



Welcome to
the Fabasphere.

A new
paradigm.

Key data

in kEUR	2024/2025	2023/2024	Change
Sales revenue	86,845	80,950	7.3%
Result before income taxes	12,897	13,113	-1.6%
EBIT (Operating result) ¹⁾	13,301	13,385	-0.6%
EBITDA ¹⁾	23,145	21,598	7.2%
Result for the year	9,115	9,629	-5.3%
Equity at end of period	36,096	30,638	17.8%
Cash flows from operating activities	23,089	19,477	18.5%
Cash and cash equivalents at end of period	34,283	25,068	36.8%
Employees at end of period	494	497	-0.6%
Basic earnings per share (in EUR)	0.80	0.83	-3.6%

¹⁾ Definition of the key figures: www.fabasoft.com under Investors, Business Reports, Alternative Performance Measures

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Integrated annual report

This annual report of the Fabasoft Group contains all topics which are of relevance to Fabasoft and its stakeholders. The report not only features economic and legal information, it also integrates information on the sustainable aspects of the business activities.

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To our stakeholders

Letter from the Managing Board

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Report of the Supervisory Board

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Prof. Dipl.-Ing. Helmut Fallmann
Chairman of the Managing Board

Ing. Oliver Albl
Member of the Managing Board

Matthias Wodniok
Member of the Managing Board



Letter from the Managing Board

Dear Stakeholders,
Ladies and gentlemen!

We look back on a fiscal year that was marked by sustainable growth, future-oriented investments, and a clear strategic course. Despite challenging geopolitical and economic conditions, the Fabasoft Group not only held its ground but also strengthened its position.

Sales revenues rose by 7,3% to kEUR 86,845 in fiscal year 2024/2025, with recurring revenue increasing to 56.2%. EBIT amounted to kEUR 13,301 (previous year: kEUR 13,385), while EBITDA came in at kEUR 23,145 (previous year: kEUR 21,598).

This development clearly shows that our combination of technological excellence and consistent commitment to European values is not just part of our DNA - it proves itself day after day in the market. This is precisely what our new company slogan stands for: Where Tech Meets Trust.

At the same time, this annual report marks a visible transformation: with our new brand identity and the launch of Fabasphere, we are opening a new chapter – strategically, visually, and in terms of content. In close collaboration with our branding agency and European creative partners, we have translated our identity into a contemporary, authentic image that conveys our self-image to the outside world and makes it tangible. Our brand identity is not cosmetic - it reflects our deep conviction that digitization must not only be powerful, but also responsible, future-proof, and human.

Fabasphere is the holistic expression of this attitude. As a cloud-native ecosystem, it combines our solutions, a powerful AI core, and our many years of expertise to create a world in which documents and processes are connected more intelligently than ever before – and thus carry our customers' businesses into the future. Our promise in four words: Business with Higher Intelligence.

Our consistent focus on research, development, and technology leadership has been independently recognized by the EY Innovation Index 2024: Fabasoft once again ranked first among the top 10 companies in Austria with the highest R&D intensity. In fiscal year 2024/2025, we made targeted investments in our cloud-native software product technology and in the application areas of AI. At 30.7%, the research and development ratio relative to sales revenues remained at a very high level compared to the industry average.

Beyond R&D measures, investments in fiscal year 2024/2025 focused on the targeted strengthening of market-related areas, particularly marketing, sales, and customer success. Together with the new brand identity, we expect this to result in higher market penetration and stronger customer loyalty.

We firmly believe that economic success must go hand in hand with social responsibility. Therefore, in fiscal year 2024/2025, we offset all direct and indirect greenhouse gas emissions from our business operations as well as selected emissions along the value chain (Scope 1, 2, and 3) through certified climate protection projects. Our customers therefore receive the Fabasoft Group's services on a CO₂-neutral basis.

In addition, we evaluate our Group-wide life cycle assessment on a scientific basis each year as part of our sustainability reporting. In the current reporting period, we voluntarily applied the European Sustainability Reporting Standards (ESRS) for the first time. Together with the Supervisory Board, we issued another declaration of conformity with the recommendations of the German Corporate Governance Code in March 2025.

In August 2024, we and the Supervisory Board of Fabasoft AG decided on another share buyback program for the period from 15 August 2024, to 30 September 2025, at the latest, to buy back our own shares up to a total purchase price of EUR 2 million. The maximum repurchase volume was reached on 10 December 2024, and the share buyback program was thus completed. Fabasoft AG repurchased a total of 125,409 shares at an average price of EUR 15.9477, which corresponds to 1.14% of the share capital as of the balance sheet date of 31 March 2025. As of the balance sheet date, Fabasoft AG holds a total of 223,627 shares, or 2.03% of the share capital, as treasury shares.

Together with the Supervisory Board, we will propose a dividend of EUR 0.10 per dividend-bearing share to the Annual General Meeting on 9 July 2025.

We are convinced that sustainable corporate success arises where clear values, visionary thinking, and innovative strength come together. That is why we will continue to focus our actions on creating genuine and measurable benefits with our products and solutions - and on continuously developing our company together with our customers, partners, and employees.

We would like to thank you very much for accompanying us on this journey and for your continued support. Your valued trust is both an incentive and an obligation for us – and we intend to live up to it in the next fiscal year with energy and vision.

Linz, June 2025

Prof. Dipl.-Ing. Helmut Fallmann
Chairman of the Managing Board

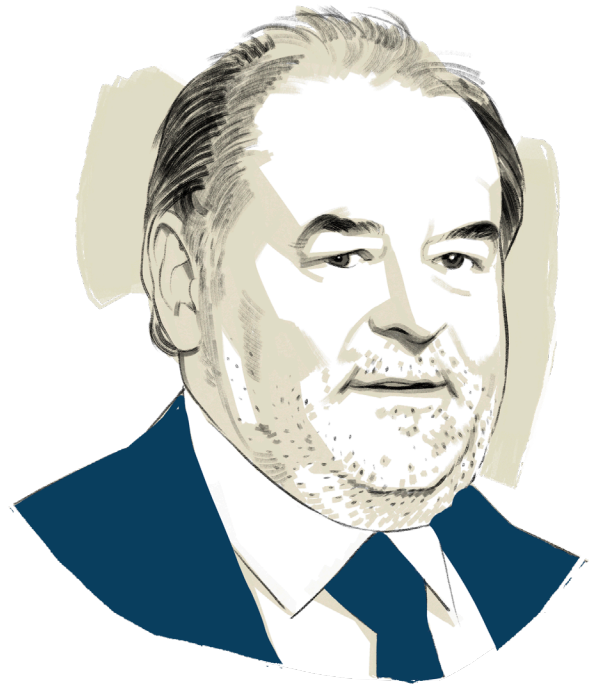
Ing. Oliver Albl
Member of the Managing Board

Matthias Wodniok
Member of the Managing Board

Report of the Supervisory Board of Fabasoft AG



Mag.ª Michaela Schwinghammer-Hausleithner
Member of the Supervisory Board



em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr
Chairman of the Supervisory Board

The Supervisory Board has fulfilled its responsibilities according to the provisions of law and the articles of incorporation in the 2024/2025 fiscal year.

The Supervisory Board of Fabasoft AG held regular quarterly meetings on 28 May 2024, 11 September 2024, 6 December 2024 and 10 March 2025. Meetings of the Audit Committee were also held on 28 May 2024 and 6 December 2024. All meetings of the Supervisory Board and the Audit Committee were held in person. All members of the Supervisory Board and Audit Committee attended the meetings. No conflicts of interest arose on the Supervisory Board in the 2024/2025 financial year. All resolutions were passed unanimously by all members of the Supervisory Board.

The meetings were convened in good time with an informative agenda. The respective meetings were supplemented by handouts and presentations, which were dealt with in chronological order. Each member of the committee had the opportunity to ask additional questions and/or make suggestions.

Key topics in the committee's work were reporting, discussion of the course of business in the individual quarters,

including a comprehensive budget comparison, sales activities, investments, operating locations, personnel development, as well as sustainability and capital market topics.

In addition to the formal meetings, as described above, there were opportunities to meet with the Managing Board and exchange information as required. Through its communicative activities, the Managing Board supports the fulfillment of the tasks of the Supervisory Board and the Audit Committee.

Fabasoft AG supports the members of the Supervisory Board with their induction to office as well as with training and further education measures. Individual members of the Supervisory Board took part in various training measures in the reporting year.

At the Supervisory Board meeting on 10 March 2025, the Managing Board and Supervisory Board of Fabasoft AG renewed the annual declaration of conformity with the German Corporate Governance Code in the (current) version dated 28 April 2022 (published in the Federal Gazette on 27 June 2022) to the extent described therein and made it available to the company's shareholders on the company's website in the Corporate Governance section.



FH-Prof.ⁱⁿ Univ.Do^z.ⁱⁿ DIⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl
Member of the Supervisory Board



Dr. Andreas Altmann
Member of the Supervisory Board

In addition, the Managing Board has prepared the sustainability report as part of the 2024/2025 annual report, which has been reviewed by the Supervisory Board.

The auditors appointed for Fabasoft AG, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Linz, and the audit committee of the company's Supervisory Board have audited the annual financial statements in accordance with the Austrian Commercial Code as at 31 March 2025 (balance sheet, income statement including notes and management report).

The consolidated financial statements as at 31 March 2025 in accordance with IFRS (balance sheet, statement of comprehensive income, cash flow statement, statement of changes in equity including notes and management report) was likewise audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Linz, and by the company's audit committee.

The audit of the annual financial statements and the consolidated financial statements did not give rise to any objections and both have been awarded an audit certificate. The audit committee of the company's Supervisory Board likewise raised no objections. The Audit

Committee also took note of the Corporate Governance report and the auditor's reports pursuant to Article 11 of Regulation (EU) No. 537/2014 on the audit of the annual financial statements of Fabasoft AG in accordance with the Austrian Commercial Code (UGB) and the consolidated financial statements in accordance with IFRS as of 31 March 2025. The separate remuneration report has also been prepared and was the subject of the Audit Committee's monitoring activities.

The Supervisory Board has approved the annual financial statements and the appropriation of the result proposed by the Managing Board in its meeting on 3 June 2025. The annual financial statements are hereby approved.

Linz, June 2025

em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr
Chairman of the Supervisory Board





Fabasoft's mission has always been to think digitally about business processes. 2025 marks the next chapter in this success story - and opens up completely new perspectives. Because real transformation begins when you no longer think in fragments, but in contexts. And when an intelligent ecosystem reorganizes, connects and expands document-intensive business processes - in all directions. This paradigm shift has a name:

**Fabasphere.
Business with
Higher Intelligence.**

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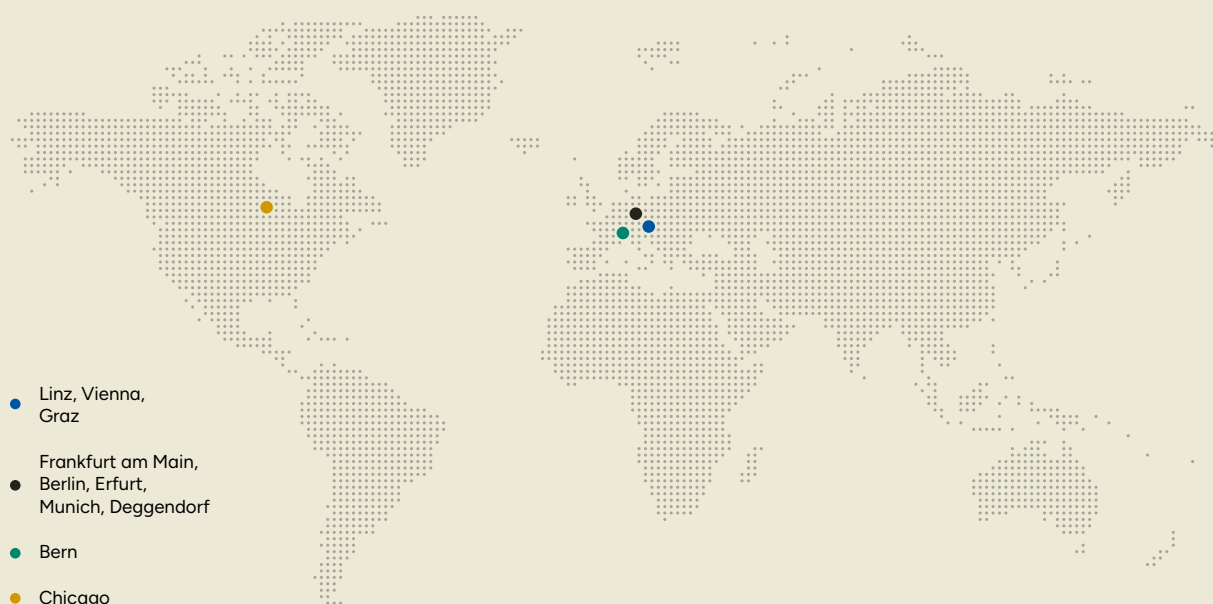
The Fabasphere

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Mindbreeze

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Group structure



The Fabasoft Group as at 31 March 2025

Fabasoft AG	Honauerstrasse 4	4020 Linz, Austria
Fabasoft International Services GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Fabasoft R&D GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Fabasoft Austria GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
	Waagner-Biro-Strasse 47	8020 Graz, Austria
Fabasoft Approve GmbH	Honauerstrasse 4	4020 Linz, Austria
Fabasoft Contracts GmbH	Honauerstrasse 4	4020 Linz, Austria
Fabasoft Oblivation GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Fabasoft Talents GmbH	Honauerstrasse 4	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Hon24 Immobilien GmbH	Honauerstrasse 4	4020 Linz, Austria
Mindbreeze GmbH	Honauerstrasse 2	4020 Linz, Austria
	Laxenburger Strasse 2	1100 Vienna, Austria
Fabasoft Deutschland GmbH	THE SQUAIRE 13, Am Flughafen	60549 Frankfurt am Main, Germany
	Potsdamer Platz 1	10785 Berlin, Germany
	Bahnhofstrasse 38	99084 Erfurt, Germany
	Schleissheimer Strasse 6-10	80333 Munich, Germany
Fabasoft Xpublisher GmbH	Schleissheimer Strasse 6-10	80333 Munich, Germany
	Edlmairstrasse 1	94469 Deggendorf, Germany
Fabasoft 4teamwork AG	Dammweg 9	3013 Bern, Switzerland
Mindbreeze Corporation	311 West Monroe Street	Chicago, IL 60606, USA
Fabasoft Xpublisher Inc.	311 West Monroe Street	Chicago, IL 60606, USA

Our performance profile

Visionary technology made in Europe

1. About the Fabasoft Group

As Austrian IT innovation leader and market leader in the field of electronic records management in the DACH region, Fabasoft sets standards for efficient and scalable processes in digital document and process management. The SaaS provider's technologies not only create solutions, but also define what excellence in digital transformation means. As a result, numerous well-known companies and public administration organizations have relied on Fabasoft's quality and experience for more than three decades.

In a digital ecosystem - the Fabasphere - Fabasoft offers networked software solutions for document-intensive business processes. The products digitize, simplify and accelerate business processes - and sustainably increase their quality. All solutions are built on the technological basis of the Fabasphere AI Core - consisting of the Fabasoft Cloud and Mindbreeze AI.

Fabasoft also stands for digital sovereignty in its applications - with development, operation and data storage in data centers in the EU and Switzerland. The Group thus strengthens the European digital economy and reduces dependencies on non-European solutions.

Fabasoft sees itself as a partner to its customers - with ambitious collaboration on an equal footing that thrives on reliability, understanding and transparency. The company's 494 employees (as of 31 March 2025) are passionate about enabling companies to realize their full potential and making them sustainably fit for the future.

Future-proofing is a top priority for the Fabasoft Group - which is why the company invests more than 30% of its turnover in research and development and continuously incorporates innovations into existing solutions.

The Fabasoft Group is represented by subsidiaries in Germany, Austria and Switzerland as well as via Mindbreeze Corporation (wholly owned subsidiary of Mindbreeze GmbH) and Fabasoft Xpublisher Inc. (wholly owned subsidiary of Fabasoft Xpublisher GmbH) in the USA. The Group is also active in other countries through selected sales and implementation partners. Fabasoft AG, headquartered in Linz, Austria, acts as the Group administration within the Group.

Customer-friendly and flexible

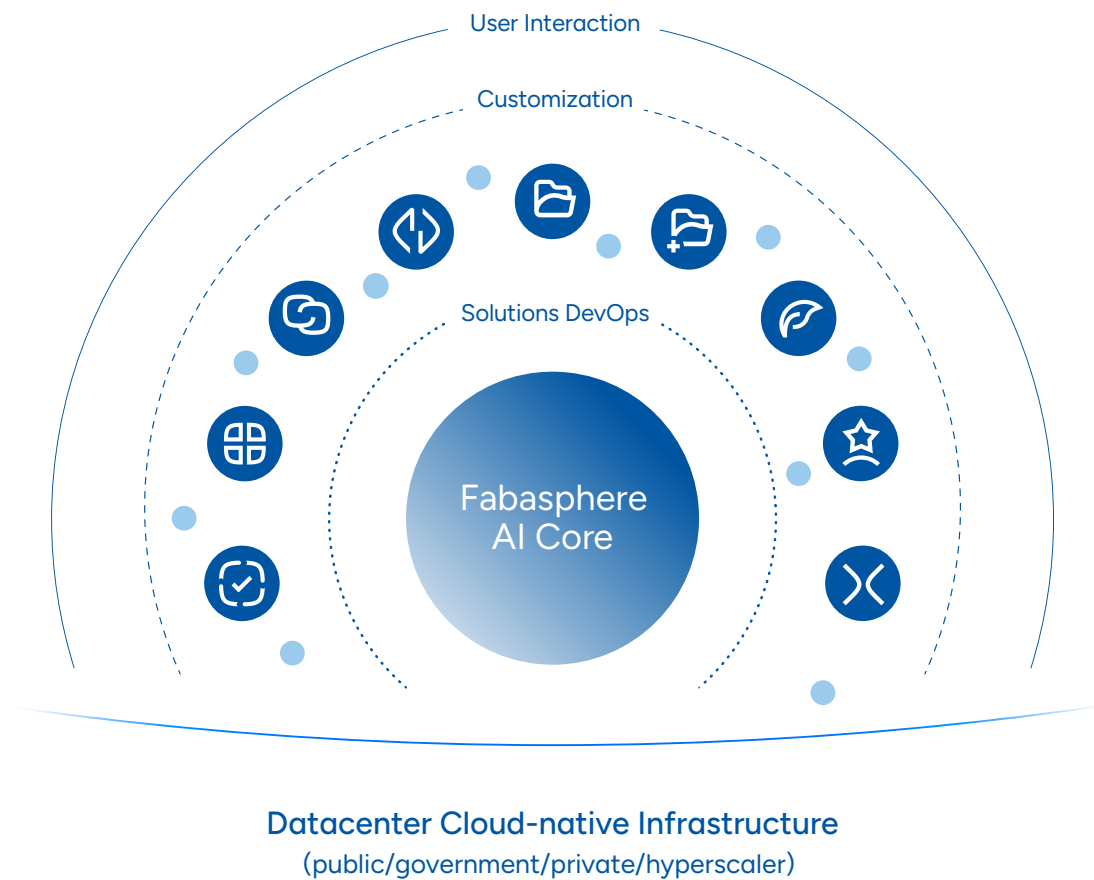
2. The business model

The Fabasoft Group's business model is based on the development and distribution of its own software products and accompanying services. Fabasoft provides these software products primarily in the form of recurring usage fees.

Market access is achieved directly with own sales and service organizations as well as jointly with sales and implementation partners. Direct business is handled by the Group's own companies. These companies have their own project organizations and, if necessary, assume the role of general contractor for project implementation. In addition, the Group is striving to further develop and expand its sales and implementation partnerships.

A digital ecosystem for
sustainable corporate development

3. The Fabasphere



Fabasphere is the new cloud-native home for documents and business processes. Based on Fabasphere AI Core technology - consisting of Fabasoft Cloud and Mindbreeze AI - Fabasphere offers a connected ecosystem of solutions for a wide range of requirements. Smart workflows, AI-supported automation, and seamless integrations ensure clear structures and smooth collaboration. Instead of isolated solutions, you get intelligent knowledge management that adapts to the complex needs of leading companies and the people behind their success.

The aim of Fabasphere is to make business processes more efficient, secure, and transparent. Its users gain access to a shared process and data environment that breaks down information silos, facilitates collaboration, and speeds up decision-making processes – across departments and companies. Thanks to its cloud-native architecture, companies are always up to date with the latest technology and can respond quickly to new requirements.

Effortless efficiency

Complete process automation

AI-supported enterprise content management is the key to efficient business processes. With the solutions in Fabasphere, companies and government institutions can classify, structure, and manage their documents seamlessly so that all content is available exactly where it is needed in the context of the respective business process. Routine tasks are intelligently automated using AI, while clear workflows ensure that all processing steps run seamlessly and on time. The solutions in Fabasphere minimize errors, reduce costs, and, above all, give users one thing: time. Time to further develop their business, make important strategic decisions, and thus achieve sustainable growth.

Trust through control

Data security at the highest level

At Fabasphere, sensitive customer data is given the highest priority – with security standards that go far beyond the norm. From software development to support services, we make every effort to ensure reliable data protection and information security standards for our customers. This is confirmed by regular BSI C5 and SOC 2 audits conducted by independent bodies, as well as EU Cloud CoC Level 3 and ISO 27001/27018 certifications, which represent the highest requirements in these areas.

With European data storage and audit-proof architectures, Fabasphere and its solutions comply with compliance requirements and ensure digital data sovereignty. Comprehensive protection mechanisms ensure maximum data security at all levels in Fabasphere: Data transmission and storage are always encrypted. End-to-end document encryption is available as an option. Robust access controls, role-based permissions in secure “team rooms” and configurable two-factor authentication ensure traceable, controllable security at the user level. This allows companies to maintain control at all times while providing a high level of user-friendliness for internal and external stakeholders.

Transparent & traceable

Single source of truth

The seamless interaction of all solutions in the Fabasphere creates the basis for a cross-company shared process and data world in which information is available in a networked form to internal and external parties. The entire lifecycle of every document is made fully traceable. To ensure maximum data quality and transparency, every processing step is logged and remains verifiable – regardless of whether changes are made to a document or in the team room. Even accidentally deleted data can be restored precisely when needed.

The turbo for digital transformation

Innovative AI functionalities

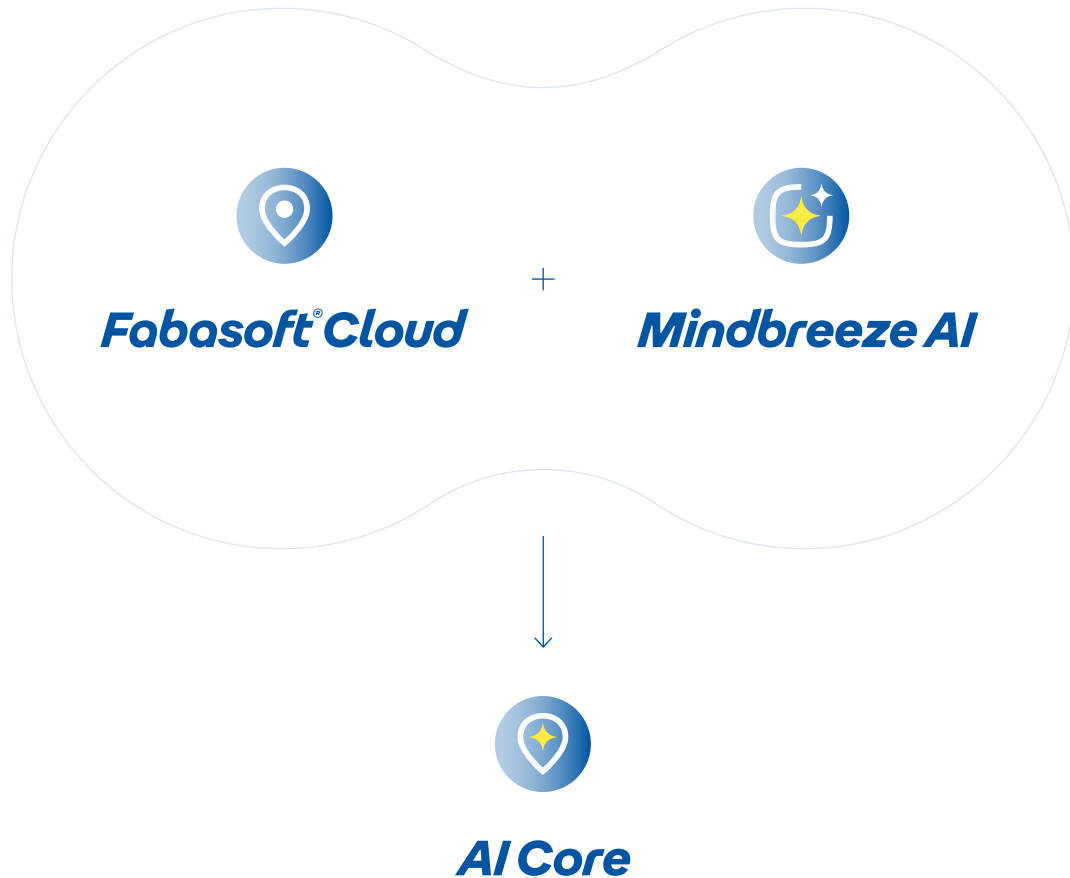
The AI-powered solutions in Fabasphere understand and analyze documents and information and proactively indicate where action is needed. To do this, Mindbreeze AI accesses only business-relevant data and minimizes misinformation (hallucinations). It extracts, interprets, and links existing knowledge to intelligently drive business processes – from contract review to decision support for management and C-level executives. This enables companies to not only optimize existing processes, but also transform their entire way of working – with maximum precision and fact-based decisions. As a result, strategies take effect more quickly, long-term competitiveness increases, and digitization becomes a driver of growth.

Workflows without obstacles

Consistent user experience

All solutions in Fabasphere follow a consistent operating concept – for intuitive use and uniform workflows across all applications. The user interface is responsive and automatically adapts to any device, whether desktop, tablet, or smartphone. Barrier-free working is also fully possible: keyboard operation, WAI-ARIA support, and multilingual interfaces in up to 22 languages make Fabasphere solutions accessible to everyone, regardless of technical knowledge or individual limitations.

3.1. The Fabasphere AI Core



At the heart of Fabasphere is Fabasphere AI Core – the technological foundation on which all digital business processes are built. It combines two of the most powerful components of the Fabasoft world: the secure, scalable, and highly available Fabasoft Cloud for document and process management, and Mindbreeze AI for understanding information in the right context. Together, they form a strong foundation for digital transformation at the highest level. This combination makes the Fabasphere AI Core a unique starting point for companies that want to combine information sovereignty, efficiency, and innovation – reliably, transparently, and “Made in Europe.”

3.1.1. The Fabasoft Cloud

The Fabasoft Cloud enables companies to securely manage sensitive data, automate complex workflows, and seamlessly integrate into existing IT landscapes. And thanks to its scalability and adaptability, it lays the foundation for sustainable digitization at the highest level.

Documents and tasks available at any time

Enterprise content and enterprise records management

In the Fabasoft Cloud, information is structured, traceable, and permanently available – regardless of time, location, or device. As a powerful enterprise content management system (ECM) with integrated records management functions (ERM), it helps companies manage business-critical content in a legally compliant manner and establish end-to-end digital processes.

The entire lifecycle of a document – from receipt or creation to editing and approval to audit-proof archiving – is mapped seamlessly. The “time travel” function allows you to view previous versions at exactly the right moment, while audit trails log all changes and dynamic watermarks provide additional security. Tasks are also managed efficiently with personalized worklists, automatic notifications, and mobile availability.

From modeling to signature

Powerful business processes

With its business process management (BPM) functions, the Fabasoft Cloud helps companies map their business processes digitally, efficiently, and transparently from start to finish – from the initial model to the legally compliant signature. A graphical BPMN 2.0 editor makes it easy to design, optimize, and automate individual processes without any programming knowledge. Ad hoc processes offer the flexibility needed to respond to new requirements as they arise and to involve both internal and external participants in all process steps in a targeted and platform-independent manner.

Electronic signatures can be seamlessly integrated into existing workflows for binding decisions. In addition to simple signatures, the Fabasoft Cloud also supports qualified electronic signatures in accordance with the eIDAS Regulation – for EU-wide legally valid and media-break-free process completion. Behind the processes, a well-thought-out organizational structure ensures clear responsibilities and simple assignment of rights and roles. Members, teams, organizational units, and positions can be managed centrally and their authorizations controlled. This ensures that tasks and responsibilities remain clear at all times, even with complex requirements.

Tailored flexibility

Customization down to the last detail

The Fabasoft Cloud offers users a wide range of options for customizing their environment with low-code and no-code functionalities. Processes can be modeled and mapped based on requirements, categories control the behavior of objects, and user-defined forms capture exactly the data that is relevant for the respective organization. Reusable templates and structured text modules promote resource-efficient use of knowledge and enable the efficient creation of consistent documents – even for complex requirements.

Analysis and display options can also be customized: Insight Apps provide an aggregated view of information that can be adapted to specific roles and tasks. With customizable views and search patterns, users get exactly the information they need – quickly, accurately, and in the right context. The result is an environment that grows with you and fits seamlessly into existing processes and structures.

The cloud for different requirements

Flexible operating models

Thanks to its cloud-native architecture, Fabasphere offers companies maximum flexibility in choosing the optimal operating model. Companies select the setup that best meets their security requirements, operational conditions, and regulatory requirements. There are four cloud operating models to choose from:

- **Public Cloud** – Certified provision of Fabasphere on Fabasoft's own hardware infrastructure in certified data centers in Germany, Austria, and Switzerland. Fabasoft operates Fabasphere in the public cloud model. Test reports and certificates document the measures taken in the areas of information security and data protection.
- **Government Cloud** – The operating model is reserved exclusively for government organizations. Provision is similar to the public cloud operating model.
- **Private Cloud** – Fabasoft delivers Fabasphere as a container. The customer is responsible for operation on their infrastructure and for the associated measures in the areas of information security and data protection.
- **Hyperscaler Cloud** – The division of responsibilities is identical to the "Private Cloud" operating model.

Highly available and reliable

Public cloud operations at the highest level

Fabasphere is provided in certified data centers in Germany, Austria, and Switzerland, with two redundant locations per site. The data centers meet the highest standards for security, fire protection, power supply, and climate control. Fabasphere is operated exclusively by Fabasoft employees on Fabasoft's own hardware.

In combination with a cloud-native architecture and a sophisticated software design, this infrastructure enables high reliability and stable performance – even with heavily fluctuating workloads. A minimum availability of 99.9% per quarter is contractually guaranteed. At the same time, the average response time on the web server is less than one second – continuously monitored and transparently documented by Fabasoft app.telemetry. Various support models are available to Fabasphere customers. Fabasoft app.telemetry provides content support for the analysis of support requests.

Demanding certifications and audits attest to the technological excellence of Public Cloud Operations – and make Fabasphere the new benchmark in the European market.

Seamlessly connected

Integrations and interfaces

Whether ERP, CRM, or collaboration solutions, Fabasphere integrates seamlessly into existing IT systems and enables consistent, media-break-free processes. Thanks to certified SAP connectivity, business documents can be automatically archived, managed in an audit-proof manner, and integrated into existing workflows. Content can be created, edited, shared, or stored directly in Microsoft Office applications, including access to central text modules and cloud functions.

In addition, the standardized OData interface allows structured access to business data for transparent reports, automated evaluations, and informed decisions. In addition, open interfaces, such as those based on Web DAV, OpenAPI, or CMIS (Content Management Interoperability Services), ensure maximum flexibility when connecting external systems. CMIS enables manufacturer-independent management and access to documents and content in various content management systems.

Integration with calendar and contact services is also possible – for centralized information flows across system boundaries. This makes Fabasphere a reliable hub in the digital ecosystem of companies.

3.1.2. Mindbreeze AI

Fabasphere AI Core - and therefore every solution - includes Mindbreeze AI. The AI understands business-relevant information in context, intelligently links knowledge, and makes it immediately usable for informed decisions and automated processes. This turns documents and information into a real competitive advantage.

Automated intelligence for documents

Intelligent Document Processing (IDP)

With Intelligent Document Processing (IDP), Mindbreeze AI automates the entire information processing workflow – from extraction and classification to semantic interpretation. Using technologies such as semantic analysis and natural language processing, Mindbreeze AI recognizes relevant structures in documents and metadata, extracts them, and links them to existing objects.

IDP is used wherever large volumes of documents need to be processed in a time-critical, secure, and traceable manner – for example, in contract management, invoice verification, or digital inboxes. The information gained forms a reliable basis for downstream processes, promotes efficiency, and creates new insights based on existing knowledge.

Context-based automation

Process control with Agentic AI

The Fabasphere AI Core goes beyond traditional automation: With Mindbreeze AI's ability to make context-based decisions, document flows and business processes are increasingly controlled autonomously. Agentic AI means that processes and tasks are controlled or completed by AI based on current information and predefined goals. This reduces the workload for employees, speeds up processes, and creates space for strategic tasks. This is how automation becomes true process intelligence.

Dialogue with documents

Natural language as the key to corporate knowledge

Understanding user queries in natural language is one of Mindbreeze AI's strengths. To extract relevant facts and provide users with accurate answers, Mindbreeze AI uses Natural Language Question Answering (NLQA) and accesses business data, considering permissions.

In addition, Mindbreeze AI enables Retrieval Augmented Generation (RAG) using powerful Large Language Models (LLMs) to generate context-based answers based on secure company data. Unlike generic LLMs, which are based solely on static training knowledge, RAG always accesses indexed company data. Customer data is not used as training data for general LLMs (zero data retention) and also remains in the customer's own tenant. Customers can flexibly choose their own language models and integrate them as needed.

Whether it's automatically answering complex technical questions or comparing regulatory requirements with internal company documents, the result is an insightful dialogue with files, team rooms, and documents that yields insights far beyond the original question.

Know what matters when

Proactive information management

Mindbreeze AI helps users stay informed based on their interests. Instead of constantly searching for information, Mindbreeze provides them with relevant context early on and derives recommendations from it – for example, in the event of delivery bottlenecks, missed deadlines, or process deviations. To do this, Mindbreeze AI analyzes all available data sources in context and provides a 360° view of business processes, contracts, projects, and participants. This eliminates the need to search for crucial information – instead, relevant content finds its way to the right person at the right time. This increases response times and improves decision-making quality.

3.2. The solutions in the Fabasphere



Fabasphere brings together carefully curated solutions for different industries and use cases. They help customers make informed, AI-driven decisions based on secure information and transform their company's knowledge and information management for the future.

Fabasoft Approve

Fabasoft Approve, the AI-supported document and quality management solution, improves project quality in industry and ensures efficient and transparent processing. Companies in the special-purpose machinery, plant, and infrastructure construction sectors benefit from a shared database for exchanging technical documentation, contract-related communication with suppliers and customers, and the necessary testing, approval, and quality processes.

The comprehensive functions for document, quality, and process management offer high user-friendliness and enable the rapid implementation of customer-specific requirements. The Interactive Exploded View adds additional information to documents for effortless navigation in technical databases. The AI chat with documents also answers content-related questions in natural language. By analyzing past projects, Mindbreeze AI provides context-specific answers at every step of the 8D process that can be integrated directly. Digital workflows accelerate collaboration with internal and external stakeholders along the entire value chain.

Fabasoft Boards

Fabasoft Boards meeting management helps companies organize, run, and follow up on meetings efficiently. The solution makes sure you meet strict compliance requirements for highly confidential board and management meetings, like in the financial sector. In addition to easy scheduling, digital invitations and agenda items that can be updated and expanded at any time make preparation a breeze. AI-generated summaries and translations provide essential information quickly, even for multilingual committees. The integrated timer ensures reliable time management. Decisions and follow-up tasks are documented in an audit-proof protocol and transmitted to participants via media-break-free workflows.

Fabasoft Contracts

Fabasoft Contracts enables AI-supported, efficient creation, digitization, and management of contracts throughout their entire lifecycle. Responsible parties in all industries from the areas of legal, compliance, purchasing, and sales benefit from intelligent, automated metadata extraction when digitizing documents.

New agreements can be quickly generated using an existing clause library and reviewed or approved across organizations via digital workflows. The integration of an advanced and qualified electronic signature in accordance with the eIDAS Regulation ensures media-break-free approval processes. The cloud-based software also offers other helpful features for processing, managing, and controlling the contract portfolio,

including intelligent clause analysis, semantic full-text search, easy creation of summaries, and an integrated chat function for questions about content.

Fabasoft Dora

Fabasoft Dora outsourcing management supports companies in the financial sector in implementing the EU's Digital Operational Resilience Act (DORA) in compliance with the law. The solution demonstrably ensures the management of IT services throughout the entire outsourcing cycle, including all reporting requirements.

The AI-supported solution minimizes resource usage and the risk and error potential for those responsible for outsourcing, compliance, and data protection in financial companies – such as banks, insurance companies, rating agencies, and pension funds – through the end-to-end, intelligent digitization of outsourcing management. The AI-based contract portfolio analysis allows existing agreements to be checked for compliance with the provisions of the Digital Operational Resilience Act. An integrated clause library enables new contracts and supplementary agreements to be created quickly. In addition, the software automatically generates the necessary audit reports, such as the information register, in the defined format. Digital workflows also ensure audit-proof compliance with legal requirements.

