of the results of Geomar S.A. in connection with the loss of control over this company in March 2019. On 19 March 2020, the District Court for Szczecin-Centrum in Szczecin, issued orders declaring Geomar bankrupt.

⁷⁾ As the Group is not represented in the entity's Management Board, the Group does not have the ability to direct the entity's financial and operating policies. In the reporting period, the Group was not able to have material impact on the policy and activity of the company, due to which this company is not consolidated and presented as available-for-sale financial assets. As at 31 December 2025, in connection with application of the prudent valuation principle, the entire holding in the company is subject to an impairment loss.

3. Basis for financial statements preparation

3.1 Going concern assumption

These annual consolidated financial statements for the financial year ended 31 December 2025 have been prepared on a going concern assumption.

The Management Board of the Parent Company identifies no significant threats to the continuation of operations in the foreseeable future, in particular within the next twelve months.

3.2 The impact of the political and economic situation in Ukraine and the war in the Middle East on the Group's operations and financial results

The Management Board of Sygnity S.A. monitors the impact of the political and economic situation in Ukraine and the Russian Federation on the Group's operations on an ongoing basis. The Company's Management Board reports that as of the date of publication of these statements, the Group's operations are running without interruptions, and the effects of the Russian invasion of Ukraine have no significant negative impact on the Group's economic situation.

Sygnity and its subsidiaries do not operate in countries directly involved in the conflict, namely Ukraine, Russia and Belarus. The Group also does not trade with entities from the listed countries. The Group is not significantly exposed to an increased risk of cyberattack; however, it has increased vigilance in this area, introducing a number of new safeguards and updating its policies in this respect.

With regard to the conflict in the Middle East, the Parent Company's Management Board has analysed the impact of the current geopolitical situation on the Group's operational and financial activities. As at the date of these financial statements, the Management Board does not identify any material impact of the war in the Middle East on its financial performance, financial position or the continuity of its operations. None of the companies in the Sygnity Group have operational activities in the conflict areas, nor do they have commercial or capital links with entities operating in this region. Accordingly, the risk of disruption to the Group's operations resulting from the current geopolitical situation is assessed as low.

As part of the operational risk management procedure, the Parent Company's Management Board continuously monitors the processes related to the Group's business continuity plan allowing for an efficient response to potential crisis situations. Procedures in place at the Sygnity Group, as well as IT solutions, enable the identification of key processes in the organisation and the monitoring of possible risks, which, in the event of a possible crisis situation, makes it possible to take preventive or remedial action to counteract or minimize losses.

In addition, the Group's IT systems are co-located in a TIER 3-certified facility and are subject to protection against restrictions in the supply of electricity in accordance with the provisions of the Decree of the Council of Ministers dated 8 November 2021 on detailed principles and procedures for introducing restrictions on the sale of solid fuels and the supply and consumption of electricity or heat (Journal of Laws of 2021, Item 2209).

As at the date of these financial statements, the situation remains unchanged and, in the Company's opinion, has no significant impact on its business or financial performance. As of the date of publication of these financial statements, the Company is monitoring the impact of the geopolitical situation on its future financial position and performance.

3.3 Other Information

These annual consolidated financial statements of the Sygnity Group cover data for the financial year ended 31 December 2025 and as at 31 December 2025, and contain comparative data for the financial year ended 31 December 2024 and as at 31 December 2024.

The financial data in these annual separate financial statements are presented in Polish zloty ("PLN"), and all values, unless otherwise indicated, are given in PLN thousands.

These consolidated annual financial statements were approved for publishing by the Management Board of the Parent Company on 24 March 2026.

4. Basic accounting principles

4.1 Application of new standards, amendments to standards and interpretations

In these financial statements, the Group has applied for the first time the new and revised standards and interpretations that became effective for financial statements for financial years beginning on or after 1 January 2025:

- a) Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": non-convertible currencies, approved in the EU on 12 November 2024 (effective for annual periods beginning on or after 1 January 2025).

In these financial statements, the Group has not applied the following published standards, interpretations or amendments to existing standards approved by the EU prior to their effective date:

- a) Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards": hedge accounting by a first-time adopter;
- b) Amendments to IFRS 7 "Financial Instruments; Disclosure": profit or loss on discontinued recognition, disclosure of the deferred difference between fair value and transaction price, implementation guidance on the introduction and disclosure of credit risk;
- c) Amendments to IFRS 9 "Financial Instruments": discontinuation of lessee recognition of lease liabilities and transaction price;
- d) Amendments to IFRS 10 "Consolidated Financial Statements";
- e) Contracts relating to electricity generated from renewable sources (amendments to IFRS 9 and IFRS 7 – effective for annual periods beginning on or after 1 January 2026);
- f) Amendments to IAS 7 "Statement of Cash Flows": the cost method;
- g) IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods beginning on or after 1 January 2027).

In these financial statements the Group has not applied the following published standards, interpretations or amendments to existing standards prior to their effective date and not approved by the EU:

- a) IFRS 19 "Subsidiaries without Public Accountability: Disclosure" (effective for annual periods beginning on or after 1 January 2027);
- b) Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency" (effective for annual periods beginning on or after 1 January 2027).

Assessment of the impact of the above amendments on the consolidated financial statements:

The new IFRS 18 standard will have a significant impact on the presentation and disclosures in the consolidated financial statements. The Group is in the process of analysing the impact of these amendments.

In the opinion of the Parent Company's Management Board, the application of the other above-mentioned new standards and amendments to existing standards would not have a significant impact on the Group's consolidated financial statements.

4.2 Changes in accounting policies, changes in presentation and changes in significant accounting estimates and judgements

During the period of 12 months ended 31 December 2025, the Group did not change its accounting policy.

The estimates and assumptions underlying the significant accounting estimates used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2024 have not changed during the current reporting period.

4.3 Significant accounting principles

The accounting principles applied upon preparation of these annual consolidated financial statements are compliant with the principles adopted upon preparation of the annual consolidated financial statements for financial year ended 31 December 2024.

Statement of compliance

The annual consolidated financial statements of the Sygnity Group have been prepared in accordance with the requirements of the International Financial Reporting Standards ("IFRS"), which have been approved by the European Union.

4.3.1 Functional and reporting currency

The functional and reporting currency of all Group companies based in Poland is the Polish zloty. The functional currency of companies based in Lithuania is the euro.

At the balance sheet date, the assets and liabilities of the foreign subsidiary are translated into Sygnity S.A. presentation currency, i.e. PLN, at the exchange rate applicable at the balance sheet date, and its statement of comprehensive income is translated at the average exchange rate for the financial year. The exchange differences arising from such translation are recognised directly in equity as a separate component thereof. When a foreign entity is disposed of, the accumulated exchange differences recognised in equity relating to the foreign entity are recognised in the income statement.

During the financial year ended 31 December 2025, the Group included two foreign entities preparing separate financial statements in EUR (see note 20 for details relating to the acquisition of one of these entities). During the financial year ended 31 December 2024, the Group included one foreign entity.

The reporting currency of these annual consolidated financial statements is the Polish zloty.

Currency	The following rates were adopted for balance sheet valuation purposes		The arithmetic average exchange rates for each financial year were as follows	
	31 December 2025	31 December 2024	financial year from 1 January 2025 to 31 December 2025	financial year from 1 January 2024 to 31 December 2024
EUR	4.2267	4.2730	4.2372	4.3065
USD	3.6016	4.1012	3.7504	3.9799

4.3.2 Valuation of items expressed in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate applicable at the transaction date. Foreign exchange profits and losses from the settlement of these transactions and the balance sheet valuation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange profits and losses are presented in the income statement under "Financial revenues" or "Financial costs".

4.3.3 Consolidation rules

Subsidiaries

Subsidiaries are all entities (including special purpose vehicles) over which the Group exercises control. The Group exercises control over the entities in which it has invested if, due to its involvement in those entities, it is exposed to variable financial results or has rights to variable financial results, and is able to influence the amount of those financial results by exercising control over those entities. Investments in subsidiaries are recognised at cost less any impairment losses.

In accordance with the principle of materiality set out in the Framework for the Preparation and Presentation of Financial Statements, subsidiaries whose financial statements contain figures that are immaterial to the fulfilment of the obligation to present a true and fair view of the Group's assets and financial position have not been included in the consolidation.

The acquisition of subsidiaries by the Group is accounted for using the acquisition method. The remuneration transferred for the acquisition of a subsidiary is determined as the fair value of the assets transferred and the

liabilities incurred or equity instruments issued by the Group. The remuneration transferred includes the fair value of assets or liabilities arising from the determination of the contingent remuneration element of the agreement. Acquisition-related costs are recognised in the income statement as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. For each acquisition, the Group recognises the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the value of the non-controlling interest in the acquiree and the fair value of any prior equity interest in the acquiree as at the acquisition date over the fair value of the group's share of the identifiable net assets acquired is recognised as goodwill. If this value is lower than the fair value of the net assets of the subsidiary acquired in a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Intra-group transactions, settlements and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Where necessary, the accounting principles of the subsidiaries have been changed to ensure consistency with the accounting principles used by the Group.

Non-controlling interests and transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity holders of the Group. In the case of acquisitions from non-controlling shareholders, the difference between the remuneration paid and the corresponding acquired share in the net assets of the subsidiary at their carrying amount is recognised in equity. Gains or losses on disposals to non-controlling shareholders are also recognised in equity.

4.3.4 Fixed assets, current assets and offsetting

Assets expected to be realised within 12 months of the balance sheet date are classified as current assets. Other assets are classified as fixed assets. Assets and liabilities or revenue and expenses are not offset, unless permitted by a standard or interpretation.

4.3.5 Tangible fixed assets

Buildings, machinery and equipment, means of transport and other fixed assets are recognised at acquisition price or production cost, less subsequent depreciation and any impairment losses, and plus any improvements made. The initial value of fixed assets includes their purchase price plus all costs directly related to the purchase and adaptation of the asset to a state fit for use. Also included in the cost is the cost of replacing component parts of machinery and equipment as they are incurred, if the criteria for their inclusion in the asset value are met. Costs incurred after the date the fixed asset is placed in service, such as maintenance and repair costs, are charged to profit or loss as they are incurred. Land is valued at cost and is not depreciated.

Expenditures for improvements are included in the carrying amount of a given fixed asset or recognised as a separate fixed asset (where appropriate) only if it is probable that economic benefits will flow to the Company from the item, and the cost of the item can be reliably measured. The carrying amount of the said parts is removed from the balance sheet.

The amount subject to depreciation is the cost of the asset, less the residual value of the asset and plus the amount of any improvements made to the asset. The depreciation rates adopted reflect the useful life of the tangible fixed assets. Depreciation is calculated using the straight-line method. The rates for each group of tangible fixed assets are as follows:

- computers and servers: 20%-30%
- fax machines, copiers and similar office equipment: 10%-20%
- other technical equipment: 10%
- telephone exchanges: 10%
- means of transport: 14%-33%
- buildings and structures: 2.5%-20%

The residual value, useful life and depreciation method of assets are reviewed annually and, if necessary, adjusted with effect from the beginning of the following financial year.

An item of tangible fixed assets may be derecognised upon disposal or when no economic benefits are expected from the continued use of such an asset. Any gain or loss arising from the derecognition of an asset is recognised in the profit and loss account in the period in which the derecognition takes place.

Where the carrying amount of a fixed asset exceeds its estimated recoverable amount, its carrying amount is written down immediately to its recoverable amount ("Impairment of non-financial assets"). Impairment losses on non-financial assets are presented in other operating costs while reversals of impairment losses are presented in other operating revenues.

4.3.6 Impairment of non-financial assets

Assets with an unspecified useful life, such as goodwill, are not subject to amortisation, but are tested annually for impairment. Depreciable assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the assets, less costs to sell, or the value in use. For the purpose of impairment analysis, assets are grouped at the lowest level for which there are identifiable separate cash flows (cash-generating units). Non-financial assets, other than goodwill, previously found to be impaired are assessed at each balance sheet date for any indication that an impairment loss may be reversed.

4.3.7 Goodwill

Goodwill on business acquisitions is initially recognised at cost, representing the excess of the cost of acquiring the businesses over the acquirer's share of the net fair value of identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is recognised at the acquisition cost less any accumulated impairment losses. Goodwill is reviewed for possible impairment annually, or more frequently if events or changes have occurred that indicate a possible impairment. Impairment losses in respect of goodwill are not reversed. Profits and losses on the disposal of activities belonging to Cash Generating Units (CGUs) to which goodwill is allocated include the relevant portion of the carrying value of goodwill relating to the business sold.

In order to test for possible impairment, goodwill is allocated to cash generating units (CGUs). Allocations are made to such Cash Generating Units or groups of Cash Generating Units that are expected to benefit from the combination through which the goodwill was created.

4.3.8 Other intangible assets

Intangible assets acquired in a separate transaction are initially recognised at purchase cost. Intangible assets acquired in a business acquisition are initially recognised at fair value as of the acquisition date. After initial recognition, other intangible assets are measured at cost less amortisation and impairment. The useful life of intangible assets is assessed at initial recognition and is deemed to be definite or indefinite.

Intangible assets with finite useful lives are amortised using the straight-line method over their useful lives, which are reflected in the following amortisation rates for each group of other intangible assets:

- costs of completed development work 20%-50%
- concessions, patents, licences, software and similar values: 5%-50%
- other intangible assets: 10%-20%
- customer relations: 5%-20%
- order book 50%
- product brands 10%
- trademarks 10%-20%

Development expenditure is capitalised if the criteria set out under "Development costs" are met.

Useful lives are reviewed annually and, if necessary, adjusted from the beginning of the subsequent financial year.

4.3.9 Research and development costs

Research costs are written off in the income statement as incurred. Directly attributable costs, which are capitalised as part of the software product, include employment costs associated with software development and an appropriate proportion of relevant indirect costs. Expenditure incurred on development work carried out as part of a project is capitalised if it can be considered that:

- ✓ it is technically possible to complete the intangible asset so that it is suitable for use or sale,

- ✓ the entity's management intends to complete the intangible asset for use or sale,
- ✓ there is a possibility of using or selling the intangible asset,
- ✓ it can be demonstrated how the intangible asset will generate probable future economic benefits,
- ✓ appropriate technical, financial and other resources necessary to complete the intangible asset so that it is suitable for use or sale are available,
- ✓ it is possible to reliably determine the value of expenditures incurred during development work attributable to this intangible asset.

Subsequent to the initial recognition of development expenditure, a cost model is used that requires assets to be recognised at cost less accumulated depreciation and accumulated impairment losses. Capitalised development costs are depreciated over the expected period of revenues from sales from the project.