Fabasoft Oblivation

The AI-powered sustainability reporting solution Fabasoft Oblivation enables efficient data collection, secure storage, and effortless provision of data for CDP sustainability reporting. The intelligent functions of Fabasphere AI Core enable finance and sustainability teams to optimize their collaboration and ensure reliable CDP project management. A consistent authorization concept and digital workflows assign clearly defined roles, tasks, and deadlines to team members and external experts. The intelligent search function is tailored to CDP questions and ensures that crucial information can be found effortlessly. Thanks to generative AI, traceable answers in English can be provided automatically, regardless of the input language. Finished reports are available directly in the required format for quick and easy upload to the CDP online portal.

Fabasoft Talents

The Fabasoft solution for digital personnel files, Fabasoft Talents, enables the audit-proof and transparent digitization of HR processes across the entire personnel lifecycle. HR managers benefit from legally compliant document storage, quick document retrieval using intelligent search functions, and improved interaction with employees. Routine tasks, such as the timely

disposal of documents in accordance with the GDPR, are automated, and practical self-service functions reduce the administrative workload in the HR department. Digital workflows speed up the exchange of documents and the submission of applications. Integrated skills management facilitates the recording, validation, and evaluation of employee competencies.

Fabasoft Xpublisher

The cloud-native editing and publishing system Fabasoft Xpublisher supports the book and publishing industry as well as public research institutions, institutes, and associations. With its consistent "content first" approach, it optimizes the entire content lifecycle: from planning and creating structured, media-neutral content to managing editorial coordination processes, automated print production, and efficient distribution across all digital channels – collaboratively in a single source of truth and in compliance with the highest European data protection standards.

Mindbreeze AI frees up time for creative tasks and ensures consistently high editorial quality. Teasers, translations, and texts tailored to specific tones can be created automatically, and recurring routine tasks can be handled efficiently. Automated tagging improves the findability and reusability of content and increases productivity throughout the entire editorial and publication process.

Fabasoft OneGov

Fabasoft OneGov, a digital business management solution, supports Swiss authorities at the federal, cantonal, and municipal levels, as well as administration-related institutions, in the AI-supported, legally compliant creation, processing, and management of dossiers. Users benefit from the intuitive design and intelligent automation of business processes. With powerful low-code/no-code functions, they can quickly implement new requirements – without any programming knowledge. AI-supported chat with documents accelerates the understanding of extensive, case-specific information and provides traceable answers with source references.

Fabasoft eGov-Suite

Fabasoft eGov-Suite is the leading product for digital administration in German-speaking countries, setting new standards with artificial intelligence.

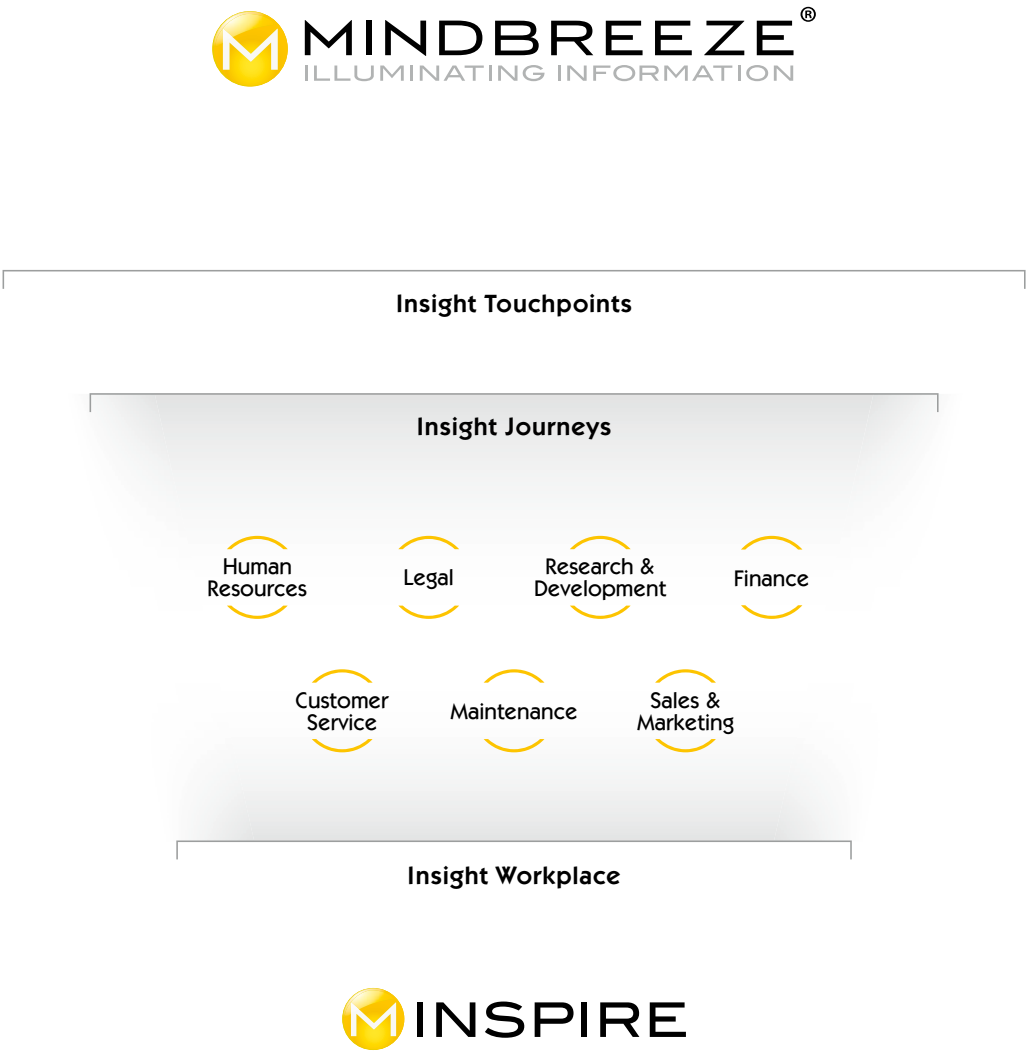
With the help of Mindbreeze AI, Fabasoft eGov-Suite transforms electronic documents into "intelligent files" by enabling a deep understanding of the content and how it is connected. Users benefit from precise answers to questions in natural language and the automatic generation of summaries, among other things. The prod-

uct also automates the classification of documents, the extraction of relevant information, and its assignment to the corresponding business cases. Predefined templates initiate processes directly and enable comprehensive process automation while maintaining the traceability of each individual step.

Fabasoft eGov-Suite supports citizen-centric online services with intuitive low-code/no-code functions that allow specific processes to be flexibly adapted without programming knowledge. Citizens and businesses can easily submit applications via the service platform, with the relevant data flowing directly into the electronic file, creating seamless digital workflows from application to final result.

With the continuous integration of intelligent functions and the consistent automation of processes, Fabasoft eGov-Suite continues to position itself as the central and forward-looking product for modern administrative work at all levels.

4. Mindbreeze



Mindbreeze is redefining how organizations engage with and interact with information with Mindbreeze InSpire. Using artificial intelligence, Mindbreeze transforms complex data into actionable insights for businesses. Mindbreeze analyzes, extracts, and interprets business-relevant facts and seamlessly connects them across different enterprise data sources for users. Insight Apps provide a perfect contextual visual representation of the results.

Insight Engine

Mindbreeze InSpire

Mindbreeze InSpire is an AI-based, powerful insight engine that analyzes structured and unstructured information from various enterprise data sources, consolidates it, and prepares it according to user access rights. Mindbreeze InSpire is designed as an add-on product and can therefore be easily integrated into existing IT infrastructures, regardless of whether these are on-premises installations, SaaS environments, or marketplaces such as Amazon Web Services, Microsoft Azure, Google Cloud, or Oracle Cloud. The connection to company data sources is established via connectors ranging from email and document management systems to industry-specific applications and archives. Mindbreeze InSpire forms the technological basis for specific application-centric solutions such as Mindbreeze InTend (proposal management) and Insight Workplace, as the starting point for every interaction with company data.

In addition, Mindbreeze InSpire integrates seamlessly into work environments such as Microsoft Outlook, Microsoft SharePoint, and Salesforce. This means that employees can access relevant information more quickly and conveniently, as they do not have to switch work environments.

Understanding data – using knowledge

Insight Services

Insight Services form the basis for AI-based information delivery in the areas of enterprise search, knowledge management, and generative artificial intelligence (GenAI). To this end, Mindbreeze combines various artificial intelligence methods such as fact extraction, classification (text, image), natural language question answering (NLQA), and large language models (LLMs). To minimize hallucinations when generating answers, Mindbreeze uses Retrieval Augmented Generation (RAG).

Mindbreeze provides interfaces and services for software manufacturers, integrators, and developers so that they can easily integrate the proven Mindbreeze technology into their own products and projects.

Knowledge that works with you

Insight Workplace

The Insight Workplace, as the central point of entry for interacting with company data, offers users a new way of accessing and preparing data. Mindbreeze InSpire understands questions asked in natural language and immediately provides a context-sensitive and clearly structured answer. The AI agent selects the optimal visual representation (Insight App) in the background. These can be lists, graphics, diagrams, with or without a chat window, which are automatically generated by the Insight App Designer. The entire generation and thought

process is presented transparently and comprehensibly in a "chain of thought." References to the data sources from which the content originates serve to verify the results. Any further interaction with the results takes place easily in the Insight Workplace, such as chatting with documents or with any selected content, as well as creating summaries or suggested answers. Only the content of the selected information is used for generation, taking access rights into account. Depending on the use case, additional questions or tasks are asked, or the answers are narrowed down and displayed in a more focused manner using detailed inputs and filters.

Knowledge paths for everyday business

Insight Touchpoints and Insight Journeys

To maintain clarity in Insight Workplace, queries are presented in a structured format in Insight Touchpoints and Insight Journeys. Each question is saved in Insight Workplace as an Insight Touchpoint. These can be updated and accessed at any time. Insight Journeys cluster multiple touchpoints into a single topic. A journey for the HR department, for example, contains all questions relating to the onboarding process for new employees. Without any further action, new employees always receive the latest information, as the journey is immediately updated when it is called up again.

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Topics worthy of mention in the fiscal year

1st quarter

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2nd quarter

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3rd quarter

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4th quarter

35 – 37



Topics worthy of mention in the fiscal year

1st quarter (1 April 2024 – 30 June 2024)

BSI C5, SOC 2, ISAE 3402 and EU Cloud Code of Conduct

Fabasoft and Mindbreeze passed the audit again at the beginning of 2024 in accordance with the requirements of the current BSI C5:2020 requirements catalog and the SOC-2 Trust Service Criteria (TSC) for security. The corresponding certificates were issued for the Fabasoft PROCECO Cloud and selected Fabasoft PROCECO Solutions, as well as for Mindbreeze InSpire SaaS Services. As part of the ISAE 3402 Type 2 audit, the design and effectiveness of the corresponding controls (based on COBIT 2019) were tested in relation to the services defined by Fabasoft and Mindbreeze. In addition, Fabasoft has once again achieved compliance level 3 of the EU Cloud Code of Conduct (CoC) for the Fabasoft PROCECO Cloud including the selected Solutions.

Swiss Medical Weekly uses Fabasoft Xpublisher as its publishing system

Swiss Medical Weekly (SMW), a medical journal from Switzerland, uses Fabasoft Xpublisher for the online publication of scientific articles based on JATS-XML. SMW wanted to implement an XML-first workflow based on Word documents and chose Fabasoft Xpublisher because of the customization options of the XML format used and the export to other formats.

Fabasoft Approve at Control 2024

Fabasoft Approve presented its cloud-based software for managing technical data and documents at Control, the leading international trade fair for quality assurance in Stuttgart, Germany, from 23 to 26 April 2024. The focus was on presenting how industrial companies are taking their quality management to a new level through the digitization of cross-company end-to-end processes and the use of AI. The leading international trade fair for quality assurance, which has been taking place since 1987, not only offers theoretical aspects but also practical insights into the wide range of options for ensuring defined quality requirements.

FutureHub: Authorities 2024

On 14 May 2024, the "FutureHub: Authorities" took place at Palais Berg in Vienna. Under the motto "Real people, real conversations", the event offered insights into the digitization of the public sector with a focus on AI, cybersecurity and smart government. Fabasoft played a key role in the program with a keynote speech and the presentation of concrete application possibilities of Fabasoft online services as well as comprehensive information on digital transformation with the Fabasoft eGov Solutions, particularly demos of the digital personnel file Talents on Fabasoft eGov.

Mindbreeze InSpire available on the Google Cloud Marketplace

With availability on the Google Cloud Marketplace, Mindbreeze offers another way for companies to use its Albased knowledge management services without their own infrastructure. Mindbreeze InSpire is now available for customers and partners on the common online marketplaces (AWS Marketplace, Microsoft Azure Marketplace, Google Cloud Marketplace) in addition to the existing deployment options cloud, hosted by Mindbreeze, hybrid cloud or on-premises.

HEssenDIGITAL 2024

The focus of the HEssenDIGITAL congress on 29 May 2024 in Bad Homburg was on the requirements for implementing the digital transformation of public administration. In addition to a high degree of cooperation and information exchange, the implementation requires digitization strategies and digital administrative processes, combined with technologies such as cloud computing, AI or low code/no code. Fabasoft presented the functions and possible applications of the Fabasoft eGov Solutions.

Webinar with Handelsblatt: "The countdown is on: Implementing DORA efficiently"

How well prepared is the financial sector for DORA? What challenges do those responsible need to be prepared for during implementation? And how can the reporting obligations of the regulation be fulfilled with the help of smart tools? Thorsten Breuer, Managing Partner (CEO) & Founder of Kolibri Advisory & Services GmbH i.G., and Robin Schmeisser, Managing Director of Fabasoft Contracts GmbH, discussed this on 12 June 2024 in the Handelsblatt "How to Business" webinar "The countdown is on: Implementing DORA efficiently in the financial sector with digital management of IT service providers".

Fabasoft Success 2024

Fabasoft Success 24 took place at the Aula der Wissenschaften in Vienna on 17 and 18 June 2024. The 17th century building provided the setting for this event, which brought together all employees of the Fabasoft Group. The event, which takes place every two years, focused on internal knowledge transfer and personal exchange in order to jointly develop new ideas for innovations.

Austrian Digital Value e-Government Conference 2024

On 19 and 20 June 2024, the 20th ADV e-Government Conference took place at the Ursulinenhof Linz. The motto of the event was "Digital. Sovereign. Future-proof." and provided information on the latest developments in the field of digital public administration. The Fabasoft eGov team presented current projects and introduced Fabasoft Online Services and the automation of routine tasks.

Future Congress State & Administration 2024

The 10th Future Congress State & Administration from 23 to 25 June 2024 in Berlin focused on the latest trends and challenges in the field of digital public administration. Fabasoft provided information about current customer projects, the advantages of Fabasoft solutions, and the automation of administrative tasks using AI.

2nd quarter (1 July 2024 – 30 September 2024)

NEM Energy relies on Fabasoft Approve

NEM Energy B.V., the leading international OEM supplier of heat transfer technologies and exhaust systems, relies on Fabasoft Approve for managing technical documents along the supply chain. During the average two-and-a-half-year term of a project, the company exchanges thousands of documents with suppliers, manufacturers and customers. Approve is now used by more than 250 users from the areas of project management, purchasing, technology and quality management, as well as by suppliers of NEM.

Fabasoft Xpublisher at the CrossMediaForum 2024

Fabasoft Xpublisher had a stand at the CrossMediaForum in Munich on 4 July 2024 and gave a presentation on the significance and implementation of the IT Standards Task Force together with an expert from Edupartner. At the event, more than 100 publishing managers and leading providers exchanged ideas and experiences on innovative and proven methods and tools for cross-media publishing under the motto "More creativity and customer-oriented media offerings through (AI) tool support and automation".

Mindbreeze designed a course as part of the KinderUni OÖ 2024

Mindbreeze was part of the KinderUni OÖ for the eighth time, designing the course "From Computers to Robot" at the Johannes Kepler University Linz (JKU). Mindbreeze specialists playfully introduced the participating children, aged seven to nine, to the topic of programming. After a brief introduction to the Choregraphe programme, the children programmed simple instructions for the robots under supervision.

Fabasoft Robotics Camp 2024

Fabasoft and the association Talente OÖ have organized the "Fabasoft Robotics Camp" at the Fabasoft headquarters in Linz for the seventh time in summer 2024. The aim of the camp is to introduce children between the ages of 8 and 14 to technology, computer science, and programming in a fun and playful way, sparking their interest in a future technical career at an early stage. A total of 38 children and young people had the opportunity to gain early knowledge from the world of technology and programming in different groups ("Rookies" and "Advanced") and to develop in the sense of sustainable support.

Communications Congress 2024

On 12 and 13 September 2024, Fabasoft Xpublisher took part in the Communications Congress at the Congress-Center Berlin. In addition to manning the stand, the team gave a presentation on effective sustainability communication together with a representative from zNT. As an important event in the field of corporate communications, the congress provided an opportunity to exchange views on current trends and to demonstrate the expertise of Fabasoft Xpublisher in the industry.

BME webinar: "How KSB is improving supply chain resilience through digitization"

Today, supply chains are subject to greater demands than ever. Particularly in project-related mechanical engineering, where customized solutions are developed for the customer, seamless interaction between all parties involved is crucial. In a BME webinar on 24 September 2024, Christian Strobl, project manager and operational purchaser at KSB, and Andreas Dangl, managing director of Fabasoft Approve GmbH, discussed how to efficiently network suppliers and customers. 115 interested parties learned how KSB is improving the resilience of its supply chain with Fabasoft Approve.

Fabasoft presented ZERO³ project results at MODELS24

On 24 September 2024, Feyza Nur Bozkaya and Björn Fanta presented a prototype from the ZERO³ project on the topic "IoT-Edge-Cloud Continuum for BPMN based quality assurance" at the Industry Day of MODELS24, an international conference in the field of model-based software development. The speaker focused on the implementation steps and used a live demonstration to illustrate the practical applications of this technology.

Fabasoft again certified as family-friendly employer

Fabasoft has held the basic "berufundfamilie" certificate since 2021 and has been awarded the "family-friendly employer" seal of quality. In September 2024, the "berufundfamilie" certificate was extended for further three years. The compatibility of family and career plays an important role for Fabasoft. The award underlines Fabasoft's special commitment to maximizing the compatibility of career and family. Fabasoft implements various measures in projects in the areas of working hours, management culture, information and communication policy, parental leave and career return, and personnel development.

Fabasoft Dora masters EU "dry run"

As part of the ongoing DORA preparations, the European Supervisory Authorities (ESAs) have launched the "dry run" – a Europe-wide test run for the creation and submission of the information register in accordance with the Digital Operational Resilience Act (DORA). Customers in the financial sector also took part in the dry run. With the help of Fabasoft Dora they created and submitted the required information register automatically and on time.

EY Innovation Index 2024: Fabasoft once again takes first place with the highest R&D intensity in Austria

Who invests the most in innovation? EY addressed this question in a study and analyzed the research and development intensity of the 30 listed companies in Austria with the highest research and development spending last year. In the 2023/2024 fiscal year, Fabasoft spent 31.4% of its revenue on research and development, and – as in previous years – took first place among the top 10 companies in Austria with the highest R&D intensity.

3rd quarter (1 October 2024 – 31 December 2024)

Fabasoftware AG celebrates 25th anniversary on the stock exchange

Fabasoftware AG has been listed in the Prime Standard segment of the Frankfurt Stock Exchange since 1 October 1999 and celebrated a further milestone in its sustained success story with its 25th anniversary on the stock exchange. The Frankfurt Stock Exchange also congratulated the company on this occasion with a mention on the display board on the trading floor.

Fabasoftware egovdays 2024

The Fabasoftware egovdays 2024 took place in Berlin on 1 October and in Vienna on 8 October, providing insights into current customer projects and developments in the public sector. The participants were treated to talks on current topics and trends in areas such as AI and cloud-native technology. Experts from various ministries and public institutions shared their experiences, including the use of AI and the successful introduction of digital products in administration.

Mindbreeze opens its doors with the Mouse

On 3 October 2024, Mindbreeze once again opened its doors to young people interested in technology. This year, the Mindbreeze experts along with moderator Ulla Pilz, introduced around 70 children to exciting topics of the future. At three stations the children took an in-depth look at the hot topic of AI, programmed robots, and learned how visually impaired people live and work with assistive technology.

Handelsblatt Expert Talk: "Future Trends 2025: How companies benefit from technology, impact and innovation"

In the Handelsblatt Expert Talk, leading experts such as futurologist Prof. Dr. Anabel Ternès von Hattburg, Erhard Eder, Senior Vice President at Siemens Energy and Andreas Dangl, Managing Director at Fabasoftware Approve, provided exciting insights into future fields of innovation and technological developments.

Moderated by Moritz Schönleber, Head of Event Production at Handelsblatt, the panel discussed how companies can increase their competitiveness by integrating megatrends, technologies and impact. Topics included

the social impact of innovations, the effects of digitization on the energy industry, and the cloud as a driver for efficient innovation processes.

Fabasoftware Welcome Days for new employees at the headquarters in Linz

In November 2024, a new onboarding program was launched – the Fabasoftware Welcome Days for new employees in Austria, Germany and Switzerland. These will take place every two months at the headquarters in Linz. During this two-day onboarding event, the Fabasoftware Group introduces itself (history, values, strategy). The Welcome Days also offer an opportunity to get to know colleagues from different departments and to build up a good network right from the start.

Successful re-certification with the Cyber Trust Gold Label

Fabasoftware has successfully passed the audit required for its annual re-certification. The prerequisite for this is proof of compliance with the 14 basic security criteria and the 11 additional criteria for the advanced security level and an "Advanced Security" claim. The Austrian cybersecurity seal of quality is based on the Cyber Risk Rating scheme developed by KSÖ (Kompetenzzentrum Sicheres Österreich) and KSV1870, while the Gold Label is based on a valid KSV1870 CyberRisk A+ rating.

University of Lucerne goes live with Fabasoftware OneGov

On 18 November 2024, Fabasoftware 4teamwork was able to go live with the first customer using Fabasoftware OneGov. The rectorate and the law faculty of the University of Lucerne have been using the new generation of Fabasoftware OneGov with 40 users since mid-November.

Over the next three years, it is planned to continuously expand this to more than 500 users. After the presentation of the new product generation Fabasoftware OneGov as a basic version at the Innovation Day in Bern in March 2024, the University of Lucerne was acquired as the first major new customer at the end of June, and went live less than five months later.

eGov webinar: "Digital transformation with expertise"

On 19 November 2024, the eGov webinar entitled "Digital transformation with expertise: How to digitize your authority with the E-File Competence Center and Fabasoftware Professional Services, avoiding media discontinuity and remaining citizen-focused" took place.

The speakers informed participants about how Fabasoft is driving digital transformation forward and how it has already successfully implemented extensive projects with the federal e-file in various authorities. The webinar offered insights into the approach and procedure in projects, the cooperation between the Competence Center and professional services, and the advantages that such a collaboration brings.

Successful ISO certification

As part of the surveillance audit carried out in October and November 2024 at the Fabasoft locations in Linz, Vienna, Berlin and Frankfurt, as well as remotely for the Munich and Bern locations, external auditors from Quality Austria Certification GmbH reviewed the Fabasoft Group's integrated management system. In the course of this audit, compliance with the requirements of ISO 9001 (quality management), ISO 27001 (including ISO 27018, information security management) and ISO 20000 (service management) was confirmed with a positive result.

Mindbreeze positioned as a "Leader" in IDC MarketScape

The global market research and consulting firm IDC (International Data Corporation) has ranked Mindbreeze as a "Leader" in the IDC MarketScape for Worldwide Dedicated Knowledge Management Solutions 2024 Vendor Assessment.

Mindbreeze at the AI Summit NYC 2024

From 11 to 12 December 2024, Mindbreeze took part in the AI Summit at the Javits Center in New York City for the first time. The event provided an important platform for over 4,000 professionals from the technology and business communities to exchange ideas on the commercial use of AI and gain insights into current trends and technologies. The team held numerous discussions at the Mindbreeze booth and presented the latest innovation, the Insight Workplace, live. This enables employees to communicate with company information as intuitively as they do with colleagues.

Furthermore, the presentation "How Generative AI Illuminates Insights for Critical Business Decisions" introduced the Insight Workplace and illustrated how it is permanently changing the way companies access and use their data.

Fabasoft Approve is a member of the DGQ

The Fabasoft Approve GmbH team has been a corporate member of the German Society for Quality (DGQ) since December 2024. This is a renowned network of specialists from various business sectors that has been promoting quality in business and society for more than 70 years. As a provider of an AI-supported quality management system (QMS), Fabasoft Approve benefits from its membership primarily through access to the latest trends, best practices and in-depth expertise.

4th quarter (1 January 2025 – 31 March 2025)

Handelsblatt Expert Talk: "Between AI and cultural change: How natural intelligence is driving digital transformation"

At the Handelsblatt Expert Talk on 23 January 2025, leading experts highlighted the importance of natural intelligence as a key success factor in digital transformation. Dr. Stephan Bross (KSB), Andreas Dangl (Fabasoft Approve) and Dr. Astrid Petersen (Wissensfabrik) used practical examples to show how cultural change, communication and change management skills beyond the AI hype are becoming the basis for sustainable transformation.

Fabasoft Approve webinar: "Lean and AI in mechanical engineering: From hype to practical application"

AI is the key to a new level of efficiency and quality in mechanical engineering – but only if processes and data are aligned. In the webinar on 28 January 2025, Andreas Dangl (Fabasoft Approve), David Schlauer (Mark3D) and Marco Prüglmeier (Noyes Technologies) presented key challenges facing the industry and provided practical insights into how companies can successfully overcome them with the help of artificial intelligence and lean management.

Expert discussion: Greater competitiveness through digital government?

Austria's position as a business location is weakening in comparison with other EU countries (GDP, investment, exports, productivity). Increased digitization of public administration is intended to counteract this.

How does Austria's digital government compare internationally? What advantages does greater automation of government services bring for the economy and citizens? What role does AI play? Barbara Prainsack, Professor of Comparative Policy Analysis at the University of Vienna, Wolfgang Ebner, Director General Directorate VII, Digitization and E-Government at the Federal Chancellery, and Matthias Wodniok, Member of the Managing Board of Fabasoft AG, discussed these issues on 29 January 2025 at the "Die Presse" studio in Vienna.

Fabasoft Connect | Bavaria 2025

Fabasoft Connect | Bavaria, held on 4 February 2025 at the Sofitel Munich Bayerpost, was an eGov community event dedicated to exchanging ideas about the path to tomorrow's public administration. In addition to informative presentations on the latest developments in Fabasoft Solutions and the advantages of AI and cloud-native technology, the event also offered plenty of opportunities for networking.

Fabasoft Xpublisher: Strategic partnership with MVFP and German trade press

Fabasoft Xpublisher GmbH has been a strategic partner of the Media Association of the Independent Press (MVFP) and a supporting member of the German Trade Press Association since February 2025. These partnerships open up new opportunities for networking and industry exchange. The aim is to jointly drive forward digitization and efficiency gains in trade publishing.

eGovernment podcast 'UNBÜROKRATISCH'

In the 'UNBÜROKRATISCH' podcast #32 from 28 February 2025, Matthias Wodniok, member of the Managing Board of Fabasoft AG, spoke about the potential and challenges of the digital transformation of public administration. He explained how automation and AI contribute to greater efficiency and citizen-friendliness while also increasing the competitiveness of a region and its companies.

VDMA Presence Experience Exchange in Frankfurt: Quality Management with AI

On 6 March 2025, Dr. Frank Bunting (VDMA) and Andreas Dangl (Fabasoft Approve) presented specific application examples for the use of AI in quality management as part of the VDMA Presence Experience Exchange. In the workshops that followed, around

40 participants took the opportunity to explore issues in greater depth and exchange experiences and best practices from industry.

Mindbreeze ranks among the top 100 companies in knowledge management

Mindbreeze has once again been named to the KM-World Top 100 Companies Impacting Knowledge Management list for 2025. The KMWorld list highlights industry trendsetters who are leading the way in global knowledge management solutions and innovations.

Innovation Day 2025 in Bern

On 12 March 2025, Fabasoft 4teamwork AG hosted its annual Innovation Day. More than 100 guests from public administration and the private sector gathered at the Kursaal Bern to learn about current technologies and future developments in digital transformation. The focus was on AI and its potential to reduce the workload for people. There were exciting presentations on the development of the Fabasoft OneGov and Fabasoft Boards.

Fabasoft Xpublisher: AI conference in cooperation with the DPR

On 14 March 2025, the AI conference took place in cooperation with the DPR and industry experts. Various presentations focused on AI governance in publishing and practical ways to develop sustainable AI strategies. The event was specifically aimed at decision-makers from the media industry.

QZ Expert Talk: Next-level quality and supplier management

In the QZ Expert Talk on 18 March 2025, Andreas Dangl, Managing Director of Fabasoft Approve, provided exciting insights into current developments in quality and supplier management.

In his presentation "Quality assurance with AI: Automated control of supplier documents" he showed how AI can be used to make the review of supplier documents significantly more efficient – from automated completeness checks to intelligent plausibility checks.

Digital State 2025: Innovation meets administration

The "Digital State 2025" congress on 18 and 19 March 2025 in Berlin brought together decision-makers from politics, administration and business to discuss the digital

transformation of public administration. Under the motto “Digital administration goes live”, participants experienced practical and innovative approaches to IT and administrative modernization. The focus was on topics such as the Online Access Act, register modernization and the use of artificial intelligence.

Fabasoft Connect | eGov Austria 2025: Exchange and implementation ideas

Fabasoft Connect | eGov Austria took place on 19 March 2025 at the House of Digitization in Lower Austria. As usual, Fabasoft organized the event together with Sourcing International. The focus was on topics such as the Freedom of Information Act, the use of Fabasoft online services, automation and AI. Innovations and interaction within the eGov community were also on the agenda.

Expert talk: “Why increasing regulation requires more digitization and AI”

The cost of implementing new or amended legal regulations is now very high and poses increasing challenges for companies. A current example of this is the Digital Operational Resilience Act (DORA). What is the status of compliance with the EU regulation? What impact does the increase in regulatory requirements in the financial sector have on the competitiveness of European companies? What positive effects can be achieved through digitization and AI? These and other questions were discussed by Ulrike Rhomberg, Securities Supervision FMA, Stefan Röder, governance expert, Katrin Repic, lawyer at DORDA Rechtsanwälte GmbH, and Robin Schmeisser, Managing Director of Fabasoft Contracts GmbH, at the press expert talk on 25 March 2025 at k47 in Vienna.

Fabasoft Dora at the imh Banking Congress KURS

This year's imh Banking Congress KURS took place in Vienna on 25 and 26 March 2025 on the topic of “IT in banks”. Industry experts from the Austrian Financial Market Authority (FMA), Oesterreichische Nationalbank (OeNB) and other renowned companies exchanged views on cybersecurity and cyber resilience, regulatory developments and compliance in the IT sector, and AI in banks. In his presentation “DORA as an opportunity for digitization”, Robin Schmeisser, Managing Director of Fabasoft Contracts GmbH, spoke about the current challenges facing financial companies, DORA in practice and the benefits of automation and AI.

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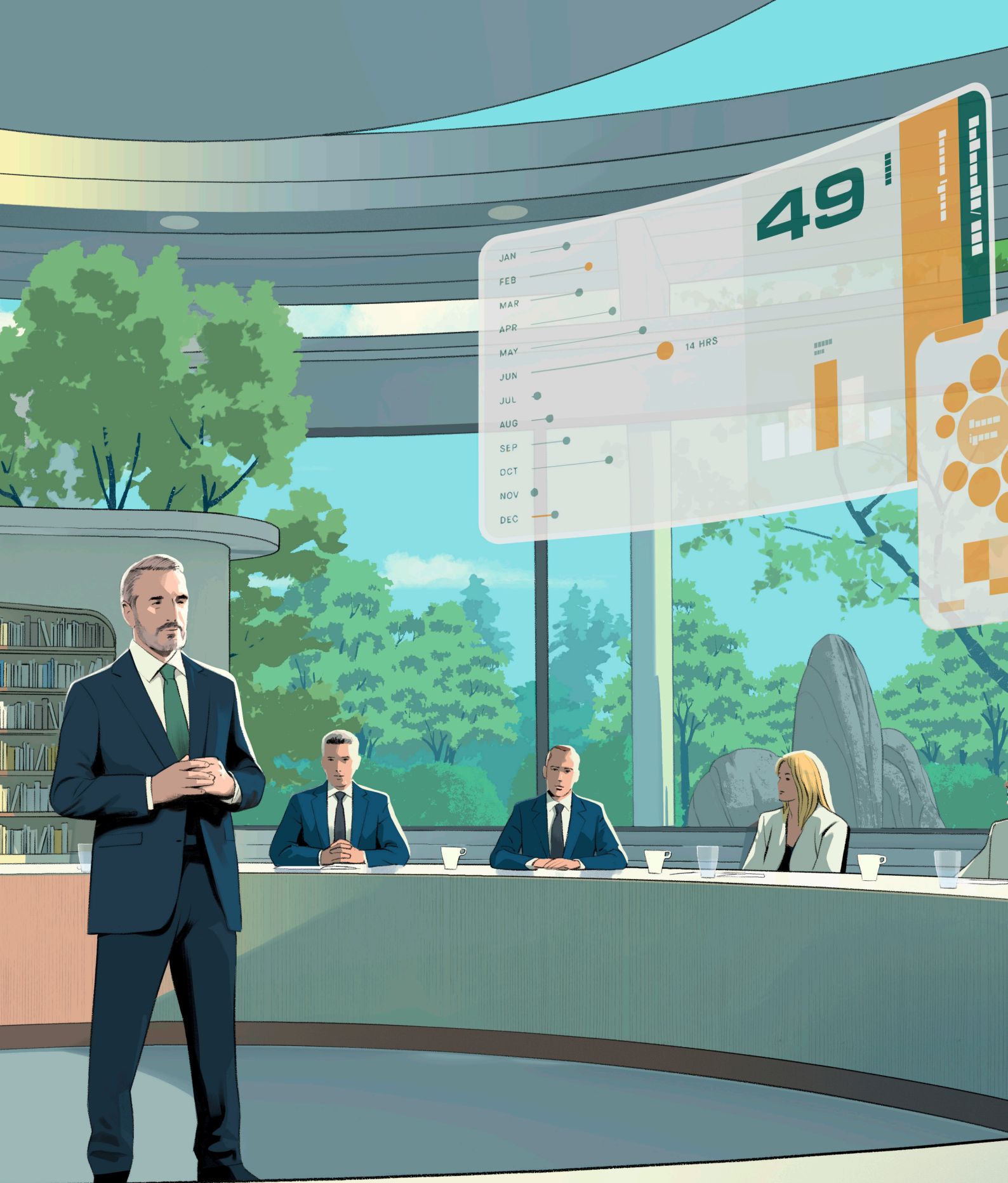
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This report includes both the management report of Fabasoft AG and the Group management report. Where required to provide a true and fair view of the actual assets, financial and profit situation, the information has been specified separately.

Management Report of Fabasoft AG and the Fabasoft Group

1. Report on the business performance and economic situation of Fabasoft AG and the Fabasoft Group

1.1. Net assets, financial position and results of operations of Fabasoft AG and the Fabasoft Group

In the past fiscal year 2024/2025, the Fabasoft Group recorded sales revenue of kEUR 86,845 (kEUR 80,950 in the corresponding period of the previous year). The increase in revenue reflects the continued positive development of recurring revenue and further growth in the project business in the 2024/2025 fiscal year.

Despite ongoing investments in the development and expansion of the Fabasphere and higher personnel expenses, the Group achieved EBITDA¹⁾ of kEUR 23.145 in fiscal year 2024/2025 (kEUR 21,598 in the corresponding period of the previous year) and EBIT¹⁾ of kEUR 13,301 (kEUR 13,385 in the corresponding period of the previous year).

Other operating expenses increased by 5.5% from kEUR 12,247 to kEUR 12,921 in the reporting period, developing at a lower rate than the sales revenues of Fabasoft Group.

With a research and development ratio of 30.7% in relation to sales revenue, investments in research and development (kEUR 26,653) of the Fabasoft Group (Fabasoft AG has no research and development activities) were again on a very high level compared with the industry as a whole (kEUR 25,458 in the 2023/2024 fiscal year).

The equity ratio¹⁾ of the Fabasoft Group on the balance sheet date (31 March 2025) was 38.7% (40.1% on 31 March 2024).

The amount of cash and cash equivalents increased in the Fabasoft Group from kEUR 25,068 (as at 31 March 2024) to kEUR 34,283 respectively in the Fabasoft AG from kEUR 483 (as at 31 March 2024) to kEUR 563 as at the balance sheet date 31 March 2025.

¹⁾ Definition of the key figures in the management report section 1.5

1.2. Business performance of Fabasoft AG and the Fabasoft Group

In fiscal year 2024/2025, the Fabasoft Group further consolidated its market position through sales growth and strategic investments in innovation, research and development. Investments focused on research and development of cloud-native software product technology and on applications for AI.

The high level of research intensity and the solid fi-

nancial position and earnings put Fabasoft in a strong position for sustainable growth in the future.

The Fabasoft Group employed 494 people as of 31 March 2025 (31 March 2024: 497). Fabasoft AG employed 6 people as of 31 March 2025 (31 March 2024: 6). The figures refer to the respective number of employees (headcount).

1.3. Report on the regional presence of the Fabasoft Group

Subsidiaries of Fabasoft AG on the balance sheet date (31/03/2025)

Company	Direct share	Country	Headquarters	Offices
Fabasoft International Services GmbH	100 %	Austria	Linz	Vienna
Fabasoft R&D GmbH	100 %	Austria	Linz	Vienna
Fabasoft Austria GmbH	100 %	Austria	Linz	Vienna, Graz
Fabasoft Approve GmbH	80 %	Austria	Linz	
Fabasoft Contracts GmbH	80 %	Austria	Linz	
Fabasoft Oblivation GmbH	51 %	Austria	Linz	Vienna
Fabasoft Talents GmbH	100 %	Austria	Linz	Vienna
Hon24 Immobilien GmbH	100 %	Austria	Linz	
Mindbreeze GmbH	85.5 %	Austria	Linz	Vienna
Fabasoft Deutschland GmbH	100 %	Germany	Frankfurt am Main	Berlin, Erfurt, Munich
Fabasoft Xpublisher GmbH	60 %	Germany	Munich	Deggendorf
Fabasoft 4teamwork AG	70 %	Switzerland	Bern	

Subsidiaries of Mindbreeze GmbH on the balance sheet date (31/03/2025)

Company	Direct share	Country	Headquarters	Offices
Mindbreeze Corporation	100 %	USA	Chicago	

Subsidiaries of Fabasoft Xpublisher GmbH on the balance sheet date (31/03/2025)

Unternehmen	Unmittelbarer Anteil	Land	Sitz	Betriebsstätten
Fabasoft Xpublisher Inc.	100 %	USA	Chicago	

Changes in the Group structure and company acquisitions

On 11 September 2024, Fabasoft AG founded a 100 % subsidiary, Hon24 Immobilien GmbH, based in the political community of Linz. The full consolidation of Hon24 Immobilien GmbH took place for the first time when the company was founded.

On 8 October 2024, Mindbreeze GmbH increased its stake in Mindbreeze InTend GmbH from 80 % (indirect stake of Fabasoft AG: 68.4 %) to 100 % by acquiring the remaining shares from the former management of Mindbreeze InTend GmbH. The merger of Mindbreeze InTend GmbH with Mindbreeze GmbH took effect upon entry in the commercial register on 31 December 2024.

1.4. Financial and non-financial performance indicators of Fabasoft AG and the Fabasoft Group

Financial performance indicators of Fabasoft AG (individual financial statements in accordance with the Austrian Commercial Code)

in kEUR	2024/2025	2023/2024
Sales revenue	7,453	5,700
Result before income taxes	9,241	7,168
EBIT ¹⁾	-960	-3,134
EBITDA ¹⁾	1,608	-557
Annual net profit	9,437	7,879
Equity at end of period	52,466	46,119
Equity ratio ¹⁾	80,8 %	71,1 %
Cash flows from operating activities	3,101	9,815
Cash and cash equivalents at end of period	563	483
Employees at end of period	6	6

Financial performance indicators of the Fabasoft Group (consolidated financial statements in accordance with IFRS)

in kEUR	2024/2025	2023/2024
Sales revenue	86,845	80,950
Result before income taxes	12,897	13,113
EBIT ¹⁾	13,301	13,385
EBITDA ¹⁾	23,145	21,598
Annual net profit	9,115	9,629
Equity at end of period	36,096	30,638
Equity ratio ¹⁾	38,7 %	40,1 %
Cash flows from operating activities	23,089	19,477
Cash and cash equivalents at end of period	34,283	25,068
Employees at end of period	494	497

¹⁾ Definition of the key figures in the management report section 1.5

Non-financial performance indicators of the Fabasoft AG and the Fabasoft Group

Employees as a success factor

Our employees are a key success factor for the Fabasoft Group. Their innovative strength, expertise and commitment form the basis for sustainable growth. Fabasoft attaches great importance to promoting the skills and career development of its employees and offers a wide range of further training opportunities.

The internal training programme at the Fabasoft Management Academy is specifically designed to provide managers with comprehensive management skills in line with Fabasoft's strategic goals and thus represents an essential element for promoting the long-term success of the Group.

In addition, the Group's own training center, the Fabasoft Academy, coordinates other internal and external training courses. Particular attention is paid to internationally recognized certifications from IPMA or Scrum Alliance. As at the balance sheet date, the Fabasoft Group employed 65 certified (senior) project managers in accordance with the IPMA standard as well as 98 Scrum Masters and 39 Product Owners.

Personal communication and knowledge transfer

Personal communication and direct exchange are essential components of Fabasoft's corporate culture. Regular face-to-face meetings enable internal experts to network and promote the development of innovative ideas and solutions and are therefore essential for the company's success. This is why Fabasoft regularly organizes events such as Fabasoft Success, the Group-wide employee conference, and Fabasoft Enlight, the internal think tank for innovation.

Sustainability at the Fabasoft Group

Fabasoft understands sustainability to mean making decisions based on ecological, social and economic aspects (ESG aspects). An important factor here is the efficient, sparing and economical use of resources. In autumn 2022, Fabasoft committed to reducing its CO₂ emissions by at least 42 % by 2030 as part of the Science Based Targets Initiative (SBTi). With this near-term target, Fabasoft is committing to reducing its direct (Scope 1) and indirect CO₂ emissions from purchased energy (Scope 2) by at least 42 % by 2030 compared to the base year 2021.

The group-wide switch to electric mobility, including the expansion of the charging infrastructure, is already measurably reducing traffic-related Scope 1 emissions. At the same time, environmentally friendly mobility is being supported by promoting public transport, providing an e-shuttle service at the Linz site and specifically choosing office locations with good transport connections. As a result of these and other measures taken, 70.4 % of total energy consumption in fiscal year 2024/2025 will already come from renewable energy sources (63.1 % in fiscal year 2023/2024).

In its IT infrastructure, Fabasoft consistently relies on energy-efficient data centres, most of which are already powered by electricity from renewable sources.

In order to take responsibility for the greenhouse gases emitted in the course of its business activities, Fabasoft has again decided to offset all direct and indirect emissions from its business operations (Scope 1 and 2) for the fiscal year 2024/2025 by supporting certified climate projects. In addition, Fabasoft offsets selected indirect emissions from Scope 3 that have been generated in the value chain. This means that customers receive the Fabasoft Group's services on a CO₂-neutral basis, in line with the offset emissions from Scope 1, Scope 2, and selected Scope 3 categories.

This commitment is complemented by the sustainable transformation of the supply chain: Fabasoft aims to achieve CO₂ neutrality across the entire value chain by 2027, with the long-term goal of becoming CO₂ negative.

Fabasoft communicates its commitment in this area in its annual sustainability report, which is an integral part of the annual report.

1.5. Alternative Performance Measures of the Fabasoft Group

Within the scope of its periodical and obligatory reporting Fabasoft publishes alternative performance measures (APM). These performance measures are not defined in the existing accounting policy pursuant to the International Financial Reporting Standards (IFRS). Fabasoft calculates the APM with the aim of enabling comparability of the performance measures over time or a sectorial comparison. Fabasoft calculates the following APM:

- Nominal change in sales revenue
- EBIT or operating result
- EBITDA
- Equity ratio
- Research & development ratio (is published in each case with the full annual report)

Nominal change in sales revenue

The nominal change in sales revenue is a relative indicator. It indicates the change in the sales revenue in percent compared to the previous year.

EBIT or operating result

EBIT stands for Earnings Before Interest and Taxes and shows the operative result of a company without the impact of effects arising from inconsistent taxation systems and different financing activities. EBIT (operating result) is calculated as follows:

Reconciliation
Results before income taxes
– Finance income
+ Finance expenses
= EBIT (operating result)

EBITDA

EBITDA stands for Earnings Before Interest, Taxes, Depreciation and Amortization. In addition to interest and taxes this indicator of success also neutralizes the distortionary effects of operative business activities arising from different depreciation methods and valuation latitude. EBITDA is calculated on the same basis as EBIT plus depreciation and amortization affecting income in the period or less reversals of impairment losses on intangible assets and property, plant and equipment.

Reconciliation
EBIT
+ / – depreciation / amortization / reversals of impairment losses on intangible property and assets, plant and equipment
= EBITDA

Equity ratio

The equity ratio indicates the proportion of equity in total capital.

$$\frac{\text{Equity}}{\text{Total capital}} \times 100$$

Research & development ratio

Indicator that sets expenses for research and development in relation to the revenue.

$$\frac{\text{Expenses for research and development}}{\text{Revenue}} \times 100$$

2. Report on the expected development and risks of Fabasoft AG and the Fabasoft Group

2.1. Opportunities of Fabasoft AG and the Fabasoft Group

Opportunities for the Fabasoft Group and consequently also for the result of Fabasoft AG are seen in the following areas in particular:

2.1.1. The opportunities and growth potential of Fabasphere

Fabasoft is well positioned to actively leverage the growing demand for reliable and high-performance software products in Europe and beyond. The digital transformation of business and public administration, along with increasing demands for security and efficiency, offer a wide range of market opportunities.

Significant growth potential lies in the targeted expansion of existing customer business. Fabasoft has an established portfolio that is successfully used by many customers. In addition to focused marketing and sales measures by the Fabasoft Solutions, the comprehensive rebranding and subsequent campaign to increase visibility are intended to sustainably increase market penetration.

These measures are aimed at highlighting the significant added value of using multiple Fabasoft Solutions and increasing growth both with existing customers and in new customer acquisition. As the market leader in electronic files in German-speaking countries, Fabasoft also considers itself very well positioned for upcoming tenders – both technologically and in terms of excellent references and market knowledge.

Further growth opportunities arise from the targeted expansion of the existing portfolio with new functionalities, particularly in the area of AI. Mindbreeze AI in Fabasphere offers the Fabasoft Solutions upselling potential within its existing customer base. There is also growing interest in intelligent enhancements to existing specialist applications in public administration, which is increasingly focusing on the automation of routine processes due to demographic change. In addition, technological advances, particularly in the area of cloud-native architecture, enable seamless integration into different operating environments. This allows the requirements of modern multi-cloud strategies to be optimally supported and digital administration processes to be implemented efficiently, confidently and in a future-proof manner.

In addition to the organic development of the product portfolio, Fabasoft is also consistently pursuing an inorganic growth strategy. Fabasoft continuously evaluates the development of new solutions and strategically appropriate acquisition opportunities that either offer technological additions, open up new market segments or enable access to new customer groups. Fabasoft has a corporate organization that is geared towards bringing new solutions to market quickly and realizing customer benefits rapidly. This structured approach supports the expansion of the Fabasphere and strengthens its position as a trusted provider of business-critical digitalization solutions.

2.1.2. The opportunities and growth potential of Mindbreeze

Mindbreeze has been working on intelligent information processing (enterprise search, information insight, proactive knowledge management) and the use of AI for over two decades. The company's achievements are also reflected in the numerous positive reviews it has received from IT analyst firms. The resulting visibility on the international market provides a good starting point for further growth with and alongside major international clients and partners who are specifically looking for AI-based technologies for enterprise use.

Fabasoft and Mindbreeze see particular opportunities in the area of new customer acquisition through the user-oriented further development of Mindbreeze InSpire as the technological basis for specific application-centric solutions and the Insight Workplace. Mindbreeze InTend, an example of an application-centric solution, optimizes offer management by relieving sales teams of the burden of responding to tenders. Further opportunities arise with the provision of modern interaction options through the integration of AI language models for generative AI.

Introduced in December 2024, the Insight Workplace takes interaction with company data to a new level. By using different AI methods and providing information from all connected company data sources, the Insight Workplace offers forward-looking interaction options with company data (summarizing content, chatting with documents, answering questions, content-specific visual representations) as a central starting point.

Mindbreeze uses Retrieval Augmented Generation to provide answers and minimize hallucinations. Mindbreeze InSpire is already in long-term productive use by well-known international customers. Currently, around 25 Mindbreeze customers are listed in the Forbes 2000. Fabasoft and Mindbreeze see opportunities for further growth through the targeted establishment and expansion of key account management in order to identify upselling potential or discuss further applications for Mindbreeze, such as the use of Mindbreeze InTend.

In addition, the partner network will be established and expanded to support customers with focused local and/or specific use cases and to tap into customer groups that are not directly served by Mindbreeze. Mindbreeze's partner programs are designed to further expand its presence in Europe and North America and strengthen Mindbreeze's position in the market.

Furthermore, Fabasoft and Mindbreeze see opportunities in the use of Mindbreeze AI for solutions in the Fabasphere.

2.1.3. Audits and certifications

To ensure high standards in the areas of information security and data protection, Fabasoft pursues a comprehensive certification strategy through regularly renewed and expanded audits and certifications. Ensuring high quality, security, and service standards is made possible by an integrated and certified management system.

As part of a cross-company monitoring audit in November 2024, carried out by Quality Austria Certification GmbH, Fabasoft's quality management system was recertified according to ISO 9001. During this audit, the information security management system was also recertified according to ISO 27001 including ISO 27018 (protection of personal data in public cloud services) and the service management system was recertified according to ISO 20000 by CIS – Certification & Information Security Services GmbH.

The SaaS product portfolio of Fabasoft and Mindbreeze is also distinguished by demanding audits and certifications. The scope of the audits described below includes the Fabasoft Cloud and the Fabasoft Solutions (Fabasoft Approve, Fabasoft Boards, Fabasoft Contracts, Fabasoft Dora, Fabasoft Oblivation, Fabasoft OneGov, Fabasoft Talents, Fabasoft Xpublisher) as well as Mindbreeze InSpire SaaS.

Fabasoft and Mindbreeze successfully completed the audit again in early 2025 in accordance with the requirements of the BSI C5 criteria catalog, SOC-2 (Trust Service Criteria for Security), and ISAE 3402 for the

Fabasoft Cloud and the Fabasoft Solutions, as well as Mindbreeze Inspire SaaS. The observation period ranged from 1 January to 31 December 2024. The Type 2 audit method verifies the effective application and implementation of controls throughout the entire audit period using the ISAE 3000 reporting method. The audit reports were issued by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) Germany.

The Cloud Computing Compliance Criteria Catalogue of the German Federal Office for Information Security (BSI C5) specifies minimum requirements for secure cloud computing and was developed to specify and verify the security requirements for cloud service providers. The SOC 2 audit is a standard for service companies that process customer data, particularly in the IT and cloud sector. Developed by the American Institute of Certified Public Accountants (AICPA), it checks whether companies meet criteria for security, availability, confidentiality, integrity of processing, and data protection. The ISAE 3402 Type 2 audit is an international standard for evaluating the internal control systems (derived from the COBIT 2019 framework) of service providers that perform financial and business processes on behalf of their customers, particularly for external services that have an impact on financial reporting.

In May 2024, SCOPE Europe, the responsible monitoring body, once again confirmed the compliance of the Fabasoft Cloud and the Fabasoft Solutions developed on it with the requirements of the EU Cloud Code of Conduct at the highest compliance level 3. The EU Cloud CoC was developed by representatives of European and multinational companies and organizations that are significantly involved in cloud computing. The focus was on requirements that enable cloud service providers to demonstrate their ability to comply with the GDPR. Specifically, the code provides cloud-specific approaches and recommendations based on the GDPR and international standards such as ISO 27001 and ISO 27018. The EU Cloud CoC aims to make it easier for cloud customers to decide whether certain cloud services are suitable for their intended purpose. Through its transparency, the EU Cloud CoC will create greater trust and a high level of data protection in the European cloud computing market.

In December 2024, Fabasoft's Cyber Trust Austria Gold Label was renewed. The Austrian seal of approval for cybersecurity is based on the Cyber Risk Rating of the Competence Center Secure Austria (KSÖ).

The Fabasoft Cloud meets the requirements of WCAG 2.1 – AA for accessible web content to a high degree and was once again awarded the WACA certificate (Web Accessibility Certificate) in silver by TÜV Austria in June 2022, which is valid for three years. This web application does not exclude any users and enables everyone to use it optimally, even with the necessary input/output devices such as a keyboard, voice input, screen reader, etc. Mindbreeze InSpire also meets the requirements of WCAG 2.1 – AA for accessible web content to a high degree and was awarded the WACA certificate in silver by TÜV Austria for the first time in November 2022.

The WACA certificate is Austria's first and only quality seal for web accessibility (websites/applications) that makes compliance with international W3C guidelines visible to the public.

2.1.4. Climate-related opportunities

The Fabasoft Group is aware of its role and responsibility with regard to climate change and is clearly committed to actively anticipating and managing its climate-related opportunities. For the fiscal year 2024/2025, the Fabasoft Group has identified climate-related risks and opportunities, taking into account the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

Identification and evaluation of climate-related opportunities

The existing group-wide assessment of climate-related opportunities was reviewed for completeness and updated in the reporting year.

In order to identify climate-related opportunities, extensive literature research was carried out on publicly available information and topic-specific reporting in the IT sector. In addition, interviews were conducted with several key individuals at the company. The analysis was not limited to the company level, but also included upstream and downstream activities.

As part of the climate-related opportunity assessment, a qualitative scenario analysis was carried out, considering climate and economic forecasts for the relevant time horizons and scenarios. In addition to opportunities that can be realized in the short term, there are in particular transitory opportunities in connection with the transition to a low-carbon economy. These can take the form of a changing regulatory landscape and the associated penetration of environmentally friendly technologies on the market.

In line with the TCFD recommendations, the analyses were conducted over three different time horizons. The short-term perspective (up to 2026) is intended to identify the immediate potential opportunities, while the medium-term (up to 2030) and long-term (up to 2050) time horizons focus on the broader international political environment, which also includes the regulations of the Paris Agreement and the EU Green Deal.

Management of climate-related opportunities

Measures to utilize climate-related opportunities are documented in a separate, internal company register. This register is reviewed annually and updated as necessary. Existing and emerging regulatory requirements in connection with climate change are also considered.

The opportunities identified included the decarbonizing effect of digitalizing documentation processes as well as increasing the company's attractiveness as an employer by positioning itself well in the area of climate change. Existing evaluations were considered when assessing the impact and likelihood of all climate-related opportunities.

In all cases, the assessment of the opportunities was below the internally defined materiality threshold. The overall impact on Fabasoft's business model, income statement and balance sheet is categorized as immaterial.

2.2. Significant risks and uncertainties for Fabasoft AG and the Fabasoft Group

Significant risks and uncertainties for the Fabasoft Group and consequently also for the result of Fabasoft AG are seen in the following areas in particular:

2.2.1. Market and product risks

Risks in business with public sector clients

A significant part of Fabasoft's business is generated from government customers, especially in the German-speaking region. Projects in the public sector are characterized by lengthy lead and decision times, formal tendering requirements, demanding allocation procedures, and long-drawn-out testing. In project agreements and tendering procedures, such clients frequently specify increasingly stringent contractual requirements.

Any changes in this customer group, such as the impacts of budget cuts and planned savings, short-term or sustained budget freezes, alterations to product and technology specifications, project priorities or award criteria plus the emergence of new competitors or new offers from existing players can have a considerable effect on the business of the sales companies concerned and as a consequence also on the Fabasoft Group as a whole.

Fabasoft endeavors to counter these risks overall by providing intensive, high-quality services to existing customers, benefit-generating product and project innovations and the submission of tenders for new projects that are as competitive as possible. Furthermore, stronger positioning is planned in particular for the new cloud and appliance offers for the expansion of the customer target groups and the sales and distribution channels, both over and above the public sector and beyond the geographical focus on Europe adopted to date.

Product risks

The development of software products is always subject to the risk of software errors, security gaps and functional restrictions, which even the use of extensive quality management and test procedures can never entirely exclude. Neither can it be ruled out completely that the protected legal positions of third parties are violated in the course of development or project implementation activities. This applies to both Fabasoft and third-party products and technologies on which Fabasoft products are based or with which they interact. Such errors or restrictions may have a negative impact on customer and partner satisfaction, data security, market reputation, chances for new business and the success of implementation and operational projects, or online offers.

In order to reduce these risks, during product development and project implementation, Fabasoft not only employs manual test procedures, but also automated checks. In addition, products and service offers are also being subjected to extensive certification processes.

A risk with regard to software products and online offers based on these products is seen in the possible deferral of delivery times. This can affect not only Fabasoft's own products, but also third-party products or technologies on which the products of the Fabasoft Group are based or with which they interact. Such delays could lead to impairment of the company's market and competitive position, revenue shifts or revenue losses and even consequences such as contractual penalties, liability claims, substitute performance or reversed transactions in the project business. Furthermore, prolonged development times also cause a corresponding increase in development costs.

Partner business risks

Risks in the partner business lie in particular in the limitation or complete lack of direct customer contact and thus also in the lack of direct customer feedback for Fabasoft and the general dependency on product and sales strategies of the partners in the respective region, the possibility of reduced product loyalty of partners and the danger of the product manufacturer's reputation also being damaged in the event of problems with the project – if even they may lie within the scope of responsibility of a sales partner. Furthermore, partner business frequently restricts Fabasoft's opportunities for positioning its own brand, safeguarding company secrets and acquiring additional business. From a commercial point of view, the partner conditions granted reduce the attainable profitability and price margins in the respective individual business transactions.

With partner business in general there may also be the danger of tough competition between partners, for example in the acquisition phase for the same end client, as well as the risk of conflicts between sales channels. A further risk is seen in Fabasoft not finding sufficient or the right partners to develop and market high-quality software solutions based on the Fabasoft Group's technology in order to achieve the necessary market penetration in the intended markets.

Project business risks

Where Fabasoft companies provide project services themselves, for example on the basis of fixed price quotations, there is a particular risk of unclear or misunderstood specifications, miscalculations, deadline overshoots, penalties, problems regarding technical implementation or operation, software errors, difficulties with project management, warranty and liability claims (compensation), and issues concerning human resources (for example if key members of staff are unavailable in critical project phases). These risks may affect the Fabasoft companies directly and also indirectly via their subcontractors or suppliers. In order to encounter such risks, Fabasoft uses a tried-and-tested procedures model for project work that is subject to continuous further development.

The implementation of extensive software projects is a process which frequently necessitates significant contributions and involvement on the part of the customer. This also gives rise to certain risks that are partially or entirely beyond the company's direct scope of influence, but may have a significant impact on the overall success of the project.

In the event of project business being conducted with the help of subcontractors or suppliers, Fabasoft may be exposed to a risk as a general contractor if the partner companies fail to fulfil their contractual commitments or only do so partially or inadequately. This could entail both a negative impact on the revenue development of the Fabasoft Group as well as compromise its reputation.

Competition

The software sector in general and the enterprise content management, information insight and cloud computing segments in particular, are undergoing an intensive wave of consolidation that is giving rise to larger and more international competitors with increasingly apparent economies of scale through mergers and acquisitions. There is also still an unabated trend towards smaller manufacturers forming alliances or significantly increasing their capital resources by bringing investors on board, in order to gain a stronger presence in the marketplace. In addition, there are signs that software manufacturers who already dominate markets are beginning to enter further market segments with new or new positioned products, which in turn will result in even greater pressure on prices and margins and make the task of acquiring new partners more difficult. Moreover, the acceptance and establishment of new software offers is being further complicated by the increasing degree of saturation and consolidation in the software sector.

2.2.2. Strategic risks

Risks concerning company acquisitions

There are fundamental operative risks for acquired companies or parts of companies, as also presented in this report for companies of the Fabasoft Group. There are also specific risks involved in the market review, acquisition and integration phases.

The services of external consultants are normally used in the market review phase for identifying takeover candidates, whereby the ensuing fees do not normally depend on success or only do so in part. Frustrating external and internal expenses are incurred where no suitable takeover targets can be found or an acquisition cannot be concluded. Despite the commissioning of external consultants, there are risks involved in the acquisition phase in that the risks or bad debts of the target company are not identified or quantified correctly or that synergy potential or the future business development are not correctly assessed. Risks involved in the integration phase include among others the merging of different corporate cultures, market accesses, management styles, key technologies and corporate processes.

As the acquisition procedure is normally carried out confidentially, it is mostly impossible to gain knowledge of the stance of existing customers to an acquisition in advance. For this reason, negative reactions of the existing customer base cannot be precluded. Furthermore, keeping key success-critical individuals in the company, and motivated also presents a challenge. There is also the risk in connection with the above-mentioned uncertainties that the acquisition target is purchased at a too high price and that the funds invested might well be lacking elsewhere for the corporate activities of the entire Group. If such risks occur during or after the integration phase, this could lead in particular to negative impacts on sales and revenues and as a consequence on balance sheet valuations and therefore also for the Group as a whole.

Internationalization risks

Entering new markets also entails certain risks. A lack of target market knowledge and lower company recognition levels than those in the home market, strong local competition, long lead times, high start-up costs, difficulties in finding staff for key positions, internationalization and localization expenses for the products, and possible deficits in communication and control are exemplary note in this context. The aim is to limit these and similar risk factors by additionally concentrating on a partner-oriented model that is intended to reduce the immediate project risks that may arise from the company's own tendering in complex project situations and during project implementation.

General political and economic conditions in individual countries, in particular trade restrictions and contradictions or overlaps in regulatory or tax provisions, may also represent risk factors for more internationalized business activities.

Diversification risks

The efforts aimed at reducing the risks of excessive specialization and thus the dependency upon a narrow and volatile target segment through greater product, market segment and sales channel diversification also create new and increased risk potential. These include higher marketing and research and development expenses, multiple investment projects for market preparation, risks from strategic planning and increased planning uncertainty, heterogeneous sales and organizational structures, positioning risks and risks arising from a diversified and dislocated organizational and business structure. Special importance is attached to recruitment and internal basic and further training as a defense against these risks. Moreover, internal reporting and controlling measures are continually supplemented and further developed.

2.2.3. Operational risks

IT risks

Malfunctions – for example in the hardware, data storage or network infrastructure, in the software, data

transmission lines or on the part of Internet operators – as well as operating errors, cyber-attacks, DDoS attacks, malware (for example viruses, phishing attacks, trojans or ransomware) or events based on force majeure, can all have a negative impact on the operation of the systems of the company as well as important systems with which these are linked can jeopardize seamless data security and recovery.

One possible consequence of such problems can be the limitation or failure of online services, sales, development and administrative activities and the online presence of the company, including statutory or regulatory prescribed announcements on the website, data error, unauthorized data access or losses as well as a limited ability to make data transmissions. This can lead subsequently to comparable effects on other companies or organizations, which use the company's (online) services for a fee or free of charge. After taking costs and risks into consideration, the company has introduced organizational and technical precautions to provide defined service levels for its internal systems. Nevertheless, the complete exclusion of such risks, especially with regard to the targeted use of criminal energy, espionage resources or weaknesses and backdoors contained in third party components, is not possible.

Risks involved in the use of AI technologies

The company's products use generative AI technologies to varying degrees. Large language models (LLMs) are trained with a large amount of publicly available data to continuously improve their performance. However, this carries a high risk of misinterpretation in the results (hallucinations). To minimize this risk, the Fabasoft Group relies on retrieval augmented generation (RAG). This combines the performance of Mindbreeze as a fact provider with the language understanding of the LLM – for generated, context-based answers including the sources of the information. Nevertheless, it cannot be ruled out that content generated by AI systems may be offensive, illegal, or otherwise harmful. In addition, ineffective or inappropriate procedures in the development or implementation of AI by customers, partners, or the Fabasoft Group itself could lead to incidents that impair the acceptance of AI solutions or harm individuals, customers, or society, or result in our products and services not functioning as intended.

Risks with regard to information security and data protection

Fabasoft attaches great importance to the protection of confidential information and personal data. Nevertheless, the risk of unauthorized third parties gaining access to this sensitive material cannot be entirely ruled out. In view of the increase in global cyber attacks on companies in all sectors, Fabasoft is making intensive efforts to continuously expand its cyber resilience.

Various organizational, technical, and physical measures and barriers have been implemented to prevent unauthorized access and to ensure the confidentiality, integrity, availability, and authenticity of information and systems.

A catalog of criteria implemented in the procurement workflow supports the selection of security-relevant suppliers. All security-relevant contractors, such as data centers, hardware and software suppliers or special service providers, must meet defined Fabasoft requirements, such as relevant certifications, contractually defined service levels, demonstrable compliance with security precautions, order processing agreements and signed confidentiality declarations. The information security management system installed in the company is regularly reviewed by internal and external audits to ensure that it is up to date and effective.

In addition to the purely technical aspects of information security, there is also the risk of cyber-attacks in combination with manipulation and fraud on a social level. In order to raise employees' awareness of the resulting risks, professional awareness training sessions are held regularly and possible threat scenarios are simulated. In addition, Fabasoft products and cloud services are regularly audited by external bodies and the corresponding audit reports are prepared.

2.2.4. Organizational risks

Risks concerning dependence on suppliers

Customer benefits are not only determined by the performance features of the software developed by the Fabasoft Group, but also to a large extent by third-party products such as hardware and software components from external suppliers. In this context, there are risks of delays, damage or loss in transportation and warehouse logistics, both in the procurement process and in delivery to the customer. There is also a risk of complete supplier failure, for example as a result of production interruptions, capacity bottlenecks or other delivery disruptions along the supply chain.

In order to reduce dependence on individual suppliers, Fabasoft's procurement process is based on a broad range of carefully selected sources of supply and appropriated quality management measures. In addition, the Fabasoft Group endeavors to counter the risk described above through defined, documented and certified business processes as well as continuous training and further education of the team members involved.

Personnel risks

It is essential for Fabasoft's growth path to find a sufficient number of additional highly qualified specialists and to retain them in the company in the long term. The demand for specialists in the IT sector in particular clearly outweighs the supply on the labor market. Sufficiently qualified staff may not be available to meet the personnel requirements.

There is also a risk that a large number of employees could leave the company at short notice and that no adequate replacement could be found in the short term. This would have a negative impact on business development and the company's ability to meet existing obligations and would likely lead to a negative development in

customer satisfaction and revenue, including possible contractual penalties, liability claims or other adverse consequences for the company.

Understaffing can also mean that potential business opportunities cannot be realized or can only be partially realized. If such personnel risks materialize at suppliers, sales or implementation partners, this can also have a negative impact on the company.

Compliance and awareness risks

Fabasoft's business activities in all business fields are subject to the highest standards of information security, data protection, and adherence to comprehensive legal provisions and compliance standards. There is a risk that members of governing bodies or employees of the Fabasoft Group may violate legal provisions and internal company guidelines through conscious or unconscious misconduct, which could result in regulatory or even criminal consequences for the actors involved as well as considerable damage to Fabasoft's reputation.

In order to meet these strict requirements, Fabasoft attaches particular importance to its extensively implemented control mechanisms and internal compliance processes and guidelines. The valid and internationally recognized system and product certifications as well as internal training and awareness programs reflect Fabasoft's high level of compliance and ensure that key business activities meet both our own expectations and those of our partners and other stakeholders, in addition to legal requirements, in order to minimize compliance and awareness risks as far as possible.

2.2.5. External risks

Risks from the effects of the macroeconomic and geopolitical environment

Fabasoft does not operate any subsidiaries or branches in Ukraine, the Russian Federation, Belarus, or Israel, nor does it procure any relevant development services from any of these countries. Likewise, there are no relevant end customer or partner businesses in any of the countries mentioned. From today's perspective, no significant effects on customers and partners are expected as a result of the armed conflict and the associated sanctions against Russia and other affected countries, for example through disruptions to supply chains, the overall economic climate, public finances, etc. However, the increased risk of cyber-attacks or other attacks on critical infrastructure remains unquantifiable.

The formation of new governments in countries that are also relevant to the Fabasoft Group represents a significant source of uncertainty. Governments determine the future direction of their countries and thus also define key factors in global economic competition. The introduction of new trade barriers could therefore also have a negative impact on the Fabasoft Group's net assets, financial position, and results of operations.

Risks from pandemics and environmental disasters

The spread of a pandemic or any environmental or natural disasters could repeatedly lead to significant disruptions to operational business processes and public life. Fabasoft took comprehensive measures at an early stage to maintain business operations as best as possible, which will be maintained and continuously evaluated as necessary. Tried-and-tested emergency and crisis plans and defined measures will be adapted or expanded as necessary to reflect new findings.

As the owner of its headquarters in Linz, Fabasoft bears the risk of damage caused by environmental disasters, which can result in both financial burdens and business interruptions. To counter these risks, insurance policies have been taken out for the headquarters to mitigate the consequences of such risk factors to the extent available on the market. For the leased locations, the risk of damage lies primarily with the landlords, but operational disruptions could also occur here.

2.2.6. Climate-related risks

Climate change is an extremely challenging issue for our society that requires all sectors to participate in the transition to a decarbonized economy. The IT industry, together with the ongoing digitalization, will make a significant contribution to the decarbonization of the economy, but is also itself exposed due to energy consumption and the use of rare earths.

The Fabasoft Group is aware of its role and responsibility with regard to climate change and is clearly committed to actively anticipating and managing its climate-related risks. For the 2024/2025 fiscal year, the Fabasoft Group has assessed its climate-related risks considering the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

Identification and assessment of climate-related risks

The existing Group-wide assessment of climate-related risks was reviewed for completeness and updated in the reporting year. Risks were originally identified on the basis of an extensive literature review of publicly available information and reporting on climate risks in the IT sector. In addition, interviews were conducted with several key persons within the company, e.g. in the areas of risk, energy and strategy. The analysis was not only carried out at company level, but also included upstream and downstream activities.

As part of the climate-related risk assessment, twelve risks were identified for Fabasoft. A qualitative scenario analysis was carried out for all risks, considering publicly available sources as well as climate and economic forecasts for the relevant time horizons and scenarios. This information was used to assess the probability and consequences of the risk, whereby the risks were categorized according to the existing dimensions and assessments along the risk management framework already established in the company.

Existing controls to minimize the identified risks were reviewed and, where relevant, included in the risk assessment. Two scenarios were used in the analysis to understand the potential extent of the impact on Fabasoft:

- **Paris-aligned:** The scenario is aligned with the general goals of the Paris Agreement to limit global warming to below two degrees Celsius, using the Shared Socio-economic Pathway (SSP) 1 - 2.6 of the Intergovernmental Panel on Climate change (IPCC) and the Sustainable Development Scenario of the International Energy Agency (IEA) as a benchmark. In this scenario, the transition risks were primarily assessed.
- **Hot House World:** This scenario is based on the assumption of global warming of around four degrees Celsius, based on the IPCC's SSP 5 - 8.5 scenario. This scenario was mainly used to assess physical risks.

In line with the TCFD recommendations, the analyses were conducted over three different time horizons. The short-term perspective (up to 2026) is intended to identify the immediate risk exposure, while the medium-term (up to 2030) and long-term (up to 2050) time horizons focus on the broader international political environment, which also includes the regulations of the Paris Agreement and the EU Green Deal.

When assessing climate-related risks, a distinction was made between acute and chronic physical impacts on business activities and transitory risks to the business model. Physical risks are natural events such as floods, forest fires or extreme heat, which primarily have an impact on the supply chain, the locations of offices and data centers or lead to price fluctuations due to a shortage of resources. Transitory risks exist in connection with the transition to a low-carbon economy. These can take the form of higher operating costs due to carbon prices, a changing regulatory landscape and the associated costs on the market.

Management of climate-related risks

Risk minimization measures are documented in a separate, internal climate risk register. This register is reviewed annually by the sustainability officers and key management personnel and updated as necessary. Existing and emerging regulatory requirements in connection with climate change are also considered. In line with general Fabasoft risk management, risks categorized as "catastrophic" are escalated by the risk owners and assessed directly by the management. In addition, existing controls are evaluated and appropriate mitigation strategies are developed.

A total of twelve risks were identified as relevant to the Fabasoft Group. These include, for example, disruptions in the supply chain for raw materials that could affect the timely delivery of hardware or regional power outages that could lead to operational disruptions. Existing controls were considered when assessing the impact and probability of all climate-related risks.

In all cases, the assessment of the residual risk was below the internally defined materiality threshold, above which further risk management measures would be required to mitigate the risk in accordance with the

requirements of Fabasoft's general risk management. The overall impact on Fabasoft's business model, income statement, and balance sheet is therefore considered immaterial.

The Fabasoft Group's current control environment, combined with its business model and the scope of climate-related opportunities, creates a relatively low risk environment with regard to climate change.

2.2.7. Financial risks

There is a risk that customer expectations of individual products of the Fabasoft Group will not be met in the medium term in such a way as to compensate for the significant initial investments and the resulting increase in monthly expenses. For example, if use cases prove not to be useful from the customer's perspective or if AI is used in areas for which it is not suitable. This can lead to a reduction in revenues and a simultaneous increase in expenses, which can have a negative impact on earnings.

The risk of defaults on receivables is still considered relatively low due to the customer structure in the public sector and the resulting composition of customer receivables. In particular, usage fees are collected at the beginning of the term and linked to the provision of services. There is an interest rate risk for both other financial assets and long-term financial liabilities. While financial assets pose only a low risk due to their short-term liquidity, an increase in interest rates could lead to higher financing costs for long-term bank liabilities with variable interest rates. This risk is monitored on an ongoing basis as part of liquidity and financial planning. Currency risks exist in particular where receivables or liabilities or balances with financial and insurance institutions are denominated in a currency other than the local currency of the company.

Depending on the extent and duration of a macro-economic shock, higher risks could occur, for example, with regard to the security and impairment of assets at financial and insurance institutions and receivables as well as the difficulty entailed in maintaining the purchasing power of assets and revenues from ongoing obligations in a conceivable highly inflationary overall scenario.

The company's existing continuing obligation contracts with customers and partners for recurring revenue generally include options for inflation adjustments. These are usually measured against a general, published index. The adjustment option generally exists on specific dates or after specific periods and once certain thresholds have been exceeded. This usually results in a time lag between the rise in inflation and the impact of price adjustments on revenue. Furthermore, it should be noted that price increases, particularly among suppliers, as well as the rise in personnel costs and personnel acquisition costs, may in some cases still be significantly higher than the published index figures used for contract adjustments. Although both the ECB key interest rate and inflation in the core European markets declined in the reporting period, there is still a risk that the difference between the current interest rate level and a potential loss of purchasing

power will widen again, particularly in the event of persistent or renewed increases in procurement and energy costs and inflation-related salary adjustments.