Development costs are reviewed for possible impairment annually - if the asset has not yet been placed in service - or more frequently when, during the reporting period, there is an indication of impairment indicating that its carrying amount may not be recoverable.

4.3.10 External financing costs

When incurring borrowing costs related to qualified assets, the Group capitalises borrowing costs directly related to the acquisition, construction or production of a qualified asset within the cost of such asset.

4.3.11 Investment in affiliates

Investments in affiliates are accounted for using the equity method. Affiliates are entities over which the Group has the ability to exercise significant influence but does not control them. This usually corresponds to holding between 20% and 50% of the voting power at general meetings of shareholders. The financial statements of affiliates adjusted for adjustments to bring them into compliance with IFRS are the basis for valuing the Group's holdings under the equity method.

Under the equity method, investments in affiliates are initially recognised at cost and subsequently adjusted to recognise the Group's share of the affiliate's profit and loss and changes in other comprehensive income of the affiliate in the period after the Group acquires its interest. When the Group's share of an affiliate's losses equals or exceeds the value of the investment, the Group does not recognise further losses unless it has undertaken to settle obligations on behalf of the affiliate or make payments to the affiliate.

4.3.12 Joint contractual arrangements (co-subsidiaries)

Investments in joint contractual arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group assessed the nature of their joint contractual arrangements and agreed that they were joint ventures. The analysis included how to conduct affairs, represent and make statements on behalf of the joint venture, the ability to dispose of a bank account, or the need to make selected decisions by unanimous resolution of Shareholders.

Joint ventures are valued using the equity method. Under the equity method, interests in joint ventures are initially recognised at cost and subsequently adjusted to recognise the Group's share of the joint venture's profit and loss and changes in other comprehensive income of the joint venture in the period after the Group acquires its interest. When the Group's share of the joint venture's losses equals or exceeds the value of the investment, the Group shall not recognise further losses unless it has undertaken to settle obligations on behalf of the joint venture or make contributions to the joint venture.

4.3.13 Financial instruments

The Group qualifies financial assets and financial liabilities in accordance with IFRS 9. Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to a binding agreement. Financial assets are derecognised when the rights to receive cash flows from them have expired or have been transferred, and the Group has transferred substantially all the risks and benefits of their ownership. A financial liability is derecognised when it has been settled, cancelled or expired.

Financial assets

Financial assets fall into the following categories: measured at fair value through profit or loss, measured at fair value through other comprehensive income and measured at amortised cost. Management determines the classification of financial assets upon initial recognition.

Investments in debt instruments are classified into a particular asset category on the basis of the business model for managing groups of financial assets and the contractual cash flow characteristics for the financial asset. The Group has adopted a business model of holding financial assets to raise contractual cash flows.

Financial assets recognised at fair value through profit or loss

Assets in this category are classified as current assets if they are sold within 12 months, and if they are held beyond that period, they are presented as fixed assets. The Group recognises changes in the fair value of financial assets classified in this category of financial assets in the financial result. Interest income and dividends received from equity instruments listed on an active market are also recognised in the financial result.

Financial assets recognised at fair value through other comprehensive income

The Group will recognise profits/losses on the valuation of investments in debt instruments and in equity instruments classified at initial recognition in this asset category, in other comprehensive income. Dividends from equity instruments measured at fair value through other comprehensive income, the Company will recognise as income in profit or loss. Interest income from investments in debt instruments will be recognised by the Group in profit or loss. At the time of disposal of investments in debt instruments, the Company will recognise the accumulated valuation profits/losses in profit or loss.

Financial assets recognised at amortised cost

The Group measures financial assets at amortised cost using the effective interest rate method. Long-term receivables subject to IFRS 9 are discounted at the balance sheet date. Trade receivables with a maturity of less than 12 months are valued at the amount required to be paid, less any allowance for expected loss.

Loans and receivables are non-derivative financial assets carried at amortised cost with fixed or determinable payments that are not quoted in an active market. They are classified as current assets, provided their maturity does not exceed 12 months from the balance sheet date or if it is not longer than the normal operating cycle associated with long-term contracts exceeding 12 months.

Loans granted, trade and other receivables falling within the scope of IFRS 9 are measured at amortised cost (contractual cash flows include only principal and interest payments).

Derivatives and hedge accounting

In connection with its operations, the Group bears the financial risks associated with changes in exchange rates and interest rates. The Group does not apply hedge accounting.

The rules applicable to the use of derivatives are contained in the Group's risk management policy approved by the Management Board of the Parent Company.

Investments in securities

Where market convention provides for the delivery of a security after a well-defined period of time following the transaction date, investments in securities are recognised and derecognised on the date of the purchase or sale transaction. Investments in securities are initially measured at fair value (plus transaction costs in the case of available-for-sale financial assets).

Investments in securities are classified as at fair value through profit or loss. In this case, profits and losses resulting from changes in fair value are recognised in the income statement for the period.

4.3.14 Impairment of financial assets

The model for estimating impairment losses on financial assets is based on a model based on expected losses under IFRS 9. The expected loss model applies to financial assets measured at amortised cost and to financial assets measured at fair value through other comprehensive income, except for investments in equity instruments. The determination of impairment losses due to credit risk does not apply to the measurement of financial assets at fair value through profit or loss.

The estimation of the impairment loss on financial assets is based on the following approaches:

- ✓ general approach - to financial assets measured at fair value through other comprehensive income and to financial assets measured at amortised cost, except for receivables and assets under contracts with customers;

- ✓ simplified approach - to receivables and assets from contracts with customers.

In the general approach, the impairment loss on financial assets is estimated on the basis of a 3-step model based on the change in credit risk of the financial assets since their initial recognition. If the credit risk of the financial assets in question has not increased significantly since initial recognition (stage 1), the impairment loss will be estimated over a 12-month horizon. If a significant increase in the credit risk of financial assets is identified (stages 2 and 3), the impairment loss will be estimated over the life horizon of the financial assets.

Under the simplified approach, changes in credit risk over the life of the receivable are not monitored and the impairment loss is measured at an amount equal to the expected credit losses over the receivable life horizon.

To estimate the impairment losses of trade receivables, the Group uses a provision matrix developed on the basis of historical data on the repayment of receivables by counterparties. Loss ratios are calculated by categorising receivables according to payment delays and customer type. The method for calculating trade receivables is based on dividing customers into homogeneous groups; within each ageing bracket, portfolios of receivables are created, the repayment status of which will be monitored in subsequent periods. The default rates in each group are averaged and finally used to calculate the write-down.

4.3.15 Inventories

Inventories are stated at cost not higher than the net selling price. Manufacturing costs consist of the cost of direct materials and, where applicable, the cost of direct wages and salaries and a reasonable proportion of indirect costs. Inventory outflows of materials and goods are valued using actual prices. The net selling price corresponds to the estimated selling price less all costs necessary to complete production and the costs of bringing the inventory to market or finding a buyer (i.e. selling, marketing costs, etc.).

4.3.16 Trade and other receivables

Trade and other receivables arising from the sale of investments in subsidiaries are held for cash flows under the agreement. The Group does not sell trade receivables under factoring.

Trade and other receivables are valued at amortised cost through profit or loss. For trade receivables under 12 months, the Group does not identify significant financing elements. For trade and other receivables, the Group measures the allowance for expected credit losses using the simplified approach described in Section 12, "Impairment of financial assets". The amount of the write-down is recognised in the income statement. The carrying amount of the asset is reduced via the impairment loss account, and the amount of the loss is charged to the income statement. If a trade receivable is uncollectible, it is written off in the trade receivables provision account. Recovered at a later date, amounts previously written off are recognised as cost of sales in the income statement.

4.3.17 Assets from contracts with customers

The Group presents in assets, separately from trade receivables, contract assets. These assets are recognised when the Group has fulfilled or partially fulfilled the obligation to the customer, has recognised revenue corresponding to the degree of fulfilment of the obligation and is entitled to payment for the work performed, but invoices have not yet been issued. When an invoice is issued, the right to payment becomes unconditional and the Group reclassifies contract assets to trade receivables.

The Group assesses whether a contract asset is impaired in accordance with IFRS 9. Impairment of a contract asset is measured, presented and disclosed on the same basis as for a financial asset.

4.3.18 Contract liabilities

The Group recognises a liability under contracts with customers if it has received payment under the contract from the customer, or has the right to receive this payment (receivable), before providing the goods or services under the contract to the customer, i.e., the Group has an obligation to provide the goods or services for which the payment has already been received (or is due, i.e., the invoice has already been issued).

4.3.19 Deferred income

Under deferred income, the Group presents items relating to future revenue other than that arising from contracts with customers, excluding grants.

4.3.20 Grants

Grants are forms of public aid that take the form of a transfer of funds to an entity in return for that entity having met, or agreeing to meet in the future, certain conditions relating to its operations. The Group recognises government grants in its accounts when there is sufficient and reasonable assurance that the Group will meet the conditions for receiving the grants and that the grants will be received. Assessing whether the conditions have been met requires professional judgement and may involve making estimates. The form of the government grant received, whether in the form of cash or a reduction in liabilities to the government, does not affect the accounting method the Company adopts when recording it in its accounts.

The recognition of a grant in the accounts depends on its intended use. International Accounting Standard 20 "Accounting for Government Grants and Disclosure of Government Assistance" (IAS 20) distinguishes between two basic types of grants, namely:

- ✓ Asset grants - the granting of which is accompanied by the basic condition that the qualifying entity should purchase, produce or otherwise acquire long-term (non-current) assets. Such grants may also be accompanied by additional conditions placing restrictions on the type of assets granted, their location or the periods during which they are to be acquired or held by the Group;
- ✓ Revenue grants - which are government grants other than asset grants, they can be e.g. price subsidies, reimbursement of operating expenses, etc.

Asset grants

The Group recognises government grants relating to assets in the statement of financial position by reducing the carrying amount of the assets by the amount of the grant in order to obtain the balance sheet value of the asset. The grant is then recognised in profit or loss over the useful life of the depreciable asset by means of a reduced depreciation charge.

Revenue grants

State grants relating to costs are presented in the statement of financial position in deferred income and are subsequently recognised in the statement of profit or loss as other operating income in the respective periods in which the costs that the grants are intended to offset are incurred, ensuring that revenue is commensurate with costs.

4.3.21 Cash and cash equivalents

Cash and short-term deposits shown in the statement of financial position include cash at bank and in hand and short-term deposits with an original maturity of three months or less. The cash and cash equivalents balance shown in the consolidated cash flow statement consists of the cash and cash equivalents set out above. The balances of outstanding overdrafts are presented in the statement of financial position under credits and loans.

4.3.22 Assets held for sale

Fixed assets or groups of assets classified as held for sale are measured at the lower of carrying amount or fair value, less selling costs.

4.3.23 Equity

The Parent Company's equity is stated at par value in accordance with the principles laid down by law and the provisions of the Articles of Association.

The Parent Company's share capital is recognised at the amount specified in the Articles of Association and recorded in the Court Register.

The marginal costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds of the issue.

4.3.24 Payments in the form of treasury shares

Some of the Group's employees may receive additional remuneration in the form of share options, whereby employees provide services in exchange for shares or rights to shares ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to fair value at the date of grant of rights. In the valuation of equity-settled transactions, no performance/output conditions are taken into account, other than those related to the share price of Sygnity S.A. ("market conditions").

The cost of equity-settled transactions is recognised in the statement of comprehensive income with a corresponding increase in equity in the period in which the performance/results conditions are met, ending on the date on which the specified employees become fully vested ("vesting date"). The accumulated cost recognised on account of transactions settled in equity instruments as at every balance sheet date to the date of acquisition of rights reflects the degree of passage of time of acquisition of rights as well as the number of options, rights to which will be finally acquired in the opinion of the Management Board of the Parent Company. No costs are recognised on account of the options, rights to which are not finally acquired, with exclusion of the options, in case of which acquisition of rights depends on the market conditions, which are treated as acquired regardless of the fact of fulfilment of the market conditions, provided that all other terms and conditions relating to performance are met.

Where the terms of an equity-settled option grant are modified, costs are recognised in meeting the minimum requirement as if the terms had not changed. In addition, costs are recognised for any increase in the value of the transaction as a result of the modification, measured at the date of the modification.

The dilutive effect of options issued is taken into account in determining earnings per share as additional share dilution.

4.3.25 Employee benefits

In accordance with the company remuneration systems, employees of Group companies are entitled to retirement benefits. Retirement severance benefits are paid once, at the time of retirement. The amount of severance pay depends on the employee's length of service and average remuneration. The Group makes a provision for future retirement severance benefit obligations in order to allocate costs to the periods to which they relate. According to IAS 19, retirement benefits are defined benefit post-employment plans. The present value of these liabilities at each balance sheet date is calculated by an independent actuary. The accrued liabilities are equal to the discounted payments to be made in the future, taking into account staff turnover, and relate to the period up to the balance sheet date. Demographic and employment turnover information is based on historical data. Actuarial profits and losses are recognised in other comprehensive income.

The Group pays contributions to state defined contribution pension plans. Contributions to defined contribution pension plans are charged to the income statement in the period to which they relate.

4.3.26 Provisions

Provisions are recognised when the Group has an existing obligation (legal or constructive) resulting from past events and when it is probable that the fulfilment of this obligation will result in the need for an outflow of resources to which economic benefits are related, and the amount of this obligation can be reliably estimated.

Where the effect of the time value of money is material, the amount of the provision is determined by discounting the projected future cash flows to present value, using a gross discount rate reflecting current market assessments of the time value of money and the risks, if any, associated with the liability. If the discounting method is used, the increase in the provision due to the passage of time is recognised as external financing costs.

4.3.27 Leasing

The Group recognises the right to use an asset and lease liabilities in accordance with IFRS 16. Under IFRS 16, an agreement is a lease or contains a lease if it conveys the right to control an identified asset for a given period of time in exchange for remuneration. The right of control is transferred to the lessee under the concluded agreement, if the lessee disposes of a total of the following throughout the period of the agreement:

- ✓ the right to obtain substantially all the economic benefits from the use of the identified asset;
- ✓ the right to direct the use of the identified asset.

Right-of-use assets

At the commencement date of the lease, the Group measures the right-of-use asset at cost. The cost of an asset includes:

- ✓ the initial value of the valuation of the lease liability;
- ✓ lease payments incurred on or before the commencement date less lease incentives received;
- ✓ initial direct costs;
- ✓ estimated costs to dismantle, remove or refurbish the underlying asset to the condition required by the lease terms.

Subsequent valuation of the right-of-use asset is carried out using the cost model. To apply it, the Group reduces the initial value of the asset by the total depreciation and impairment losses, and adjusts for any revaluation of the lease liability. The Company depreciates right-of-use assets on a straight-line basis; however:

- ✓ if the lease agreement provides for the transfer of ownership of the leased asset to the Group at the end of the lease term, or if the cost of the right-of-use asset reflects the fact that the Group will exercise a purchase option, the right-of-use asset is depreciated from the commencement date until the end of the asset's useful life;
- ✓ otherwise, the Group depreciates the right-of-use asset from the date of commencement of the lease until the end of the asset's useful life or the end of the lease term, whichever is earlier.

The Group applies the provisions of IAS 36 "Impairment of Assets" to assess whether a right-of-use asset is impaired and to recognise any identified impairment loss.

Lease liability

The Group measures the lease liability at the commencement date of the lease at the current amount of lease payments outstanding at that date. The Group recognises the following in the amount of fees outstanding at the commencement date of the lease:

- ✓ fixed lease payments, less rent incentives payable;
- ✓ variable lease payments dependent on an index or a rate, initially valued using that index or that rate according to their value at the commencement date;
- ✓ amounts that the lessee is expected to pay as part of the guaranteed residual value;
- ✓ the strike price of a call option, if it can be assumed with reasonable certainty that the Company will exercise the option;
- ✓ monetary penalties for lease termination, if the lease terms provide that the Company may exercise the option to terminate the lease.

After the initial recognition of the lease liability, the Group in subsequent periods:

- ✓ increases the carrying amount of the liability by accrued interest;
- ✓ reduces the carrying amount of the liability by the lease payments made;
- ✓ updates the balance sheet liability by any modifications in the lease agreements regarding the lease term, the amount of substantially fixed lease payments, or the effect of changes in judgement regarding the exercise of the option to purchase the leased asset.

The Group recognises the revaluation of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset has been reduced to zero and there is a further reduction in the valuation of the lease liability, the lessee recognises the remaining revaluation amount in the result of the reporting period.

Simplifications for short-term agreements and low-value assets, exemptions from IFRS 16. The Group does not recognise right-of-use assets or corresponding lease liabilities when:

- ✓ leases, rental agreements and agreements of a similar nature were concluded for a period of less than 12 months from the date of commencement of the lease,
- ✓ the contract is for a low-value asset.

The Group considers low-value assets with a value not exceeding PLN 20,000 to be low-value assets.

Group as a lessor

For leases for which the Group is the lessor, it classifies the lease as either an operating lease or a finance lease depending on the content of the agreement. A lease is considered financial if the agreement transfers substantially all the risks and rewards of owning the leased property. Otherwise, the lease is classified as an operating lease. Classification is made by reference to the right-of-use asset rather than by reference to the underlying asset. In the case of sublease, if the main lease is a short-term lease, the Company classifies the sublease as an operating lease. Assets arising from agreements classified as finance leases are recognised in the statement of financial position as net lease investments at the present value of lease payments. The principal portion of the payments received reduces the net investment in the lease and the portion representing interest is recognised as finance income.

For operating leases, lease payments are recognised as income using the straight-line method.

4.3.28 Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to their economic content under their agreements. An equity instrument is an agreement that gives the right to an interest in the Group's assets less all liabilities.

4.3.29 Equity instruments

Equity instruments issued by the Group are recognised at the value of proceeds received less direct issue costs.

4.3.30 Bank credits and loans; bonds

At initial recognition, all bank credits and loans are recognised at fair value less costs associated with obtaining the credit or loan. After initial recognition, interest-bearing credits and loans are measured at amortised cost using the effective interest rate method. In determining amortised cost, the costs associated with obtaining the credit or loan and discounts or premiums are taken into account.

At initial recognition, bonds are recognised at fair value less costs associated with the issue of the bonds. After initial recognition, bonds are measured at amortised cost using the effective interest rate method. In determining amortised cost, issue costs and discounts or premiums are taken into account.

4.3.31 Trade liabilities

Trade liabilities represent obligations to pay for goods and services purchased in the ordinary course of the company's business from suppliers. Trade liabilities are classified as short-term liabilities if they are due within one year (or in the normal business cycle of the company, if longer). Otherwise, liabilities are recognised as long-term.

Trade liabilities are initially recognised at fair value and subsequently recognised at amortised cost using the effective interest rate method.

Trade liabilities include accruals for probable liabilities attributable to the current reporting period when the amount of the liability can be estimated reliably. Accrued expenses are less likely to be charged than liabilities. Accruals are made on a prudent and accrual basis.

4.3.32 Revenues

Revenues from sales are recognised in accordance with IFRS 15, which applies to all contracts with customers, except those that fall within the scope of other standards.

The Group recognises revenues from contracts with customers when the performance obligation is fulfilled (or in the process of being fulfilled) by transferring control of the promised good or service to the customer. Revenue is recognised at the amount of remuneration the Group expects to receive in exchange for the transfer of promised services or goods to the customer.

Revenues from sales are presented net of value added tax.

Recognition of revenues from sales is based on a five-step model, which involves identifying performance obligations in a contract with a customer, determining a transaction price that takes into account variable elements of remuneration and a significant element of financing, and assigning the transaction price to individual performance obligations on the basis of a proportionate individual selling price, and then recognising revenue at a point or over time - depending on how each contractual obligation is fulfilled.

Comprehensive IT projects

The main categories of products and services appearing in the Group's contracts with customers are described below, along with a description of the contractual obligations occurring for each category and the revenue recognition principles applied.

Revenues from comprehensive IT projects are revenues from the Group's services, in which a functional IT project is delivered to the customer. The final product in this case is the system, which consists of either in-house or third-party licences and related other services, i.e. modifications or implementation. This means that in the case of comprehensive IT contracts, the Group is obliged to provide the customer with comprehensive goods or services, which include own or third-party licences, along with modification or implementation services. The Group analyses for separability of the licence from other goods or services promised in the agreement. The mere obligation to sell a licence as part of such a comprehensive performance obligation does not meet the conditions for separateness - the transfer of licence is a part of a larger performance obligation.

Revenue from a commitment to deliver a functional IT system is recognised over time - over the period in which the system is built. Under IFRS 15, revenue is recognised over time if the Group transfers control of the good or service over time. In the case of the Group's provision of a comprehensive IT service, one of the conditions indicating the transfer of control over time is met, i.e. the condition that the entity's performance does not result in an asset with an alternative use for the entity, and the entity has an enforceable right to payment for the service provided to date.

Revenue from comprehensive IT projects, which also include in-house or third-party licences and in-house services, is recognised according to the input-based method, i.e., according to the degree of cost progress (input-based method based on the percentage of cost progress). Revenues are recognised in proportion to costs incurred. The stage of completion of a contract is determined as the ratio of costs incurred up to the balance sheet date to the total contract costs (total contract costs include costs incurred up to the balance sheet date and currently forecast costs remaining to complete the contract). Revenue corresponding to the stage of completion of a contract at the balance sheet date is determined as the product of the stage of completion and the total amount of planned revenue on the contract. If the costs incurred less anticipated losses and increased by profits recognised in the income statement exceed by their percentage advancement the percentage advancement of invoiced sales, the amount of uninvoiced sales resulting from the above difference is presented in the balance sheet assets under "assets from contracts with customers".

Consortium agreements

Revenue from agreements in which part of the services that together with the others constitute a single contractual obligation is performed by a consortium member, and the Group is responsible for the performance of the contractual obligation and is a party to the agreement, is recognised on a gross basis, i.e., together with the revenue from the part of the services performed by a third party with the parallel recognition of the cost of purchasing this service.

Loss-generating contracts

A loss-generating contract is a contract in which the total contract revenue is less than the total cost. Where it is highly probable that the total cost of performing the contract will exceed the total contract revenue, the expected loss is recognised as an expense in the period in which it is disclosed through a provision for contract losses. The amount of the provision and/or the reasonableness of its maintenance is reviewed at each subsequent balance sheet date until the contract is completed.

The value of the provisions for losses made is presented in the liability category "Valuation of long-term IT contracts".

Variable remuneration

Under IFRS 15, if the remuneration specified in the agreement includes a variable amount, the Group estimates the amount of remuneration to which it will be entitled in exchange for the transfer of promised goods or services to the customer and includes in the transaction price part or all of the variable remuneration amount only to the extent that it is highly probable that there will be no reversal of a significant portion of the amount of previously recognised accumulated revenue when uncertainty about the amount of variable consideration ceases.

The Group is a party to a number of agreements that provide for contractual penalties for non-performance or improper performance of a contractual obligation. Expected contractual penalties may cause the remuneration, which was quoted in the agreement as a fixed amount, to be subject to changes precisely because of the expected penalties. The estimated level of expected contractual penalties and other elements that may change the remuneration reduces the value of revenue.

Sales of goods

Revenues from sales of goods mainly represent revenues from the sale of computer hardware, which is not purchased to provide a comprehensive IT system implementation service and represents a separate contractual obligation.

When the Group is a party to the agreement and controls the goods before transferring them to the customer, revenue is recognised at the full amount of the remuneration. If the Group is an agent, i.e., an intermediary in the transfer of goods, revenue is recognised on a net basis, i.e., in the amount of fees or commissions to which the entity is expected to be entitled. Revenue is recognised when the performance obligation is realised and control of the good is transferred to the customer.

Sale of third-party licences

The sale of third-party licences, which are not purchased by the Group to provide a comprehensive implementation service and are not part of a larger contractual obligation, constitutes a separate performance obligation. Revenue is recognised depending on the defined right to access the intellectual property, i.e., either over the life of the licence or once when the licence is granted and control over the licence is transferred. Revenues from sales of third-party licences included in a larger contractual obligation is recognised over time; details of the recognition of this revenue are described under "Comprehensive IT projects".

When the Group is a party to the agreement and controls the goods before transferring them to the customer, revenue is recognised at the full amount of the remuneration. If the Group is an agent, i.e., an intermediary in the transfer of goods, revenue is recognised on a net basis, i.e., in the amount of fees or commissions to which the entity is expected to be entitled.

Sale of own licences

The sale of own licences, which is not linked to other implementation services, is a separate contractual obligation. Revenue is recognised depending on the defined right to access the intellectual property, i.e. either over the life of the licence or once when the licence is granted and control over the licence is transferred. In agreements for the sale of own licences, a software maintenance service is often offered to the customer, which is treated as a separate contractual obligation and the revenue from this is recognised separately from the revenue from sale of the licence and recognised over time over the period of the maintenance service.

Maintenance services

Maintenance services to ensure the smooth operation of IT systems, including both hardware, software and IT infrastructure, constitute a separate performance obligation. The relevant part of the contractual remuneration is allocated to the maintenance service obligation and is recognised over time over the period that the services are provided. Maintenance services are understood to mean maintenance services provided for own products/systems and partner maintenance services.

In the case of producer service, an agent v. party to the agreement is considered and revenue is recognised either in the gross amount of remuneration (when the Group is a party to the agreement and controls the services before transferring them to the customer) or in the net amount of remuneration (if the Group acts as an agent, i.e. is only an intermediary in the transfer of services).

Warranty services

The Group in many cases provides warranties on goods and services sold. A warranty service in which the period of the offered warranty is longer than the standard warranty offered in the market or the scope of services provided under the warranty is broader than the standard warranty, for which no service agreement has been concluded, constitutes a separate contractual obligation. The decision that warranties are above-standard is made whenever the Group, under agreements, undertakes to repair errors in the delivered software within a strict timeframe and/or when the warranty is more extensive than the minimum required by law. Such an above-standard warranty indicates that it is an additional service.

The Group allocates a portion of the transaction price from the agreement to the warranty on the characteristics of the service. This revenue is deferred until the warranty service is actually provided and recognised over time as the customer benefits from the service as it is provided by the Group.

For warranties where the warranty coverage does not exceed the minimum required by law, a provision for warranty repairs is created and recognised in operating expenses.

Significant financing element

In determining the transaction price, the Group adjusts the promised remuneration by the change in the time value of money if the distribution over time of the payments agreed upon by the parties to the agreement gives the customer or the Group a significant advantage in financing the transfer of goods or services to the customer. In such cases, the Group considers that the agreement contains a significant financing element.

The Group does not adjust the promised remuneration for the impact of a material financing element if, at the time of contracting, it expects that the period from the time the promised good or service is transferred to the customer until the customer pays for the good or service will be no more than one year.

Rental revenues

Rental revenues from property are recognised on a straight-line basis over the contractual rental period.

Costs of contracts with customers

Contract acquisition costs (costs incurred to conclude a contract) are the additional costs incurred by the Group to conclude a contract with a customer, which the Group would not have incurred had the contract not been concluded. Such costs are recognised as an asset if they are recoverable. The amortisation period for capitalised contract acquisition costs is the period during which the Group fulfils its performance obligations under the contract.

The costs of the contract with the customer include:

- ✓ costs directly related to the contract or anticipated contract with the customer;
- ✓ costs leading to the generation or enhancement of the Group's resources that will be used to meet future performance obligations;
- ✓ costs that are recoverable by the Group.

4.3.33 Dividends

Dividends are recognised when the shareholders' rights to receive them are vested. Dividend payments to shareholders of the Parent Company are recognised as a liability in the Group's consolidated financial statements in the period in which they are approved by the shareholders of the Parent Company.

4.3.34 Interest revenue

Interest revenue is recognised successively as it accrues, taking into account the effective interest rate method, which is the rate that discounts future cash receipts over the estimated useful life of the financial instruments to the net carrying amount of the financial asset.

4.3.35 Income tax

Income tax for the reporting period includes current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates directly to items recognised in other comprehensive income or equity.

In this case, the tax is also recognised in other comprehensive income or equity, as appropriate. The current income tax liability is calculated on the basis of the tax laws in force or those actually enacted at the balance sheet date in the countries where subsidiaries, co-subsidiaries and affiliates operate and generate taxable income. The Management Board periodically reviews the calculation of tax liabilities with regard to situations in which the relevant tax laws are subject to interpretation, creating possible provisions for amounts owed to the tax authorities.

Deferred income tax liability or asset arising from temporary differences between the tax value of assets and liabilities and their carrying amount in the consolidated financial statements - is recognised using the balance sheet method. However, where the deferred tax arose from the initial recognition of an asset or liability in a transaction other than a business combination that affects neither profit or loss nor taxable profit (tax loss), it is not recognised. Deferred income tax is determined using tax rates (and regulations) that are legally or actually in effect at the balance sheet date and are expected to be in effect when the related deferred tax assets are realised or the deferred tax liability is settled.

Deferred tax assets are recognised only when it is probable that future taxable income will be generated to utilise temporary differences.