2.3. Forecast report

Like the entire software industry, the Fabasoft Group's software product business continues to undergo a transformation process characterized by technological developments, regulatory requirements, and changing customer needs.

Artificial intelligence

After a phase of high expectations and public attention, the focus in the field of AI is increasingly shifting to concrete, economically viable applications. At Fabasoft, the sustainable benefits for customers, i.e., improving efficiency, quality and access to information are at the forefront. The close technological cooperation with Mindbreeze forms a powerful basis for this. The AI functionalities are designed to meet the high requirements for security, transparency, and data sovereignty. Data does not leave the customer-specific environment, and existing rights and access concepts are maintained. In addition, sources are traceably identified – a key aspect for explainability, especially when using generative methods for text creation or content summarization. The areas of application are diverse and range from process automation and intelligent information processing to specific document use cases.

The greatest challenge in an algorithm-driven society and economy will be to underpin AI ethically – with the focus on people – and to make its decision-making processes explainable.

Cloud-native architecture

A central element of technological transformation is a consistent focus on cloud-native architecture. This is based on modular, container-based components and enables software solutions to be delivered in a flexible, scalable, and future-proof manner. Cloud-native also forms the basis for efficient further development, shorter innovation cycles, and better adaptability to different operating environments. While the private sector is increasingly relying on Fabasoft for its entire operations, the public sector continues to run many applications in its own data centers. Here, Fabasoft provides targeted support for the transformation to modern cloud-native operating models within the framework of customer-specific infrastructure.

Flexible operating models

The public sector and regulated industries in particular have high requirements for data protection, security, and digital sovereignty. Fabasoft meets these requirements by providing flexible operating models: Customers can choose between public cloud, government cloud, private cloud, or operation via a hyperscaler of their choice. These options increase acceptance and allow individual security and compliance requirements to be met while

supporting national cloud strategies and multi-cloud approaches. Such strategies are becoming increasingly important in the public sector in particular in order to reduce dependencies and strengthen sovereignty.

Software as a Service (SaaS)

The market is increasingly moving toward flexible, scalable, and service-oriented use. Customers expect modern software solutions that are available without high implementation costs and can be adapted dynamically. Fabasoft is responding to this change with a clear focus on cloud-native products that are based on a SaaS model and meet the long-term requirements of businesses and public authorities. At the same time, the company remains in a position to offer traditional purchase and license models in response to tenders – particularly in public administration, where the acquisition of perpetual usage rights is still required in some cases.

Investments in growth measures

In order to consistently continue on its growth course, the Fabasoft Group is setting clear investment priorities for the fiscal year 2025/2026: the focus will be on product innovations, the targeted expansion of expertise in the field of AI – including the development of corresponding capacities in the data centers – the strengthening of sales and marketing, and the acquisition of new talent to actively shape future opportunities. In addition, the company's organization will be specifically geared towards growth and the Fabasoft brand will be positioned for the future as part of a comprehensive rebranding.

Fabasoft will continue to invest in the development, distribution and marketing of content-focused solution offerings. In addition to business-oriented organic growth opportunities, inorganic options will also continue to be evaluated and pursued.

Just as it does for our customers, SAP forms the financial backbone of the Fabasoft Group. In order to optimally support further growth and to standardize and professionalize group-wide financial processes in the long term, Fabasoft has initiated the transition to SAP S/4HANA Public Cloud and SAP SuccessFactors for all group companies. This is an important step toward a future-oriented, scalable system landscape.

The company also aims to establish and expand successful international partner infrastructures. This would involve significant upfront investments, particularly in international marketing, cross-regional presence, partner support, and personnel expansion.

These investments and the planned expansion and growth initiatives will continue to impact the Fabasoft Group's profitability in fiscal year 2025/2026. At the same time, strategic issues of high relevance for sustainable and future-oriented development will continue to be given priority over short-term earnings targets.

The Fabasoft Group, which successfully implements the core topics of digital transformation with its comprehensive and proven range of products and services, will continue to be well positioned to seize opportunities even in a difficult market environment characterized by global political and economic upheaval.

3. Report on research and development within the Fabasoft Group (Fabasoft AG does not undertake any research or development)

Fabasoft invested around 30.7% of its revenue in research and development in the reporting period. The investment focus was particularly on user-oriented applications of AI in the Fabasoft Group's high-performance solutions.

Within the Fabasoft Group, dedicated product teams are responsible for product-related research and software development. The development activities of these teams follow the agile method framework "Scrum" with the aim of creating innovation and added value in accordance with the principles of "Quality, Usability & Style". Regular feedback from existing customers and from discussions with analysts as well as continuous market observation are used to identify market trends at an early stage and incorporate them into product development. Furthermore, research topics in the context of digitalization are dealt with in international collaborations.

3.1. The Fabasphere

The Fabasphere AI Core

During the reporting period, research and development in Fabasphere AI Core focused on further improving the use of Mindbreeze AI in Fabasoft Solutions. During the reporting period, enhancements and improvements were implemented in Fabasphere AI Core in the areas of email communication and process and form design. In the area of digital signatures, SwissSign was integrated as an additional trust service provider for qualified electronic signatures.

The development tools were improved in various areas to support and optimize the development of Fabasoft Solutions. For example, advanced debugging options are now available.

The Fabasoft Solutions

Fabasoft Approve

At Fabasoft Approve, AI-supported use cases were the focus of further development, in particular chat with documents and complex document structures. Of particular note is the implementation of chat with instruction documents for review steps as part of review planning. In addition, further functions for FMEA in quality management were implemented.

Fabasoft Boards

During the reporting period, Fabasoft Boards focused on seamless technical integration with Fabasoft

eGov-Suite and Fabasoft OneGov. In addition, the range of functions offered by Fabasoft Boards was significantly expanded. An important step was the implementation of the first AI-supported use cases, such as the summarization and translation of applications. A particular highlight in application management is the newly created option of customizing the entire application process using BPMN 2.0. In addition, protocols can now also be created directly in Microsoft Word.

Fabasoft Contracts

For Fabasoft Contracts, the focus was on implementing new AI features. Among other things, the team researched the automated review of contracts based on a wide range of aspects such as knockout criteria or specific clauses. Customers can create their own individual checklists or use ready-made checklists for specific use cases, such as checking non-disclosure agreements. In addition, the new AI chat function enables quick answers to questions about document content.

Fabasoft Dora

At Fabasoft Dora, research and development focused on the further development of the automatically generated information register, which financial companies must report annually on all outsourced ICT services in accordance with the EU DORA regulation. In addition, AI checklists were designed to support the monitoring of contracts for compliance with DORA regulations.

Fabasoft Oblivation

At Fabasoft Oblivation, research and development during the reporting period focused on developing an AI-supported solution for automating the CDP sustainability reporting process. The research combines AI-powered information gathering with Mindbreeze AI and workflow automation in the Fabasoft Cloud to provide customers with this use case for annual reports and save them hundreds of hours of manual administrative work. Fabasoft Oblivation thus helps sustainability teams focus expert resources on strategic improvements to environmental impact rather than repetitive manual tasks.

Fabasoft OneGov

The further development of Fabasoft OneGov focused on AI-supported use cases such as chatting with dossiers and automatic document summarization. A special feature is the voice-controlled translation of the summary into the language of the user interface. The filing system now optimally supports the "group-by-three" principle and can be expanded with additional components. Fabasoft OneGov now also meets the requirements for BAR delivery. With the new generation of Fabasoft OneGov in mind, additional functions have been implemented for the migration path.

Fabasoft Talents

At Fabasoft Talents, the focus was on further developing the personnel file, particularly the design of the user interface. Technical and content development was driven forward based on a revised design concept.

Fabasoft Xpublisher

Fabasoft Xpublisher has placed a special focus on AI applications. Alongside automatic text summarization, journal articles and entire book manuscripts can now be pre-translated into various languages. In addition, intensive work has been carried out on the further development of the integrated editor for structured XML documents. This particularly concerns the simple transfer of Microsoft Word content, the restructuring of this content according to the principle of guided authoring, and improved collaboration functions that will enable simultaneous editing of a document by several people.

Fabasoft eGov-Suite

In the past fiscal year, the Fabasoft eGov-Suite development team focused increasingly on implementing AI-based use cases. Among other things, a use case was developed for interacting with business objects, such as files, using Mindbreeze AI Chat. This solution enables users to interact with a business object in natural language to retrieve information about people or documents involved, for example.

In addition, the processing of the information supplied was upgraded to a low-code/no-code model in order to accelerate business management processes or, where necessary, automate them completely.

Development activities relating to the operation of Fabasoft eGov-Suite in a cloud-native infrastructure were intensified. In addition to the essential foundations, specific containers for a Fabasoft eGov-Suite web service for use in a cloud-native infrastructure were also created.

Finally, the Fabasoft eGov-Suite feature set was expanded based on customer requirements and legal requirements. Of particular note is the implementation of the Freedom of Information Act in Fabasoft eGov-Suite, already included in version 2025, to give our customers the time they need to familiarize themselves with the solution and implement it in their organizations.

3.2. Mindbreeze

At Mindbreeze, research and development in fiscal year 2024/2025 focused on generative AI with large language models. Numerous enhancements were made to Mindbreeze InSpire's Insight Services to enable users to communicate intuitively with company data in the Insight Workplace.

The Insight Workplace offers users a new way of providing and preparing data. Mindbreeze InSpire understands questions posed in natural language and, depending on the content, automatically selects the appropriate visual representation (Insight App). These can be lists, graphics, diagrams, with or without a chat window, which the Insight App Designer generates automatically. The entire generation and "thinking process" is presented transparently and comprehensibly in a "chain of thought." Links to the data sources from which the content originates serve to verify the results. Users interact with the information, select information, chat with it,

or have summaries created. Only the content from the selected information is considered for generation. Depending on requirements, further questions or tasks are asked, or the answers are narrowed down and focused using inputs and filters.

Mindbreeze InTend focused on the integration and further development of retrieval-augmented generation and generative AI in quotation processes and on providing the solution to Mindbreeze InSpire customers. Since December 2024, customers and partners have been able to enjoy the benefits of Mindbreeze InTend directly in their existing installations.

For administrators, the retrieval and generation process (RAG pipeline) was continuously optimized. In addition to the relevant response text excerpts from the index, semantic text structures are now also provided to the RAG and the LLM to generate even more precise responses. Insight into search queries and prompts used enables precise tracking of the retrieval and generation processes.

During the reporting period, the developers also laid the technological foundation for future multimodal interactions with Mindbreeze InSpire. This means that, in addition to entering questions in text form, other formats and combinations such as images, video, and speech are also possible. Results are also generated in different modalities such as text, images, or graphics.

4. Report on the stock, purchase and sale of the company's own shares

Share buyback program Fabasoft AG

On 13 August 2024, the Managing Board of Fabasoft AG, with the approval of the Supervisory Board, resolved to make use of the authorization granted by the Annual General Meeting on 2 July 2024 to acquire own shares in accordance with Section 65 (1) (4) and Section 65 (1) (8) of the Austrian Stock Corporation Act (AktG) and to launch a share buyback program for the period from 15 August 2024, to 30 September 2025 at the latest.

Under this share buyback program, shares in the company were to be acquired up to a total volume of EUR 2 million excluding incidental acquisition costs.

On 10 December 2024, the maximum repurchase volume of EUR 2 million (excluding incidental acquisition costs) was reached and the share buyback program was thus completed.

The repurchase volume under the share buyback program amounted to 125,409 shares. This corresponds to an amount of EUR 125,409 of the share capital, or 1.14% of the company's share capital of EUR 11,000,000.00. The total number of treasury shares held by Fabasoft AG

as of 31 March 2025 was 223,627. This corresponds to EUR 223,627 of the share capital, or 2.03% of the company's share capital of EUR 11,000,000.00.

The share buyback was carried out under the management of a bank that made its decisions on the timing of the acquisition of the shares independently and without influence from the company. The acquisition was made via the stock exchange in compliance with the safe harbor provision in Article 5 of Regulation (EU) No. 596/2014, with the exception of the repurchase purpose. This is broader than provided for in Article 5 (2) of Regulation (EU) No. 596/2014. This means that the shares can be used for all purposes specified in the authorization granted by the Annual General Meeting on 2 July 2024.

The purchase price paid on the stock exchange for the share buyback program, which ran from 15 August 2024, to 10 December 2024, averaged EUR 15.9477 per share. A total of shares were repurchased for a total purchase price of EUR 1,999,985.80 (excluding incidental acquisition costs). No treasury shares were sold in fiscal year 2024/2025. The company has no rights attached to treasury shares. The purposes for which treasury shares may be used and sold are explained in section 6.

5. Reporting of significant features of the internal control and the risk management system with regard to the financial reporting process at Fabasoft AG and the Fabasoft Group

As part of its overall responsibility, the managing board of Fabasoft AG defines the principles of an internal control and risk management system that enables those responsible for control and processes to identify risks at an early stage, analyze them, and take appropriate countermeasures.

Those responsible for controls and processes ensure that their controls and processes are appropriate, effective, and efficient. They ensure that internal and external sources of information relevant to the functioning of the controls and processes are considered and that controls are carried out at the defined time or at the defined intervals. They communicate the necessary information on the control objectives and implementation (control execution) to those responsible for carrying out the controls.

Fabasoft's group-wide risk management system aims to identify significant developments that could jeopardize the continued existence of the company at an early stage through a risk early warning system. Climate-related opportunities and risks are also integrated into the risk management system.

Information pursuant to Section 243a (2) of the Austrian Commercial Code

A comprehensive reporting system based on key performance indicators has been implemented within the Fabasoft Group to enable risks to be identified at an early stage. The Finance organizational unit is responsible for reporting. The data consists of strategic and operational key performance indicators, which are reported on a monthly basis. During regular reviews between the managing board and the organizational units, the detailed plans are coordinated with the overall plan, the target/actual figures are compared, and an outlook for the following quarters is provided. In addition, an internal control system (ICS) has been set up, which is described as follows: Fabasoft has installed an internal control system in the areas of human resources, purchasing, revenue cycle, and tax, which uses control points and is based on a dual control principle and corresponding process definitions and guidelines to ensure compliance with laws and standards and to prevent dishonest and illegal actions.

The ICS guidelines for human resources, purchasing, revenue cycle, and tax have been comprehensively documented in writing and linked to a coordinated control matrix. These matrices contain all automated and manual internal controls that must be performed. The documents (ICS guidelines and control matrix) are revised or updated once a year or ad hoc in the event of fundamental changes. Compliance with the control points is checked at regular intervals by means of random samples. The responsibilities and accountabilities contained in the risk management and internal control system (ICS) apply to all subsidiaries and are centrally managed by the head office in Linz.

ICS Purchasing

The ICS guideline for purchasing regulates the procurement of goods and services for the entire Fabasoft Group. The aim of ICS purchasing is to procure the required goods and services in the required quality, in the right quantity, at the best possible prices, and on time.

ICS Human Resources

The ICS Human Resources covers all processes related to personnel matters within the Fabasoft Group, from job advertisements to the termination of employment. The aim is to ensure that all personnel matters are handled in a legally compliant manner, to promote the qualifications and further development of employees, and to ensure the correct calculation of salaries and fringe benefits, thereby also ensuring the cost-effectiveness of personnel deployment.

ICS Revenue Cycle

The ICS Revenue Cycle describes all activities and controls relating to revenue generation within the Fabasoft Group, from market analysis to receipt of payment from the customer. The aim is to standardize and verify business activities in the Group's companies (service progress, service provision, invoicing, receipt of payments, other financial information) through clearly defined and documented processes and responsibilities, supported by technology.

ICS Tax

The tax control system (ICS Tax) covers all activities, processes, and risks related to taxes within the Fabasoft Group. Its objectives are to ensure legal and planning certainty, reduce tax risks by providing binding clarity on the tax treatment of issues as early as possible, reduce compliance costs, and ensure timely and legally correct tax collection.

Annual financial statements and consolidation

The annual financial statements of Fabasoft AG are prepared by the Managing Board in accordance with the Austrian Commercial Code (UGB) as amended and audited by the Supervisory Board.

The consolidated financial statements of Fabasoft AG are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the provisions of company law pursuant to Section 245a of the Austrian Commercial Code (UGB). The consolidated financial statements are prepared by the Managing Board and reviewed by the Supervisory Board prior to publication.

Interim consolidated financial statements are prepared in accordance with International Accounting Standard 34 (IAS 34) and published after approval by the Managing Board.

The Accounting Manual documents standards and guidelines to ensure smooth accounting and financial reporting processes. The guidelines contained therein apply to the accounting and financial reporting of Fabasoft AG and also apply to all subsidiaries. In addition, the consolidation process is documented in writing in the Accounting Manual.

The use of IT systems ensures transparent, traceable processing and audit-proof archiving of company data. The systems have interfaces that enable data to be exchanged.

Budgeting is carried out once a year by the heads of the organizational units and is approved by the Managing Board and the Supervisory Board.

6. Information on capital, share, voting and control rights and associated obligations

Information pursuant to Section 243a (1) of the Austrian Commercial Code

1. The capital stock of Fabasoft AG is divided into 11,000,000 individual shares.
2. The Managing Board is not aware of any restrictions beyond the scope of legislation that concern voting rights or the transfer of shares.
3. The company has received the following notifications of shareholdings amounting to at least 10 percent of the capital:
 - Fallmann & Bauernfeind Privatstiftung: 42,90 %.
4. There are no shares with special control rights.
5. There is no control over voting rights of employees who are also shareholders.
6. There are no provisions deviating from the law regarding the appointment and dismissal of members of the Managing Board. Resolutions on amendments to the Articles of Association pursuant to Section 146 (1) of the Austrian Stock Corporation Act (AktG) require a simple majority of the share capital represented at the time of the resolution, unless the object of the company is affected. The Supervisory Board is subject to the rotation principle, according to which one member of the Supervisory Board is newly elected each year.
7. Authority of the members of the managing board that go beyond the law, especially with regard to the possibility of issuing or buying back shares:

Authorized capital:

In accordance with the resolution of the Annual General Meeting on 3 July 2023, the Managing Board is authorized pursuant to Section 169 (1) 1 of the Austrian Stock Corporation Act (AktG), to increase the share capital by up to EUR 5,500,000.00 to up to EUR 16,500,000.00 until 9 September 2028 (entry 69, commercial register FN 98699x of the Linz Regional Court).

Acquisition of own shares in accordance with Section 65 (1) (4) of the Austrian Stock Corporation Act:

Resolution of the Annual General Meeting of 2 July 2024 on the authorization to acquire treasury shares pursuant to Section 65 (1) (4) of the Austrian Stock Corporation Act (AktG) for the purpose of issuing shares to employees, executives and members of the Managing Board of the company or an affiliated company for a period of 30 months up to a maximum share of ten percent of the company's share capital.

The consideration permitted upon repurchase may not exceed 10% above and must not be less than 20% below the average closing price on the Xetra trading platform of Deutsche Börse AG on the last five trading days prior to the determination of the purchase price.

The treasury shares acquired on the basis of this authorization, together with other treasury shares already acquired and still held by the company, may not exceed 10% of the company's share capital. The respective buyback program and its duration must be published.

Acquisition of own shares in accordance with Section 65 (1) (8) of the Austrian Stock Corporation Act:

Resolution of the Annual General Meeting of 2 July 2024 authorizing the acquisition of treasury shares pursuant to Section 65 (1) (8) of the Austrian Stock Corporation Act (AktG) for a period of 30 months up to a maximum of 10 percent of the Company's share capital. The consideration permitted for the repurchase may not exceed 10% above and must not be less than 20% below the average closing price on the Xetra trading system of Deutsche Börse AG on the last five trading days prior to the determination of the purchase price. The treasury shares acquired on the basis of this authorization, together with other treasury shares already acquired and still held by the company, may not exceed 10% of the company's share capital. The respective buyback program and its duration must be published.

This authorization also includes the acquisition of shares by subsidiaries of Fabasoft AG (Section 66 AktG). The acquisition may be made through the stock exchange, by way of a public offer or in any other manner permitted by law and for any purpose permitted by law.

The Managing Board is also authorized to redeem treasury shares after repurchase and treasury shares held by Fabasoft AG without further resolution by the shareholders' meeting. The supervisory board is authorized to resolve amendments to the articles of association resulting from the redemption of shares. This authorization may be exercised in whole or in part and also in several parts.

Utilization and sale of own shares:

Resolution of the Annual General Meeting on 2 July 2024, authorizing within five years, i.e. up to and including 2 July 2029, with the approval of the Supervisory Board and without further resolution by the Annual General Meeting, to sell or use treasury shares after repurchase and treasury shares of Fabasoft AG held by Fabasoft AG in a manner other than through the stock exchange or by means of a public offer, in particular treasury shares

- (i) for issue to employees, company executives and/or members of the Managing Board/Management of the company or an affiliated company, including for the purpose of servicing share transfer programmes,

in particular share options, long-term incentive plans or other participation programmes;

- (ii) for servicing convertible bonds that may be issued;
- (iii) as consideration for the acquisition of companies, shareholdings or other assets, and

- (iv) for any other legally permissible purpose; and to hereby exclude shareholders' subscription rights (exclusion of subscription rights), whereby the authorization may be exercised in full or in part as well as in several parts and for the pursuit of several purposes. Within this framework, the Managing Board shall also have the possibility of offering the shares by means of indirect subscription rights, i.e. via an intermediary credit institution. In this case the intermediary credit institution assumes the new shares with the obligation of offering these to shareholders for subscription.

- 8. With the exception of the information specified under section 9, significant agreements of the company which, as a result of a change of control in the company due to a takeover bid, become effective, change or terminate, and the effects of such agreements, are not disclosed, as this would be extremely damaging to the company, and other legal stipulations state that the company is not expressly obliged to disclose such information.
- 9. No compensation agreements exist between the company and the members of its Managing Board, Supervisory Board or workforce in the event of a public takeover bid.

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Corporate Governance Report

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Corporate Governance Report

Information pursuant to sections 243c and 267b of the UGB (Austrian Commercial Code)

Fabasoft AG is a stock corporation under Austrian law. The company's shares are traded on the Frankfurt Stock Exchange in the Prime Standard market segment as part of the regulated market.

Pursuant to the Austrian Stock Corporation Act, the Managing Board manages the company without instructions under its own responsibility as required by the best interests of the company, considering the interests of the shareholders and employees in particular. The Supervisory Board supervises the management of the company and supports the Managing Board in decisions of fundamental importance.

Pursuant to Section 243c of the UGB (Austrian Commercial Code), a stock corporation whose shares are admitted to trading on a regulated market must prepare a Corporate Governance Report.

As an Austrian company, Fabasoft AG is not obliged to issue a declaration of conformity pursuant to Section 161 of the German Stock Corporation Act. Nevertheless, in view of its stock market listing in Germany, Fabasoft AG voluntarily commits to the recommendations of the German Corporate Governance Code in the version adopted on 28 April 2022 and published in the (German) Federal Gazette on 27 June 2022 (hereinafter referred to only as the "German Corporate Governance Code") to the extent of the respective declaration of conformity. This Code is available at www.dcgk.de.

Principles of corporate governance

Fabasoft AG has pursued a strategy of sustainable and long-term value development for many years. As a result of its chosen listing on the Frankfurt Stock Exchange Fabasoft AG already complied with many of the now implemented requirements prior to the development of the national Corporate Governance Codes and before domestic implementation of the Transparency Directive.

The Managing Board and the Supervisory Board are committed to the responsible management and control of Fabasoft AG and its subsidiaries. The value-oriented principles of good corporate governance are an essential part of this corporate policy. The essential contents defined in the German Corporate Governance Code have therefore been part of Fabasoft AG's corporate and management culture for many years and contribute to strengthening investor confidence.

The German Corporate Governance Code is based on the provisions of German Stock Corporation, Stock Exchange and Capital Market Law as well as the OECD Guidelines for Corporate Governance. The recommendations of the Code gain validity through the voluntary commitment of the companies.

1. Declaration by the Managing Board and the Supervisory Board of Fabasoft AG on compliance with the German Corporate Governance Code

Managing Board and Supervisory Board last issued the following declaration of conformity in March 2025:

The Managing Board and Supervisory Board of Fabasoft AG declare as follows:

As Fabasoft AG has its registered office in Austria, it is not obliged to issue a declaration of conformity in accordance with Section 161 of the German Stock Corporation Act. As a company listed on the Frankfurt Stock Exchange, the Managing Board and Supervisory Board of Fabasoft AG declared in March 2023 that in future they would voluntarily submit to the German Corporate Governance Code in the version dated 28 April 2022 (published in the German Federal Gazette on 27 June 2022) with the exceptions described therein. This declaration of conformity is to be submitted annually and is now renewed as follows:

Declaration of Conformity with the German Corporate Governance Code

The Managing Board and Supervisory Board of Fabasoft AG declare their compliance with the recommendations of the German Corporate Governance Code in accordance with Section 243c of the Austrian Commercial Code (UGB):

The Managing Board and Supervisory Board of Fabasoft AG have complied with the recommendations of the German Corporate Governance Code since the last Declaration of Conformity was issued in March 2024, unless a deviation is explicitly declared below and provided that this does not violate mandatory Austrian law.

Fabasoft AG declares a deviation from recommendations D.4 (Formation of a Nomination Committee), G.3 (Peer Group Comparison of Managing Board Remuneration) and G.10 (investment of variable remuneration amounts granted to Managing Board Members in shares of the Company).

According to recommendation D.4, the Supervisory Board should form a nomination committee for proposals for the election of Supervisory Board members. Fabasoft AG declares a deviation in this respect because the Supervisory Board of Fabasoft AG consists of only four members in any case and therefore it is not necessary to form a committee.

Recommendation G.3 stipulates that the Supervisory Board should use a suitable peer group and disclose the composition in order to assess the customary level of specific Managing Board remuneration compared to other companies. The purpose of this provision, as expressly stated in the German Corporate Governance Code, is to prevent an automatic upward trend. Fabasoft AG declares a deviation from recommendation G.3, as there is no company in Austria or Germany comparable to Fabasoft AG - in terms of turnover, number of employees, industry - and therefore a peer group comparison would not be possible. In any case, there has been no significant upward trend in Managing Board remuneration in recent years. In this context, please refer to the current remuneration report at www.fabasoft.com/en/investor-relations/corporate-governance and the disclosures in the consolidated financial statements.

Recommendation G.10 stipulates that the variable remuneration amounts granted to the Managing Board should be predominantly invested in shares of the company or granted on a share basis, considering the respective tax burden. As a precautionary measure, Fabasoft AG declares a deviation from this recommendation, as remuneration in the form of shareholdings does not currently appear to make sense in view of the tax burden. In Austria, such participation models would have to be assessed as a benefit from the employment relationship and would lead to a special tax burden.

Fabasoft AG will continue to comply with the recommendations of the German Corporate Governance Code in the version dated 28 April 2022 (published in the Federal Gazette on 27 June 2022) with the aforementioned exceptions, provided that this does not violate mandatory Austrian law.

2. Information on corporate governance

The company is a stock corporation under Austrian law. It is therefore subject in particular to the provisions of Austrian stock corporation law and capital market regulations as well as the provisions of the Articles of Association and the Rules of Procedure for the Managing Board and Supervisory Board.

There is a two-tier management and supervisory structure consisting of the Managing Board and the Supervisory Board. Both bodies are committed to the good of the company. The Annual General Meeting is the third body of the Company. It serves to form the will of the shareholders.

2.1. Managing Board

The Managing Board represents the company externally. It conducts its business in accordance with the law, the Articles of Association and the Rules of Procedure for the Managing Board and ensures appropriate risk management. The Managing Board develops the strategic direction of the company, coordinates it with the Supervisory Board and ensures its implementation. The task of the Managing Board is thus to create sustainable value on its own responsibility.

As of 31 March 2025, the Managing Board consisted of the following three members:

- **Prof. Dipl.-Ing. Helmut Fallmann:**
Chairman of the Managing Board
- **Ing. Oliver Albl:** Member of the Managing Board
- **Matthias Wodniok:** Member of the Managing Board

The Managing Board reports to the Supervisory Board regularly, in a timely manner and comprehensively on all key aspects of business development, significant business transactions and the current earnings situation, including the risk situation and risk management. Deviations in the course of business from plans and targets are explained and justified to the Supervisory Board and discussed with it. In addition, the Managing Board reports regularly on compliance, i.e. the measures taken to comply with legal requirements and internal company policies for which the Managing Board is responsible.

The Supervisory Board has set an age limit for the Managing Board. The members of the Managing Board shall not be older than 70.

The Supervisory Board concludes the employment contracts with the members of the Managing Board. When determining the total remuneration of individual Managing Board members, the Supervisory Board shall ensure that it is commensurate with the duties and performance of the Managing Board member and with the situation of the company, and that it does not exceed the customary level of remuneration without special

justification. In the case of listed companies, the remuneration structure shall be geared to the sustainable and long-term development of the company. Variable remuneration components shall therefore have a multi-year assessment basis; for extraordinary developments, the Supervisory Board shall agree a cap.

In implementation of the Second Shareholders' Rights Directive, the Supervisory Board of a listed company accordingly adopts a clear and comprehensible system for the remuneration of Managing Board members. Subsequently, the Annual General Meeting of the listed company decides on the remuneration system for Managing Board members presented by the Supervisory Board whenever there is a significant change to the remuneration system, however, at least every four years.

In accordance with the statutory provisions, the resolved system of remuneration for the members of the Managing Board was submitted to and approved by the Annual General Meeting in 2024.

The resolution and the remuneration system and the remuneration policy explained therein have been published on the Company's website at www.fabasoft.com/en/investor-relations/corporate-governance and are to be kept publicly accessible free of charge for the duration of the validity of the remuneration system, however, for at least ten years.

2.2. Supervisory Board

In accordance with Section 8 of the Articles of Association, the Supervisory Board of Fabasoft AG consists of at least three and at most six members elected by the Annual General Meeting and is tasked with advising and overseeing the Managing Board in its management of Fabasoft AG.

As of 31 March 2025, the Supervisory Board consisted of the following four members:

- **em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr:**
Chairman of the Supervisory Board
- **FH-Prof.ⁱⁿ Univ.-Doz.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schäumüller-Bichl:**
Member of the Supervisory Board
- **Prof. Dr. Andreas Altmann:**
Member of the Supervisory Board
- **Mag.^a Michaela Schwinghammer-Hausleithner:**
Member of the Supervisory Board

The members of the Supervisory Board are elected in accordance with the provisions of the Annual General Meeting for a maximum period up to the end of the Annual General Meeting which resolves on the ratification of actions for the fourth financial year after the beginning of the term of office. The fiscal year in which the term of office begins is not included. The Supervisory Board appoints and dismisses the members of the Managing Board, decides on the compensation system for the Managing Board members and agrees their respective compensation.

The Supervisory Board is involved in all decisions of fundamental importance to the company. The Supervisory Board may make certain transactions subject to its approval. The Supervisory Board's main duties also include proposing candidates for election to the Supervisory Board and for the appointment of the auditor.

The principles of cooperation of the Supervisory Board are set out in the Rules of Procedure of the Supervisory Board. The Rules of Procedure of the Supervisory Board are published on the company's website at www.fabasoft.com/en/investor-relations/corporate-governance.

The Supervisory Board has set an age limit for the Supervisory Board in accordance with the German Corporate Governance Code. The members of the Supervisory Board shall not be older than 75.

At the constituent meeting, the elected members of the Supervisory Board of Fabasoft AG elect a chairperson or deputy chairperson from among their number.

At regular meetings held jointly with the Supervisory Board, the Managing Board provides timely and comprehensive information on all issues relevant to the company, in particular strategy, planning, business development, the risk situation, risk management and compliance. Furthermore, the Supervisory Board also meets regularly without the Managing Board.

In addition, decisions are made at the constituent meeting on the relevant committees as well as on appointments by the members of the Supervisory Board. An Audit Committee has been set up at Fabasoft AG to ensure efficient organization.

As of 31 March 2025, the Audit Committee consisted of the following four members:

- **Prof. Dr. Andreas Altmann:**
Chairman of the Audit Committee
- **em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr:**
Member of the Audit Committee
- **FH-Prof.ⁱⁿ Univ.-Doz.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schäumüller-Bichl:**
Member of the Audit Committee
- **Mag.^a Michaela Schwinghammer-Hausleithner:**
Member of the Audit Committee

The members of the Audit Committee as a whole are familiar with the sector in which the company operates. The CVs of the members of the Supervisory Board and the Audit Committee have been published on the company's website at www.fabasoft.com/en/about-us/managing-and-supervisory-board, which also shows the respective expertise in the following areas:

In this context, Prof. Dr. Altmann has special expertise (knowledge and practical experience) in the fields of finance and accounting as well as reporting. Furthermore, Mag.^a Schwinghammer-Hausleithner has special expertise in the field of accounting and em. o. Univ.-Prof. Mag. Dr. Roithmayr has special expertise in the field of auditing.

In addition to reimbursement of their expenses, each member of the Supervisory Board receives remuneration. This remuneration is made up of a fixed amount.

When determining the amount of this remuneration, the duties of the Supervisory Board members and the situation of the company are to be considered. The amount of remuneration must be in line with these criteria.

In accordance with the statutory provisions, a corresponding resolution proposal was submitted to the Annual General Meeting in July 2024.

The resolution and the applicable remuneration system for the Supervisory Board are available on the company's website at www.fabasoft.com/en/investor-relations/corporate-governance.

The Supervisory Board regularly discusses the efficiency of its work and that of the Audit Committee as part of a self-assessment. Due to the fact that the Supervisory Board and the Audit Committee currently have only four members, the Supervisory Board has so far refrained from consulting an external consultant for a self-assessment. A self-assessment was last carried out in January 2023. On the basis of a catalog of questions, the Chairman of the Supervisory Board discussed whether there was reason to change the way the Supervisory Board works and what measures should be taken to achieve this.

2.3. The Annual General Meeting

The shareholders exercise their rights at the Annual General Meeting. In particular, they exercise their voting rights there. The Annual General Meeting is held annually within the first eight months of each fiscal year. The agenda for the Annual General Meeting, including the reports and documents required for the Annual General Meeting, is also published on the company's website. To facilitate the personal exercise of their rights, the company provides shareholders with a proxy for Annual General Meetings who is bound by instructions. In the notice convening the Annual General Meeting or in the notices to shareholders, it is explained how voting instructions can be issued in the lead-up to the Annual General Meeting.

The Annual General Meeting passes resolutions in the cases expressly specified by law and in the Articles of Association.

2.4. Information on corporate governance practices

At the center of the management culture of the Company and its subsidiaries are values enshrined in statutory regulations and internal policies and organizational directives. On this basis, there is a common understanding among management and employees to combine sustainable growth with economic success.

To achieve this goal, employees should be aware of these requirements and be able and allowed to assume responsibility for them. Personal responsibility and initiative require knowledge of the strategic direction of the company. The Management therefore regularly informs employees about corporate goals, current business developments and the market and competitive

environment. Clearly defined corporate structures, areas of responsibility and processes are also an essential basis for efficient corporate management and cooperation. In conjunction with defined processes that are subject to ongoing optimization, this structure enables management processes to be aligned with corporate objectives and regular monitoring of target achievement.

Particular importance is attached to the motivation and appreciation of the company's employees. After all, outstanding commitment, high productivity and efficiency can only be achieved in a working environment that is perceived as positive and with a high level of identification with the company and its goals.

2.5. Sustainability

Fabasoft acknowledges its responsibility to its stakeholders for long-term and sustainable management. In this sense, the sustainability report represents Fabasoft's commitment to sustainable development, considering environmental, social and governance aspects (ESG). For Fabasoft, sustainability means acting responsibly as a business with the goal of uniting commercial objectives with sustainable objectives concerning the interests of both society and the environment in a profitable and beneficial way. In this context, Fabasoft contributes beyond the legal requirements - from the actual business activity, to ecologically relevant topics, to responsibility towards stakeholders and society.

Fabasoft's Sustainability Report is integrated into the Fabasoft Group's Annual Report and is available on the company's website www.fabasoft.com/en/about-us/sustainability-and-compliance.

2.6. Data privacy and information security

Fabasoft is at the forefront of information security and data protection. This role must be actively embraced. Only those who set the highest standards for themselves and meet them can convince customers of their credibility. For this reason, the protection of customer and company data has absolute priority. This is underpinned by certifications and audits in accordance with internationally recognized standards. We address this need for transparency and information security through the following aspects: the software products are developed in Europe and operated in secure data centers that must meet strict requirements criteria. This builds in particular on the foundation of a European value system for data security, access security, legal security and for certified quality standards.

The information security goals of confidentiality, integrity, availability and authenticity, as well as ongoing review, assessment and evaluation of the effectiveness of technical and organizational measures, are thus core values of Fabasoft in all our business activities.

Furthermore, we maintain our sustainably high level of compliance through extensive control mechanisms in internal processes and through the audited Fabasoft control system, which is also reflected in recognized certifications.

2.7. Financial reporting

The consolidated financial statements of Fabasoft AG are prepared in accordance with the currently applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

The annual financial statements of the Fabasoft AG are prepared in accordance with the provisions of the Austrian Commercial Code (UGB).

Annual financial reports, as well as quarterly and half-yearly reports, are published within the statutory deadlines or in accordance with Recommendation F.2 of the German Corporate Governance Code in line with the requirements of the rules and regulations for the Prime Standard segment of the Frankfurt Stock Exchange.