Deferred tax assets arising from all negative temporary differences relating to investments in subsidiaries, branches, affiliates and interests in joint arrangements are recognised 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 utilised.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches, affiliates and interests in joint arrangements, except where the following two conditions are met: the parent, investor, joint venture or joint venturer is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is an enforceable legal right to set off current tax assets against current tax liabilities and if the deferred tax assets and liabilities relate to income taxes calculated by the same tax

authorities on a taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.3.36 Business segments

In accordance with IFRS 8, an operating segment is an identifiable component of the Group's business that is engaged in activities from which the Group generates revenue and incurs costs, and whose operating results are regularly reviewed by the chief operating decision-maker for the purpose of allocating resources and assessing the performance of those activities. Identifiable operating segments are combined into a single reportable segment when they have similar economic characteristics and, in particular, have similar products and services sold, customers, distribution methods and applicable regulations.

5. Financial risk management

5.1 Financial risk factors

The Group's operations expose it to a wide range of financial risks such as market risk (including: exchange rate risk, fair value risk or cash flow risk due to changes in interest rates and price risk), credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets, seeking to minimise potential adverse impacts on financial performance. Risks are managed by the Parent Company's Finance Office, which implements policies approved by the Management Board. The Finance Office identifies and assesses financial risks and safeguards the Company against them in close collaboration with the operational units.

As at 31 December 2025, the Group holds the following financial instruments:

Item in the statement of financial position	Classification under IFRS 9	Carrying amount under IFRS 9 as at 31/12/2025	Carrying amount under IFRS 9 as at 31/12/2024
Cash	Measured at amortised cost	187,657	131,081
Financial assets measured at amortised cost	Measured at amortised cost	398	663
Trade receivables	Measured at amortised cost	41,204	29,781
		229,259	161,525

Financial liabilities are presented in note 5.2 on financial debt. All financial liabilities presented are measured at amortised cost.

5.1.1 Market risk

Exchange rate risk

Currency risk is understood as the probability that changes in exchange rates will have an adverse effect on financial results. Assets and liabilities denominated in foreign currencies relate to trade receivables and payables, as well as dividend receivables denominated in EUR, USD or other currencies. The Group does not take credit facilities in foreign currencies. The Group comprises two entities based in Lithuania, for which the functional currency in which they conduct their operations is EUR. The Group identifies currency risk in connection with transactions entered into by Group companies in currencies other than the functional currency of the relevant entity. As a result of having few assets and liabilities denominated in currencies other than the functional currencies for the individual companies, there is a relatively low exposure of the Group to currency risk. Due to the immaterial level of liabilities held in foreign currency, the Group does not seek to hedge foreign currency transactions. The main purpose of the measures taken to hedge against currency risk is to protect against fluctuations in exchange rates that accompany payments for deliveries made in foreign currencies or payments received from customers. The Group does not apply hedge accounting.

Interest rate risk

Interest rate risk is understood as the probability that changes in interest rates will have an adverse effect on the Group's financial results. The Group is exposed to interest rate risk arising from bank credits and leasing agreements entered into, the interest rates on which are linked to WIBOR. A change in interest rates will affect the

amount of interest paid on financial liabilities. The Group does not use derivative instruments to hedge interest rate risk. As at the balance sheet date, the Group is exposed to interest rate risk in relation to (short-term) term deposits. This item is based on the WIBOR rate.

5.1.2 Credit risk

By credit risk, we mean the likelihood that a counterparty will fail to settle its debt on time or will fail to settle it at all. The Group's policy is to enter into transactions involving financial instruments with highly creditworthy entities. Credit risk exists primarily in relation to outstanding receivables from customers under contracts performed by the Group. The Group's customers are mainly public authorities, central and local government bodies and corporate customers whose creditworthiness is not in doubt. The Group manages credit risk on an ongoing basis by monitoring stages of performance, receivables and proactive collection activities, thereby influencing the minimisation of risk levels. The Group does not anticipate incurring any material losses arising from credit risk in excess of the impairment losses recognised in these financial statements.

5.1.3 Liquidity risk

The Group's day-to-day operations depend on available cash. The Group companies maintain such a level of debt to provide funding without disrupting current operations. Group management monitors projected cash flows. The level of liquidity is controlled by preparing cash flows projections. The realisation of planned flows is periodically verified and includes, among others, analysis of unrealised cash flows, their causes and effects. Such financial results projections take into account the Group's plans for external financing, the need to comply with the terms of contracted liabilities.

The Group anticipates that the basic future financing needs will relate to the financing of current assets, investments, servicing of debt under credits, as well as settling current liabilities. According to the Group, the current balance of cash means, easily marketable financial assets available for sale and funds from operating activities will be sufficient to finance these needs. Nevertheless, if market conditions or financial difficulties of customers translate negatively into funds raised from the Group's operations, the Group will revise its financial needs to ensure that its existing obligations are met. As at 31 December 2025, the Group had financial means in the total amount of 187,657 (as at 31 December 2024: 131,081).

The table below presents an analysis of the Group's liabilities by maturity, based on the period remaining until the repayment date as at the balance sheet date. The amounts shown in the table represent the discounted contractual cash flows including interest. The balances of non-interest-bearing liabilities falling due within 12 months are shown in the balance sheet item values.

	As at 31/12/2025	As at 31/12/2024
Long-term liabilities		
Lease liabilities	5,594	5,124
Trade and other liabilities	408	427
	6,002	5,551
Short-term liabilities		
Credits and loans	-	12,044
Bond liabilities	100	100
Lease liabilities	3,600	3,322
Trade liabilities	3,819	3,893
Other liabilities	56,739	41,927
	64,258	61,286

Information on the ageing of short-term trade liabilities, in the trade part, is included in note 33.

5.2 Capital risk management

The main objective of the Group's capital management is to maintain a good credit rating and safe capital ratios to support the Group's operations and increase shareholder value.

The Group manages its capital structure and makes changes to it as a result of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may change the payment of dividends to shareholders, return capital to shareholders or issue new shares. The Group monitors its capital position using the financial debt ratio. This ratio is calculated as the ratio of net financial debt to total capital. Net financial debt is calculated as the sum of interest-bearing credits and loans and bonds and finance lease liabilities less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position together with net financial debt.

	As at 31/12/2025	As at 31/12/2024
Financial debt		
Gross financial debt		
Bond liabilities	100	100
Interest-bearing credits and loans	-	12,044
Lease liabilities	9,194	8,446
	9,294	20,590
Net financial debt		
minus cash and cash equivalents	(187,657)	(131,081)
	(178,363)	(110,491)
Total equity	363,837	283,594
Total capital	185,474	173,103
Net financial debt ratio	(96.2)%	(63.8)%

Total capital = Net financial debt + Total equity
Net financial debt ratio = Net financial debt / Total capital

During the financial year ended 31 December 2025, the Group was financed mainly by equity and, to a lesser extent, by debt. At the balance sheet date, the net financial debt ratio was -96.2% (-63.8% at the end of the previous financial year).

6. Important accounting estimates and judgements

They are the result of past experience and other factors, including predictions of future events that seem reasonable in a given situation. Accounting estimates and judgements are regularly reviewed representing the most likely amounts of future outflows of economic benefits from the Company.

Important estimates and assumptions

The Group makes estimates and assumptions about the future. The resulting accounting estimates, by definition, will rarely coincide with actual results. Estimates and assumptions that carry a significant risk of requiring a material adjustment to the carrying amount of assets and liabilities during the next financial year are discussed below.

Deferred income tax assets

The Group recognises deferred tax assets based on the assumption that taxable income will be generated in the future to allow its utilisation. Deterioration of the tax results obtained in the future could render this assumption unjustified. The Group presents deferred tax assets and liabilities on a combined basis (per balance) when it has a title to offsets (at the level of individual Group companies). The details relating to deferred tax are described in note 15.

In the financial year ended 31 December 2025, Sygnity S.A., Sygnity Business Solutions S.A. and Sagra Technology Sp. z o.o. earned tax income and partially settled the R&D relief for the 2025 tax year (taking into account the limits on the effective tax rate under the Global Minimum Tax (Pillar 2) legislation).

In the opinion of the Parent Company's Management Board, the recoverability of the recognised deferred tax asset is highly probable, but depends on a number of factors, including the Group's ability to realise its projected financial results. The recoverability of recognised deferred tax assets in future periods may also be significantly affected by tax legislation related to the introduction of the Global Minimum Tax (Pillar 2).

Estimates of significant provisions and contracts

When accounting for revenue from contracts with customers, the Group recognises revenue when the performance obligation is fulfilled (or in the process of being fulfilled) by transferring control of the promised good or service to the customer. Revenue is recognised at the amount of remuneration the Group expects to receive in exchange for the transfer of promised services or goods to the customer. The application of this method is based on a five-step model, which involves identifying performance obligations in an contract with a customer, setting a transaction price that takes into account the variable elements of remuneration and the significant element of financing, and assigning the transaction price to individual performance obligations on the basis of a proportional individual selling price, and then recognising revenue at a point or over time - depending on how the individual contractual obligations are fulfilled. In the case of time-based revenue recognition, it is required to estimate the measurement of the fulfilment of the performance obligation according to either performance-based or input-based methods. The estimation of the degree of fulfilment of the performance obligation is based on data contained in contract budgets.

Individual contract budgets are subject to an update process based on current information at each balance sheet date and are reviewed by the Management Board. If events occur between official budget revisions that significantly affect the outcome of a contract, the value of total contract revenue or costs may be updated earlier. At each balance sheet date, there is a significant amount of completed but unconfirmed and uninvoiced work by subcontractors that the Group recognises as contract costs on an accrual basis. The amount of subcontractor costs for completed but uninvoiced work is estimated by the technical team based on a measurement of the degree of fulfilment of the performance obligation and may differ from the value determined by the formal acceptance process, which follows a mutually approved schedule.

Estimates of amounts (including provisions) relating to pending litigation to which the Group is a party

Estimates related to provisions relating to litigation are subject to a high degree of uncertainty due to the nature of the pending cases, and the established reserve amounts take into account the most likely scenario for further litigation.

Recognition of revenues from sales of third-party licences

In the case of contracts for the sale of third-party licences that are not part of a comprehensive implementation service, the Group often does not exercise control over these goods before they are transferred to the customer and is not responsible for their delivery, which means that it acts as an agent/broker in such contracts. Under IFRS 15, revenue in such contracts is recognised on a net basis, i.e. in the amount of fees or commissions to which the Group is expected to be entitled.

Depreciation rates

Depreciation rates are determined on the basis of the expected economic useful life of tangible and intangible assets. The Group revises the assumed economic useful lives annually on the basis of current estimates.

Estimated impairment of goodwill

The Group tests goodwill for impairment annually and whenever indications arise, in accordance with the accounting policies described in note 4.

Estimating value in use involves determining the future cash flows generated by a cash-generating unit and requires determining the discount rate to be used to calculate the present value of those cash flows.

Details of the test performed are described in note 21 of these consolidated financial statements.

The impact of the political and economic situation in Ukraine and the war in the Middle East on significant accounting judgements and estimates

In light of the political and economic situation in Ukraine and the war in the Middle East, the Parent Company's Management Board has reviewed the key areas requiring the application of accounting judgements and estimates. In particular, the budgets and financial forecasts, the assumptions on which the goodwill impairment test is based, were analysed (see note 21 for details). As a result of the analysis carried out, the Parent Company's Management Board has concluded that, with respect to the areas mentioned above, there are no indications that could materially change the judgements made to date. A detailed assessment of the impact of the political and economic situation in Ukraine and the war in the Middle East is set out in note 3.

7. Information on business segments

The Sygnity Group distinguishes one operating segment within its operations: IT Segment. It includes mainly manufacture, purchase and sale of integrated IT systems, infrastructure and hardware in key sectors: public, banking and financial as well as public utility sectors.

8. Approval of the consolidated financial statements for the previous financial year

The consolidated financial statements for the financial year ended 31 December 2024 were approved on 30 June 2025 by the General Meeting of Sygnity.

9. Revenues from sales

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Revenues on account of contracts with customers		
Licences and software	15,812	11,058
Implementation services	188,983	167,650
Servicing	144,203	113,834
	348,998	292,542
Rental revenues		
Subletting revenues	-	40
	-	40
	348,998	292,582
Revenues from sales of products and services		
Revenues from sales of goods and materials		
Hardware	1,258	607
	1,258	607

Revenues from contracts with customers are generated primarily in Poland. Approximately 8.1% of revenues from sales for the year ended 31 December 2025 (approximately 5.5% for the year ended 31 December 2024) were generated from principals not based in Poland. In majority, it was revenues from sales of implementation services as well as of computer hardware. Excluding rental revenues, all revenues from sales recognised by the Group in the statement of comprehensive income were earned from contracts with customers within the meaning of IFRS 15.

In the financial year ended 31 December 2025, breakdown of revenue-by-revenue recognition moment was as follows:

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Net revenues from sales		
Revenues from sales of products and services, as well as goods and materials provided to the customer at a specific point in time	294,114	251,923
Revenues from sales of products and services transferred over time	56,142	41,266
	350,256	293,189

10. Costs by type and manufacturing cost of sold products and services

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Costs by type		
Consumption of materials and energy	(4,266)	(4,506)

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

Third-party services	(75,785)	(67,822)
Payroll	(133,658)	(115,850)
Employee benefits	(30,491)	(25,597)
Amortisation/depreciation	(13,960)	(14,916)
Taxes and charges	(1,502)	(1,526)
Other	(1,621)	(906)
<i>including reserves*</i>	(64)	1,033
	(261,283)	(231,123)
Sales costs	(8,063)	(7,042)
General and administrative expenses**	(66,355)	(49,380)
Manufacturing cost of sold products and services	(186,865)	(174,701)

* Provisions for losses on long-term contracts (creation / utilisation) and other provisions relate to different types of costs and are presented on a single line in order to maintain comparability of the source costs by type between periods.

** The increase in costs, including General and administrative expenses in the current period is due to an increase in costs incurred in connection with acquisitions of subsidiaries and the inclusion in the consolidated figures of the results of the newly acquired companies.

Third-party services consist primarily of subcontractor costs, site maintenance costs, legal, notary and consultancy fees and telecommunications costs.

11. Other operating revenues

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Other operating revenues		
Revenues on account of reinvoices	168	339
Winning court cases and reimbursement of court costs *	-	3,034
Grants received	-	144
Writing off overdue liabilities	54	43
Refunds received for previous years	-	653
Other titles	971	1,354
	1,193	5,567

*Relates to a VAT dispute case with the tax authorities for 2008.

12. Other operating costs

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Other operating costs		
Provision for penalties and litigation costs	-	(35)
Establishment of provisions and impairment losses	(64)	-
Liquidation of intangible assets	(2)	-
Donations made	(22)	(22)
Other titles*	(32)	(393)
	(120)	(450)

* Of which in 2024 the amount of 204 related to the settlement of RMC accounts.

13. Financial revenues

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Financial revenues		

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

Financial revenues from interest, including:		
- on bank deposits	3,827	2,009
- other titles*	166	2,629
Change in impairment losses on investments and financial instruments	27	9
Discount of settlements	77	24
Positive exchange differences	9	105
	4,106	4,776

*Of which, in 2024, the amount of 2,613 represented interest received following a favourable outcome of a dispute with the tax authorities regarding VAT for 2008.

14. Financial costs

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Financial costs		
Financial costs on account of interest, of which:		
- on credits and loans	(415)	(1,407)
- other interest	(40)	(60)
Discount of settlements	(188)	(302)
Write-offs on financial assets*	(1,404)	(22)
Interest on account of financial lease	(677)	(393)
Negative foreign exchange differences	(66)	(62)
Other titles	-	(156)
	(2,790)	(2,402)

*Of which the amount of 1,200 relates to a write-down of a receivable from one of the Company's counterparties in 2025. This write-down was a one-off event.

15. Income tax

15.1 Tax burden

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Income tax recognised in the statement of comprehensive income		
Current income tax	(18,218)	(9,085)
<i>Current income tax burden</i>	(18,564)	(9,194)
<i>Income tax adjustments relating to previous years</i>	346	109
Deferred income tax	4,710	356
	(13,508)	(8,729)

15.2 Reconciliation of effective tax rate

A reconciliation of income tax on earnings before income taxes at the statutory tax rate to income tax calculated at the Group's effective tax rate for the year ended 31 December 2025 is as follows:

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Profit before tax	90,768	69,184
Statutory tax rate	19%	19%
Tax at the statutory rate	(17,246)	(13,145)
Relief for research and development activities and IP BOX	3,860	4,700
Settlements with the Tax Office (CIT adjustments)	346	109
Other net differences	-	5
Difference in tax rate due to different tax jurisdiction	83	19

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Tax impact of permanent differences:		
Non-tax revenues:		
- settlements with the Tax Office (non-tax interest)*	-	486
Non-tax costs:		
- costs of using locations and passenger vehicles	(68)	(9)
- employee benefits	(165)	(178)
- (creation)/dissolution of provisions for penalties	(1)	(67)
- incentive programme**	(407)	(773)
- share in the result of a joint venture and write-off of the value of investment in a joint venture, result on liquidation of a subsidiary	6	5
- other revenues/costs	84	119
Income tax	(13,508)	(8,729)

*The basis for this element of the reconciliation is the permanent difference resulting from interest received related to the 2008 VAT refund (see notes 11 and 13 for details)

**The Parent Company has recognised deferred income tax through equity (see the consolidated statement of changes in equity) in connection with the recognition of the effects of the incentive programme in accordance with IFRS 2.

In the financial year ended 31 December 2025, the Group companies (Sygnity S.A., Sygnity Business Solutions S.A. And Sagra Technology Sp. z o.o.) accounted for current income tax for the tax year ended 31 December 2025, taking partial account of the tax relief for research and development activities. The total impact on current income tax of the R&D tax relief settlement for 2025 amounted to 3,860.

In the financial year ended 31 December 2024, the Group companies (Sygnity S.A. Sygnity Business Solutions S.A. and Sagra Technology Sp. z o.o.) accounted for current income tax for the tax year ended 31 December 2024, taking partial account of the tax relief for research and development activities and IP BOX tax relief. The total current income tax impact of the settlement of the R&D and IP BOX relief for 2024 was 4,700.

15.3 Deferred income tax

Deferred tax is calculated using the balance sheet method for temporary differences between the tax bases of assets and liabilities and their carrying amounts using a rate of 19% for Group companies based in Poland and 16% for companies based in Lithuania. Deferred tax assets are recognised if it is probable that in the future taxable income is generated, which will allow for use of the temporary differences and tax losses.

	As at 31/12/2025	As at 31/12/2024
Deferred income tax assets, of which:		
Discount of security deposit	7	22
Provisions for unused leave	1,004	848
Provisions for salaries, bonuses, premiums and others	4,204	2,388
Other provisions	560	364
Other deferred income	8,337	9,813
Write-down of receivables and inventory	408	120
Provision for warranty service	515	486
Negative exchange differences resulting from valuation	9	18
Temporary differences on fixed assets	-	1
Lease liabilities	1,203	1,217
Other differences	270	32
	16,517	15,309
Deferred income tax provision, including:		
Temporary differences on fixed assets*	13,793	8,840
Right-of-use assets	1,308	1,188
Settlement of revenues from long-term contracts	2,870	5,904
Other differences	145	784
	18,116	16,716

Offsetting at company level - same amount of offsetting for assets and liabilities	(6,132)	(8,466)
Deferred tax assets in the statement of financial position (after offsetting at the level of Group companies)	10,385	6,843
(Provision) for deferred tax in the statement of financial position (after offsetting at the level of Group companies)	(11,984)	(8,250)

*In the period ended 31 December 2025, the Group recognised deferred tax provisions arising from temporary differences related to the accounting for the acquisition of subsidiaries. As at 31 December 2025, the value of the provisions made for this was 13,463.

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Balance sheet change in deferred tax assets and liabilities	(192)	(9,643)
Deferred tax provisions arising on acquisitions	6,270	9,911
Deferred tax assets acquired in acquisitions	(994)	(244)
Change in deferred tax recognised in equity relating to the incentive programme	(407)	(773)
Deferred tax recognised in other comprehensive income	32	36
Adjustment regarding Pillar 2	-	1,069
	4,710	356
Deferred tax recognised in the statement of comprehensive income		

15.4 Tax loss and research and development relief to be deducted in future periods

During the reporting period, the Group had no tax losses available for settlement. Group companies (identified in note 15.2) have partially utilised the R&D relief for 2025 for a total of 3,860. At the same time, due to the Pillar 2 regulations, the Parent Company's Management Board decided not to recognise a deferred tax asset on the unused portion of tax relief.

15.5 Tax settlements

Tax settlements and other regulated areas of activity (for example, customs or foreign exchange matters) can be subject to scrutiny by administrative authorities, which have the power to impose heavy fines and penalties. The lack of reference to established legal regulations in Poland results in ambiguities and inconsistencies in the current legislation. Frequent differences of opinion as to the legal interpretation of tax legislation both within state bodies and between state bodies and companies create areas of uncertainty and conflict. As a result, the tax risk in Poland is significantly higher than that usually existing in countries with a more developed tax system.

Tax settlements may be audited for a period of five years, starting from the end of the year in which the tax was paid. As a result of audits, the Group's existing tax settlements may be increased by additional tax liabilities.

16. Net profit/(loss) on discontinued operations

During the period ended 31 December 2025 and the comparative period ended 31 December 2024, the Group did not classify any of its operations as discontinued operations.

17. Net profit/(loss) per share

Basic profit or loss per share is calculated by dividing the net profit/loss attributable to the Parent Company's Shareholders for the reporting period by the weighted average number of outstanding common shares during the reporting period.

Diluted profit or loss per share is calculated by dividing net profit/loss attributable to the Parent Company's Shareholders by the weighted average number of outstanding common shares during the period, adjusted for the effect of potential dilutive shares.

The profit/loss and share figures used to calculate basic and diluted profit/loss per share are shown below:

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Net profit attributable to Shareholders of the Parent Company	77,260	60,455
Weighted average number of ordinary shares (in thousands)	22,738	22,737
Basic profit / (loss) per ordinary share (not in PLN thousands)	3.40	2.66
Diluted weighted average number of ordinary shares (in thousands)	22,738	22,737
Diluted net profit / (loss) per ordinary share (not in PLN thousands)	3.40	2.66

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

18. Tangible fixed assets

	Buildings and premises	Technical equipment and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Total
Tangible fixed assets						
Purchase price as at 01/01/2025	814	13,241	326	854	-	15,235
Increases on account of:	-	3,097	2,725	166	-	5,988
Purchase	-	1,488	-	36	-	1,524
Acquisitions	-	1,609	2,725	130	-	4,464
Decreases on account of:	-	(2,220)	(1,312)	(110)	-	(3,642)
Sales	-	(34)	(108)	(2)	-	(144)
Liquidation	-	(974)	-	-	-	(974)
Acquisitions	-	(1,212)	(1,204)	(108)	-	(2,524)
Purchase price as at 31/12/2025	814	14,117	1,739	911	-	17,581
Depreciation as at 01/01/2025	(682)	(10,508)	(136)	(825)	-	(12,151)
Increases in depreciation, on account of:	(53)	(728)	(167)	(25)	-	(973)
Depreciation charge for the reporting period	(53)	(728)	(167)	(25)	-	(973)
Decreases in depreciation, on account of:	-	1,008	50	-	-	1,058
Sales	-	34	50	-	-	84
Liquidation	-	974	-	-	-	974
Depreciation as at 31/12/2025	(735)	(10,228)	(253)	(850)	-	(12,066)
Net balance sheet value as at 01/01/2025	132	2,733	190	29	-	3,084
Net balance sheet value as at 31/12/2025	79	3,889	1,486	61	-	5,516

Depreciation recognised in manufacturing costs was 685, in selling costs 17, and in general and administrative costs 271. As at the balance sheet date, the Group had assets held under lease agreements within the meaning of IFRS 16. See note 20 for details. As at the balance sheet date, there were no restrictions on the disposal of fixed assets held by the Group. No collateral has been established on fixed assets. There were no changes to the estimate of useful lives during the reporting period.

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

	Buildings and premises	Technical equipment and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Total
Tangible fixed assets						
Purchase price as at 01/01/2024	712	19,699	-	839	-	21,250
Increases on account of:	210	1,860	326	42	-	2,438
Purchase	126	1,860	-	13	-	1,999
Acquisitions	84	-	326	29	-	439
Decreases on account of:	(108)	(8,318)	-	(27)	-	(8,453)
Sales	-	(13)	-	-	-	(13)
Liquidation	(108)	(8,305)	-	(27)	-	(8,440)
Purchase price as at 31/12/2024	814	13,241	326	854	-	15,235
Depreciation as at 01/01/2024	(674)	(17,422)	-	(839)	-	(18,935)
Increases in depreciation, on account of:	(107)	(1,401)	(136)	(15)	-	(1,659)
Depreciation charge for the reporting period	(107)	(1,401)	(136)	(15)	-	(1,659)
Decreases in depreciation, on account of:	99	8,315	-	29	-	8,443
Sales	(9)	12	-	2	-	5
Liquidation	108	8,303	-	27	-	8,438
Depreciation as at 31/12/2024	(682)	(10,508)	(136)	(825)	-	(12,151)
Net balance sheet value as at 01/01/2024	38	2,277	-	-	-	2,315
Net balance sheet value as at 31/12/2024	132	2,733	190	29	-	3,084

Depreciation recognised in manufacturing costs was 1,357, in selling costs 10, and in general and administrative costs 291. At the balance sheet date, the Group held assets used under leases within the meaning of IFRS 16. See note 20 for details. There were no restrictions on the disposal of fixed assets held by the Group at the balance sheet date. No collateral has been established on fixed assets. There were no changes to the estimate of useful lives during the reporting period.

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

19. Intangible assets

	Third-party licences	Own licences	Trademarks	Goodwill	Intangible assets arising from acquisitions	Expenditure on intangible assets	Total
Intangible assets							
Purchase price as at 01/01/2025	52650	36,121	209	164,215	64,678	337	318,210
Increases on account of:	454	(18)	-	1,899	34,142	-	36,447
Purchase	305	-	-	1,899	34,233	-	36,437
Acquisition of subsidiaries	149	-	-	-	-	-	149
Exchange differences on translation of foreign operations	-	(18)	-	-	(91)	-	(109)
Capitalised costs during the period	-	-	-	-	-	-	-
Completed investments	-	-	-	-	-	-	-
Decreases on account of:	-	-	-	-	-	-	-
Grants received	-	-	-	-	-	-	-
Completed investments	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-
Purchase price as at 31/12/2025	53,104	36,103	209	166,114	98,820	337	354,687
Depreciation as at 01/01/2025	(51,781)	(34,949)	(209)	(2,333)	(18,407)	-	(107,679)
Increases in depreciation, on account of:	(838)	(935)	-	-	(7,239)	-	(8,888)
Depreciation charge for the reporting period	(714)	(935)	-	-	(7,239)	-	(8,888)
Acquisition of subsidiaries	(124)	-	-	-	-	-	(124)
Depreciation as at 31/12/2025	(52,619)	(35,884)	(209)	(2,333)	(25,646)	-	(116,691)
Net balance sheet value as at 01/01/2025	869	1,172	-	161,882	46,271	337	210,531
Net balance sheet value as at 31/12/2025	484	219	-	163,781	73,174	337	237,995

Depreciation recognised in manufacturing costs was 1,454, in selling costs 2, and in general and administrative costs 7,432.

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

	Third-party licences	Own licences	Trademarks	Goodwill	Intangible assets arising from acquisitions	Expenditure on intangible assets	Total
Intangible assets							
Purchase price as at 01/01/2024	51,450	34,780	209	159,497	12,871	1,953	260,760
Increases on account of:	1,200	1,341	-	4,718	51,807	29	59,095
Purchase	1,066	-	-	-	-	-	1,066
Acquisition of subsidiaries	134	-	-	4,735	51,993	-	56,862
Exchange differences on translation of foreign entities	-	-	-	(17)	(186)	-	(203)
Capitalised costs during the period	-	-	-	-	-	29	29
Completed investments	-	1,341	-	-	-	-	1,341
Decreases on account of:	-	-	-	-	-	(1,645)	(1,645)
Grants received	-	-	-	-	-	(304)	(304)
Completed investments	-	-	-	-	-	(1,341)	(1,341)
Purchase price as at 31/12/2024	52,650	36,121	209	164,215	64,678	337	318,210
Depreciation as at 01/01/2024	(51,005)	(32,585)	(209)	(2,333)	(12,871)	-	(99,003)
Increases in depreciation, on account of:	(776)	(2,364)	-	-	(5,536)	-	(8,675)
Depreciation charge for the reporting period	(776)	(2,364)	-	-	(5,536)	-	(8,675)
Depreciation as at 31/12/2024	(51,781)	(34,949)	(209)	(2,333)	(18,407)	-	(107,678)
Net balance sheet value as at 01/01/2024	445	2,195	-	157,164	-	1,953	161,757
Net balance sheet value as at 31/12/2024	869	1,172	-	161,882	46,271	337	210,531

Depreciation recognised in manufacturing costs was 3,024, in selling costs 2, and in general and administrative costs 5,648.