2.8. Equal participation of women and men

Equal treatment with regard to chances of promotion and compensation is a policy that has already been practised in the Fabasoft Group and in all its subsidiaries on all corporate levels for many years. There are women in managerial positions in various organisational levels, for example heads of division and authorised signatories. Fabasoft makes every effort to help women return to work by creating a female and family-friendly working environment. The corporate childcare center "FABIs KinderneSt" opened at the Linz location in January 2021. FABIs KinderneSt helps employees reconcile work and family life. The proportion of women at Fabasoft was 29.4% as of 31 March 2025. There are flexible working time models available for those who wish to make use of them, to accommodate the combination of family and work commitments. As at 31 March 2025, 20.4% of all employees in the Fabasoft Group were employed on a part-time basis.

Proportion of women on the Supervisory Board

Already since 2013, one of the four positions on the Supervisory Board of Fabasoft AG has been held by FH-Prof.ⁱⁿ Univ.-Doz.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl as female representative. The target quota for the proportion of women on the Supervisory Board was set at 25%. At the Annual General Meeting on 4 July 2022, a further woman, Mag.^a Michaela Schwinghammer-Hausleithner, was elected to the Supervisory Board, bringing the proportion of women on the Supervisory Board to 50%.

Proportion of women at management levels below the Managing Board

Within the Fabasoft Group, 20.2% of all management positions were held by women as of 31 March 2025. The aim is to maintain the proportion of female employees at a similarly high level in the future, or to increase it where possible.

3. Composition of the corporate bodies and diversity concept

3.1. Supervisory Board

3.1.1. Objectives for the composition of the Supervisory Board

The Supervisory Board of the company has defined specific objectives and a competence profile for its composition and has also taken diversity into account. Diversity includes aspects such as age, gender, educational or professional background. However, diversity does not mean that people are proposed as candidates for the Supervisory Board solely because they possess a certain personal characteristic, so that no mandatory quotas are set.

In addition to general knowledge of the industry and an understanding of the business model, the competence profile of the Board includes the areas of digitization and IT, software industry, innovation, research and development, finance and accounting, auditing, management and leadership, strategy and M&A, corporate governance, sustainability and the capital market. The aforementioned competencies enable the members to the Supervisory Board to understand and critically scrutinize reports and submissions of the Managing Board and to draw their own conclusions, including the ability to assess the propriety, economic efficiency, expediency and legality of the business decisions to be evaluated or to check them for plausibility.

Proposals of the Supervisory Board to the Annual General Meeting should take these objectives into account and at the same time aim to fulfil the competence profile for the entire body.

The implementation status is shown in the following qualification matrix.

The implementation status is shown in the following qualification matrix.

Qualification matrix of the Supervisory Board of Fabasoft AG

	em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr	FH-Prof. ⁱⁿ Univ. Doz. ⁱⁿ DI ⁱⁿ Dr. ⁱⁿ Ingrid Schaumüller-Bichl	Prof. Dr. Andreas Altmann	Mag. ^a Michaela Schwingham- mer-Hausleithner
Function	Chairman	Second deputy of the chairman	First deputy of the chairman	Member
Nationality	Austria	Austria	Austria	Austria
Sex	male	female	male	female
Year of birth	1946	1957	1963	1975
Initial appointment	1999	2013	2014	2022
End of term	2027	2028	2026	2025
Independence	yes	yes	yes	yes
Competencies				
Digitization and IT				
Software industry				
Innovation, research and development				
Finance and accounting				
Auditing				
Management and leadership				
Strategy and M&A				
Corporate Governance				
Risk management and compliance				
Sustainability (incl. sustainability reporting)				
Capital market				

Legend:

Expert

Core competence

Secondary competence

The members of the Supervisory Board are responsible for the training and further education measures required for their tasks. Fabasoft AG supports the members of the Supervisory Board during their induction into office as well as the training and further education measures and reports on the measures carried out in the Report of the Supervisory Board.

Supervisory Board members must also each individually meet certain minimum personal requirements

that are essential for the efficient work of the Supervisory Board, such as time availability, integrity, discretion, discussion skills, interaction skills and teamwork skills.

The Supervisory Board will also take the objectives set for its composition into account to the best possible extent in the search for suitable candidates for any members retiring prematurely and in election proposals for regular elections.

3.1.2. Availability

All members of the Supervisory Board have sufficient time to discharge their duties. None of the Supervisory Board members holds more than the target number of non-Group mandates in supervisory bodies.

3.1.3. Independence

According to the Code recommendations C.6 et seq., the Supervisory Board shall include what it considers to be an appropriate number of independent members from the group of shareholder representatives, thereby considering the shareholder structure.

In this context, the German Corporate Governance Code formulates two aspects of independence: a Supervisory Board member is to be regarded as independent if he or she is

- independent from the company and its Managing Board and
- independent from any controlling shareholder.

(1) Independence from the company and the Managing Board

More than half of the shareholder representatives shall be independent from the company and the Managing Board. Supervisory Board members are to be considered independent from the company and its Managing Board if they have no personal or business relationship with the company or its Managing Board that may cause a substantial – and not merely temporary – conflict of interest. When assessing the independence of Supervisory Board members from the company and its Managing Board, particular consideration shall be given to whether the respective Supervisory Board member him/herself – or a close family member

- was a member of the company's Managing Board in the two years prior to appointment,
- currently maintains or has maintained a significant business relationship with the company or a company dependent on the company (e.g. as customer, supplier, lender or consultant), either directly or as a shareholder or in a responsible function at a company outside the Group in the year prior to his or her appointment
- is a close family member of a member of the Managing Board or
- has been a member of the Supervisory Board for more than 12 years.

None of the Supervisory Board members have a personal or business relationship with the company or its Managing Board that may cause a substantial – and not merely temporary – conflict of interest. Although em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr has been a member of the Supervisory Board since 1999 and Chairman since June 2009, he is nevertheless still considered independent by the members of the Supervisory Board. Dr. Roithmayr has always placed his professional expertise at the service of the company in a selfless manner. In the opinion of the Supervisory Board, there have been no

indications to date that he has not exercised his office with the requisite objectivity, professionalism and vigilance, and with the necessary emphasis. In any case, there are no commercial relationships between Dr. Roithmayr and the company.

The Supervisory Board does not include any former members of the Managing Board.

The Chairman of the Supervisory Board and all other members of the Supervisory Board therefore do not exercise any management functions within the Fabasoft Group and are independent of the company and the Managing Board.

(2) Independence from a controlling shareholder

If the company has a controlling shareholder, the German Corporate Governance Code stipulates that in the case a Supervisory Board comprises six members or less, at least one shareholder representative shall be independent from the controlling shareholder.

The German Corporate Governance Code stipulates that a Supervisory Board member is considered independent from the controlling shareholder if he/she, or a close family member, is neither a controlling shareholder nor a member of the executive governing body of the controlling shareholder, and does not have a personal or business relationship with the controlling shareholder that may cause a substantial – and not merely temporary – conflict of interest.

As all members of the Supervisory Board have no relationship whatsoever with a controlling shareholder, the entire Supervisory Board of Fabasoft AG is to be considered independent.

This fulfils the requirement of the Code and also the Supervisory Board's own objective.

Furthermore, the incumbent members of the Supervisory Board do not hold any executive or advisory positions with major competitors.

3.2. Managing Board

3.2.1. Objectives for the composition of the Managing Board

The Supervisory Board shall also take diversity into account in the composition of the Managing Board. The Managing Board shall manage the Company under its own responsibility. The objective of the composition of the Managing Board must therefore be to entrust the management of the company to individuals who meet the necessary professional and personal requirements for this within the framework of collegial cooperation, while maintaining the efficiency of the personnel resources. The key task of Fabasoft AG is to manage its subsidiaries. The company itself does not conduct any operational business.

3.2.2. Implementation status

The Supervisory Board is confident that the composition of the Management Board has taken and continues to take appropriate account of professional and personal requirements:

- **Prof. Dipl.-Ing. Helmut Fallmann,**
Chairman of the Managing Board:
Helmut Fallmann is co-founder and Chairman of the Managing Board of Fabasoft AG. In addition to his membership in the Federal Board of the Federation of Austrian Industries, Fallmann is a convinced European and is particularly committed to Europe as a business location. Fabasoft is, among other things, a member of the decision-making body "EU Cloud Code of Conduct" as well as Member Official Contact in the European Telecommunications Standards Institute (ETSI).
- **Ing. Oliver Albl,**
Member of the Managing Board
Oliver Albl has been successfully active in Fabasoft for more than three decades and has, among other things, earned great merits in the management of corporate and service certifications. As a result, he has made a significant contribution to Fabasoft enjoying an outstanding reputation for quality and data protection for its software products in Austria and Europe. Oliver Albl has been the CEO of Fabasoft International Services GmbH since 2019. As of 1 May 2022, Mr. Oliver Albl has been appointed to the Managing Board as Chief Technical Officer (CTO).
- **Matthias Wodniok,**
Member of the Managing Board
Matthias Wodniok has been with Fabasoft since 2000 and was extremely successful as CEO of Fabasoft Deutschland GmbH until his appointment to the Managing Board. In his role as a Member of the Managing Board, Matthias Wodniok has, in particular, been managing the Fabasoft eGov-Suite business since 1 July 2022. Matthias Wodniok's successes to date include the steady expansion of Fabasoft's market leadership in the field of electronic administrative work with commissions at federal and state level in Germany.

Linz, 3 June 2025

For the Managing Board

Prof. Dipl.-Ing. Helmut Fallmann
Chairman of the Managing Board

Ing. Oliver Albl
Member of the Managing Board

Matthias Wodniok
Member of the Managing Board

3.2.3. Succession planning

Against the background of the professional and personal requirements placed on members of the company's Managing Board, the Supervisory Board regularly discusses - also with the incumbent Managing Board - which individuals could be considered for appointment for future periods of office. In addition to the focus on diversity, the personal and professional development of executives in the Group is also considered. In due course, the Supervisory Board will also consult external advisors, if necessary, in the search for suitable candidates.

For the Supervisory Board

em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr
Chairman of the Supervisory Board

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Investor Relations

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Fabasoft AG has been listed on the Frankfurt Stock Exchange since 1999 and celebrated its 25th anniversary on the stock exchange in fiscal year 2024/2025. The development of sustainable relationships with all participants in the capital market and in particular with shareholders and analysts is paramount for Fabasoft, in order to meet the expectations of the capital market with regard to communication and transparency and to permanently strengthen the title on the capital market.

ODDO BHF SE located in Frankfurt am Main acts as a market maker. In Germany the company ranks as one of the biggest providers of designated sponsoring.

Communication with capital market participants

The annual analysts' conference serves as a fixed information appointment for analysts and institutional investors. In addition to the Annual General Meeting, Fabasoft offers shareholders the opportunity to meet members of the Managing Board directly at the company's own events.

In addition to the quarterly earnings calls, Fabasoft again held numerous individual and group meetings in fiscal year 2024/2025, particularly in the context of capital market conferences. These events served to present the company as well as to establish new contacts with investors and institutional investors and to intensify existing relationships.

Sustainable corporate governance and ESG reporting also played an increasingly important role in these discussions. Fabasoft communicates its steadily growing commitment in this area in its annual sustainability report and, in its latest report, applied the requirements of the Corporate Sustainability Reporting Directive (CSRD) for the first time.

In the Investors section of the Fabasoft website, information relevant to the capital market, such as ad hoc announcements, corporate news, voting rights announcements, financial reports, corporate governance or information on remuneration policy, is available to interested parties in a structured and clear manner. Information pertaining to the Fabasoft share is also available on the website of the German Stock Exchange (www.deutsche-boerse.de) as well as under section 9.1 of the notes to the consolidated financial statements.

Shareholder structure and significant changes

The Parent Company of the Group is Fabasoft AG with its headquarters at Honauerstrasse 4, 4020 Linz, Austria. The shares of Fabasoft AG are listed in the trading segment Prime Standard on the Frankfurter Stock Exchange, (security identification number (D) 922985). Fabasoft AG is thus subject to the stringent requirements and criteria of the Regulated Market of the Frankfurt Stock Exchange.

With Fallmann & Bauernfeind Privatstiftung and its 42.90% stake in Fabasoft AG, Fabasoft AG has had a stable and long-term oriented core shareholder for many years. In addition, BNP Paribas SA holds a 9.89% stake in Fabasoft AG according to the voting rights notification dated 14 March 2025. All other shareholdings are below the 5% threshold and are therefore classified according to the definition of Deutsche Börse as free float, which, as far as the company is currently aware, is held by both institutional and private investors. Notifications of changes to significant shareholdings in the company are published on the Fabasoft website in the Investors section, IR News under "Notifications of voting rights".

During the reporting period, Fabasoft AG received two notifications of changes in significant shareholdings in the company. Austria is the home Member State for Fabasoft AG, and the reporting thresholds pursuant to Section 130 of the Austrian Stock Exchange Act 2018 apply to changes in significant shareholdings.

Share buyback program of Fabasoft AG

On 13 August 2024, the Managing Board of Fabasoft AG, with the approval of the Supervisory Board, resolved a share buy-back programme for the period from 15 August 2024 to 30 September 2025 at the latest. As part of

this share back program, treasury shares of Fabasoft AG (AT0000785407) up to a maximum total purchase price (excluding incidental costs) of EUR 2 million were to be repurchased via the stock exchange. On 10 December 2024, the maximum buy-back volume was reached and the share buy-back programme was thus completed.

In the period from 15 August 2024 to 10 December 2024, Fabasoft AG repurchased 125,409 shares at an average price of EUR 15.9477. A total of 223,627 shares were held as treasury shares as of the reporting date of 31 December 2024. Additional information can be found in the management report under section 4.

Research coverage

Fabasoft has commissioned Warburg Research GmbH and Stifel Europe Bank AG for ongoing analyst evaluations in the reporting period, maintains an ongoing exchange with their analysts and participates in capital market events of the analyst firms at regular intervals. The analyses are prepared by the independent analysts on the basis of publicly available information. These analyses reflect the opinions, assessments or recommendations of the analyst firm and do not represent the views, forecasts, estimates or predictions of Fabasoft or the Managing Board of Fabasoft AG. Consequently, the analysts' assessments are not subject to any influence or control by Fabasoft AG.

Dividend policy

Fabasoft does not pursue a rigid dividend policy. Any dividend suggestions of the Managing Board are based on specific company success and predictable or expected economic demands on the company.

Information on the Fabasoft share	
Number of shares	11,000,000
Market segment Regulated Market	Prime Standard
Security Identification Number	922985 (common stock)
Ticker symbol	FAA
Bloomberg Code	FAA.GY
Reuters Code	FAAS.DE
ISIN	AT0000785407
LEI number	391200WHND7OZEFNNL77
E-mail	ir@fabasoft.com

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General disclosures

1. Basis for preparation

BP-1 General basis for preparation of sustainability statements

The sustainability statement of the Fabasoft Group has been prepared on a consolidated basis and covers the same scope as the financial statements. It includes the parent company Fabasoft AG and the subsidiaries directly and indirectly controlled by Fabasoft AG. The sustainability report covers the Fabasoft Group's main value chain, including the impacts, risks, and opportunities (IRO) identified in upstream, downstream, and own operating sites.

The extent to which policies, measures, key figures, and targets go beyond Fabasoft's own business activities depends on the nature of the topics. This is disclosed in the respective topic-specific European Sustainability Reporting Standard (ESRS).

BP-2 Disclosures in relation to specific circumstances

Time horizons

The time horizons considered in this report comply with the ESRS requirements. Accordingly, the following time horizons apply:

Short term	= 1 year
Mid term	> 1 year to 5 years
Long term	> 5 years

The short term review period corresponds to the review period for reporting in the consolidated financial statements.

Estimates for the value chain

Estimates and methods are described in the relevant topic-specific sections, including any associated measurement uncertainties.

The materiality analysis was carried out to the best of the participating experts' knowledge and belief. The assessment of certain probabilities of occurrence is therefore inevitably associated with a certain degree of uncertainty.

Sources for estimates and uncertainty of results

Fabasoft attaches great importance to the accurate and transparent disclosure of datapoints according to the ESRS by primarily using consumption values for sustainability reporting. Emissions are calculated according to a uniform standard based on current emission factors from Fabasoft's environmental balance sheet. If no consumption data or invoices are available for individual months, consumption is determined using a well-founded extrapolation.

Potential causes of measurement uncertainties, assumptions, or estimates are explained in the respective disclosure items.

Changes in preparation or presentation of sustainability information

In order to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and ESRS for the first time in the 2024/2025 fiscal year, the sustainability disclosures in this report have been significantly expanded. Where data points have been restated or errors have occurred since the previous reporting period, these changes are described in the relevant topics. Where possible, the key figures to be disclosed are compared with the previous year's figures.

2. Governance

GOV-1 The role of the administrative, management and supervisory bodies

Managing Board

The Managing Board represents the company externally and conducts its business independently in accordance with the law, the Articles of Association, and the Rules of Procedure for the Managing Board in the interests of the company and its stakeholders. It ensures transparent financial reporting and appropriate risk management. The Managing Board develops a forward-looking corporate strategy, coordinates it with the Supervisory Board, and ensures its implementation.

As of March 31, 2025, the Managing Board consisted of the following three executive members:

	Prof. Dipl.-Ing. Helmut Fallmann	Ing. Oliver Albl	Matthias Wodniok
Function	Chairman of the Managing Board	Member of the Managing Board	Member of the Managing Board
Nationality	Austria	Austria	Germany
Sex	male	male	male

- 100 % of the board members are men
- 0 % of the board members are women

The Managing Board reports to the Supervisory Board regularly, promptly, and comprehensively on all significant aspects of business development, significant business transactions, and the current earnings situation, including significant IROs and risk management. General controls and processes for managing IROs are applied in this context.

Any deviations in the course of business from plans and targets are explained and justified to the Supervisory Board and discussed with it. In addition, the Managing Board reports regularly on compliance, i.e., the measures taken to comply with legal provisions and internal company policies that fall within the responsibility of the Managing Board.

The members of the Managing Board have advanced expertise and experience to properly manage the Fabasoft Group's business. Relevant areas of expertise include software development and digitization, corporate management and strategy development, data protection and information security, risk management and compliance, as well as sales and marketing.

Supervisory Board

The Supervisory Board monitors and advises the Managing Board in its management of the company and supervises key IROs. In addition, the Supervisory Board approves important corporate decisions and reviews financial reporting and compliance with legal requirements.

As of March 31, 2025, the Supervisory Board consisted of the following three executive members:

	em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr	FH-Prof.ⁱⁿ Univ. Doz.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl	Prof. Dr. Andreas Altmann	Mag.^a Michaela Schwinghammer- Hausleithner
Function	Chairman	Second deputy of the chairman	First deputy of the chairman	Member
Nationality	Austria	Austria	Austria	Austria
Sex	male	female	male	female
Independence	yes	yes	yes	yes

- 100% of the members of the Supervisory Board are considered independent in accordance with the German Corporate Governance Code
- 50% of the members of the Supervisory Board are women
- 50% of the members of the Supervisory Board are men

The Supervisory Board of the company has defined specific objectives and a competency profile for its composition, taking diversity into account. Diversity includes aspects such as age, gender, educational background, and professional experience.

Supervision in the area of governance for monitoring, managing, and overseeing IROs is exercised by all members of the Supervisory Board.

In addition to general knowledge of the industry and an understanding of the business model, the competence profile of the Supervisory Board covers the areas of digitalization and IT, the software industry, innovation, research and development, finance and accounting, auditing, management and leadership, strategy and M&A, corporate governance, sustainability, and capital markets. No employees are represented on the Supervisory Board of Fabasoft AG.

An Audit Committee has been established at Fabasoft AG to ensure efficient organization.

The Audit Committee monitors the accounting, internal control system, risk management, and compliance of the Fabasoft Group. The committee issues audit mandates, assesses the independence of the Group's external auditor, and monitors the audit of the annual and consolidated financial statements. It also makes recommendations on the adoption or approval of the annual and consolidated financial statements and ensures transparent reporting to the Supervisory Board.

As of March 31, 2025, the Audit Committee consisted of the following three executive members:

- Prof. Dr. Andreas Altmann: Chairman of the Audit Committee
- em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr: Member of the Audit Committee
- FH-Prof.ⁱⁿ Univ. Doz.ⁱⁿ DIⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl: Member of the Audit Committee
- Mag.^a Michaela Schwinghammer-Hausleithner: Member of the Audit Committee

The responsibilities of the individual members of the Supervisory Board and Audit Committee are published in the qualification matrix in the Corporate Governance Report and can be viewed at www.fabasoft.com/en/investor-relations/corporate-governance.

Each member of the Managing Board and Supervisory Board of Fabasoft AG has extensive expertise in the area of sustainability and is highly capable of aligning the overall strategy with the sustainability goals. In addition, the expertise of internal specialist departments and external consultants is drawn upon.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Sustainability is structurally embedded in Fabasoft's corporate strategy and corporate culture. The IROs and the progress and degree of target achievement in the three ESG action areas are reported regularly to the members of the Managing Board. In addition, new developments within the company or the industry are discussed. The members of the Supervisory Board, as the highest supervisory body, are also informed regularly, at least once a year, by the Managing Board members about current sustainability issues and the progress of sustainability activities, in addition to financial, operational and strategic issues, and are deliberately involved in sustainability management so that they can fulfil their supervisory obligations. Furthermore, as an integral part of the annual report, the sustainability report is subject to approval by the members of the Supervisory Board at a Supervisory Board meeting. The risks and opportunities arising from the topic of sustainability are integrated into the company's operations and existing risk management processes and structures.

The pursuit of a pioneering role in the area of sustainability and climate-neutral business activities with regard to net CO₂ emissions remained a priority in the 2024/2025 fiscal year.

During the reporting period, the Managing Board and Supervisory Board dealt with the following material issues, among others:

- Climate change mitigation (ESRS E1)
- Energy (ESRS E1)
- Adequate Wages (ESRS S1)
- Collective bargaining (ESRS S1)
- Training and skills development (ESRS S1)
- Corporate Culture (ESRS G1)
- Protection of whistle-blowers (ESRS G1)
- Management of relationships with suppliers (ESRS G1)

GOV-3 Integration of sustainability-related performance in incentive schemes

The remuneration of the members of the Managing Board comprises both fixed and variable components.

The fixed (non-performance-related) remuneration of the Executive Board takes into account the responsibility, scope of duties and complexity of the respective Managing Board mandate. The fixed remuneration comprises the base salary as well as non-cash benefits and fringe benefits.

In addition to fixed remuneration, each member of the Executive Board may receive variable (performance-related) remuneration. The variable remuneration of the Managing Board is determined on the basis of a catalogue of targets agreed in advance between the Managing Board and the Supervisory Board for each fiscal year and the implementation of these targets.

When determining this annual catalogue of targets for the Managing Board, the long term positive development of the company as a whole is taken into account. The aim is to create incentives for particularly ambitious targets, taking into account not only financial performance criteria (such as consolidated sales and consolidated EBIT) but also non-financial performance criteria (such as climate protection, environmental performance, and working conditions).

In accordance with Section 78a of the Austrian Stock Corporation Act (AktG), the Supervisory Board is responsible for establishing the principles for the remuneration of the members of the Managing Board.

GOV-4 Statement on due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none"> • ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes • ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none"> • ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • ESRS 2 SBM-2: Interests and views of stakeholders • ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities • ESRS 2 MDR-P: Policies adopted to manage material sustainability matters • topic-related ESRS: taking into account different phases and purposes of stakeholder engagement throughout the due diligence process
Identifying and assessing adverse impacts	<ul style="list-style-type: none"> • ESRS 2 IRO-1 (including topic-related ESRS-requirements): Description of the process to identify and assess material impacts, risks and opportunities • ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
Taking actions to address those adverse impacts	<ul style="list-style-type: none"> • ESRS 2 MDR-A: Actions and resources in relation to material sustainability matters • topic-related ESRS: taking into account the actions, including transition plans on how to address the specific IROs
Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none"> • ESRS 2 MDR-M: Metrics in relation to material sustainability matters • ESRS 2 MDR-T: Tracking effectiveness of policies and actions through targets • topic-related ESRS: taking into account metrics and targets

GOV-5 Risk management and internal controls over sustainability reporting

Within the scope of its overall responsibility, the Managing Board of Fabasoft AG, establishes the principles of an internal control and risk management system that enables those responsible for control and processes to identify risks at an early stage, analyze them, and take appropriate countermeasures. Those responsible for control and processes ensure that their controls and processes are appropriate, effective, and efficient. They ensure that internal and external sources of information relevant to the functioning of the controls and processes are taken into account and that the controls are carried out at the defined time or at the defined intervals. They communicate the necessary information on the control objectives and implementation (control execution) to those responsible for carrying out the controls. Fabasoft's group-wide risk management system aims to identify significant developments that could jeopardize the continued existence of the company at an early stage through a risk early warning system.

The risks and opportunities arising from the topic of sustainability are integrated into the company's operations and existing risk management processes and structures.

The responsibilities and competencies contained in the risk management and internal control system (ICS) apply to all Group companies and are centrally managed from the headquarters in Linz.

The Managing Board provides the Supervisory Board with timely and comprehensive information on the risk situation and risk management of the Fabasoft Group at regular meetings.

3. STRATEGY

SBM-1 Strategy, business model, and value chain

Business model

As an Austrian IT innovation leader and market leader in electronic files in the DACH region, Fabasoft sets standards for efficient and scalable processes in digital document and process management. The SaaS provider's technologies not only create solutions, but also define what excellence in digital transformation means. That is why numerous well-known companies and public sector organizations have placed their trust in the quality and experience of Fabasoft for more than three decades.¹⁾

In a digital ecosystem – the Fabasphere – Fabasoft offers networked software solutions for document-intensive business processes. Developed on the technological basis of the Fabasphere AI Core – consisting of the Fabasoft Cloud and Mindbreeze AI – the products digitize, simplify, and accelerate business processes while sustainably increasing their quality.

In its applications, Fabasoft also stands for digital sovereignty – with development, operation, and data storage in data centers in the DACH region. The group thus strengthens the European digital economy and reduces dependencies on non-European providers.

The Fabasoft Group is represented by subsidiaries in Germany, Austria, and Switzerland, as well as by Mindbreeze Corporation (a wholly owned subsidiary of Mindbreeze GmbH) and Fabasoft Xpublisher Inc. (a wholly owned subsidiary of Fabasoft Xpublisher GmbH) in the US. The Group also operates in other countries through selected sales and implementation partners.

Employees by geographical area:

	31/03/2025	31/03/2024
Austria	361	350
Germany	89	96
Switzerland	33	37
Other countries	11	14
Group	494	497

Sales revenue by geographical area:

in kEUR	2024/2025	2023/2024
Austria	33,784	27,778
Germany	38,754	37,761
Switzerland	7,532	8,051
Other countries	6,775	7,360
Group	86,845	80,950

Sustainability-related goals

Fabasoft understands sustainability to mean making decisions based on environmental, social, and economic considerations (ESG aspects). An important factor in this context is the efficient, careful, and economical use of resources. In order to raise awareness of sustainability within the Group, reduction targets were set in

autumn 2022 in line with the Science Based Target initiative (SBTi) and are monitored by the SBTi. The defined “near term target” includes a commitment to reduce direct (scope 1) and indirect (scope 2) greenhouse gas emissions by at least 42 percent by 2030 compared to the base year 2021, thereby achieving the 1.5 °C target in accordance with the SBTi calculation model. The measures taken to achieve this include all geographical areas in which the emissions reported in Chapter E1-6 occur.

Value chain

Fabasoft's value chain is divided into upstream and downstream activities. In the upstream area, Fabasoft procures essential hardware and software components from various suppliers as well as capacity in data centers. These resources are fundamental to the development and provision of the software products and cloud services.

The core value creation lies in the provision of high-performance software solutions for document-intensive business processes, in the research and development of proprietary software product technology and in the field of digital transformation and artificial intelligence (AI).

In the downstream area, the software products and services are marketed and sold through the company's own sales and service organizations and in cooperation with sales and implementation partners. Direct business is handled by the company's own subsidiaries. These have their own project organizations and, if necessary, act as general contractors for project implementation.

SBM-2 Interests and views of stakeholders

Fabasoft attaches great importance to regular contact with its stakeholders and sees a partnership-based exchange on the topic of sustainability as a prerequisite for creating a mutual understanding of the respective interests and needs.

The involvement of those individuals and groups who have a legitimate interest in or influence our direct or indirect business activities is an integral part of our business processes. The results of the analysis of the ISO requirement “Interested parties” and their requirements and expectations were used to identify stakeholders. The group of stakeholders can be described as very heterogeneous, partly due to Fabasoft's diverse product portfolio. The different interest groups therefore have different expectations of Fabasoft's transparency and sustainability performance. The goal and purpose of the stakeholder analysis is to enable an even better response to the wishes, requirements and needs of internal and external stakeholders with suitable measures.

In addition to personal exchanges at various events or in online meetings, communication takes place via the publication of financial reports, white papers, newsletters and the provision of information via social media. In particular the regular exchange with the capital market participants provides valuable input on the topic of sustainability and their expectations in this regard.

Users of Fabasoft Solutions have the opportunity to provide feedback to the product managers at any time via an integrated feedback button. Mindbreeze provides its own English-language platform for its international partner network to discuss technical or general issues. Marketing materials and news are also made available in this way. The Fabasoft Solutions website and social media offer further channels through which contact can be made and feedback provided, including on the topic of sustainability.

When selecting potential stakeholders for the Fabasoft Group, a distinction was made between internal and external stakeholders.

Internal stakeholders	External stakeholders
Members of the Managing Board Members of the Supervisory Board Employees Managers	Partners (sales, technology) Customers Investors Analysts Suppliers and service providers Data protection authorities External data protection officers Bodies of the European Union Legislators Media Associations

In order to meet the CSRD requirements for transparency and comparability of sustainability information, another stakeholder survey was conducted in the 2024/2025 fiscal year. In addition to prioritizing ESRS sustainability topics, stakeholders provided comprehensive answers to open-ended questions and focus questions in personal interviews and online surveys. The findings were incorporated into the materiality analysis in order to address the relevant topics in the sustainability reporting in accordance with the CSRD and to meet both regulatory requirements and stakeholder expectations.

Existing and derived targets and measures for the respective fields of action are continuously monitored and regularly reviewed to assess the degree to which they have been achieved. The members of the Managing Board report to the members of the Supervisory Board at regular intervals on the key topics and their current status.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality analysis, Fabasoft identified and assessed material IROs both within its own company and along the upstream and downstream value chain. This analysis is based on the relevant ESRS topics and takes into account both financial and non-financial aspects. Materiality was determined in the areas of climate change (E1), company workforce (S1) and corporate governance (G1) to ensure that all relevant topics are comprehensively addressed and integrated into the company's strategic direction.

The table below shows whether the respective material topic is assigned a positive/negative impact and/or a financial opportunity/financial risk. Information on the location in the supply chain and the time horizon can be found in the respective topic standard.

Topic	Description	Impact materiality		Financial materiality	
		+	-	+	-
E1 Climate change mitigation	Fabasoft consistently uses renewable energy wherever available, thereby reducing greenhouse gas emissions. In addition, the company is tapping into new business areas in the field of ESG solutions.	●		●	
E1 Energy	Advancing digitalization can lead to increased energy consumption in business processes.		●		
S1 Working conditions	Excessive workloads can have a negative impact on employees' work-life balance and affect their mental and physical health. In addition, the physical health of employees can be endangered if adequate safety measures are not taken in the workplace.		●		
S1 Equal treatment and opportunities for all	Fabasoft promotes a diverse and inclusive workforce and supports its development through training and continuing education programs. Gender-based discrimination in employee compensation could have a negative impact.	●	●		
S1 Privacy	Despite the highest security measures, it cannot be ruled out that personal data may be accessed by unauthorized persons in the event of data breaches.		●		
G1 Working conditions	A positive corporate culture promotes trust and motivation among the workforce.	●			
G1 Protection of whistle-blowers	Early identification and rectification of grievances promotes employee trust in the company.	●			
G1 Management of relationships with supplier	Negative supplier relationships can have a detrimental effect on supply security. Late payments to suppliers can be particularly disadvantageous for SMEs.		●		

Overall, the material impacts (impact materiality) as well as risks and opportunities (financial materiality) relate to Fabasoft's core activities and thus to the development and sale of its own software products and the provision of related services.

The significant negative environmental impact identified by Fabasoft relates to the environmental impact of the company's energy-intensive business activities. In addition, the development of ESG solutions also presents opportunities for Fabasoft in the field of climate protection (see section E1).

The social impacts identified relate to both potentially negative and potentially or actually positive issues in connection with the company's own workforce. Key topics include working hours, work-life balance, health and safety, gender equality, training and skills development, employment and inclusion of people with disabilities, diversity, and data protection. Fabasoft has already taken comprehensive preventive measures to mitigate the potential negative impacts (see sections S1 and G1).

The material impacts identified in the area of governance relate to the sub-topics of corporate culture, whistleblower protection, and supplier relationship management.

The materiality analysis did not identify any material financial risks that could have a negative impact on the Fabasoft Group's net assets, financial position, or results of operations.

Detailed information on the identified IROs is provided in the respective topic-related sections in accordance with the ESRS requirements.

Changes in material impacts, risks, and opportunities compared to the previous reporting period

With this sustainability report, the Fabasoft Group is presenting its first voluntary report based on the ESRS. Previous reporting was based on the standards of the Global Reporting Initiative (GRI).

One methodological difference lies in the underlying materiality analysis: While GRI primarily considers the impact of business activities on the environment and society, ESRS follows a double materiality approach. This approach includes both external impacts and financial risks and opportunities relevant to the company in the assessment.

The material topics identified for the 2024/2025 fiscal year are largely consistent with the previous results of the GRI-oriented analysis and confirm the strategic relevance of these sustainability topics.

In this report, Fabasoft focuses on the disclosure of IROs within the scope of ESRS reporting requirements and does not supplement this with company-specific information outside the defined standard.

IRO 1 Description of the process to identify and assess material impacts, risks and opportunities

Process to identify impacts, risks and opportunities

In preparation for the CSRD, Fabasoft conducted its first double materiality assessment (DMA) in fiscal year 2024/2025 to identify material sustainability issues.

All relevant topics, sub-topics, and sub-sub-topics were assessed in accordance with the ESRS. Internal documents, existing reporting standards, and applicable regulations were taken into account. The materiality assessment covers both the company's impact on the environment, society, and governance (impact materiality) and the financial consequences (opportunities and risks) of ESG factors for the company (financial materiality).

Through the double materiality analysis, Fabasoft examined the interactions between financial risks and opportunities as well as the positive and negative impacts of the company on its ESG environment.

The scope of the analysis was determined on the basis of the company organization chart, taking into account all legally independent organizational units included in the scope of consolidation. This comprehensive analysis helped Fabasoft to identify relevant risks and opportunities from both a sustainable corporate management and a financial market perspective and to integrate them into the corporate strategy.

As part of the double materiality analysis for 2024/2025, which included both Fabasoft's own business activities and its value chain, no specific activities, business relationships, geographical conditions, or other factors were identified that entail an increased risk of negative impacts.

Fabasoft included not only its own activities in the process of determining the potential and actual impacts on people and the environment, but also the upstream and downstream value chain. This includes, in particular, suppliers of hardware and infrastructure, software and licenses, service providers, customers, and partners. This comprehensive approach enabled Fabasoft to systematically record and analyze the impacts arising from both its own activities and its business relationships.

In order to assess the impact of Fabasoft's business activities on relevant stakeholders, an online survey was conducted among affected stakeholders such as analysts, managers, investors, customers, suppliers, employees, and partners. The focus was on surveying prioritized ESRS sustainability issues and specific key questions for each stakeholder group. In addition, the Managing Board and Supervisory Board were interviewed in physical meetings on the relevant topics of sustainability reporting. Their assessments and perspectives on the

prioritized ESRS sustainability topics and potential risks and opportunities in connection with the company's activities were recorded. These in-depth discussions served to sharpen the company's strategic focus and responsibility with regard to sustainable development and to assess their influence on the long term corporate strategy.

In order to prioritize the impacts, they were examined using several criteria and rated on a six-point scale. First, the scale was assessed, i.e., the extent to which a particular activity affects the environment or society. A rating of "insignificant" indicates negligible or hardly noticeable impacts on the environment and/or society. The rating "catastrophic" refers to devastating impacts that cause significant damage and lead to irreversible changes to the environment and/or society.

The scope of an impact determines how many people, regions, or ecosystems are affected by the impact. The rating "individual" refers only to individuals (0-10 people) or environmental impacts that are limited to a single operating site and are often the result of isolated processes that are not part of the core business model. The rating "global" refers to the wider society (>1 million people) or impacts on the global environment that are spread across numerous stages of the value chain and integrated into the core processes of suppliers, own operations, and customers worldwide.

Finally, the probability of impact was assumed on a six-point scale from "Never" (0%) to "Certain" (100%), with "Certain" equating to an actual impact.

Setting a threshold in the materiality analysis is crucial to distinguish between material and less relevant sustainability topics. A transparent, methodologically sound threshold ensures that reporting focuses on the topics that are most important to the company and its stakeholders. Based on internal analyses and stakeholder assessments, a threshold value of 2.5 was set for both impact – materiality and financial materiality. Topics above this threshold were classified as particularly relevant, while lower values indicated lower significance.

These assessments were made in consultation with the relevant departments and based on the findings of the stakeholder survey and interviews. Current regulatory developments as well as market and technology trends were also taken into account in the assessment. To ensure consistent and continuous assessment of material topics, previous materiality analyses and stakeholder dialogues were also used.

Internal control procedures and coordination with management ensure that decisions are made in line with corporate objectives and regulatory requirements. This supports sound decision-making and helps to anticipate risks at an early stage so that appropriate countermeasures can be taken.

Fabasoft's group-wide risk management system aims to identify significant developments that could jeopardize the company's continued existence at an early stage through an early risk detection system. Climate-related risks and opportunities are also integrated into the risk management system using an independent, internal climate risk register.

This process is closely linked to strategic planning and decision-making processes and is reviewed regularly to ensure that the company can respond appropriately to changes in the business environment.

ESRS E1

Climate change

E1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model in relation to climate change

As part of the assessment of the impact on climate change, greenhouse gas emissions were systematically recorded in accordance with Scope 1 and 2 of the Greenhouse Gas Protocol (GHG Protocol). Standardized calculation methodologies based on actual activity data and current emission factors were used. This analysis was supplemented by an assessment of the potential impacts on the environment and society according to magnitude, scope, and likelihood of occurrence on a six-point scale. Exceeding the materiality threshold identified climate protection as a positive impact and financial opportunity, and energy as a potentially negative impact.

Overall, Fabasoft's procedure represents a methodologically sound, ESRS-compliant approach that comprehensively addresses both the actual and potential impacts of the company on climate change and its exposure to climate-related risks and opportunities.

Impacts, risks and opportunities

Description of impacts, risks, and opportunities		Connection to the value chain			Time horizon		
		Upstream	Within the company	Downstream	Short term	Mid term	Long term
Climate change mitigation: Fabasoft consistently sources renewable energy wherever available, which leads to a reduction in Scope 1 and 2 emissions.	potential positive impact	●	●		●	●	●
Climate change mitigation: Climate change mitigation and the associated increasing legal requirements open up new business areas for Fabasoft.	Opportunity	●	●			●	●
Energy Higher energy requirements are necessary to support the ongoing digitalization of both business processes and data centers. Fabasoft's energy-intensive business activities may result in increased CO ₂ emissions due to the computing power required in data centers.	potential negative impact	●	●	●	●	●	

ESRS E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks, and opportunities

In the reporting year, the existing group-wide assessment of climate-related risks was reviewed for completeness, updated, and taken into account and evaluated as part of the double materiality analysis. Risk identification was based on a comprehensive literature review of publicly available sources and industry-specific analyses of the IT sector. In addition to the company level, the assessment also covered upstream and downstream activities along the value chain.

A total of twelve climate-related risks were identified. These were subjected to a qualitative scenario analysis that took into account recognized climate models and economic forecasts for various time horizons. The probability of occurrence and potential impacts were assessed and classified in accordance with the established Fabasoft risk management framework. Existing control measures to minimize risk were included where relevant. Two reference scenarios were used for the analysis:

- **Paris-aligned:** This scenario is aligned with the general goals of the Paris Agreement to limit global warming to below two degrees Celsius, using the Shared Socio-economic Pathway (SSP) 1 - 2.6 of the Intergovernmental Panel on Climate Change (IPCC) and the Sustainable Development Scenario of the International Energy Agency (IEA) as benchmarks. The transition risks were assessed primarily in this scenario.
- **Hot House World:** This scenario is based on the assumption of approximately four degrees Celsius of global warming, based on the IPCC's SSP 5 - 8.5 scenario. The assessment focused primarily on physical risks in this scenario.

The assessment was carried out over three time horizons:

- **Short term (until 2026)** Identification of immediate risk exposures,
- **Mid term (until 2030)** and
- **Long term (until 2050):** Consideration of international political developments, such as the Paris Agreement and the EU Green Deal.

When assessing climate-related risks, a distinction was made between physical and transitory risks. Physical risks such as flooding, forest fires, and extreme heat primarily affect supply chains and office and data center locations. Transitory risks arise from the transition to a low-carbon economy, for example through higher operating costs, regulatory changes, and their impact on the market.

All identified risks were assessed for residual risk as part of the double materiality analysis. In no case did the residual risk exceed the internally defined materiality threshold that would require additional risk mitigation measures.

Fabasoft's existing control environment and resilient business model result in a relatively low risk profile with regard to climate change. At the same time, climate-related developments also open up opportunities that are actively identified and exploited within the company.

ESRS E1-1 Transition plan for climate change mitigation

Fabasoft has not yet developed a comprehensive transition plan to ensure that its corporate strategy and business model are compatible with the transition to a sustainable economy and aligned with the Paris Agreement. As a result of the double materiality analysis, Fabasoft will continue to identify potential climate risks, emission sources, and reduction potential along the value chain in order to develop a sound decarbonization strategy.

The future transition plan will disclose in detail the measures and actions Fabasoft will take to achieve its science-based decarbonization targets. Fabasoft has already defined science-based targets for 2022 that are in line with the ambition of the Paris Climate Agreement. Fabasoft is thus committed to playing an active role in limiting global warming to less than 2°C – preferably 1.5°C – compared to pre-industrial levels.

ESRS E1-2 Policies related to climate change mitigation and adaptation

In order to make its contribution to a climate-neutral and resource-saving economy, Fabasoft believes it has a responsibility to continuously reduce its energy consumption and the associated greenhouse gas emissions, thereby contributing actively to climate change mitigation. The measures taken in the areas of climate change mitigation, adaptation to climate change, energy efficiency, and the use of renewable energies are designed to identify significant impacts at an early stage, minimize associated risks, and exploit opportunities. The monitoring process is based on continuous monitoring of consumption and associated greenhouse gas emissions.

The pursuit of a pioneering role in sustainability and climate-neutral business activities applies throughout the Fabasoft Group, in all target markets and across the entire value chain. Fabasoft sees a particular challenge in making its supply chain even more sustainable while maintaining its self-imposed high standards and working closely with its network of suppliers.

Climate protection is firmly embedded in the Fabasoft Group's structure and is reinforced by its participation in the United Nations Global Compact (UNGC). The impact, progress, and degree of achievement of the measures for environmental responsibility are regularly discussed with the Managing Board, along with new developments.

In addition to financial, operational, and strategic issues, the members of the Supervisory Board are regularly informed by the members of the Managing Board about current sustainability issues and the progress of sustainability activities and are consciously involved in sustainability management so that they can fulfil their supervisory duties.

Fabasoft will develop a policy in the 2025/2026 fiscal year that outlines the key IROs and targets in the context of "E1 Climate Change."

By developing products for digital transformation, Fabasoft offers its customers an innovative basis for reducing their ecological footprint and hosts its Fabasoft Solutions in highly efficient and sustainable data centers (cloud locations).

ESRS E1-3 Actions and resources in relation to climate change policies

The pursuit of climate-neutral business activities with regard to net CO₂ emissions remained a priority in the 2024/2025 fiscal year. Through active choice of the electricity mix ("market-based") at Fabasoft locations and the continuous conversion of the Group's vehicle fleet to e-mobility, Scope 1 and 2 emissions were reduced by 38.1% compared to the previous year. The remaining Scope 1 and 2 emissions and selected Scope 3 emissions were offset in the 2024/2025 fiscal year through offsetting projects. The definition of Scope 1, 2, and 3 emissions is based on the GHG Protocol.

Electrification of the Group vehicle fleet

In the 2024/2025 fiscal year, Fabasoft consistently pursued a sustainable mobility strategy within the Group. Already 74.3% of the vehicles in the Group's fleet were fully electric (previous year: 51.4%), with a further 9.5% hybrid-powered (previous year: 12.9%). The gradual phase-out of combustion engines is thus clearly evident. The plan is to convert the entire fleet to electric vehicles already in July 2025, so that no CO₂ emissions are generated in this area. This change is already making a measurable contribution to the reduction of Scope 1 emissions: despite virtually unchanged mileage, traffic-related emissions were reduced by over 70% compared to the previous year.

A key component in implementing this mobility transition is the continuous expansion of the charging infrastructure. Numerous new e-charging stations were installed at the Linz and Vienna sites in the past fiscal year. Further investments in the charging infrastructure are planned to optimally support the switch to e-mobility in the future.

Electric cars are available to employees for business trips. This promotes environmentally friendly travel to customer appointments, meetings, and events without sacrificing flexibility. Fabasoft is thus creating the conditions for more climate-friendly mobility in everyday working life and at the same time making a significant contribution to the decarbonization of the company.

More sustainable mobility

In the 2024/2025 fiscal year, Fabasoft also continues to offer its employees a generous subsidy toward the purchase of a nationwide "Deutschland-Ticket" or the Austrian "KlimaTicket". This promotes the use of public transportation and makes a further contribution to more sustainable mobility.

Fabasoft employees have access to a free e-shuttle service between Linz Central Station and the headquarters. This encourages them to use public transportation and reduces CO₂ emissions.

When choosing its locations, Fabasoft pays particular attention to good accessibility by public transport. The offices in Berlin, Erfurt, Munich, Graz, and Vienna are located directly next to the respective main train stations. The office in Frankfurt is located at the airport, where there is also an ICE train station. These central locations enable more environmentally friendly travel and help optimize travel times.

For short distances within Linz, the cooperation with citybikes Linz was continued, allowing employees to cycle to work free of charge.

Energy consumption in the data centers and office buildings

Fabasoft is constantly reducing the negative impact of its energy consumption. Efficiency measures and the purchase of electricity from renewable energy sources are measures that should be highlighted in this context. Electricity is needed in particular for the data centers and for the operation of the office buildings and their IT infrastructure. In order to reduce the resulting Scope 2 emissions, energy efficiency measures have been implemented and, where available, electricity is sourced from renewable sources.

In addition to sourcing electricity from renewable energy sources, a high level of energy efficiency and state-of-the-art technology are important criteria for the selection of external data centers. Fabasoft also ensures that these are characterized by a high level availability and reliability as well as by recognized, certified security standards.

In Austria, the power supply for the data centers used comes from 100 % renewable energy sources. In addition, one of the two data centers in Vienna subjected itself to the EU Code of Conduct on Data Center Energy Efficiency, a European guideline for sustainable energy management in data centers. This promotes the economical use of energy while maintaining the same level of performance.

In Germany, Fabasoft also relies on service providers with certified environmental and energy management systems in accordance with ISO 14001 and ISO 15001. The data centers used there use electricity exclusively from renewable sources. In addition, an innovative cooling system (KyotoCooling) is used in chosen data centers, which reduces the energy required for cooling and operation significantly, thus offering both ecological and economic advantages.

In Switzerland, the electricity for the data center services used is largely supplied from renewable energies. For the US locations in Chicago and Los Angeles, Fabasoft's service providers consistently use 100 % electricity from renewable energy sources. Scope 2 emissions according to the market-based calculation method are therefore 99.9 % lower than Scope 2 emissions according to the location-based calculation method.

Through this responsible selection of partners, Fabasoft actively reduces indirect emissions (Scope 2) and promotes more sustainable digitalization along the entire IT value chain. In order to ensure continued energy-efficient operation and efficient use of system resources and to keep energy consumption low, we are constantly working on virtualizing new systems, optimizing existing systems or replacing outdated components.

When purchasing hardware, special attention is paid to energy-saving seals of approval, such as the Energy Star for notebooks or the EPEAT Gold status. Such approval confirms that a piece of equipment fulfils certain electricity-saving and environmental protection criteria. Furthermore, computer screens with a TCO certification, which requires ergonomic quality and guarantees low energy consumption, are used wherever possible.

Fabasoft aims to eliminate Scope 2 emissions entirely by 2027. To achieve this goal, not only must data centers be powered by 100 % renewable energy, but so must all Fabasoft locations where it is possible for Fabasoft to choose the electricity supplier. Consequently, the availability of renewable energy is a decisive factor in the selection of energy suppliers, especially for electricity.

More sustainable software solutions

Fabasoft pursues the ambition of operating its entire value chain climate-neutral. This means that customers receive the Fabasoft Group's services CO₂-free. For Fabasoft, this primarily means significantly reducing its own CO₂ footprint and compensating the remaining emissions. The measures mentioned above enable Fabasoft to offer its software solutions in such a way that they have as little negative impact on the environment as possible. Due to legal developments, this is an aspect that is also becoming more relevant in procurement processes and has a positive impact on customer loyalty.

Fabasoft also supports companies in making their sustainability management as efficient as possible. For example, Fabasoft Oblivation enables resource-saving and more efficient CDP assessment. Solutions such as Fabasoft Oblivation reduce the reporting burden on customers, freeing up time for the practical implementation of sustainability measures.

ESRS E1-4 Targets related to climate change mitigation and adaptation

Back in fall 2022, Fabasoft took a binding step toward reducing greenhouse gas emissions in the medium term and defined reduction targets in line with the Paris Climate Agreement, which aims to limit global warming to less than 2°C – preferably 1.5°C – compared to pre-industrial levels.

The Science Based Target initiative (SBTi), founded in 2015, promotes ambitious plans for reducing emissions based on climate science findings in the private sector. The non-profit partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) provides guidance and tools for this purpose. It also conducts independent assessment and approval of the decarbonization measures defined by companies. Accordingly, companies must define targets and steps to minimize their Scope 1 and Scope 2 emissions for the next five to ten years ("near term targets") or longer ("long term targets"), taking into account the GHG Protocol.

Fabasoft has adopted SBTi-validated emission reduction targets for 2030, with 2021/2022 as the base year. The defined "near term target" includes a commitment to reduce direct (scope 1) and indirect (scope 2) greenhouse gas emissions by at least 42 % by 2030 compared to the base year in order to achieve the 1.5°C target

set out in the Paris Climate Agreement in accordance with the SBTi calculation model. By setting and pursuing GHG emission reduction targets, Fabasoft is seizing the opportunity to strengthen its resilience to climate risks through early adaptation strategies.

GHG emission reduction targets	
Title and description of the target	Reduction of GHG emissions from Scope 1 and Scope 2 by 42 % by 2030 based on GHG emissions in 2021/2022
Target value	121.6 tCO ₂ e
Unit of the target	GHG reduction in percent compared to the base year
Base year	2021/2022
Base year value	209.7 tCO ₂ e
Target year	2030
Methods and significant assumptions used to set the targets (ESRS 2 – 80f MDR-T)	Targets for Scope 1 and Scope 2 were set based on the criteria of the SBTi
Scientific basis for environmental targets	Science Based Target initiative (SBTi)
Involvement of stakeholders in setting targets	No involvement of external stakeholders
GHG emissions Scope 1 and Scope 2 (market-based) in fiscal year 2024/2025 (in tons of CO ₂)	83.3 tCO ₂ e
Reduction achieved to date	-60.3 %
Target monitoring	The annual recording of Scope 1 and 2 emissions serves to compare them with the base year 2021/2022 and the targets for 2030.

The GHG reduction targets were thus already achieved in the 2024/2025 fiscal year. There are no GHG emission reduction targets for the target year 2050.

Decarbonization levers

The most important levers and measures that have been defined to drive progress toward achieving the targets are:

Scope 1: Direct emissions

By July 2025, the entire Fabasoft vehicle fleet is to be converted to e-mobility. This will successively reduce the Scope 1 emissions of Fabasoft, until they finally drop to zero. The charging infrastructure at the locations in Linz and Vienna was again generously expanded in the past financial year and will be continuously extended in the coming years.

Scope 2: Indirect energy-related emissions

For Fabasoft, the consumption of energy in the form of electricity, heating and cooling is particularly decisive for its energy management. In order to contribute to a climate-neutral and resource-efficient economy, Fabasoft believes it has responsibility to continuously reduce its energy consumption and the associated greenhouse gas emissions by sourcing energy from renewable sources.

ESRS E1-5 Energy consumption and mix

In the 2024/2025 fiscal year, 2,942.7 MWh of energy was consumed across all locations, data centers, and vehicle fleet. Of this, around 973.2 MWh was used for heating and cooling. The remaining 1,969.5 MWh is attributable to the Group's electricity consumption, of which 63.5 % comes from the power supply for data centers. The share of renewable energy sources in total energy consumption was 70.4 % (2,070.5 MWh) in fiscal year 2024/2025.

Energy consumption and mix	2024/2025	2023/2024	Change
Total consumption of fossil energy (MWh)	846.5	959.2	-11.7 %
Share of fossil sources in total energy consumption (in %)	28.8 %	33.5 %	-
Consumption from nuclear sources (MWh)	25.7	99.2	-74.1 %
Share of nuclear sources in total energy consumption (in %)	0.9 %	3.5 %	-
Fuel consumption for renewable sources, including biomass (MWh)	0.0	0.0	0.0 %
Consumption of purchased and received electricity, heat, steam, and cooling from renewable sources (MWh)	2,070.5	1,808.4	14.5 %
Consumption of self-generated renewable energy that is not fuel (MWh)	0.0	0.0	0.0 %
Total consumption of renewable energy (MWh)	2,070.5	1,808.4	14.5 %
Share of renewable sources in total energy consumption (in %)	70.4 %	63.1 %	-
Total energy consumption (MWh)	2,942.7	2,866.7	2.7 %
Energy consumption specific (MWh/kEUR sales)¹⁾	0.0339	0.0354	-4.3 %

¹⁾ Total consumption in relation to sales in the reporting year in kEUR.

The increase in energy consumption is the result of the Fabasoft Group's sustained economic and personnel growth, which is reflected in increased space requirements at the locations and increased capacities in the data centers. However, the 4.3 % decrease in specific energy consumption (MWh/kEUR sales) compared to the previous year also illustrates the positive development of energy efficiency.

Compared to the previous reporting period, fossil fuel consumption was reduced by 11.7 % and nuclear energy consumption by 74.1 % in the 2024/2025 fiscal year. At the same time, energy consumption from renewable sources increased by 14.5 %. This is attributable to the gradual conversion of the Group's vehicle fleet to e-mobility and the procurement of electricity from renewable sources at the office locations.

In a few cases, no primary data on the respective energy consumption was available at the time of reporting. In these cases, valid projections were made based on energy consumption in previous years.

ESRS E1-6 Gross Scope 1 and 2 and Total GHG emissions

Fabasoft records the direct and indirect greenhouse Scope 1 and 2 emissions generated by its business activity. Scope 1 encompasses the direct emission of greenhouse gases generated by the company. At Fabasoft, these are emissions from the fossil fuel consumption of the group-wide vehicle fleet.

Scope 2 consists of indirect emissions generated by the use of purchased electricity, heat and cooling. These include, for example, the electricity consumed in the office locations, in the data centers, in shared offices, and for external charging of the vehicle fleet.

Greenhouse gas emissions (Scope 1 and 2)	2024/2025	2023/2024	Change
Scope 1-Greenhouse gas emissions			
Scope 1-GHG gross emissions (tCO ₂ e)	21.9	74.9	-70.8 %
Scope 2-Greenhouse gas emissions			
Scope 2-GHG gross emissions (location-based) (tCO ₂ e)	578.5	838.5	-31.0 %
Scope 2-GHG gross emissions (market-based) (tCO ₂ e)	61.4	59.7	2.9 %
Total Greenhouse gas emissions (Scope 1 and 2)¹⁾			
Total GHG emissions (location-based) (tCO ₂ e)	600.4	913.4	-34.3 %
Total GHG emissions market-based (tCO ₂ e)	83.3	134.6	-38.1 %

¹⁾ Biogenic emissions, for example from the combustion of biomass, do not occur.

In the 2024/2025 reporting year, greenhouse gas emissions in Scope 1 and 2 amounted to 83.3 tons of CO₂e (market-based). Of this, 26.3% (21.9 t CO₂e) was attributable to Scope 1 and the use of the Group's vehicle fleet. Scope 2 accounted for 73.7% of total emissions (61.4 tons of CO₂e, market-based), which consist of consumption at office locations, data centers, and charging activities for the electric vehicles in the Group's vehicle fleet.

Direct emissions (Scope 1)

Fabasoft only generates direct emissions (Scope 1) in the area of its vehicle fleet.

In the area of mobility, Fabasoft relies on a modern and as sustainable as possible group vehicle fleet that is regularly renewed. 91.9% of the vehicles used on the balance sheet date have CO₂ emissions of less than 50.0 g/km and 88.7% of the vehicles have CO₂ emissions of 0.0 g/km.

The direct emissions of the vehicle fleet in CO₂ equivalents are calculated based on the distances traveled in the reporting year, taking into account the vehicle-specific exhaust emissions.

The significant reduction in emissions from the use of the Group's vehicle fleet is attributable to the fact that a large proportion of vehicles with combustion engines were replaced by electric vehicles during the reporting period. The charging infrastructure required for this was expanded again at the Linz and Vienna sites in the past fiscal year and is to be continuously expanded in the coming years.

The gradual switch to e-mobility can also be seen in the fact that the amount of emissions has been reduced by more than 70 % compared to the last financial year 2023/2024, while the total number of kilometers traveled has remained almost the same.

The complete vehicle fleet of Fabasoft is to be changed over exclusively to e-cars by July 2025. This will successively reduce the Scope 1 emissions of Fabasoft, until they finally drop to zero.

Indirect emissions (Scope 2)

Fabasoft actively manages the composition of the electricity it purchases and already obtains 70.4 % of its energy requirements from renewable sources, which is why emissions calculated using the market-based method are significantly lower than those calculated using the location-based method. The certificates of origin for electricity from renewable energy sources can be found in the contracts with the energy suppliers. Moreover, no green electricity certificates (e.g., RECs) are currently being purchased.

Indirect emissions (Scope 2)	2024/2025	2023/2024	Change
Total indirect emissions (market-based) (tCO₂e)	61.4	59.7	2.9%
Austria	11.0	13.4	-17.7%
Germany	44.1	39.6	11.3%
Switzerland	3.4	3.1	9.7%
USA	2.9	3.6	-18.9%

Indirect emissions (Scope 2)	2024/2025	2023/2024	Change
Total indirect emissions (location-based) (tCO₂e)	578.5	838.5	-31.0%
Austria	197.9	244.8	-19.2%
Germany	305.4	532.2	-42.6%
Switzerland	37.4	9.0	316.1%
USA	37.8	52.5	-27.9%

Scope 2 emissions are based on the electricity consumption of office locations, data centers, and external charging of the electric vehicle fleet. The data centers obtain almost all of their electricity from renewable sources, which is why only 0.4 tCO₂e were emitted (market-based). Compared to the previous year, Scope 2 emissions from data centers were reduced by 10.0 %. The increase in Scope 2 emissions (market-based) from office locations is due to changes in the electricity mix of suppliers in Germany and Switzerland.

“Location-based” Scope 2 emissions decreased due to changes in national energy mixes.

Indirect emissions – Office locations (Scope 2)	2024/2025	2023/2024	Change
Total indirect emissions (market-based) (tCO₂e)	42.6	35.0	21.7 %
Austria	3.3	4.9	-32.9 %
Germany	33.5	23.9	40.0 %
Switzerland	2.9	2.6	13.5 %
USA	2.9	3.6	-18.9 %

Indirect emissions – Office locations (Scope 2)	2024/2025	2023/2024	Change
Total indirect emissions (location-based¹⁾ (tCO₂e)	209.6	262.0	-20.0 %
Austria	158.1	195.9	-19.3 %
Germany ²⁾	39.2	59.4	-33.9 %
Switzerland ²⁾	9.4	3.0	208.2 %
USA	2.9	3.7	-21.8 %

¹⁾ The reported location-based emissions were calculated using the Austrian Federal Environment Agency and the German Federal Office of Economics and Export Control, as well as other published emission factors.

²⁾ A small proportion of nuclear power is used to supply electricity at the operating sites in Munich, Deggendorf, Bern, and St. Gallen.

Indirect emissions – Data centers (Scope 2)	2024/2025	2023/2024	Change
Total indirect emissions (market-based) (tCO₂e)	0.4	0.5	-10.0 %
Austria	0.0	0.0	-
Germany	0.0	0.0	-
Switzerland	0.4	0.5	-10.0 %
USA	0.0	0.0	-

Indirect emissions – Data centers (Scope 2)	2024/2025	2023/2024	Change
Total indirect emissions (location-based) (tCO₂e)	350.5	552.3	-36.5 %
Austria	32.0	40.5	-21.0 %
Germany	255.5	457.1	-44.1 %
Switzerland	28.1	6.0	371.1 %
USA	34.9	48.8	-28.3 %

Indirect emissions – External charging (Scope 2)	2024/2025	2023/2024	Change
Total indirect emissions¹⁾ (tCO₂e)	18.4	24.2	-24.1%
Austria	7.7	8.5	-8.9%
Germany	10.6	15.7	-32.4%
Switzerland	0.0	0.0	0.0%
USA	0.0	0.0	0.0%

¹⁾ no "market-based" data is available for external charging, which is why "location-based" data was used.

The reduction in emissions from external charging is attributable to the consistent expansion of the internal charging infrastructure.

Metrics for direct and indirect emissions

For the CO₂ accounting of Scope 1 emissions attributable to fleet activities, the manufacturer's information on CO₂ emissions was used and offset against the kilometers driven.

The CO₂ accounting of Scope 2 emissions is calculated in accordance with ESRS and the Greenhouse Gas Protocol Standards using the separate "market-based" and "location-based" accounting approaches.

Fabasoft uses the "market-based" method as the standard accounting method, but also reports emissions in compliance with the "location-based" method for the purpose of comparison.

For "market-based" accounting Fabasoft collects the CO₂ emission factors of the respective electricity tariffs according to the information provided by the electricity suppliers. Where these are not available but the electricity mix is known, the emission factor was calculated independently by replicating the specific composition of the electricity purchased and data from the International Panel on Climate Change (IPCC). If neither the energy supplier nor the electricity mix was known, the average "location-based" emission factor for the respective country was used, taken from various data sources such as the Federal Environment Agencies in Germany and Austria, the Swiss Federal Office for the Environment, and the US Environmental Protection Agency.

Greenhouse gas emissions for district heating consumed at the sites were calculated using the emission factors published by the Austrian Federal Environment Agency and the German Federal Office for Economic Affairs and Export Control.

Statistical values (e.g. energy certificates) or last valid figures were used for the calculation of the energy consumption for those locations that were not able to submit any current data with regard to energy consumption at the balance sheet date.

The emissions were ascertained in compliance with the consolidation approach of financial and operational control. There were no significant changes in the calculation methodology in 2024/2025 compared to previous years. The consolidated reporting on energy consumption in accordance with ESRS E1-5 and the gross GHG emissions in Scope 1 and Scope 2 in accordance with ESRS E1-6 for the 2024/2025 fiscal year were subject to an independent review with limited assurance.

Greenhouse gas intensity based on net revenue

To calculate greenhouse gas intensity, Scope 1 and 2 emissions in tCO₂e were set in relation to revenue according to the consolidated statement of comprehensive income.

Greenhouse gas intensity (Scope 1 und 2) based on net revenue	2024/2025	2023/2024	Change
Net revenue (kEUR)	86,845	80,950	7.3%
Total GHG emissions (location-based) per net revenue (tCO ₂ e/kEUR)	0.007	0.011	-38.7%
Total GHG emissions (market-based) per net revenue (tCO ₂ e/kEUR)	0.001	0.002	-42.3%

ESRS E1-7 GHG removals and GHG mitigation projects financed through carbon credits

In order to assume responsibility for the greenhouse gases emitted during its business activities, Fabasoft once again decided to offset all direct and indirect emissions (Scope 1 and 2) by supporting certified climate protection projects in the 2024/2025 fiscal year. In addition, Fabasoft offsets selected Scope 3 emissions that have been generated in the value chain (business travel, energy consumption in common areas in rented properties).

Fabasoft's business activities are therefore climate neutral with regard to its reported CO₂ emissions in the 2024/2025 fiscal year.

The communicated climate neutrality is in line with the long term greenhouse gas emission reduction targets in accordance with ESRS E1-4, as CO₂ credits are used exclusively to supplement and not to replace our own reduction measures. Fabasoft's reduction strategy is primarily based on the continuous reduction of operational emissions along the entire value chain. The inclusion of CO₂ credits does not impair the achievement of the targets or slow down progress towards the defined reduction targets in line with the Paris Climate Agreement.

In accordance with the "market-based" method, which constitutes the standard accounting method for Fabasoft, the greenhouse gases emitted in the 2024/2025 fiscal year for Scope 1 and 2 and selected emissions from Scope 3 amounted to 320.0 tCO₂e. In comparison, 1,078 tCO₂ (calculated using the "location-based" method) were offset in the 2023/2024 fiscal year.

Although the majority of electricity is already purchased from renewable sources, which already makes a significant contribution to the environment, Fabasoft has decided to offset the emissions calculated using the "market-based" accounting method for the reporting period.

To ensure the credibility and integrity of the CO₂ credits used, Fabasoft only uses certificates that are verified according to internationally recognized quality standards such as the Gold Standard to offset greenhouse gas emissions. The purchase of 350 tons of CO₂ equivalents of the corresponding certificates was completed in May 2025.

The 320.0 tCO₂e were offset through the "Turn Methane into Cooking Gas for Farmers in Uganda" project. This involves incentivizing the purchase of biodigestors on dairy farms, which make it possible to capture and destroy methane in waste treatment systems and replace the wood fuel needed for cooking. This project plans to install more than 5,000 biogas plants, which would replace over 650,000 tCO₂e over the ten-year project period.

ESRS E1-8 Internal carbon pricing

Fabasoft does not use internal CO₂ pricing systems.

ESRS S1

Own workforce

S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Fabasoftware sieht sich in der Verantwortung für ihre Mitarbeitenden und deren Familien und nimmt mit aus Fabasoftware takes its responsibilities seriously with regard to its employees and their families, and also takes selected measures to exercise its responsibility towards society as a whole. The group-wide corporate culture is characterized by appreciation, openness, and respectful cooperation, which offers scope for personal and professional development. Due to the nature of their work, Fabasoftware employees are hardly affected by climate change in the workplace, and Fabasoftware provides infrastructure that reduces the impact of climate change in the workplace (e.g., air-conditioned offices).

As part of the double materiality analysis, the following topics were identified as material for ESRS S1:

The reconciliation of work and private life is a material challenge facing society. Creating a suitable environment that optimally supports a good balance between working hours, family, and private life plays an important role for Fabasoftware, while ensuring that the fulfilment of customer needs is given the highest priority.

The extensive training and development programs offered by the Fabasoftware Academy and Fabasoftware Talent Management focus on developing employee skills and promoting individual strengths and diverse career opportunities.

Fabasoftware is at the forefront of information security and data protection. For this reason, the priority of protecting customer and company data is underpinned by certifications and audits in accordance with internationally recognized standards.

Employees can only deliver outstanding performance in a good and healthy environment. Fabasoftware therefore takes responsibility for the health and safety of its employees and implements group-wide initiatives to continuously improve safe and healthy working environments.

Diversity, gender equality, and the inclusion of people with disabilities are fundamental elements of Fabasoftware's group-wide corporate culture, as a diverse and inclusive working environment strengthens innovation and creativity. Regardless of their origin, gender, age, or personal background, all employees should have fair opportunities to develop and realize their full potential.

As of March 31, 2025, the Fabasoftware Group employed 494 people, including two trainees in Switzerland and three dual students in Germany. No employees with non-guaranteed working hours were employed in the past fiscal year.

All employees may be exposed to the following effects of Fabasoftware's business activities:

Impacts, risks and opportunities

Description of impacts, risks, and opportunities		Connection to the value chain			Time horizon		
		Upstream	Within the company	Downstream	Short term	Mid term	Long term
Working time: An unsatisfactory work-life balance has a negative impact on both the mental health (e.g., risk of burnout, anxiety, and depression) and the physical health and well-being of our own workforce.	potential negative impact		●		●	●	
Work-life balance If the workload has a negative impact on private life, this affects the mental and physical health of employees. It also impairs equality in family and career responsibilities.	potential negative impact		●		●	●	
Health and safety: Injuries in the workplace and an increase in illness can impair the well-being of employees.	potential negative impact		●		●	●	
Gender equality and equal pay for equal value: Gender-specific discrimination in employee pay leads to discrimination and reduces social cohesion.	potential negative impact		●		●	●	
Training and skills development: Training and skills development promote professional development and enable employees to acquire new skills. Competent employees contribute new ideas and solutions through targeted training measures.	potential positive impact		●		●	●	
Employment and inclusion of persons with disabilities: The employment and inclusion of people with disabilities at Fabasoft promotes equal opportunities and social justice by giving people with disabilities the opportunity to actively participate in working life and earn their own living.	actual positive impact		●		●	●	
Diversity: Diversity in the workplace promotes employee creativity, as different perspectives and experiences lead to new ideas and solutions. A diverse team is also better able to respond to the needs of a diverse customer base.	actual positive impact		●		●	●	
Privacy: In the event of data breaches, it cannot be ruled out that personal data may be accessed by unauthorized persons and/or published.	potential negative impact		●		●	●	

Fabasoft also ensures that its own practices do not have or contribute to any significant negative effects on its own workforce.

ESRS S1-1 Policies related to own workforce

Fabasoft's corporate strategy includes a clear commitment to fulfilling the environmental, social, and economic concerns of Fabasoft's stakeholders, which were identified in the materiality analysis. Each relevant policy is reviewed annually and revised and updated as necessary. The members of the Managing Board are ultimately responsible for implementing these policies. The policies mentioned are aimed at internal stakeholders and can be viewed on the company's intranet.

It therefore goes without saying that national and international legal systems are complied with fully and unreservedly and that all employees act in accordance with the Code of Conduct, internal training courses, awareness programs, and all policies of the Fabasoft Group. The Managing Board reports regularly to the Supervisory Board of Fabasoft AG on the measures taken to ensure compliance with legal provisions and internal company policies (compliance) that fall within the responsibility of the Managing Board.

The following policies relate to "S1-Own employees" and have been implemented at Fabasoft.

Policies	Scope	Working time	Work-life balance	Health and safety	Gender equality and equal pay for equal work:	Training and skills development	Employment and inclusion of persons with disabilities	Diversity	Privacy
Code of Conduct	Own operations		●		●		●	●	●
Personnel policy	Own operations	●	●	●		●			
Travel policy	Own operations	●	●						
Whistleblowing policy	pursuant to the EU Whistleblowing Directive	●	●	●	●		●	●	●
Compliance Policy	Own operations	●		●					●
Privacy Policy	Own operations								●

Fabasoft bases its actions on the United Nations Guiding Principles for Business and Human Rights, the rights of the International Bill of Human Rights, and the core labour standards of the International Labour Organization (ILO) and through its participation in the United Nations Global Compact (UNGC), Fabasoft reaffirms the fundamental principles for the protection of international human rights, freedom of association, the elimination of all forms of forced labour, the abolition of child labour, and the elimination of discrimination.

Fabasoft takes all reports of discrimination, harassment, or other comparable incidents that is not in accordance with the Code of Conduct seriously. Such reports can be submitted to the Whistleblower Ombudsman. Recommendations are made on how to proceed or whether to discontinue the investigation. Thanks to this system, concerns can be raised anonymously throughout the group.

ESRS S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Fabasoft always maintains an open and direct communication in the informal "Du" form and an open-door strategy practised across all hierarchical levels. Employees are encouraged to freely express their views and insights to each other and to management.

The Managing Board and management inform employees of the focal points of corporate strategies and the latest organizational, technological and business topics in the regular "Friday Morning Speeches" and are available to answer and questions. Among other things, employees are also encouraged to provide feedback and suggestions for improvement on a regular basis, including during internal audits, in order to create an attractive working environment. The views of employees are continuously taken into account by the Managing Board when further measures are taken to address actual and potential impacts.

In addition, Fabasoft Success takes place every two years as a two-day company event to discuss products and tasks as well as the successes and future of the Fabasoft Group in a collaborative atmosphere. This also promotes extensive networking between the teams and locations.

The aforementioned dialogue formats are considered effective instruments for incorporating the views of the company's own workforce into decisions and activities. Communication with employees therefore takes place directly and not through representatives or committees.

Fabasoft complies with local labour standards in all countries in which it operates. The collective IT agreement applies to all employees in Austria. No agreements have been concluded with employee representatives.

ESRS S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

All employees of the Fabasoft Group can raise any concerns they may have at any time with their direct line manager, management, a security representative, or the data protection officer. In order to be able to take targeted action in the event of problems and conflict situations, employees are encouraged to report any grievances as early as possible.

In line with a general duty to warn and report, all employees of the Fabasoft Group are required to immediately report any security-related incidents relating to security, privacy, and compliance via the communication channels provided.

Fabasoft ensures that all employees are informed about the available mechanisms as part of the onboarding program and internal communication and that every incident is treated confidentially.

Whistleblower ombudsman

The Fabasoft Group's whistleblower ombudsman is available to all employees as an anonymous reporting channel for concerns relating to serious matters directed against their own workforce, such as discrimination, psychological violence, harassment, sexual harassment, or human rights violations.

Further details on the whistleblower ombudsman can be found in the chapter on business conduct under ESRS G1-1.

ESRS S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The control mechanisms and internal compliance processes and policies implemented by Fabasoft form the basis for action already taken and future action for the ongoing development of the Fabasoft Group's social responsibility. Fabasoft has launched numerous initiatives to counteract potential negative impacts and further strengthen the potential or actual positive impacts on its own workforce.

Work-life balance

In order to better balance family, studies, and work, Fabasoft implements various measures in the areas of working hours, management culture, information and communication policy, parental leave and return to work, and employee development, while ensuring that the fulfilment of customer needs is given the highest priority.

Corporate childcare: FABIs Kinder nest and FABIs Summer Camp

Fabasoft opened the corporate childcare center "FABIs Kinder nest" at the Linz headquarters in January 2021 in cooperation with the Diakoniewerk Oberösterreich. In the spacious and modernly equipped center the employees' children between the ages of one and three are provided with individual care and early learning opportunities by qualified educators. FABIs Kinder nest makes returning to work after a parental leave far easier and helps parents reconcile work, family and private life. The Kinder nest enjoys great popularity amongst employees and has been so well received that a second care group was set up in 2022.