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

20. Goodwill

	As at 31/12/2025	As at 31/12/2024
Goodwill		
Goodwill acquired upon acquisition of GK EMAX	96,080	96,080
Goodwill acquired in the merger with PB Polsoft Sp. z o.o.	32,722	32,722
Goodwill of Sygnity Technology	16,814	16,814
Goodwill of the Support	6,258	6,258
Goodwill of the Winuel	4,197	4,197
Goodwill of the Aram	1,093	1,093
Goodwill acquired upon acquisition of GK Edrana	1,187	1,187
Goodwill acquired upon acquisition of Sagra Technology sp. z o.o.	3,535	3,531
Goodwill acquired upon acquisition of UAB DocLogix*	574	-
Goodwill acquired upon acquisition of Mednow Sp. z o.o.	1,321	-
	163,781	161,882

* goodwill acquired as part of the acquisition and expressed in the functional currency of DocLogix amounted to EUR 135 thousand, the provisional settlement of the acquisition presented below has been converted into Polish zloty at the exchange rate on the date of acquisition.

The increase in goodwill is due to the acquisitions described below that took place during the reporting period.

Merging of undertakings
Acquisition of UAB DocLogix

On 3 July 2025, Sygnity concluded an agreement to purchase 216,552 shares with a nominal value of EUR 2.90 each in UAB DocLogix, based in Vilnius (Lithuania), representing 100% of the share capital.

The fair value of the remuneration transferred in 2025 for 100% of shares in UAB DocLogix totalled EUR 1,745,687 (PLN 7,419,170), of which EUR 1,566,687 (PLN 6,658,420) was paid on the date of acquisition and the remainder represents a deferred payment.

As part of the process of identifying and establishing the fair value of the net assets acquired, the Group recognised intangible assets such as Customer Relationships and Technology Assets at the total amount of EUR 1,900 thousand (PLN 8,075 thousand). The recognised intangible assets will be subject to balance sheet amortisation; hence, the Group has recognised a Provision for deferred tax on identified intangible assets of EUR 304 thousand (PLN 1,292 thousand), calculated using the acquired company's applicable tax rate of 16%. The provisional values of the identifiable assets and liabilities of the acquired company as at the date of acquisition amounted to EUR 2,428 thousand (PLN 10,317 thousand) and EUR 971 thousand (PLN 4,127 thousand). The Group allocated the excess of the remuneration transferred over the value of the net assets acquired to goodwill in the amount of EUR 135 thousand (PLN 574 thousand).

The table below shows the provisional values of the identifiable assets and liabilities acquired at the date of acquisition of control:

	Provisional values at the date of acquisition in EUR thousand	Provisional values at the date of acquisition in PLN thousand
Assets, including:		
Tangible fixed assets	15	64
Intangible assets (including those identified in the acquisition price settlement)	1,900	8,075
Trade and other receivables	171	725
Cash and cash equivalents	119	506
Other assets	223	947
	2,428	10,317
Liabilities, including:		
Trade and other payables	667	2,835
Deferred tax provision	304	1,292
	971	4,127
Net asset value	1,457	6,191
Purchase price	1,592	6,765
Goodwill	135	574

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

The settlement is provisional and therefore subject to change within 12 months of taking control.

UAB DocLogix's share of the Group's consolidated revenues from sales for the 12 months ended 31 December 2025 was: PLN 5,014 thousand, while in net profit: PLN 394 thousand (excluding related transactions).

Acquisition-related costs of PLN 209 thousand were recognised in the current reporting period as General and administrative expenses in the consolidated statement of comprehensive income.

Acquisition of Mednow Sp. z o.o.

On 1 December 2025, Sygnity concluded an agreement to purchase 1,050 (not in thousands) shares with a nominal value of PLN 100 each in Mednow Sp. z o.o. (previously: Comarch HIS Sp. z o.o.) with its seat in Katowice, which constitute 100% of the share capital.

The fair value of remuneration transferred in 2025 for 100% of shares in Mednow Sp. z o.o. totalled PLN 24,404,914 of which PLN 22,195,633 was paid on the date of acquisition and the remainder represents a deferred payment.

As part of the process of identifying and establishing the fair value of the net assets acquired, the Group recognised intangible assets such as Customer Relationships and Technology Assets at the total amount of PLN 26,200 thousand. The recognised intangible assets will be subject to balance sheet amortisation; hence, the Group has recognised a Provision for deferred tax on identified intangible assets of PLN 4,978 thousand, calculated using the acquired company's applicable tax rate of 19%. The provisional values of the identifiable assets and liabilities of the acquired company as at the date of acquisition amounted to PLN 33,333 thousand and 10,249 thousand. The Group allocated the excess of the consideration transferred over the value of the net assets acquired to goodwill in the amount of PLN 1,321 thousand.

The table below shows the provisional values of the identifiable assets and liabilities acquired at the date of acquisition of control:

	Provisional values at the date of acquisition in PLN thousand
Assets, including:	
Tangible fixed assets	1,901
Intangible assets (including those identified in the acquisition price settlement)	26,200
Trade and other receivables	-
Cash and cash equivalents	3,030
Other assets	2,203
	<u>33,333</u>
Liabilities, including:	
Trade and other payables	5,271
Deferred tax provision	4,978
	<u>10,249</u>
Total net assets	23,084
Purchase price	24,405
Goodwill	1,321

The settlement is provisional and therefore subject to change within 12 months of taking control.

Mednow Sp. z o.o. share of the Group's consolidated revenues from sales for the 12 months ended 31 December 2025 was: PLN 4,344 thousand, while in net profit: PLN 1,040 thousand (excluding related transactions).

Acquisition-related costs of PLN 1,604 thousand were recognised in the current reporting period as General and administrative expenses in the consolidated statement of comprehensive income.

Final settlement of the acquisition of Sagra Technology Sp. z o.o.

On 1 March 2024, Sygnity concluded an agreement with the partners of Sagra Technology sp. z o.o., based in Szczecin ("Sagra Technology"), on the sale of 100 shares in the company, representing 100% of its share capital. According to the agreement, the sale price will be up to a maximum of approximately 42,300, with the proviso that the price will be adjusted on the basis of the company's closing balance sheet prepared in accordance with the detailed terms and conditions set forth in the agreement.

The fair value of the remuneration transferred for 100% of shares in Sagra Technology amounted to 40,822 at the date of acquisition, of which 31,663 was paid in cash and the remainder represents deferred and contingent payments. The fair value of the contingent liability dependent on the Company's performance determined at the date of the transaction amounted to 216.

As part of the process of identifying and establishing the fair value of the net assets acquired, the Group recognised intangible assets such as Customer Relationships and Technology Assets in the total amount of 40,700. The recognised intangible assets will be subject to balance sheet amortisation; hence, the Group has recognised a provision for deferred tax on identified intangible assets in the amount of 7,733, calculated using a 19% tax rate. The provisional values of the identifiable assets and liabilities of the acquired company as at the date of acquisition amounted to 46,816 and 9,525, respectively. The Group allocated the excess of the remuneration transferred over the value of the net assets acquired to goodwill in the amount of 3,531.

As at 31 December 2025, as a result of the settlements related to the acquisition of the subsidiary taking place in the first half of 2025, the company's goodwill amounted to PLN 3,535. The settlement of the acquisition is final.

The table below shows the final settlement of the acquisition of Sagra Technology:

	Values at the date of acquisition in PLN thousand
Assets, including:	
Tangible fixed assets	619
Intangible assets (including those identified in the acquisition price settlement)	40,700
Trade and other receivables	2,150
Cash and cash equivalents	3,185
Other assets	145
	46,799
Liabilities, including:	
Trade and other payables	1,927
Deferred tax provision (including on intangible assets identified in the acquisition price settlement)	7,835
	9,762
Total net assets	37,036
Purchase price	40,572
Goodwill	3,535

21. Goodwill impairment test

As a result of the IAS 36 requirement, the Group carried out a goodwill impairment test. In the test performed on 31 December 2025, the Group used the value-in-use method to determine the recoverable amount of its cash-generating units.

Financial flows

The financial flow over the next five years used in the value-in-use model are based on assumptions about the Group's financial position and the development of the IT market in Poland in future periods. The assumptions are based on historical data and reflect the Sygnity Management Board's perspectives on the future economic situation and business development opportunities. The value in use takes into account the residual value estimated with the assumption of a 1% increase in the margin generated after the period of the assumed projections of financial results. Financial flow does not include cash inflows and outflows that an entity is expected to receive from future

restructuring or improvement of assets. Instead, the value-in-use calculation takes into account the capital expenditure required to provide the current degree of expected economic benefits.

Discount rate

The Group used a discount rate built on the weighted average cost of capital (WACC) to calculate discounted cash flows. In order to determine the appropriate amount of the discount rate, the Parent Company's Management Board used the current publicly available valuations and financial analyses of a group of comparable companies with a similar business profile, published by independent financial institutions. The individual components of this rate were estimated based on market data on the risk-free rate (government bond yields), the value of the beta coefficient, which was relevered based on the market debt-to-equity structure, and the expected market rate of return.

The value of the discount rate included in the goodwill impairment test for the financial year ended 31 December 2024 was 11.6%, while for the financial year ended 31 December 2025 it was set at 12.2%.

Assignment of goodwill to CGUs

As a result of the analyses carried out, it was considered reasonable to separate one CGU in the Sygnity Group - the IT Segment.

	Goodwill	Net operating assets (carrying amount)	Recoverable value	Excess of recoverable amount over carrying amount	Impairment identified?
IT	163,781	205,353	846,356	641,004	No

Carrying amount of CGU

The carrying amount of each CGU comprises the sum of the net operating assets attributable to the Segment, i.e.: tangible assets, intangible assets including goodwill, financial assets measured at amortised cost, inventories, costs of performing contracts with customers, trade receivables and payables, and liabilities under contracts with customers.

Significant assumptions of goodwill impairment test and sensitivity analysis

The significant assumptions taken into account in calculating the value in use for each cash-generating unit, as well as the sensitivity analysis in relation to the impairment test performed, are as follows:

Discount rate	12.2%
Growth rate for calculation of residual value	1.0%
Level of operating profit margin in 2026-2027	from 24.2% to 25.7%
Level of operating profit margin in 2028-2030	from 26.7% to 28.0%

The recoverable amount of the cash-generating IT segment is presented below:

Recoverable value	846,356
including the value of discounted flows for 2026-2030	328,996
including residual value	517,360
Excess of recoverable amount over carrying amount	641,004
The change in the discount rate that makes the recoverable amount equal to the book value	33.0 p.p.
Change in the growth rate for calculating the residual value, which makes the recoverable amount equal to the book value	(99 p.p.)
Change in the levels of operating profit margins assumed in each year of the projection period (2026-2030), which makes the recoverable amount equal to book value	(from 12.5 p.p. to 13.4 p.p.)

Result of the impairment test

The recoverable amount of the CGU, determined on the basis of value-in-use calculations, exceeds its carrying amount, hence no impairment loss was recognised in respect of goodwill. Due to the fact that this valuation is based to great extent on the anticipated operating and financial results, additionally depending on the forecasts relating to market development, the Group indicates the inherent uncertainty connected with realisation of these forecasts. In the opinion of the Parent Company's Management Board, the current situation related to the political and economic situation in Ukraine does not materially affect the projected cash flow forecasts. The Management Board's assessment of the impact of the political and economic situation in Ukraine on the Group's operations and financial performance is presented in note 3.

22. Right-of-use assets

Right-of-use assets	Real estate	Means of transport	Total
Purchase price as at 01/01/2025	19,138	2,230	21,368
Increases on account of:	3,464	1,010	4,474
Purchase	3,487	1,010	4,497
Differences on translation of foreign entities	(23)	-	(23)
Decreases on account of:	(6,092)	-	(6,092)
Completion of contracts	(6,092)	-	(6,092)
Purchase price as at 31/12/2025	16,510	3,240	19,750
Depreciation as at 01/01/2025	(12,182)	(934)	(13,116)
Increases in depreciation, on account of:	(3,327)	(772)	(4,099)
Amortisation/depreciation	(3,327)	(772)	(4,099)
Decreases in depreciation, on account of:	6,062	-	6,062
Completion of contracts	6,062	-	6,062
Depreciation as at 31/12/2025	(9,447)	(1,706)	(11,153)
Net balance sheet value as at 01/01/2025	6,956	1,296	8,252
Net balance sheet value as at 31/12/2025	7,063	1,534	8,597

Amortisation of the right-of-use assets recognised in manufacturing costs amounted to 2,211, in selling costs 25 and in general and administrative expenses 1,863.

Right-of-use assets	Real estate	Means of transport	Total
Purchase price as at 01/01/2024	19,436	1,888	21,324
Increases on account of:	5,381	1,641	7,022
Purchase	5,381	1,641	7,022
Decreases on account of:	(5,679)	(1,299)	(6,978)
Completion of contracts	(5,679)	(1,299)	(6,978)
Purchase price as at 31/12/2024	19,138	2,230	21,368
Depreciation as at 01/01/2024	(15,233)	(1,578)	(16,811)
Increases in depreciation, on account of:	(3,935)	(645)	(4,581)
Amortisation/depreciation	(3,935)	(645)	(4,581)
Decreases in depreciation, on account of:	6,988	1,289	8,277
Completion of contracts	6,988	1,289	8,277
Depreciation as at 31/12/2024	(12,182)	(934)	(13,116)
Net balance sheet value as at 01/01/2024	4,203	310	4,513
Net balance sheet value as at 31/12/2024	6,956	1,296	8,252

Amortisation of the right-of-use assets recognised in manufacturing costs amounted to 3,341, in selling costs 53 and in general and administrative expenses 1,188.

23. Investment in joint venture

	Carrying amount of shares	Carrying amount of shares	% share in capital	
	as at 31/12/2025	as at 31/12/2024	31/12/2025	31/12/2024
Budimex S.A. Sygnity S.A. Sp.j.	1,123	1,153	33%	33%
	1,123	1,153		

		Budimex S.A. Sygnity S.A. Sp.j.	
		31/12/2025	31/12/2024
Current assets,		3,753	3,848
including cash		3,737	3,834
Total assets		3,753	3,848
Equity		3,701	3,803
Short-term liabilities		52	45
Operating revenue		1	1
Operating costs		1	(88)
Net loss		(103)	(88)

		Budimex S.A. Sygnity S.A. Sp.j.		Change
		31/12/2025	31/12/2024	
Equity		3,758	3,803	(45)
33% - share of Sygnity S.A.		1,240	1,255	(15)
Write-down		(117)	(102)	(15)
Carrying amount of share		1,123	1,153	(30)

In relation to the finding of a decrease in equity at Budimex S.A. Sygnity S.A. Sp.j. The Group revalued its investment in the joint venture as of the balance sheet date in the amount of (30).