"FABIs Summer Camp" for children aged between four and ten was also held during the school holidays for the fourth time with a variety of different activities.

Fabasoft certified as family-friendly employer

Since 2021 Fabasoft has held the basic "berufundfamilie" ("workandfamily") certificate from Familie & Beruf Management GmbH, which operates on behalf of the Federal Ministry of Labor and Youth and has been awarded the "Family-Friendly Employer" seal of approval. In September 2024, the "berufundfamilie" certificate was extended for another three years.

The work-life balance is one of today's material social challenges. Creating a congenial environment that provides optimum support for work, family and private life plays an important role for Fabasoft. The certification process includes an annual evaluation of the defined measures, which, among other things, evaluates its further development.

The effectiveness of these measures and initiatives to promote work-life balance is reflected in the positive uptake of the childcare places offered and the various part-time models.

Health and safety

Employees can only deliver outstanding performance in a good and healthy environment. The provision of state-of-the-art equipment is just as important for the daily work as ergonomic workplaces and non-reflective screens. In the redesign of office spaces special attention is paid to optimal room conditions and equipment. For this reason, the workstations in Linz and Vienna are already equipped with height-adjustable desks, and an expansion to the other locations is planned. In addition, the range of health-promoting measures was expanded in the past financial year to include sports courses and medical check-ups.

Fabasoft also supports its employees in sporting activities and assumes the entry fees for various sporting events or organizes and sponsors a joint winter seminar.

The effectiveness of these measures and initiatives for health and safety is reflected in the positive uptake of the health-promoting activities, preventive medical checkups, and sporting events offered.

Gender equality and equal pay for equal value

Within the Fabasoft Group, equal treatment in terms of promotion opportunities and remuneration has been practiced across all company levels and in all subsidiaries for many years. Only the expertise ("excellence") and motivation ("ambition") of employees are assessed. Remuneration throughout all locations is based on objective criteria, in particular on the functional position within the corporate group and on individual performance.

Female managers are active at various organizational levels, for example as division managers or authorized signatories. Fabasoft strives to make it easier for women to return to work by providing a female- and family-friendly working environment and initiatives for company childcare.

Training and skills development

The extensive professional and advanced training programs of the Fabasoft Academy and the Fabasoft Talent Management focus on the continuous professional and social development of employees and pursue the dual system concept, i.e. close linking of theory and practice. The training measures range from product training with internal and external course instructors, visits to international symposia as well as special qualifications and certifications and on through to language training and coaching.

Within the scope of its professional and advanced training program, Fabasoft pays particular attention to the topics of information security, compliance with the EU General Data Protection Regulation and data protection awareness. The existing e-learning platform was continuously expanded and conveys knowledge in the form of monthly interactive online courses in the fields of IT security and data protection.

The Fabasoft Management Academy, the internal training program for managers, is specifically designed to teach management skills in line with Fabasoft's strategic goals. In this internal course, which lasts several days, training content such as employee development, sharpening self-reflection, but also goal responsibility and leadership and coaching of employees was taught in cooperation with university institutions. The new training program is therefore an essential building block for promoting the long term success of the Fabasoft Group.

Employees who are entrusted with the implementation of projects complete project management training and graduate with certification as project managers (cPM, Level C or cSPM, Level B). This specialist training is conducted in accordance with the standards of the IPMA (International Project Management Association) and is internationally recognized. The certificates are renewed every five years (recertification).

The software development team at Fabasoft uses Scrum as an agile form of organization. Each team is led by the Scrum Master while the Product Owner supports the team as the product and personnel manager. Appropriate certifications are required for these roles. A further 7 employees successfully completed this training course in 2024/2025 fiscal year. At the balance sheet date Fabasoft employed 98 certified Scrum Masters and 39 Product Owners.

The effectiveness of the training and skills development is reflected in the data protection awareness and the completion of the training courses and certifications offered to employees.

Employment and inclusion of persons with disabilities

The employment and inclusion of people with disabilities in the Fabasoft Group promotes equal opportunities and social justice by giving people with disabilities the opportunity to actively participate in working life and earn their own living.

The effectiveness of these measures is reflected in the design of new functionalities by specialist staff with a special focus on the topics usability and accessibility. Two team members contribute their own user experience in this area due to their visual impairments.

Diversity

Diversity is a key parameter for the success of the company. The diversity of Fabasoft is also reflected in the composition of its workforce, which includes employees from 34 different nations across the Group. Fabasoft is committed to equal opportunities in its personnel policy, regardless of origin, gender, age, religion or personal circumstances. In order to support good integration into the company and society, Fabasoft funds language courses for employees where necessary.

Equal treatment with regard to chances of promotion and remuneration is a policy that has already been practiced on all corporate levels for many years.

Privacy

All of Fabasoft's business activities are conducted in accordance with high ethical standards and all employees are required to act in accordance with these standards. Fairness and transparency, especially with regard to competition and cartel law, are the basis for equal opportunities, correspond to Fabasoft's self-image and ensure sustainable competitiveness as well as the long term protection of interests.

Compliance with applicable laws and internal and external regulations is the basis for all corporate decisions and activities and is guaranteed by targeted compliance measures such as policies, training and the establishment of suitable processes in all areas. Another component of the compliance management system is the constant monitoring of the measures implemented and their continuous improvement as well as the regular review of possible new risk areas.

ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Fabasoft currently refrains from setting targets for addressing material negative impacts and promoting positive impacts, and instead continuously reviews its initiatives and their impact at the relevant management levels. The established processes are firmly embedded in the organisational units responsible for compliance with the policies on a daily basis. In addition, continuous communication channels are available to report concerns and issues.

ESRS S1-6 Characteristics of the company's employees

As at March 31, 2025 the Fabasoft Group employed 494 salaried members of staff (headcounts), including two apprentices in Switzerland and three dual students in Germany. During the financial year, all persons working for Fabasoft were employed as employees.

Information on the total workforce (headcount at the end of the reporting period):

	as per 31/03/2025	as per 31/03/2024	Change
TOTAL employees	494	497	-0.6%
of which men	349	356	-2.0%
of which women	145	141	2.8%
of which in Austria	361	350	3.1%
of which in Germany	89	96	-7.3%
of which in Switzerland	33	37	-10.8%
of which in the USA	11	14	-21.4%
of which permanent employees	484	489	-1.0%
of which men	340	348	-2.3%
of which women	144	141	2.1%
of which in Austria	361	350	3.1%
of which in Germany	81	92	-12.0%
of which in Switzerland	31	33	-6.1%
of which in the USA	11	14	-21.4%
of which temporary employees	10	8	25.0%
of which men	9	8	12.5%
of which women	1	0	-
of which in Austria	0	0	-
of which in Germany	8	4	100.0%
of which in Switzerland	2	4	-50.0%
of which in the USA	0	0	-
of which full-time employees	393	399	-1.5%
of which men	298	307	-2.9%
of which women	95	92	3.3%
of which in Austria	294	279	5.4%
of which in Germany	68	79	-13.9%
of which in Switzerland	20	28	-28.6%
of which in the USA	11	13	-15.4%
of which part-time employees	101	98	3.1%
of which men	51	49	4.1%
of which women	50	49	2.0%
of which in Austria	67	71	-5.6%
of which in Germany	21	17	23.5%
of which in Switzerland	13	9	44.4%
of which in the USA	0	1	-

The extent of the employment relationships varies from full-time to minor part-time employment. In the year under review an average of 394 full-time employees and 104 part-time employees actively supported Fabasoft (see information in the 2024/2025 consolidated financial statements). There are very few temporary employment relationships in the Fabasoft Group, these apply primarily for internships. No employees with non-guaranteed working hours were employed in the past fiscal year. All employees identify themselves as either male or female. The category "Diverse" therefore corresponds to 0 or 0% for all reported figures.

In the 2024/2025 fiscal year, 98 employees left the Fabasoft Group. Based on the average number of 498 employees in the reporting period, the fluctuation rate is 19.7%.

ESRS S1-9 Diversity metrics

A total of 13 employees work at the highest management level¹⁾. This corresponds to 2.6% of employees based on the average number of employees in the reporting period. All employees at the highest management level are male (100%).

The proportion of all employees in the Fabasoft Group under the age of 30 is 36.4%. Employees between the age of 30 and 50 constitute 54.7% of the workforce, employees over 50 years of age make up 8.9%.

ESRS S1-10 Adequate Wages

All employees receive adequate wages (in Austria according to the "KV-Abschluss") in line with the applicable reference values.

ESRS S1-12 Persons with disabilities

In the 2024/2025 fiscal year, an average of 3 employees with disabilities were employed in the Fabasoft Group. Based on the average number of employees in the reporting period, the proportion of employees with disabilities is 0.6%.

Employees with disabilities	in %
Male	0.6
Female	0
Total	0.6

ESRS S1-14 Health and safety metrics

All employees of the Fabasoft Group are covered by a health and safety system. The legal requirements regarding the health and safety of employees are complied with at all Fabasoft Group locations.

Health and safety	2024/2025
Percentage of employees covered by the health and safety management system	100%
Number of fatalities resulting from work-related injuries and work-related illnesses	0
Number of reportable accidents at work ²⁾	1
Number of reportable work-related illnesses	0
Number of days lost due to work-related injuries and deaths resulting from work-related accidents, work-related illnesses, and deaths resulting from illnesses	5

¹⁾ Top management corresponds to the members of the Managing Board and the management of all Group companies.

²⁾ Surveys on the rate of reportable work-related accidents will be conducted in the 2025/2026 fiscal year.

ESRS S1-15 Work-life balance metrics

Work-life balance	2024/2025
Percentage of employees entitled to time off work for family reasons	100%
Percentage of men who took family-related time off work	7.6%
Percentage of women who took family-related time off work	7.0%
Total percentage of employees who took time off work for family reasons	14.7%

ESRS S1-16 Remuneration metrics (pay gap and total remuneration)

The gender pay gap in the 2024/2025 fiscal year is 26.8%.

In the past fiscal year, the ratio of the total annual remuneration of the highest-paid person in the Fabasoft Group to the median total annual remuneration of all employees (excluding the highest-paid person) was 17.09.

ESRS S1-17 Incidents, complaints and severe human rights impacts

No cases of discrimination were reported during the reporting period, and no fines, sanctions or compensation payments were imposed. Consequently, there were no violations of internationally applicable frameworks such as the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises, nor is there any need for disclosures in this regard in the financial reporting.

Incidents, complaints, and serious impacts related to human rights	2024/2025
Number of reported cases of discrimination, including harassment	0
Number of complaints submitted within the company	0
Number of complaints submitted to national contact points	0
Total amount of significant fines, sanctions, and compensation payments related to discrimination	0
Number of reported cases of serious human rights violations	0
Total amount of fines, sanctions, and compensation payments related to serious human rights violations	0

ESRS G1

Business conduct

G1 GOV-1 The role of the administrative, management and supervisory bodies

For information on the role of the administrative, management, and supervisory bodies in relation to corporate policy and their expertise in these areas, please refer to the section "General Disclosures" (ESRS 2).

ESRS 2 IRO-1 Description of the processes to identify and assess significant impacts, risks, and opportunities in the context of business conduct

Fabasoft AG operates in a dynamic and technology-driven environment that places particular demands on responsible and forward-looking corporate management. As part of its governance structures, Fabasoft ensures that sustainability is systematically integrated into strategic decision-making processes, risk management, and monitoring.

A positive corporate culture and shared values create the basis for a trusting and open working environment in which potential risks can be identified at an early stage and addressed openly. At Fabasoft, shared values not only promote daily interaction, but also the consistent implementation of governance requirements. The corporate culture acts as a connecting element that ensures that policies, processes, and strategic objectives are understood, supported, and actively lived by all employees.

The protection of whistleblowers is an essential part of an effective governance structure. At Fabasoft, a trustworthy and secure whistleblower system enables the early reporting of potential violations, misconduct, or risks that could have a negative impact on the company, employees, or external stakeholders. Effective protection against retaliation ensures that reports can be made without fear of negative consequences. Whistleblower protection not only contributes to legal compliance, but also strengthens the corporate culture, increases transparency, and improves the company's ability to respond to governance-related risks.

Responsible management of supplier relationships is a central component of governance at Fabasoft and contributes significantly to the identification and management of IROs. Fair contract terms, reliable payment practices and transparent communication help to avoid risks such as supply chain disruptions. At the same time, they enable the early detection of potential impacts and strengthen the resilience and sustainability of the entire value chain.

At Fabasoft, material IROs in the area of governance are identified based on expertise regarding the company's internal structures, processes, and regulatory requirements, which are reflected in group-wide policies, process documentation, codes of conduct, and compliance and governance documentation. Consistent group-wide communication on principles of conduct, ethical standards, and legal requirements ensures that all relevant governance policies apply throughout the group and that there is a common understanding of responsibility and integrity in strategic decisions.

Impacts, risks and opportunities

Description of impacts, risks, and opportunities		Connection to the value chain			Time horizon		
		Upstream	Within the company	Downstream	Short term	Mid term	Long term
Corporate culture: A positive corporate culture and shared values strengthen mutual cooperation, promote trust, and increase employee motivation. From a management perspective, communication improves and leadership is achieved on an equal footing.	potential positive impact		●			●	
Protection of whistle-blowers: The early detection of misconduct or irregularities avoids legal risks and reputational damage and strengthens the integrity of the company.	potential positive impact	●	●	●	●	●	
Management of relationships with suppliers: If Fabasoft does not maintain good relationships with suppliers, this can have an impact on people, as the supply chain could be disrupted or SMEs could be disadvantaged by late payments.	potential negative impact	●	●	●	●	●	

ESRS G1-1 Business conduct policies and corporate culture

In the context of corporate governance, there is a clear commitment to fulfilling environmental, social, and economic concerns. Relevant policies are reviewed annually and revised and updated as necessary. The members of the Managing Board are ultimately responsible for implementing these policies. They address internal stakeholders and can be viewed on the company's intranet.

Policies	Scope	Corporate culture	Protection of whistle-blowers	Management of relationships with suppliers
Code of Conduct	Own operations	●		
Whistleblowing policy	Pursuant to the EU Whistleblowing Directive		●	
Code of Conduct for Contractors	Own operations			●

Business conduct and compliance

Fabasoft's business activities in all areas are subject to the highest standards of information security, data protection, and compliance with comprehensive legal regulations and compliance standards. In order to address these standards in an appropriate manner, far-reaching control mechanisms are integrated in internal processes. The valid and internationally recognized system and product certifications reflect Fabasoft's high level of compliance.

All of Fabasoft's business activities are conducted in accordance with high ethical standards and all employees (especially those in management positions and/or with direct customer contact) are required to act in accordance with these standards. Fairness and transparency, especially with regard to competition and cartel law, are the basis for equal opportunities, correspond to Fabasoft's self-image and ensure sustainable competitiveness as well as the long term protection of interests.

Compliance with applicable laws and internal and external regulations is the basis for all corporate decisions and activities and is guaranteed by targeted compliance measures such as policies, regular training and the establishment of suitable processes in all areas. Another component of the compliance management system is the constant monitoring of the measures implemented and their continuous improvement as well as the regular review of possible new risk areas.

The Fabasoft control system was developed taking into consideration statutory requirements, obligations from contracts and agreements, business requirements and the results of risk assessments. In particular the requirements of international standards requirements catalogs, e.g. ISO 27001, ISO 27018, ISO 20000, ISO 9001, BSI C5, SOC 2 (Trust Service Criteria for Security) and COBIT 2019, were taken into account when designing the controls.

Assurance of maximum quality, security and service standards is ensured by the implementation of an integrated management system pursuant to ISO 9001 (quality management system), ISO 27001 (information security management system), including ISO 27018 (data protection for cloud services) and ISO 20000 (service management system), in addition to the annual audit of the internal control system (ICS). With respect to the quality, service and security policy, the members of the Managing Board clearly declare their agreement to maintaining and further developing these systems.

Compliance violations are recorded via the whistleblower system within the scope of the HSchG.

Reporting incidents and whistleblowing

In 2023, on the basis of the EU Whistleblower Directive, the Austrian "Federal Act on the Procedure and Protection in the Event of Notifications of Legal Violations in Certain Legal Areas" (Whistleblower Protection Act – HSchG) with the transitional provisions contained in Section 28 came into force. The requirement to protect whistleblowers who have obtained information about certain legal violations due to their professional connection to Fabasoft and report them was of central importance in the establishment of a revised whistleblower system within the Fabasoft Group. Since December 17, 2023, not only employees but also customers, suppliers and other third parties (including anonymously) have been able to report their concerns within the scope of the HSchG.

Reported incidents are assessed by a Whistleblowing Ombudsman's Office (if necessary in cooperation with local partners) and forwarded to the relevant internal department. Recommendations on how to proceed or close the investigation are provided. Thanks to this system, concerns can be submitted anonymously and without fear of retaliation worldwide.

No reports were received by the Whistleblowing Ombudsperson's Office in the period under review.

ESRS G1-2 Management of relationships with suppliers

Fabasoft always makes every effort to keep delivery distances short and to give preference to regional suppliers wherever these are available. As a software product company and cloud service provider Fabasoft's demand for raw materials is limited to resources for daily needs, such as electricity, water or food. Sustainability is also taken into consideration when it comes to the choice of the electricity provider, in order to reduce the negative impacts on the environment to a minimum. With the publication of its Code of Conduct for Contractors Fabasoft pursues an approach based on partnership and which emphasizes that fair pay, good production conditions, health protection in observance of human rights are just as much a part of the sustainable supply chain as short transport distances or the fight against corruption.

The Fabasoft Code of Conduct for Contractors defines the requirements and principles for the cooperation with contractors. It therefore constitutes the basis of prudent and credible behavior. Information pertaining to compliance including anti-corruption, the General Data Protection Regulation and corporate social responsibility (environmental protection and human rights) is also included in the Code of Conduct. As business partners of Fabasoft the contractors accept the Terms and Conditions of Purchase of the Fabasoft AG and its subsidiaries and all their associated agreements, including the Code of Conduct. The intention here is to further improve sustainability in the supply chain in the long term.

The entire Fabasoft Group endeavors to keep supply chains as short as possible with a view to the economical and at the same time economical use of resources. Care is taken to ensure that the required appliances are produced and delivered locally within the respective continent, which also eliminates customs costs and reduces delivery times to a minimum. Sustainability issues such as human rights and labor practices are also taken into account when selecting these suppliers. The Fabasoft Group's supply chain includes software and services (including consulting services, marketing, travel management) as well as material goods such as hardware, vehicles, and office equipment.

Payment processing practices

Fabasoft's procurement processes are based on payment terms agreed jointly with suppliers. This proactive measure serves to prevent late payments and ensure reliable payment processing.

ESRS G1-3 Prevention and detection of corruption and bribery

Fabasoft has demonstrated its stance and its implementation of measures regarding anti-corruption with its commitment to the UN Global Compact and the creation of a Code of Conduct for Contractors. Intensive sensitization is moreover promoted in the context of internal training and continuing education programs for all employees and bodies of the company. The topic of anti-corruption is also addressed extensively in the Personnel Policy. This is presented to all employees when they join the company and is accessible to the entire workforce and all members of the Managing Board (i.e. 100 % each) at all times¹⁾. All members of the Supervisory Board are also made aware of Fabasoft's anti-corruption and anti-bribery practices via a teamroom in the Fabasoft cloud. When accepting orders, all Fabasoft suppliers accept the requirements and principles set out in the Code of Conduct for Contractors regarding the acceptance of gifts, money laundering and anti-corruption.

In the event that allegations or incidents of possible violations are reported via the whistleblowing system, the external ombudsman is appointed as the investigating officer and is separate from the management chain involved in the matter.

ESRS G1-4 Incidents of corruption or bribery

No cases of corruption or suspected corruption or bribery were reported in the 2024/2025 financial year. There were no public lawsuits in connection with corruption or bribery initiated against the company or its employees in the period under review. An annual review of the existing concepts ensures that the measures taken are appropriate to prevent corruption.

ESRS G1-5 Political influence and lobbying activities

Public political processes are not hindered by unfair behavior or undue influence. In the 2024/2025 financial year, Fabasoft did not make any donations to political parties, trade associations or tax-exempt groups in the form of financial contributions or benefits in kind and did not participate in any lobbying activities.

ESRS G1-6 Payment practices

A standard payment term of 30 days net is preferred.²⁾

The average time required by the Fabasoft Group to settle an invoice from the start of the contractual or statutory payment period is also within the 30-day period.

Fabasoft was not involved in any legal proceedings relating to late payment in the 2024/2025 fiscal year.

¹⁾ The percentage of risk-prone functions covered by training programs will be determined in the 2025/2026 fiscal year.

²⁾ The average time for invoice settlement will be reported in the 2025/2026 fiscal year.

IRO-2 Disclosure requirements in ESRS covered by the company's sustainability statement

ESRS standard	Disclosure requirement	Description	Comment	Page
ESRS 2	BP-1	General basis for preparation of sustainability statements		77
	BP-2	Disclosures in relation to specific circumstances		77
	GOV-1	The role of the administrative, management and supervisory bodies		78, 111
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		80
	GOV-3	Integration of sustainability-related performance in incentive schemes		80
	GOV-4	Statement on due diligence		81
	GOV-5	Risk management and internal controls over sustainability reporting		81
	SBM-1	Strategy, business model and value chain		82
	SBM-2	Interests and views of stakeholders		83
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		84, 89, 101
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities		85, 89, 111
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		115
E1	E1-1	Transition plan for climate change mitigation		90
	E1-2	Policies related to climate change mitigation and adaptation		90
	E1-3	Actions and resources in relation to climate change policies		91
	E1-4	Targets related to climate change mitigation and adaptation		92
	E1-5	Energy consumption and mix		93
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions Note: Phase-in for AR 46 (g)-(h)		94
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Additional sustainability information

Ecological responsibility

Travel arrangements, video conferences and online meetings

The multifunctional system (Unified Communications) used throughout the Group and other platforms have proved their worth in internal and external communication and enable an intensive exchange of information with customers, partners and team members. In the 2024/2025 fiscal year, employees held several thousand hours of meetings via the internal video conference system, which allows screen sharing and chat functions in addition to video conferencing and telephony. The resulting location and time-independent availability offers the ideal opportunity to communicate with customers and partners from other time zones.

Use of sustainable hardware

Older devices, which are no longer suitable for permanent operation or do not have sufficient performance capability, are put to alternative use or used as temporary solutions as far as possible.

Hardware devices that are no longer operational or useable, are donated to the AfB (Work for People with Disabilities) GmbH. Europe's first non-profit IT company is specialized in the refurbishing of IT hardware taken out of service by companies.

Regionality and procurement

Regional food in organic quality is given preference for the daily breakfast offer for employees. In order to avoid transportation routes, high-quality water treatment units for tap water and drinking bottles with the Fabasoft logo are available. As far as possible internal and external Fabasoft events are to be organized and carried out as green events. It has gone without saying for many years that the print forms used in the group have the EU Ecolabel and are FSC certified.

Social responsibility

Recruiting

The digitization and automation of processes within companies is also changing staffing needs. IT specialists in particular are needed in virtually every company. The lack of skilled staff and demographic developments make recruiting such highly qualified employees an ever-greater challenge. It is therefore all the more urgent to make timely contact with young talented people and to promote and encourage their interest in Fabasoft.

Promoting young talents is a key criterion for positioning Fabasoft as an attractive employer. For this reason, the relationship with educational institutions such as universities, technical colleges and polytechnics (HTL) as well as other educational establishments was continued by means of sponsorships and cooperations.

Starting with an online presence and on through to participation in selected career events, it is of great importance to present the company where potential employees are to be found.

Fabasoft supports the "Young Computer Scientists" talent promotion program in the subject area of computer science at the Johannes Kepler University. This is aimed at youngsters for whom studying computer science is a realistic option when leaving school. Fabasoft's aim is to fill vacant positions with highly qualified specialists, to retain them in the long term and to offer employees a working environment that is colorful, inspiring and full of opportunities for experts of all kinds. The success of the recruiting measures is also reflected in the economic success and sustainable growth of the Fabasoft Group.

Interns

An internship at the Fabasoft Group offers teenagers and young adults the opportunity to consolidate their school education with initial experience and to get to know the day-to-day work at Fabasoft. By participating in specific projects they gain an authentic insight into the working world.

In the 2024/2025 fiscal year more than 20 persons completed a paid internship in the many different departments of the Fabasoft Group. Internships are offered to selected young talents who are given the opportunity to develop their skills in a targeted manner through qualitative mentoring.

Each intern first takes part in training course at the Fabasoft Academy, which covers Fabasoft's values, basic policies and processes as well as the important aspects of information security. Participation in events and regular feedback sessions are also part of the internship.

Pupils and students who have to complete a mandatory internship in their final year of education are also offered the opportunity of becoming involved in challenging projects and gaining valuable practical experience within the Fabasoft Group. A joint feedback session during the internship provides information early on with regard to the possibility of being offered permanent employment on conclusion of the internship.

Onboarding new employees

In order to make the start in the Fabasoft Group easier for new employees, onboarding begins before their first working day with a welcome email, including general information about the new tasks. On their first day of work, new employees are personally welcomed by the department "People & Development" at the Linz headquarters; for all other locations, a virtual Welcome Coffee with HR takes place. The respective manager also welcomes the new employees and a welcome package is waiting for them at their workplace.

All new employees receive training at the Fabasoft Academy and during the two-day Fabasoft Welcome Days at the headquarters, where they learn about the company, its products, values, policies, processes, and structures, and receive sensibilisation on information security, data protection, anti-corruption policy, and the Code of Conduct.

Corporate culture

Fabasoft is looking for committed employees and people are looking for employers where they can develop their potential and where they feel comfortable. Because if you feel good, you can develop and vice versa. That is why Fabasoft takes comprehensive measures to create a working environment for existing and future employees that promotes innovation, team spirit, creativity and performance. Shared values for employees and managers form the framework for goal-oriented and sustainable action.

Employees can only deliver outstanding performance in a good and healthy environment. The provision of state-of-the-art equipment is just as important for the daily work as ergonomic workplaces and non-reflective screens. In the redesign of office spaces special attention is paid to optimal room conditions and equipment. For this reason, the workstations in Linz and Vienna are already equipped with height-adjustable desks. In addition, the range of health-promoting measures was expanded in the past financial year to include sports courses and medical check-ups.

Fabasoft offers various incentives in the common staff areas in its locations in order to promote creativity, concentration, motivation and communication. This gives the employees an opportunity to exchange experiences or have short discussions on cross-team issues. Numerous coffee corners and lounge areas provide the ideal environment for exchanging information at a moment's notice throughout the day. A good work-family balance is very important to Fabasoft, which is why employees' families are also invited to several social events.

Enthusiastic employees are the best brand ambassadors. They position Fabasoft as an attractive employer in their private sphere. A hiring bonus scheme was continued as a lucrative bonus and incentive for employees for the hiring of recommended persons.

Top talents and employee development

Qualified, committed and highly motivated employees are essential for the lasting success of the Fabasoft Group.

Fabasoft wants to keep its employees permanently because the knowledge and the commitment of every single employee contributes to the corporate success. "Comfort factors" not only include the development of professional qualifications and competence, but also secure and modern workplaces, the social environment and benefits, which are of equal importance. These are available for all employees regardless of the form of employment.

In order to promote its workforce in the best possible way, Fabasoft offers a wide range of training and further education measures, which include both internal and external courses. Another focus is on performance-related pay in line with the market, which exceeds the statutory requirements. Through its active involvement in national and international working groups and institutions, Fabasoft also promotes the exchange of experience with partners from a wide range of industries in order to work together on new, innovative solutions for the future.

Responsible management

Support for the "Lernwerkstatt Klimahaus Bad Dachsberg"

Fabasoft supports the construction of the Klimahaus in Bad Dachsberg, a learning workshop that deals with social, political, and ecological climate issues. The learning workshop is open to schools and supports the long-term sustainability of Upper Austria as a business location.

Data protection and information security

Fabasoft is at the forefront of information security and data protection. This role must be actively communicated and embodied within the company. Only those who set themselves high ambitions and fulfil them can convince customers of their credibility. These customers in turn benefit from the advantages of the highly developed level of security of Fabasoft products and services.

A high degree of availability, confidentiality, integrity and authenticity characterises Fabasoft in all its business activities. From software development to support services, intensive efforts are made to ensure reliable data protection and information security standards for Fabasoft customers. To further strengthen customer confidence in its products and services, Fabasoft invests in internationally recognized system and product certifications. Fabasoft aims to continuously develop its high level of security awareness and external certifications and to further consolidate its pioneering role in this area.

Especially in times characterized by technological change and in view of increasingly more sophisticated, better disguised and more frequent attacks, Fabasoft places top priority on the continuous expansion of its cyber resilience. In line with this, Fabasoft places data protection and information security on a binding level with the Fabasoft Policy for Information Security as part of its overall strategy. The pronounced data protection and security awareness is also continued in the Fabasoft Cloud locations. The data centers are characterized, among other things, by high availability and reliability as well as recognized security standards. As part of the audits and certifications, these are regularly checked by external auditors who verify compliance with the required security standards.

Fabasoft accompanies all employees in the form of a continuous process on their development path to a pronounced security awareness. In order to continuously promote employee awareness for data protection and information security, this topic is addressed on an ongoing basis. Regular courses on the topics data protection and information security, which are mandatory for all employees, are available on the Group-wide eLearning platform.

In addition, regular company-wide training measures take place, whereby the applicable regulations of the individual countries are addressed, information is provided on changes to the framework conditions and the focus is placed on raising awareness in the areas of data protection and information security. These include simulations of attacks, for example in the context of social engineering and the sending of phishing emails.

As in previous years, Fabasoft again had no violations concerning the protection of personal data to report to the competent supervisory authorities in the 2024/2025 fiscal year.

Innovation and competitiveness of the business model

The innovation and sustainability of the Fabasoft business model are largely dependent on the excellence, solidarity and experience of its employees. The aim is to support customers' success with innovations in high-performance solutions for internal and cross-company business processes.

The basis for this is the technical expertise, many years of experience and in-depth customer knowledge of its employees. New ideas are quickly implemented through teamwork and enthusiasm. At Fabasoft, we work together to achieve the company's goals. As a specialist in the digitalization of document-centric business processes, Fabasoft is ideally positioned with its products and services to support and accompany companies and public organizations in the digitalization of their business processes.

For more than three decades, Fabasoft has been developing innovative software products to simplify and optimize business processes. The company pursues high goals in terms of quality, user-friendliness and design. Fabasoft continuously invests in research and development in order to create future-proof solutions. Many years of experience in various industries are incorporated into the entire development process in order to continuously optimize products and services.

When implementing new approaches, services, or concepts, Fabasoft pays particular attention to scalability and robustness.

Regular feedback from existing customers and analyst discussions, as well as continuous market observation, are used to identify market trends at an early stage and incorporate them into product development. All product innovations are developed in accordance with ethical guidelines and are suitable for use in the target markets. Fabasoft is also actively involved in issues relating to European digitization strategies to ensure compliance with future requirements.

In the pursuit of sustainable development and high quality standards, Fabasoft develops solutions that are easy and efficient for customers to implement. The user interface of Fabasoft products has a contemporary design and offers various access options, both via desktop and mobile devices, to ensure flexible use.

A particular strength of the Fabasoft Group lies in the early recognition of trends and their integration into the product portfolio.

Fabasoft has been intensively involved in trend scouting and innovative research and development for many years. As an established technology partner in international projects, the company strengthens its innovative power through close cooperation with renowned research institutions, including Fraunhofer AISEC and FOKUS, Tecnia, and CNR Italia. The successful implementation of its own research initiatives at the Austrian and EU level forms the foundation for promoting knowledge transfer in a sustainable manner and providing targeted support for innovation processes.

The potential of new technologies and highly qualified specialists can be specifically promoted by the "Digital Research Potentials" team. This team is dedicated to identifying technological developments and at the same time supports the individual development of its members. Fabasoft is also actively involved in promoting outstanding students early on during their master's studies in order to integrate talent into the company's innovation process at an early stage.

The Fabasoft Research GmbH was founded as a strategic extension of these activities in April 2025. In the future, it will assume central responsibility for research cooperations within the Fabasoft Group. Agile and aligned with the company's values, it ensures that research questions are incorporated efficiently and purposefully into Fabasoft's development work. At the same time, it enables the targeted transfer of knowledge and technology through the integration of external expertise – a decisive success factor in a dynamic market environment.

In addition, Fabasoft Research manages EU policy and standardization activities. This enables business and technology-relevant developments to be identified at an early stage and actively shaped in relevant committees, thus making an important contribution to the digital future in Europe.

Fabasoft is currently directly involved in the following funded, cooperative projects:

Flagship project ZERO³ (Austria)

The FFG project ZERO³ is a flagship project that aims to boost ecological, economic and social sustainability in the production processes of Austrian companies. The project was launched on November 1, 2022, has a total volume of 4.5 million euros and a duration of 36 months. The overarching project goal of ZERO³ is to improve the following defined sustainability parameters: ZERO Resource Loss, ZERO Human Potential Loss and ZERO Data Gap in Austrian production companies.

Flagship project KIRAMET (Austria)

The FFG project KIRAMET is a flagship project aimed at improving the recycling of metal composite waste with the help of AI and boosting the quality of metallic waste. The project has a total volume of 4.4 million euros and a duration of 36 months and was launched on July 1, 2023.

Flagship project FAIR-AI (Austria)

The FFG project FAIR-AI is a flagship project that deals with the society-related risks involved in the application of AI. It aims to fulfill the requirements of the upcoming European AI law and to overcome the obstacles in the development and application of AI law-compliant projects. The project takes a bottom-up approach by selecting typical pitfalls in a specific development and application context to create a collection of instructive, self-contained use cases that illustrate the intrinsic risks of AI. The project started on January 1, 2024.

EU project EMERALD (Europe)

The research project called EMERALD has been launched with the support of the European Union and aims to transform the landscape of cloud-based services and develop a new framework to increase security and efficiency for businesses. Based on an agile certification process, EMERALD will support cloud service providers, customers, and auditors in the certification process, promote the acceptance of cloud services, and ensure their accessibility, security, and cost-effectiveness.

The main objective of EMERALD is to pave the way for Certification-as-a-Service (CaaS) for the continuous certification of harmonized cybersecurity systems, such as the European Cybersecurity Certification Scheme for Cloud Services (EUCS) or the renowned BSI C5. The project is based on the results of the MEDINA project and will provide a framework for cloud service providers and their customers to set up, manage and monitor their certifications to ensure efficient recertification.

Usability and accessibility

Users from many different industries with very diverse demands and needs work with Fabasoft products. For this reason, Fabasoft places great importance on the ease of use and universal accessibility of all its products and websites. The user interface of the Fabasoft Cloud is simple and intuitive to use in 22 languages and offers barrier-free access for all users.

Fabasoft's aim is that nobody should be prevented from independently obtaining information on topics or completing tasks due to a disability. In line with this aim, new functionalities are designed by specialists with a special focus on usability and accessibility. Two team members contribute their own user experience in this area due to their visual impairments. Feedback from customers on the topic of usability is also taken into account and implemented as quickly as possible.

User requirements are tested using various mobile devices, simulation devices and assistive technologies (e.g. screen readers for blind users). A continuous improvement process in the area of accessibility is pursued through permanent monitoring of products and websites.

Knowledge on the topic of accessibility is also prepared and passed on by a team of accessibility experts for training courses. Participants receive information on which points are important when working with people with special needs or how content for websites must be structured and prepared so that output devices can display it correctly. For example, it is necessary to include appropriate text alternatives for graphic content or subtitles as well as audio descriptions for videos when creating content.

Fabasoft's high level of usability and accessibility is also reflected in the "Web Accessibility Certificate (WACA)", the first and only Austrian seal of quality to make accessibility on the web visible to the outside world. Fabasoft was the first provider in Europe to be awarded the silver WACA certificate for its web app by the Austrian Computer Society in 2019, and was recertified by the independent testing body TÜV Austria in June 2022.

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Consolidated Financial Statements

Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

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

We considered the following matters as key audit matters for our audit:

- Recognition of sales revenue
- Impairment of goodwill – impairment test in accordance with IAS 36

Auditor’s report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of Fabasoft AG, Linz and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of 31 March 2025, the consolidated statement of comprehensive income, statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31 March 2025 and cashflows and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following “EU regulation”) and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the

1. Recognition of sales revenue

Description

In the consolidated financial statements of Fabasoft AG, sales revenues for the fiscal year 2024/25 amounting to a total of EUR 86,845 thousand are reported from various service offerings. These consist of recurring sales revenues totaling EUR 48,802 thousand (particularly software updates, usage fees, and support services) and non-recurring sales revenues totaling EUR 38,043 thousand (one-time licenses and professional services related to consulting). All sales revenues, except for one-time licenses, are recognized over time.

Fabasoft AG disclosures about the composition of sales revenues are included in Note “6.1. Sales revenue”, “2.17. Scope of discretion and estimates – Service contracts”, “2.14. Sales revenue”, “2.10. Contract assets” and “8. Segment reporting”.

We considered the recognition of sales revenues to be a key audit matter because it is a central management control instrument. Due to the diverse product range of the group, there are various sources of income, some of which require judgment.

How we addressed the matter during the audit:

Our audit procedures have included, among others, the following activities:

As part of our audit, we first identified the different types of contracts by analyzing customer contracts. In doing so, we developed an understanding of the accounting and valuation methods applied concerning the recognition and deferral of sales revenues.

Based on this, we assessed the design of controls in the sales revenue recognition process, particularly regarding the correct identification of performance obligations and the proper booking of sales revenues.