24. Inventories

	As at 31/12/2025	As at 31/12/2024
Inventories		
Goods and materials	143	90
	143	90

The movements in the write-down balance of inventories for the financial year ended 31 December 2025 and the previous year are shown below:

	As at 31/12/2025	As at 31/12/2024
Write-down of inventories		
At the beginning of the period	50	149
Created	7	-
Reversed	(5)	-
Use in connection with liquidation	-	(99)
At the end of the period	52	50

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

25. Costs of contracts with customers

	As at 31/12/2025	As at 31/12/2024
Costs of contracts with customers		
Costs of contracts with customers	1,179	607
	1,179	607

26. Trade and other receivables

	As at 31/12/2025	As at 31/12/2024
Financial assets measured at amortised cost		
Deposits paid	398	663
	398	663
Net short-term receivables		
Trade receivables	41,204	29,781
Other taxes receivables (VAT, ZUS)	-	160
Assets from contracts with customers	17,812	19,264
Deposits paid	341	486
Other receivables	70	101
	59,427	49,792
Trade and other receivables		
Value of services settled over time	3,058	2,372
Insurance	7	11
Other	33	17
	3,098	2,400
Down payments	3,098	2,400
	62,525	52,192
Impairment losses on receivables (positive amount)	1,836	583
Total gross receivables	64,759	53,438

Trade receivables do not bear interest. Fair value of trade and other receivables does not differ materially from their balance sheet value.

The ageing of net trade receivables at the balance sheet date is shown below:

	As at 31/12/2025	As at 31/12/2024
Short-term trade receivables		
Non-overdue, with maturity:		
up to 1 month	34,864	22,322
1 to 6 months	2,120	3,382
over 6 months	-	-
	36,984	25,704
Overdue, with maturity:		
up to 1 month	995	1,183
1 to 6 months	760	543
over 6 months	2,465	2,351
	4,220	4,077
	41,204	29,781

The Group's trade and other receivables are denominated in the following currencies:

	As at 31/12/2025	As at 31/12/2024
PLN	58,982	50,585
EUR	3,941	2,270
	62,923	52,855

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

In the opinion of the Group, there is no excessive concentration of credit risk on account of a large base and nature of customers. The recipients of the Group's services and products include, inter alia, public sector as well as banking and financial units. The public sector and majority-owned public sector enterprises comprise mainly public offices, central and local government bodies whose creditworthiness is not of concern. The banking and financial sector includes mainly banks that the Group cooperates with, superior financial institutions of the securities market, investment funds and insurance companies.

With regard to trade receivables from customers, after allowances, the receivable due to any customer does not exceed 20% of equity.

The Group recognises the costs of creating and revenues from the reversal of impairment losses on receivables depending on how the impairment loss is allocated to the contract to which it relates. In compliance with IFRS 9, the Group applies the expected loss model for estimation and recognition of impairment of financial assets.

Changes in impairment losses on receivables during the financial year ended 31 December 2025 are set out below:

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Write-down of receivables		
Opening balance (continued operations)	583	637
Created	1279	16
Reversed	(19)	(10)
Used	(7)	(60)
Closing balance	1,836	583

27. Cash and short-term deposits

	31/12/2025	31/12/2024
Cash and short-term deposits		
Cash in hand and in bank	45,657	35,081
Short-term deposits	142,000	96,000
	187,657	131 081

Cash in bank accounts bears interest at variable rates, which depend on interest rates in the domestic interbank market. The Group deposits cash in reputable banks with a stable financial position.

28. Equity

28.1 Share capital

As at 31 December 2025, the Parent Company's share capital amounted to 25,956 (as at 31 December 2024: 25,956) and it comprised 22,759,947 (not in thousands) fully paid ordinary bearer shares of the nominal value of PLN 1.00 each [as at 31 December 2024: 22,759,947 (not in thousand)] and 3,196 on account of hyperinflationary revaluation of equity. Shares of all series are equally privileged in terms of dividend, voting rights and return on equity.

Shareholding

According to the knowledge of the Management Board of the Parent Company resulting, in particular, from information from shareholders obtained in particular pursuant to Art. 69(1) and (2) of the Public Offering Act as well as on the basis of the notices addressed to the Company pursuant to Art. 19(1) of MAR Regulation and the list of shareholders registered at the last Annual General Meeting of the Company, the shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes of the Company were as follows:

Shareholder	As at 24 March 2026, i.e. as at the date of provision of this report		As at 13 November 2025, i.e. as at the date of provision of the previous interim report	
	Number of shares/number of votes at the GM	% of votes in the share capital/votes at GM	Number of shares/number of votes at the GM	% of votes in the share capital/votes at GM
TSS Europe B.V.	16,542,399	72.68	16,542,399	72.68
Barca Global Master Fund LP*	2,050,679	9.01	2,050,679	9.01
Blacksheep Fund Management Ltd.**	1,132,975	4.98	1,518,435	6.67
Others***	3,033,894	13.33	2,648,434	11.64
Total	22,759,947	100.00	22,759,947	100.00

* number of shares held as disclosed at the date of publication of this report, i.e. 24 March 2026, taking into account the lists of shareholders registered at the Company's most recent General Meetings.

** number of shares held disclosed as at the date of publication of this report, i.e. 24 March 2026, on the basis of notifications from shareholders on exceeding the 5% threshold of the total number of votes in Sygnity S.A. dated 09 January 2026, of which the Company informed in current report No. 1/2026; number of shares held indirectly by Alexis Fortune;

*** including 83,575 treasury shares bought back by the Parent Company (as at 23 March 2026).

28.2 Status of Sygnity S.A. shares held by managing and supervising persons

	Number of shares (not in thousands) as at 24 March 2026, i.e. as at the date of provision of this report	Number of shares (not in thousands) as at 31 December 2025, i.e. as at the last day of the reporting period)	Number of shares (not in thousands) as at 13 November 2025, i.e. as at the date of the previous interim report	Number of shares (not in thousands) as at 31 December 2024, i.e. as at the end of the previous financial year
Raimondo Eggink	-	-	-	5,000
Maciej Różycki	25,663	25,663	25,663	12,378
Mariusz Jurak	25,537	28,037	28,037	19,449
Monika Zientarska	2,862	2,862	2,862	-
Dorota Beksińska	4,333	4,333	4,333	-
Adam Larysz	7,653	7,653	7,653	-
Daniel Fryga	305	305	305	-

In June 2025, persons covered by their rights under the incentive programme described in note 35 exercised their rights and thus acquired Sygnity shares in a total of 53,400 (including 36,721 shares by persons performing management functions). The number of shares acquired by each person holding a management position is shown in note 35.

On 8 October 2025, the Company received a notification from Mr Raimondo Eggink, Member of the Supervisory Board of Sygnity, who is a person holding a management position within the Company, that he had made a donation of 5,000 ordinary bearer shares in the Company to an entity closely related to him. The Company announced this in current report No. 33/2025. Mr Raimondo Eggink controls the entity to which the donation was made.

On 12 January 2026, the Company received a notification from Mr Mariusz Jurak, Vice-President of the Management Board, who is a person holding a management position within the Company, regarding the sale of 2,500 ordinary bearer shares in the Company. The Company announced this in current report No. 2/2026.

28.3 Other capital items

Share premium

The share premium is formed from the excess of the issue price of each share series over its nominal value, less issue costs. As at 31 December 2025, the share premium was 20,763.

Supplementary Capital

Supplementary capital is created in the Company on the basis of the Articles of Association and may be distributed up to the amount specified in the Commercial Companies Code. As at 31 December 2025, the value of supplementary capital was 225,789. On 30 June 2025, the Annual General Meeting of Sygnity S.A. passed a resolution to allocate the profit for the financial year 2024 to capital for the payment of dividends and investment purposes in the amount of 60,129 and to reserve capital for the purchase of treasury shares in the amount of 5,637.

Reserve capital

As at 31 December 2025, the value of the reserve capital created for the acquisition of treasury shares was 17,753.

Treasury shares

As at 31 December 2025, the value of treasury shares held was 867. The Parent Company measures treasury shares at cost and presents them in the statement of financial position as a deduction from equity.

29. Credits and loans

	As at 31/12/2025	As at 31/12/2024
Long-term liabilities		
Non-revolving credit facility liabilities	-	-
Short-term liabilities		
Non-revolving credit facility liabilities	-	12,044
	-	12,044

On 28 April 2023, a Multi-Purpose Credit Line Agreement was concluded between Sygnity and its subsidiary - Sygnity Business Solutions S.A. (collectively the "Borrowers"), and BNP Paribas Bank Polska Spółka Akcyjna (hereinafter the "Lender", the "Bank") (the "Credit Line Agreement"). The Credit Line Agreement provides for the granting to the Borrowers of a credit of up to 30,000 to be used for:

- 1) financing the Borrowers current operations up to a maximum sub-limit of 10,000 and
- 2) issuing bank guarantees up to a maximum sub-limit of 25,000, with the proviso that on the date of the Credit Line Agreement, all guarantees issued on behalf of the Company under the agreement reported by the Issuer in the aforementioned current report No. 25/2021 (the "Guarantee Line Agreement") will be included in the credit exposure of the Credit Line Agreement and will reduce the limit available to the Borrowers, and the Guarantee Line Agreement will be terminated.

The term of the credit was 120 months from the date of conclusion of the Credit Line Agreement. The Borrowers were liable for their obligations to the Bank under the Credit Line Agreement on a joint and several basis, in accordance with Article 366 of the Civil Code.

On the same date, 28 April 2023, the Parent Company also signed a Non-Revolving Credit Facility Agreement with the Bank ("Non-Revolving Credit Facility Agreement", together with the Credit Line Agreement as: "Credit Agreements"). The Non-Revolving Credit Facility Agreement provides for granting Sygnity a credit facility in the amount of 30,000 to be used for:

- 1) financing the redemption of series 1/2021 bonds, the issue of which was announced by the Parent Company in current report No. 16/2021 dated 18 June 2021, in the amount of 27,000, and
- 2) refinancing of the Parent Company's bond repayment expenses up to 3,000.

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

The term of the credit was set out in the Non-Revolving Credit Facility Agreement until 31 October 2025.

Until 31 December 2025, Parent Company repaid the non-revolving bank credit in the total amount of 30,000, according to the schedule resulting from the concluded agreement.

As at 31 December 2025, the Group had no credit commitments.

Credit liabilities are measured at initial recognition at fair value less transaction costs. As at the balance sheet date, measurement was performed at amortised cost with application of the effective interest rate method.

The Group does not use derivative instruments to hedge interest rate risk.

30. Bond liabilities

	As at 31/12/2025	As at 31/12/2024
Long-term liabilities		
Liabilities on account of issued bonds	-	-
	-	-
Short-term liabilities		
Liabilities on account of issued bonds	100	100
	100	100

Liabilities on account of issue of bonds are measured upon initial recognition at fair value less transaction costs. As at the balance sheet date, measurement was performed at amortised cost with application of the effective interest rate method.

As at 18 June 2021, the Parent Company issued 9,000 series 1/2021 registered bonds of a nominal value of 6,000 each with an aggregate nominal value of 54,000 as part of the process of refinancing debt under the Restructuring Agreement entered into by Sygnity S.A. on 27 April 2018 ("Restructuring Agreement").

On 26 May 2023, Parent Company made an early redemption of 4,500 series 1/2021 registered bonds with a total nominal value of 27,000 and a total redemption amount of 27,544 (including interest), with proceeds entirely from the non-revolving credit facility.

The bonds were issued as secured bonds (the security for the bonds included, in particular, a registered pledge on the shares of the subsidiary Sygnity Business Solutions S.A.), and the final redemption date for the bonds was 31 July 2024. Interest on the bonds was payable monthly.

31. Lease liabilities

The maturity structure of lease liabilities as of the balance sheet date is shown below:

	As at 31/12/2025	As at 31/12/2024
Lease liabilities		
Non-overdue, with maturity:		
up to 1 month	333	351
1 to 6 months	1,554	1,548
6 to 12 months	1,713	1,423
over 12 months	5,594	5,124
	9,194	8,446

All lease liabilities included in the Group's balance sheet as of 31 December 2025 relate to office space and car rental agreements. During the period ended 31 December 2025, the Group did not received revenues from subleases and incurred expenses from leasing low-value assets of 756.

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

32. Provisions

	As at 31/12/2025	As at 31/12/2024
Long-term		
Provisions for potential claims connected with the pending litigation	399	399
Provisions for guarantee repairs	825	836
Provisions for pensions and similar benefits	1,491	990
Provisions for losses on long-term contracts	128	860
	2,844	3,085
Short-term		
Provisions for guarantee repairs	1,884	1,724
Provisions for pensions and similar benefits	72	63
Provisions for penalties	-	-
	1,955	1,787

	As at 01/01/2025	Created	Used	Reversed	As at 31/12/2025
Provisions for claims relating to pending litigation	399	-	-	-	399
Provisions for warranty repairs	2,560	2,850	(2,107)	(594)	2,709
Provisions for pension and similar benefits	1,053	510	-	-	1,563
Provision for penalties	-	-	-	-	-
Provisions for losses on long-term contracts	860	4	(736)	-	128
Total	4,872	3,361	(2,841)	(593)	4,799
<i>including short-term</i>	1,787				1,955
<i>including long-term</i>	3,085				2,844

	As at 01/01/2024	Created	Used	Reversed	As at 31/12/2024
Provisions for claims relating to pending litigation	399	-	-	-	399
Provisions for warranty repairs	3,226	2,746	(2,127)	(1,285)	2,560
Provisions for pension and similar benefits	782	271	-	-	1,053
Provisions for penalties	45	-	(45)	-	-
Provisions for losses on long-term contracts*	1,181	2,082	(1,692)	(711)	860
Total	5,633	5,099	(3,864)	(1,996)	4,872
<i>including short-term</i>	2,192				1,787
<i>including long-term</i>	3,441				3,085

* In the financial year ended 31 December 2024, the Parent Company made a provision for a loss of 2,082, due to prolonged discussions with a contractor regarding one of the Company's projects.

Provisions for warranty service

The Group makes provisions for anticipated warranty service costs and warranty repair costs. The assumptions adopted for estimation of provision for servicing and provision for warranty repairs were determined on the basis of the current sales levels and current information on warranty costs incurred in the previous periods, with consideration of the customer segment and its specificity.

33. Trade and other liabilities

	As at 31/12/2025	As at 31/12/2024
Long-term		
Trade and other liabilities:		
Trade liabilities	-	-
Deposits received	408	427
	408	427
Short-term		
Trade and other liabilities:		
Trade liabilities	3,819	3,893

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

Liabilities on accounts of taxes, duties, social insurance and other benefits	18,498	14,063
Remuneration liabilities	11,107	7,624
Liabilities due under deposits	19	141
	33,443	25,721
Liabilities representing prepayments/accruals, due to:		
Costs of completed contracts	6,945	5,279
Audit and review of financial statements	217	125
Bonuses, rewards, commissions	14,887	10,265
Accrued rent	98	37
Unused leave and overtime	4,920	4,293
Severance pays and grace period related compensation	48	99
	27,115	20,098
Short-term liabilities arising from trade and other liabilities	60,558	45,819
Total trade and other liabilities	60,966	46,246

Fair value of trade and other liabilities does not differ materially from their carrying amount.

	As at 31/12/2025	As at 31/12/2024
Short-term trade liabilities		
Non-overdue, with maturity:		
up to 1 month	2,804	3,195
1 to 6 months	300	165
over 6 months	11	-
	3,115	3,360
Overdue and unpaid during the period of:		
up to 1 month	18	15
1 to 6 months	-	-
over 6 months	686	518
	704	533
	3,819	3,893

Trade liabilities do not bear interest.

34. Liabilities under contracts with customers and deferred income

	As at: 31/12/2025	As at: 31/12/2024
Liabilities under contracts with customers and deferred income		
Liabilities under contracts with customers	41,331	32,380
	41,331	32,380

Revenue recognised in the reporting period ended 31 December 2025 included in the balance of contract liabilities at the beginning of the period was 20,371.

35. Payments in the form of shares - incentive programme

The share-based incentive programme for the Parent Company's Management Board was adopted on 28 August 2020 by Resolution No. 4 of the Extraordinary General Meeting and amended on 23 November 2023 by Resolution No. 5 of the Extraordinary General Meeting. The Incentive Programme Regulations were adopted by the Supervisory Board on 2 December 2020 and subsequently amended on 21 March 2022, on 2 October 2023 and on 18 April 2024.

Resolution No. 22 of 25 June 2024 of the Annual General Meeting of Sygnity established an incentive programme for 2024-2028 ("Incentive Programme" or "Programme") at Sygnity S.A. for the Group's senior and middle management, including members of the Management Board of Sygnity S.A. ("Management Board"), in a total number not exceeding 149 persons ("Eligible Persons").

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

The General Meeting authorised the Supervisory Board of the Sygnity S.A. ("Supervisory Board"), upon the proposal of the Management Board, to establish the regulations of the Programme ("Regulations") including the detailed terms and conditions of the Incentive Programme. The Management Board shall prepare a draft of the Regulations (together with appendices) and submit it to the Supervisory Board for approval of the final content. The Supervisory Board shall not be bound by the Management Board's proposal or the draft documents presented. The Supervisory Board may authorise the Management Board to carry out activities relating to the Programme. The list of Eligible Persons will be determined in accordance with the provisions of the Regulations. The list may be supplemented and amended. Participation in the Programme will be conditional on the conclusion of an Incentive Programme Participation Agreement with Sygnity S.A. The Incentive Programme covers the financial years 2024-2028 and will be settled by the end of 2029. The objective of the Programme is to ensure optimal conditions for the growth of the Company's financial performance and long-term increase in the Company's value.

The implementation of the Programme will consist in granting to the Eligible Persons, directly or as a result of the exercise of rights from derivative financial instruments or the exercise of rights from securities referred to in Article 3(1)(b) of the Act on Trading in Financial Instruments of 29 July 2005, or the exercise of other property rights, shares in Sygnity S.A. ("Shares"), under the terms and conditions, in the quantities and at the times specified in the Regulations.

The Regulations may, in particular, provide for Eligible Persons to be granted free of charge:

- rights to acquire Shares ("Options"), or
- subscription warrants entitling the holder to subscribe for or acquire Shares in accordance with Article 444(7) of the Commercial Companies Code ("Warrants"), or
- Shares directly (excluding the Option and Warrants) in connection with the payment of part of the variable remuneration - the bonus referred to in Article 5(1)(c) of the Sygnity S.A. Remuneration Policy for the Members of the Management Board and Supervisory Board of Sygnity S.A. ("Remuneration Policy").

The allocation of Shares, Warrants, Options or other property rights to members of the Management Board will be made by the Supervisory Board, while the allocation of Shares, Warrants, Options or other property rights to other Eligible Persons will be made by the Management Board or the Supervisory Board upon the proposal of the Management Board.

Shares acquired by eligible persons as a result of the programme are prohibited from being sold (lock-up) without the prior written consent of Sygnity S.A., not exceeding 5 years from the date of their acquisition.

Shares intended for Eligible Persons will be issued by way of a share capital increase or acquired by Sygnity S.A. In order to implement the Incentive Programme, the General Meeting may decide to:

- ✓ authorise the Management Board to acquire treasury shares of Sygnity S.A. by means of buy in pursuant to the Article 362(1)(8) of the Commercial Companies Code, or
- ✓ authorise the purchase by Sygnity S.A. of treasury shares by way of a buy in, which shares will be offered to the Eligible Persons in accordance with Article 362(1)(2) of the Commercial Companies Code; or
- ✓ authorise the Management Board to carry out share capital increases by Sygnity S.A. within the framework of the statutory capital institution set out in Article 444 et seq. of the Commercial Companies Code, with the allocation of shares to Eligible Persons; or
- ✓ make use of the institutions listed in points (a) to (c) together,

with the proviso that the Programme may be implemented on the basis of Shares issued or acquired on the basis of resolutions adopted prior to the date of adoption of the Resolution, in particular pursuant to the Resolution No. 3 dated 23 November 2023 of the Extraordinary General Meeting of Sygnity S.A. to authorise the Management Board to increase the share capital within the limits of the statutory capital and to amend the Articles of Association of Sygnity S.A.

Acquisition of the new Shares by the Eligible Person within the framework of the statutory capital institution will take place by way of private subscription within the meaning of Article 431(2)(1) of the Commercial Companies Code.

The number of Shares covered by the Programme will be no more than 442,257 (in words: four hundred forty-two thousand two hundred and fifty-seven), with the proviso that the final decision as to the choice of the form of implementation of the Programme and the indication of the number of Shares to be allocated to Eligible Persons shall rest with the Supervisory Board, which shall act at its discretion in this regard.

At the same time, the General Meeting decided to terminate the incentive programme ("2020 Programme") established by Resolution No. 4 of 28 August 2020 of the Extraordinary General Meeting of Sygnity S.A. on the

establishment of an incentive programme (“Resolution No. 4”), amended by Resolution No. 5 of 23 November 2023 of the Extraordinary General Meeting of Sygnity S.A. on the amendment of Resolution No. 4.

In connection with section 1 above, the financial year ending 31 December 2024 will be included in the Incentive Programme, thus:

- ✓ the Supervisory Board will not offer the transfer of shares in Sygnity S.A. as part of a variable remuneration referred to in Article 5(1)(c) of the Remuneration Policy (“Variable Remuneration”) on the basis of or under the 2020 Programme;
- ✓ the transfer of shares in Sygnity S.A. to the members of the Management Board as an element of the Variable Remuneration for the financial year ending 31 December 2024 may only take place as part of the implementation of the Incentive Programme.

On 30 October 2024, the Supervisory Board adopted the Incentive Programme Regulations of Sygnity S.A. with its registered office in Warsaw for 2024-2028 for the Company's Management Board and the Incentive Programme Regulations of Sygnity S.A. with its registered office in Warsaw for 2024-2028 for Key Managers.

In accordance with the accounting policies of Sygnity S.A., the cost of equity-settled transactions with employees is measured by reference to fair value at the date of granting of the rights. The Group recognises the cost of transactions settled in equity instruments in the statement of comprehensive income together with the corresponding increase of equity in the period, in which the terms and conditions relating to performance/results were met, ended on the date, on which the specific employees get full entitlements to the benefits (“date of acquisition of rights”). The accumulated cost recognised on account of transactions settled in equity instruments as at every balance sheet date to the date of acquisition of rights reflects the degree of passage of time of acquisition of rights as well as the number of options, rights to which will be finally acquired in the opinion of the Management Board. No costs are recognised on account of the options, rights to which are not finally acquired, with exclusion of the options, in case of which acquisition of rights depends on the market conditions, which are treated as acquired regardless of the fact of fulfilment of the market conditions, provided that all other terms and conditions relating to performance are met.

In June 2025, the persons holding management positions in the Company covered by the entitlements under the incentive programme described in this note exercised their rights and thus acquired a total of 36,721 shares in the Company. The number of shares acquired by each person is shown in the table below:

	Number of shares (not in thousands) acquired in June 2025 under the incentive programme
Maciej Różycki	13,285
Mariusz Jurak	8,588
Monika Zientarska	2,862
Dorota Beksińska	4,333
Adam Larysz	7,653
Daniel Fryga	-

36. Transactions with related parties

During the financial year ended 31 December 2025, the Parent Company and its subsidiaries did not enter into any significant transactions with related parties on terms that differed from those commonly used for this type of agreement. The total amounts of transactions entered into between the Group and related parties during the financial year ended 31 December 2025 and the comparative period are set out below.

Related party		Sales of products and services	Purchases of services and goods	Dividends	Revenues on account of interests	Interest expense	Trade and other receivables	Loans granted	Trade and other liabilities
TSS Europe	2025	-	11,062	-	-	-	-	-	893
B.V.	2024	-	8,372	-	-	-	-	-	1,056

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

Simple S.A.	2025	841	124	-	-	-	-	-	-
	2024	113	174	-	-	-	2	-	-
Medinet Systemy Informatyczne Sp. z o.o.	2025	4	-	-	-	-	-	-	-
	2024	-	-	-	-	-	-	-	-
Yonder Nederland B.V.	2025	-	165	-	-	-	-	-	-
	2024	-	-	-	-	-	-	-	-
Onetrail B.V.	2025	204	-	-	-	-	-	-	-
	2024	-	-	-	-	-	-	-	-
Total	2025	1,049	11,351	-	-	-	-	-	893
	2024	113	8,546	-	-	-	2	-	1,056

In the financial year ended 31 December 2025, the Group Companies did not enter into any material transactions with related parties on terms that differ from those commonly used for this type of agreement.

37. Remuneration of the Group's senior management

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Management Board of Sygnity S.A.	5,143	2,530
Short-term employee benefits	5143	2530
Supervisory Board of Sygnity S.A.	387	422
Short-term employee benefits	387	422

38. Employment structure

The Group's average headcount for the period from 1 January 2025 to 31 December 2025 was as follows:

	For the period: from 01/01/2025 to 31/12/2025	For the period: from 01/01/2024 to 31/12/2024
Employment structure		
Management	13	6
Back Office	95	81
Implementation	752	618
Total	860	705

39. Contingent liabilities and assets

Guarantees, bills of exchange, sureties

	As at 31/12/2025	As at 31/12/2024
Contingent liabilities		
Liabilities on account of issued guarantees, of which:	11,744	16,915
- due performance of the contract and removal of defects and faults	10,878	15,526
- tender guarantees	250	259

[data in PLN thousands, unless otherwise stated]

Notes constitute an integral part of these consolidated financial statements

Sygnity Group

Consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025

- payment guarantees	616	1,130
Other contingent liabilities*	8238	8,238
	19,982	25,153

* The Group as at 31 December 2025 and as at 30 September 2024 reported a contingent liability relating to one public sector customer in the amount of 8,238.

As at 31 December 2025, contingent liabilities of the Group resulted mainly from bank and insurance guarantees issued by the Group, of which the majority (92%) related to performance guarantees as well as guarantees for remedy of faults and defects. The purpose of a performance guarantee is to secure the claims raising in case of non-performance or improper performance of a contract.

During the period covered by these statements, the Issuer received a declaration of withdrawal from a private-sector Customer regarding an agreement for the implementation of IT system, calling on the Company to return part of the remuneration paid, calculating contractual penalties and reserving the right to pursue further claims for damages. The Management Board of Sygnity, having carried out a legal analysis of the documents and declarations received, assessed that these claims are unfounded. Therefore, on 22 December 2025, the Company filed a motion to set conciliatory hearing. As of the end of December 2025, the parties were in the process of agreeing the terms of the mediation, with the arrangements not having been completed by the date of the statement publication.

Litigation

The Group creates provisions for potential negative outcomes of litigation cases if an outflow of funds with associated economic benefits is probable.

Disputes being the subject of litigation as at 31 December 2025 relate mainly to claims under trade contracts with counterparties and employee claims. As at 31 December 2025, the probability of outflow of material cash resulting from conclusion of the pending disputes, for which no provisions were created, is negligible in the opinion of the Management Board of the Parent Company.

40. Seasonal or cyclical nature of operations

Due to the changing number and value of tenders in the public procurement sector, seasonality can fluctuate.

41. Claims and litigation

During the reporting period presented, there were no significant proceedings pending before the courts concerning liabilities or receivables of the Issuer or its subsidiaries.

42. Adjustments of errors

During the financial year ended 31 December 2025, the Group did not make any error adjustments for prior periods.

43. Significant events related to previous years

During the financial year ended 31 December 2025, there were no significant events related to prior years.

44. Events that occurred after the balance sheet date

On 18 February 2026, the Management Board of Sygnity S.A. has decided on the terms and conditions for the Company's share buyback. The Parent Company's shares will be acquired in order to fulfil obligations under the Sygnity S.A. and the Sygnity S.A. group incentive programmes. The buyback started on 19 March 2026 and will end no later than 17 July 2026, unless the funds allocated for the purchase of shares are exhausted earlier. The total number of treasury shares purchased under the order referred to above may not exceed 137,500 shares, representing 0.60% of the value of the Parent Company's share capital.

Between 19 April and 23 March 2026, Trigon Dom Maklerski S.A. purchased treasury shares on the primary market of the Warsaw Stock Exchange during trading sessions and credited them to the Parent Company's account. A total of 61,613 (not in thousands) treasury shares were purchased for a total of approximately PLN 4,374.

On 19 March 2026, the Parent Company was served with a statement of claim filed by one of its Customers on 4 March 2026. The statement of claim covers the claims described in note 39, which the Company, based on its previous analysis, considers to be unfounded in their entirety. The company is currently in the process of analysing in detail the documentation received, with a view to drafting a response to the statement of claim. The court gave the Company a deadline of 4 months from the date of receipt of the statement of claim to respond to it. In view of the above, the Company does not see any basis for creating provisions for the consequences of litigation.