We examined this by selecting individual transactions and obtaining the underlying evidence (such as contracts, orders, performance records, invoices, and payment proofs). We assessed this evidence concerning the identification of performance obligations, the allocation of the transaction price, and the booking of sales revenues.

We also obtained balance confirmations for selected trade receivables to verify the fulfillment of the identified performance obligations. Additionally, the correct deferral over contract liabilities was reviewed.

Furthermore, we traced the determination of the progress of performance and the resulting sales revenue recognition for individual projects with sales revenue recognition over time (particularly for fixed-price projects).

Additionally, we performed data analyses in the area of sales revenues and the related positions.

We also assessed the appropriateness of the disclosures in the notes of Fabasoft AG regarding sales revenue recognition.

2. Impairment of goodwill – impairment test in accordance with IAS 36

Description

In the consolidated financial statements of Fabasoft AG, goodwill is reported to a significant extent (carrying amount EUR 2,586 thousand), which is allocated to several cash-generating units. The composition of the cash-generating units did not change during the fiscal year.

Fabasoft AG disclosures about the composition of cash-generating units and goodwill are included in Note "2.3. Property, plant and equipment and intangible assets", "2.4. Impairment of specific non-current assets", "2.17. Scope of discretion and estimates – Goodwill", and "5.1.2. Intangible assets".

We considered the impairment of goodwill to be a key audit matter because the amounts are significant, the valuation is complex, and it requires judgment. The valuation is also based on assumptions influenced by future market and economic parameters.

How we addressed the matter during the audit:

Our audit procedures included, among others, the following:

We gained an understanding of the design and implementation of the process for reviewing the impairment.

We reviewed the composition of the cash-generating units (CGUs) and the assets allocated to the respective CGUs.

We reviewed the valuation model. Furthermore, we reconciled the forecasted revenues and EBIT margins, as well as the investments and changes in working capital

for all cash generating units with the plans presented to the supervisory board and analyzed the planning assumptions. Additionally, we reviewed the assumptions regarding discount rates and growth rates. EY valuation specialists supported us in performing the audit procedures.

We assessed the appropriateness of the disclosures in the notes regarding the impairment tests and the related assumptions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon. We received the Corporate Governance Report until the date of this audit opinion; the rest of the annual report is estimated to be provided to us after the date of the auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements comprising accurate disclosures pursuant to section 243a UGB (Austrian Company Code) (Austrian Company Code), and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at 2 July 2024. We were appointed by the Supervisory Board on 12 August 2024. We are auditors without cease since 2023/24.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

**Responsible Austrian
Certified Public Accountant**

The engagement partner is Mr. Mag. Erich Lehner, Certified Public Accountant.

Linz, 28 May 2025

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H

Mag. Erich Lehner mp

Wirtschaftsprüfer / Certified Public Accountant

^{*)} This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

Consolidated balance sheet as at 31 March 2025

Assets in kEUR	Note	31/03/2025	31/03/2024
Non-current assets			
Property, plant and equipment	5.1.1.	36,743	23,928
Intangible assets	5.1.2.	4,235	6,857
Other financial assets	5.1.3.	151	145
Other non-financial assets	5.1.4.	159	376
Deferred income tax assets	5.1.5.	955	822
		42,243	32,128
Current assets			
Trade and other receivables	5.2.1.	13,905	16,532
Contract assets		2,694	2,516
Income tax receivables		131	84
Cash and cash equivalents	5.2.2.	34,283	25,068
		51,013	44,200
Total assets		93,256	76,328
Equity and liabilities in kEUR	Note	31/03/2025	31/03/2024
Equity			
Capital and reserves attributable to the Parent Company's equity holders			
Share capital	5.3.	11,000	11,000
Capital reserves	5.3.1.	19,555	19,555
Treasury shares	5.3.2.	-4,024	-2,016
Other reserves		-718	-740
Adjustment item for currency conversion		323	223
Retained earnings		7,637	-22
		33,773	28,000
Non-controlling interest		2,323	2,638
		36,096	30,638
Non-current liabilities			
Provisions for severance payments	5.4.1.	3,098	3,043
Deferred income tax liabilities	5.1.5.	1,159	908
Financial liabilities	5.4.3.	10,672	0
Other payables	5.4.4.	4,503	6,149
Investment grants	5.4.5.	81	106
		19,513	10,206
Current liabilities			
Financial liabilities		1,046	0
Trade and other payables	5.5.2.	12,920	13,704
Liabilities for income taxes	5.5.3.	2,096	1,795
Contract liabilities	5.5.4.	21,586	19,985
		37,647	35,484
Total equity and liabilities		93,256	76,328

Consolidated statement of comprehensive income for the 2024/2025 fiscal year

in kEUR	Note	2024/2025	2023/2024
Sales revenue	6.1.	86,845	80,950
Other operating income	6.2.	924	1,044
Expenses for purchased services		-5,164	-4,656
Employee benefits expenses	6.3.	-46,539	-43,493
Depreciation and amortization expenses	6.4.	-7,624	-7,878
Expenses from impairments	6.5.	-2,220	-335
Other operating expenses	6.6.	-12,921	-12,247
Operating result		13,301	13,385
Finance income	6.7.	133	112
Finance expenses	6.7.	-537	-384
Result before income taxes		12,897	13,113
Income taxes	6.8.	-3,782	-3,484
Result of the year		9,115	9,629
Other result (possible reclassification in result of the year):			
Change in adjustment item for currency conversion		125	132
Other result (no reclassification in result of the year):			
Revaluation effects severance payments and pensions net deferred taxes		23	-76
Other result		148	56
Total result		9,263	9,685
Result of the year attributable to:			
Equity holders of the Parent Company		8,800	9,073
Non-controlling interest		315	556
Total result attributable to:			
Equity holders of the Parent Company		8,922	9,107
Non-controlling interest		341	578
Diluted and undiluted earnings per share in terms of the result of the year for result attributable to the equity holders of the Parent Company in the fiscal year (expressed in EUR per share)	9.1.1.	0,80	0,83

Consolidated cash flow statement for the 2024/2025 fiscal year

in kEUR	Note	2024/2025	2023/2024
Cash flows from operating activities			
Result before income taxes		12,897	13,113
Net finance expenses	6.7.	404	272
Operating result		13,301	13,385
Adjustments in non-cash items			
Depreciation and amortisation expenses	6.4.	7,624	7,878
Expenses from impairments	6.5.	2,220	335
Effects from currency conversion		-3	-53
Changes in non-current provisions		56	334
Revaluation effects severance payments and pensions	5.4.1.	29	-99
Changes in other non-financial assets recognized in profit and loss	5.1.4.	217	37
Loss from disposal of property, plant and equipment		20	611
Income from the dissolution of investment grants	5.4.5.	-38	-45
Income from appreciation of other financial assets		-6	0
		23,420	22,383
Adjustments in net current assets			
Changes in trade and other receivables (without income tax receivables)		2,762	-875
Changes in contract assets		-176	557
Changes in trade and other payables (without income tax and lease liabilities)		232	-320
Changes in contract liabilities		1,563	1,168
		4,381	530
Cash generated from operations		27,801	22,913
Interest received		52	54
Interest paid		-1,347	-350
Income taxes paid		-3,417	-3,140
Net cash generated from operating activities		23,089	19,477
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	5.1.1. 5.1.2.	-16,495	-13,332
Proceeds from sale of property, plant and equipment and intangible assets		16	3
Redemption of earn-out liabilities from company acquisitions	4.	-400	0
Investment grants received		0	88
Net cash used in investing activities		-16,879	-13,241
Cash flows from financing activities			
Redemption of lease liability	7.	-4,991	-1,990
Payments for the acquisition of treasury shares		-2,008	-2,016
Dividend distribution		-1,090	-3,300
Dividend distribution to non-controlling interest		-699	-686
Payments from transactions with non-controlling interest		0	176
Payments for transactions with non-controlling interest		-7	0
Proceeds from financial liabilities	7.	12,283	0
Repayment and payment of financial liabilities	7.	-566	0
Net cash used in financing activities		2,922	-7,816
Changes in cash and cash equivalents		9,132	-1,580
Development in cash and cash equivalents			
Cash and cash equivalents at beginning of year		25,068	26,563
Effect of exchange rates changes		83	85
Increase/decrease		9,132	-1,580
Cash and cash equivalents at end of year	5.2.2.	34,283	25,068

Consolidated statement of changes in equity for the 2024/2025 fiscal year

Attributable to equity holders of the Parent Company										
in kEUR	Note	Share capital	Capital reserves	Treasury shares	Other reserves	Adjustment item for currency conversion	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 31 March 2024		11,000	19,555	-2,016	-740	223	-22	28,000	2,638	30,638
Other result		0	0	0	22	100	0	122	26	148
Result of the year		0	0	0	0	0	8,800	8,800	315	9,115
Total result		0	0	0	22	100	8,800	8,922	341	9,263
Dividend distribution		0	0	0	0	0	-1,090	-1,090	-700	-1,790
Transactions with non-controlling interest	2.2.2.	0	0	0	0	0	-51	-51	44	-7
Acquisition of treasury shares	5.3.2.	0	0	-2,008	0	0	0	-2,008	0	-2,008
Balance at 31 March 2025	5.3.	11,000	19,555	-4,024	-718	323	7,637	33,773	2,323	36,096

Attributable to equity holders
of the Parent Company

in kEUR	Note	Share capital	Capital reserves	Treasury shares	Other reserves	Adjustment item for currency conversion	Retained earnings	Total	Non- controlling interest	Total equity
Balance at 31 March 2023		11,000	19,555	0	-666	115	-5,996	24,008	2,710	26,718
First time application IAS 12.22 A		0	0	0	0	0	61	61	0	61
Balance at 1 April 2023		11,000	19,555	0	-666	115	-5,935	24,069	2,710	26,779
Other result		0	0	0	-74	108	0	34	22	56
Result of the year		0	0	0	0	0	9,073	9,073	556	9,629
Total result		0	0	0	-74	108	9,073	9,107	578	9,685
Dividend distribution		0	0	0	0	0	-3,300	-3,300	-686	-3,986
Transactions with non-controlling interest	2.2.2.	0	0	0	0	0	140	140	36	176
Acquisition of treasury shares	5.3.2.	0	0	-2,016	0	0	0	-2,016	0	-2,016
Balance at 31 March 2024	5.3.	11,000	19,555	-2,016	-740	223	-22	28,000	2,638	30,638

Notes to the Consolidated Financial Statements as at 31 March 2025

1. Company details

As an Austrian IT innovation leader and market leader in electronic files in the DACH region, Fabasoft sets standards for efficient and scalable processes in digital document and process management. The SaaS provider's technologies not only create solutions, but also define what excellence in digital transformation means. That is why numerous well-known companies and public administration organizations have been relying on Fabasoft's quality and experience for more than three decades. In a digital ecosystem – the Fabasphere – Fabasoft offers networked software solutions for document-intensive business processes. The products digitize, simplify, and accelerate business processes – while sustainably improving their quality.

Fabasoft AG with its headquarters at Honauerstrasse 4, 4020 Linz, Austria is the Group Parent Company.

Company shares have been quoted in the Prime Standard of the Frankfurt Stock Exchange (WKN (D) 922985).

The reporting period for the consolidated financial statements is from 1 April 2024 to 31 March 2025.

2. Accounting policies

2.1. Basis of preparation

The consolidated financial statements were drawn up according to the International Financial Reporting Standards (IFRS) and the interpretation of the IFRS interpretation committee as adopted by the European Union (EU), and the company law regulations of Section 245a of the Austrian Commercial Code.

The consolidated financial statements are prepared in thousands of Euros (kEUR), as are entries in the notes.

2.1.1. New and amended standards used for the first time in the fiscal year

When drawing up the consolidated financial statements the following changes to the IAS, IFRS or interpretations and the newly published standards and interpretations were observed, in as far as these had been published in the Official Journal of the European Union and had become effective by 31 March 2025:

Standard	Contents	To be applied to new fiscal years as of
IAS 1	Classification of liabilities as current or non-current (Amendments to IAS 1)	January 2024
IAS 1	Non-current liabilities with covenants (Amendments to IAS 1)	January 2024
IFRS 16	Lease liabilities in sale and leaseback transactions	January 2024
IAS 7 and IFRS 7	Disclosure on supplier finance arrangements (Supplier Finance Arrangements)	January 2024

As far as these are individually applicable, the regulations indicated have been implemented in these consolidated financial statements.

Further amendments to the standards from 1 April 2024 have no significant impacts on the assets, liabilities, financial position and profit or loss of the Group.

2.1.2. Standards, interpretations and amendments to standards published which are not yet mandatory and have not been used earlier by the Group

The following standards and interpretations were adopted or amended by 31 March 2025, but their applications had, however, not become mandatory for the 2024/2025 fiscal year:

Standard	Content	Not adopted and to be applied to new fiscal years as of
IAS 21	Lack of currency convertibility	January 2025
IFRS 9 and IFRS 7	Changes to classification and measurement of financial instruments	January 2026
IFRS 9 and IFRS 7	Contracts that refer to electricity linked to natural conditions	January 2026
Various	Annual improvements to IFRS 2021-2023	January 2026
IFRS 18	Presentation and disclosure of information in the financial statements	January 2027
IFRS 19	Subsidiaries without public accountability: disclosures	January 2027

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and will result in adjustments to IAS 7 Statement of Cash Flows and IAS 8 Accounting Policies. The redesign of the primary financial statements and new disclosures in the notes are intended to provide more consistent information and increase the comparability of company results.

To this end, a largely uniform structure is specified for the income statement and regulates which expenses and income are to be allocated to operating activities, investing activities and financing activities in the future.

In the cash flow statement, the disclosure options for dividends and interest received and paid are eliminated, and the operating result is defined as the starting point for applying the indirect method.

Specific disclosures are required for the presentation of company-specific performance measures (known as management-defined performance measures). Furthermore, more detailed rules and guidelines are established on how aggregated and disaggregated information is to be presented in the financial statements.

The application is mandatory retroactively for fiscal years beginning on or after January 1, 2027, an EU endorsement is currently still pending. Earlier application is permitted but is not currently planned for the consolidated financial statements of Fabasoft AG. IFRS 18 may have an impact on the presentation and structure of the consolidated statement of comprehensive income and the consolidated cash flow statement of the Fabasoft Group and may also require new or amended disclosures in the notes. The specific effects are currently being analysed.

From today's perspective there are no significant impacts to be expected on the assets, liabilities, financial position and profit or loss of the Group arising from the above listed new versions or amendments.

2.2. Consolidation

The annual financial statements of subsidiaries included in the consolidated financial statements were drawn up Group-wide on 31 March and in accordance with group-wide uniform accounting and valuation principles.

Subsidiaries are all companies controlled by the Group. The Group controls an associated company when it possesses power of disposition over the company and there exists a risk burden as a result of or entitlement to variable returns from its involvement in the associated company and the Group has the capability to use its power of disposition over the associated company in such a way that it influences the amount of variable returns of the associated company.

The consolidation of an associated company starts on the day on which the Group obtains control of the company. It ends when the Group loses control of the associated company.

The final consolidation of subsidiaries occurs on the day the control over the company comes to an end. The revenue and expenses are included in the consolidated statement of comprehensive income until the date the consolidation ends.

All subsidiaries of the Group appear fully consolidated in the consolidated financial statements.

2.2.1. Consolidation scope

The scope of consolidation is determined according to the principles of IFRS 10.

Non-Group shares owned by non-controlling shareholders are listed separately as part of equity.

As at the balance sheet date, 31 March 2025, the following companies in addition to Fabasoft AG, as the Parent Company, have been fully consolidated and are included in the consolidated financial statements:

Entity	Location of Headquarters	Type of business activity	Direct share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Fabasoft International Services GmbH	Linz/ Austria	Group professional services	100	
Fabasoft R&D GmbH	Linz/ Austria	Fabasoft Research & Development	100	
Fabasoft Austria GmbH	Linz/ Austria	Fabasoft eGov-business Austria	100	
Mindbreeze GmbH	Linz/ Austria	Information Insight products and marketing	85.5	14.5
Fabasoft Talents GmbH	Linz/ Austria	Mobile learning, MicroLearning, Personnel file products and marketing	100	
Fabasoft Approve GmbH	Linz/ Austria	Technical data and document management products and marketing	80	20
Fabasoft Contracts GmbH	Linz/ Austria	Contract management products and marketing	80	20
Fabasoft Oblivation GmbH	Linz/ Austria	Sustainability reporting products and marketing	51	49
Hon24 Immobilien GmbH	Linz/ Austria	Real estate rentals	100	
Fabasoft Deutschland GmbH	Frankfurt am Main/ Germany	Fabasoft eGov-business Germany	100	
Fabasoft Xpublisher GmbH	Munich/ Germany	Content Editing, Publishing products and marketing	60	40
Fabasoft 4teamwork AG	Bern/ Switzerland	Operative Fabasoft business Switzerland	70	30

Entity	Location of Headquarters	Type of business activity	Indirect share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Mindbreeze Corporation	Chicago/ USA	Operative Mindbreeze business USA	85.5	14.5
Fabasoft Xpublisher Inc.	Chicago/ USA	Operative Xpublisher business USA	60	40

The proportion of voting rights in the subsidiaries held directly by the Parent Company is not different from the proportion of shares held. There are neither joint ventures nor associates.

As at the balance sheet date, 31 March 2024, the following companies in addition to Fabasoft AG, as the Parent Company, have been fully consolidated and are included in the consolidated financial statements:

Entity	Location of Headquarters	Type of business activity	Direct share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Fabasoft International Services GmbH	Linz/ Austria	Group professional services	100	
Fabasoft R&D GmbH	Linz/ Austria	Fabasoft Research & Development	100	
Fabasoft Austria GmbH	Linz/ Austria	Fabasoft eGov-business Austria	100	
Mindbreeze GmbH	Linz/ Austria	Information Insight products and marketing	85.5	14.5
Fabasoft Talents GmbH*	Linz/ Austria	Mobile learning, MicroLearning, Personnel file products and marketing	100	
Fabasoft Approve GmbH	Linz/ Austria	Technical data and document management products and marketing	80	20
Fabasoft Contracts GmbH	Linz/ Austria	Contract management products and marketing	80	20
Fabasoft Oblivation GmbH	Linz/ Austria	Sustainability reporting products and marketing	51	49
Fabasoft Deutschland GmbH	Frankfurt am Main/ Germany	Fabasoft eGov-business Germany	100	
Fabasoft Xpublisher GmbH**	Munich/ Germany	Content Editing, Publishing products and marketing	60	40
Fabasoft 4teamwork AG	Bern/ Switzerland	Operative Fabasoft business Switzerland	70	30

* In the 2023/2024 fiscal year, Knowledge Fox GmbH was renamed Fabasoft Talents GmbH and its registered office was relocated to Honauerstrasse 4, 4020 Linz.

** In the 2023/2024 fiscal year, Xpublisher GmbH was renamed Fabasoft Xpublisher GmbH.

Entity	Location of Headquarters	Type of business activity	Indirect share of Fabasoft AG as a %	Non-controlling shareholder share as a %
Mindbreeze Corporation	Chicago/ USA	Operative Mindbreeze business USA	85.5	14.5
Mindbreeze InTend GmbH	Linz/ Austria	Bid management products and marketing	68.4	31.6
Fabasoft Xpublisher Inc.*	Chicago/ USA	Operative Xpublisher business USA	60	40

* In the 2023/2024 fiscal year, Xpublisher Inc. was renamed Fabasoft Xpublisher Inc.

The proportion of voting rights in the subsidiaries held directly by the Parent Company is not different from the proportion of shares held. There are neither joint ventures nor associates.

2.2.2. Changes to the scope of consolidation

On 11 September 2024, Fabasoft AG founded a 100 % subsidiary, Hon24 Immobilien GmbH, based in the political community of Linz.

The full consolidation of Hon24 Immobilien GmbH took place for the first time when the company was founded.

On 8 October 2024, Mindbreeze GmbH increased its holding in Mindbreeze InTend GmbH from 80 % (indirect share Fabasoft AG 68.4 %) to 100 %. The shares were acquired from the former management of Mindbreeze InTend GmbH. The merger of Mindbreeze InTend GmbH with Mindbreeze GmbH took effect upon entry in the commercial register on 31 December 2024.

2.2.3. Consolidation methods

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition corresponds with the fair value of the assets obtained, the issued equity instruments and the resultant or assumed debts at the transaction date (date of purchase). Costs attributed directly to the acquisition are not capitalized but are instead recognized in the consolidated income statement under other operating expenses. Assets, liabilities and contingent liabilities identified in the course of a business consolidation are valued at their fair value at the time of acquisition in the first time consolidation, independently of the shares held by non-controlling shareholders.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of comprehensive income as other income.

All accounts receivable and payable, expenditure and earnings resulting from offsetting between the entities in the consolidation scope are eliminated. Interim results from intercompany trade and services are also consolidated.

The accounting and valuation principles of subsidiaries were amended where necessary to ensure standard, Groupwide accounting.

Transactions with non-controlling interests without loss of control are treated as transactions with Group equity holders. Any difference arising from the acquisition of a non-controlling interest between the paid service and the respective share of the book value of the net assets of the subsidiary is included in equity. Profits and losses arising from the sale of non-controlling shares are likewise recorded in equity.

The Group decides on an individual basis in the case of any company acquisition whether the non-controlling interests in the company acquired are recognized at the fair value or using the proportional share of net assets of the company acquired.

2.2.4. Currency translation

The functional and reporting currency of Fabasoft AG is the Euro. The annual financial statements of subsidiaries in foreign currency were converted using the respective mean rate. Whereby the exchange rates at the balance sheet date were applied for assets and liabilities, historical exchange rates for equity and for the items of the consolidated statement of comprehensive income the average exchange rates for the fiscal year were used. Differences between these foreign currency translations are recorded in equity as part of the other result. Conversion differences in receivable and payable monetary amounts from/to a foreign business that are neither planned nor likely to be fulfilled and are therefore part of the net investments in the foreign business, are initially recorded in the other result and then transferred from equity to profit and loss in the event of a sale.

Exchange rate differences from converting transactions and monetary assets and liabilities into foreign currencies are taken into account using the exchange rates valid at the time of the transaction or valuation.

Non-monetary items, which are valued at historical acquisition or production costs in a foreign currency, are converted using the exchange rate on the day of the transaction.

The following exchange rates were applied for the foreign currency translation:

Standard	Exchange rate as at 31 March	Average rate throughout the fiscal year
Swiss Francs		
2024/2025	0.9540 CHF	0.95285 CHF
2023/2024	0.9760 CHF	0.96315 CHF
US Dollars		
2024/2025	1.0806 USD	1.07324 USD
2023/2024	1.0774 USD	1.08428 USD

2.3. Property, plant and equipment and intangible assets

Property, plant and equipment and purchased intangible assets are valued at cost, less scheduled depreciation and amortization and impairment where applicable. Depreciation is linear based on the expected useful life.

Scheduled depreciation and amortization (without right-of-use assets from leases) are assessed based on the following Group-wide useful economic lifetimes:

Intangible assets	2 to 10 years
Structural investments in third party buildings	5 to 10 years
Office furniture and equipment	2 to 15 years
Building	37 years

The Fabasoft Group holds no assets with indefinite useful lives with the exception of goodwill and land.

In the case of a disposal or another type of deconsolidation, the purchase/production costs and the corresponding accumulated depreciation relating to the assets are derecognized from the balance sheet. Any profits or losses created as a result are included in the result of the year.

2.4. Impairment of specific non-current assets

Property, plant and equipment and intangible assets are monitored to ascertain whether changing circumstances and events indicate that the current net book value is not recoverable. In the case of goodwill, a relevant test is conducted annually or if there are indications of a need for impairment. Impairments will be devalued by the amount to which the net book value exceeds the recoverable amount of the asset. The recoverable amount corresponds to the fair value less the cost of disposal and the value in use of an asset. For the purpose of calculating impairments, assets are grouped to the lowest level where separate cash inflows are feasible (cash-generating units). Non-monetary assets for which impairment was reported in the past are examined on each balance sheet date, in order to establish if a reversal is to be recognized. Reversals for goodwill are prohibited.

2.5. Research and Development

An intangible asset arising from development shall be recognized only if all of the following can be demonstrated:

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- b) The intention to complete the intangible asset and use or sell it.
- c) The ability to use or sell the intangible asset.
- d) How the intangible asset will generate probable future economic benefits. Among other things, the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset can be demonstrated.
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research and development expenditure is recorded as an expense (see section 9.2).

2.6. Leases

Leases are entered into by Fabasoft as the lessee. The Group assesses at the beginning of the contract whether this constitutes or contains a lease. Furthermore, a distinction is made between leasing and non-leasing components, whereby the lease payments are allocated to the two components on the basis of their relative stand-alone selling prices. Non-lease components are recognized as expenses. If a lease exists in accordance with IFRS 16, a right-of-use asset is recognized at cost on the asset side, which corresponds to the lease liability adjusted for payments made on or before the commencement date and any initial direct costs, and a lease liability is recognized on the liability side at the present value of the lease payments not yet made, discounted at the incremental borrowing rate.

In the case of short-term leases and leases where the underlying asset has a low value (< KEUR 5), the Group exercised its right not to recognize an asset and a corresponding liability in compliance with IFRS 16.5. Leased assets for which the right in accordance with IFRS 16.5 was exercised are not material.

The right-of-use assets are amortized on a straight-line basis over the term of the lease. This is recognized on the basis of the non-cancellable lease term and any estimates of extensions. Extension options are recognized in the term if Fabasoft is reasonably certain to exercise an extension option of the lease. This estimate is reviewed if either events beyond Fabasoft's control or significant changes in circumstances occur that make it necessary to change the term. The term of a lease is adjusted if an extension option is exercised that was not taken into account in the original estimation. Lease liabilities are measured at their carrying amount using the effective interest method.

2.7. Other non-financial assets

Pursuant to IFRS 15, non-financial assets refer as an asset to capitalized expenses connected with the initiation or acquisition of a contract with a customer (contract acquisition costs). The contract acquisition costs refer to employee benefits expenses and are recognized at the time of the conclusion of the contract. They must be subjected to regular amortization via employee benefits expenses in dependence on how the term of the services to which the contract acquisition costs relate.

2.8. Other financial assets

Other financial assets relate to investment certificates, which are classified pursuant to IFRS 9. Other financial assets are valued subsequent to initial recognition at fair value on the respective reporting date. Fluctuations in the fair value are recognized in profit and loss.

2.9. Trade and other receivables

Trade receivables are recognized at the transaction price pursuant to IFRS 15 and accounted for at amortized cost using the effective interest method less necessary allowances. Other receivables are recognized at amortized cost less any necessary impairments.

Where impairment is concerned IFRS 9 has an impairment model based on expected losses (expected credit loss model). A considerable part of the consolidated sales and receivables derives from business with customers from the public sector. For this reason, the Group has had a very low level of defaults on receivables and impairment in the past. The same is also expected for the future in the case of existing receivables. There were no defaults on receivables in the public sector in the last five fiscal years. Likewise defaults on receivables in the private sector have always been very low. On 31 March 2025 there was an impairment of only kEUR 1 (see section 5.2.1).

Historical data on actually incurred defaults are first used to determine the default rate. However, the Group also takes future-related information and expectations into account for the determination of the default rates in addition to the historical perspective. Based on the analysis carried out with regard to the customer structure and the credit rating of the customers as well as defaults observed in the past, there are no significant impacts on the amount of risk provision calculated according to the expected credit loss model. Receivables in foreign currencies are valued at the market price valid on the balance sheet date of 31 March.

2.10. Contract asset

The revenue for service contracts is realized over time in compliance with IFRS 15. In accordance with IFRS 15.35c revenues are to be recognized over time if the performance does not create an asset with an alternative use and there is an enforceable right to payment.

Profits from a service contract (based on fixed-price projects) will be entered in the balance sheet according to the degree of completion as soon as they can be valued reliably. The determination of the degree of completion is based on the ratio of contract costs incurred prior to the balance sheet date to the total contract costs estimated on the balance sheet date. Losses are entered in their entirety in the balance sheet at the earliest possible point after detection.

Insofar as an asset is created from a service contract (based on fixed-price projects), disclosure is made as trade receivables, insofar an unconditional right to payment arises. The disclosure is made under the item "contract assets" if the group performs its contractual obligations and recognized revenue for it before the customer pays or payment is due. Pursuant to IFRS 15, receivables from service contracts constitute contract assets.

Insofar as a liability arises from a customer contract (based on fixed-price projects), disclosure is made under "contract liabilities". Such a liability arises if the customer has made a payment or a receivable from the customer falls due before the Group has fulfilled a contractual performance obligation and thus recognized revenue. Contract liabilities within a customer contract must be offset against contract assets.

2.11. Cash and cash equivalents

Cash and cash equivalents are valued at the market value. Credit at financial institutions in foreign currencies is valued at the market price valid on the balance sheet date of 31 March.

2.12. Employee benefits

2.12.1. Provisions for severance payments

The provision for severance payments for employees corresponds to the present value of the performance-related commitment (defined benefit obligation, DBO) as at the balance sheet date. The DBO is calculated yearly by an independent expert actuary using the projected unit credit method. Actuarial profits or losses are recorded in accordance with IAS 19 under other result.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating primarily to the terms of the related provisions for severance payments.

Statutory requirements call for each employee of an Austrian group company, who joined the company before 1 January 2003, to receive a one-time severance payment upon dismissal by the employer or at the time of retirement. The amount depends on the number of years' service and the applicable rate of compensation at the time the action arises.

The company has potential direct obligations to employees who joined the company up to and including 2002, for which provisions were created and measured in accordance with IAS 19.

As a result of legal regulations, a monthly contribution of 1.53% of the employee's gross salary is paid into a provision fund for employees of Austrian Group companies who joined the company after 31 December 2002.

Consequently, the employee acquires a title against the provision fund and not against the company.

The provision for severance payments was calculated for part of the Managing Board of Fabasoft AG according to the Managing Board contracts.

2.12.2. Pension obligations

The pension obligation was calculated for part of the Managing Board of Fabasoft AG in 2024/2025 fiscal year based on the contractual pension approvals. The pension approvals for part of the Managing Board of Fabasoft AG are financed by fixed payments to pension reinsurance agreements. The amount of the cover assets is based on regularly obtained confirmations from insurance companies.

In the 2014/2015 fiscal year, pension approvals were amended to the effect that the respective claim of the person entitled to the benefit applies only to the extent of the cover asset on the respective balance sheet date of the existing pension reinsurance agreements. As a consequence, the commitment is set to the amount of the cover asset. The commitment and cover asset (plan assets) are offset on the balance sheet based on the congruency, pledging and the insolvency-proof nature of the asset. There are no portions of the provisions for pensions that are not covered by reinsurances.

2.13. Trade and other payables

Trade and other payables are specified at the beginning at fair value and are entered in the balance sheet at amortized cost using the effective interest method.

Financial liabilities are initially recognized at fair value less directly attributable transactions costs. They are subsequently measured at amortized cost using the effective interest method, unless they are held for trading or recognized at fair value with changes in value recognized in profit or loss for the period. The Group recognizes all original financial liabilities at amortized cost.

Payables in foreign currencies are valued at the market price valid on the balance sheet date of 31 March.

2.14. Sales revenue

Pursuant to IFRS 15 revenue must be recognized when a customer obtains control of a promised good or service and thus, has the ability to direct the use and obtain the benefits from the good or service.

The revenue from the sale of one-off licenses constitutes a right of use of the intellectual property and are recognized in compliance with IFRS 15 after control is transferred at a point in time. These sales are deemed realized when the product is sold to the project partner who has no right of return.

Revenue from usage fees and software update, as well as professional services (support and operations management, consulting and training activities) are recognized over time, as, in compliance with IFRS 15, the customer obtains the benefit of the service of the company during the provision of the service. Revenue from service contracts based on fixed-price projects is recognized based on the stage of completion of the contract. (see section 2.10).

Recurring revenue includes in particular software updates, usage fees for Mindbreeze InSpire, Fabasoft Solutions and recurring professional services (e.g. for support and operation management). Non-recurring revenue includes one-off licenses (software) and non-recurring professional services revenues (e.g. consulting services, service contracts based on fixed-price projects).

2.15. Accounting of government grants and investment grants

Government grants are only recorded if there is reasonable assurance that the company will fulfil the associated conditions and the grants will in fact be awarded. A grant as compensation for already incurred expenses is recorded, subject to the requirement of appropriate security, as income in the period in which the respective entitlement arises. These grants are recognized as other operating income. Accounting of investment grants is affected according to the gross method. This means the acquisition costs are not reduced directly but reported as separate liability item. Accounting is not carried out before the corresponding assets are capitalized. The liability item is dissolved in accordance with the useful life of the underlying investment and reported as other operating income.

2.16. Income taxes

Taxes on income are recorded according to cause and include current and deferred taxes. These are recognized in the annual result, except to the extent that they are associated with a business combination or items recognized in other comprehensive income for the period.

As of assessment year 2006 Fabasoft AG operates as leader of the Fabasoft tax group in accordance with Austrian tax law. The following subsidiaries are included as Group members in the assessment year 2025:

(1) Fabasoft International Services GmbH, (2) Fabasoft R&D GmbH, (3) Fabasoft Austria GmbH, (4) Mindbreeze GmbH, (5) Fabasoft Approve GmbH, (6) Fabasoft Talents GmbH, (7) Fabasoft Contracts GmbH, (8) Fabasoft Oblivation GmbH, (9) Hon24 Immobilien GmbH.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation of the amount is based on the tax rates and tax laws that apply or will soon apply on the reporting date in the countries in which the Group operates and generates taxable income.

Deferred income tax is calculated using the liability method on the basis of temporary differences between the fiscal values and the IFRS values of assets and liabilities according to each country-specific tax rate. Deferred income tax liabilities are declared under non-current liabilities, deferred income tax assets are declared under non-current assets.

Deferred income tax assets concerning tax loss carry forwards and deductible temporary differences are included in the balance sheet if it is likely that the company will have sufficient results to be taxed in the future.

Deferred income tax liabilities that occur through temporary differences in connection with interests in subsidiaries are determined unless the Group can specify the time of the reversal of the temporary differences and it is likely that the temporary differences will not reverse due to this influence in the foreseeable future.

Deferred income tax assets and liabilities are offset if there is an appropriate, enforceable legal claim regarding offsetting and if the deferred income tax assets and liabilities concern income tax which is levied by the same revenue authority for either the same tax subject or different tax subjects that intend to bring about the adjustment on a net basis.

2.17. Scope of discretion and estimates

The preparation of the consolidated financial statements in accordance with the generally accepted accounting and valuation methods requires the use of estimates and assumptions that affect the extent and the disclosure of the reported assets and liabilities on the balance sheet date and the income and expenses recorded in the reporting period. Although these estimates are calculated to the best knowledge based on current transactions, actual values may deviate from these estimates.

The following lists the critical discretionary parameters:

Service contracts

Profits from a service contract (based on fixed-price projects) will be entered in the balance sheet using the percentage of completion method as soon as they can be valued reliably.

Estimated figures refer to the final profits and the determination of the degree of completion on the balance sheet date.

To determine the percentage of completion, the Group calculates the proportion of contract costs already incurred in relation to the total contract costs. The total contract costs, which form the basis for the percentage of completion, are subject to a certain degree of estimation uncertainty. If the degree of completion was set 10 percentage points higher or lower, this would result in an increase in sales revenue/contract assets of kEUR 1,078 or a reduction in sales revenue/contract assets of kEUR -1,284.

Provisions for severance payments

Statutory requirements call for each employee of an Austrian group company, who joined the company before 1 January 2003, to receive a one-time severance payment upon dismissal by the employer or at the time of retirement. The amount depends on the number of years of service and the applicable rate of compensation at the time the action arises.

The company has potential direct obligations to employees who joined the company up to and including 2002, for which provisions were created and measured in accordance with IAS 19.

Obligations for the provision for severance payments for part of the Managing Board of Fabasoft AG are included in the Managing Board contracts.

If the calculations were based on an interest rate of 2.88 % (instead of 3.29 %) the expense for severance payments (incl. other result) in the 2024/2025 fiscal year would be kEUR 186 higher and the provision for severance payments would be kEUR 3,284 (instead of kEUR 3,098). With an interest rate of 4.21 % the expense for severance payments (incl. other result) in the 2024/2025 fiscal year would be kEUR 169 lower and the provision for severance payments would thus be kEUR 2,929 (instead of kEUR 3,098).

If the calculations were based on an increase in remuneration of 3.78 % (instead of 4.28 %) the expense for severance payments (incl. other result) in the 2024/2025 fiscal year would be kEUR 101 lower and the provision for severance payments amount to kEUR 2,997 (instead of kEUR 3,098). In the case of an increase in remuneration of 4.78 % the expense for severance payments (incl. other result) in the 2024/2025 fiscal year would be kEUR 106 higher and the provision for severance payments amount to kEUR 3,204 (instead of kEUR 3,098).

The comparative figures for the previous year are shown below:

If the calculations were based on an interest rate of 2.38 % (instead of 3.30 %) the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 200 higher and the provision for severance payments would be kEUR 3,243 (instead of kEUR 3,043). With an interest rate of 4.22 % the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 182 lower and the provision for severance payments would thus be kEUR 2,861 (instead of kEUR 3,043).

If the calculations were based on an increase in remuneration of 3.74 % (instead of 4.24 %) the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 87 lower and the provision for severance payments amount to kEUR 2,956 (instead of kEUR 3,043). In the case of an increase in remuneration of 4.74 % the expense for severance payments (incl. other result) in the 2023/2024 fiscal year would be kEUR 92 higher and the provision for severance payments amount to kEUR 3,135 (instead of kEUR 3,043).

Goodwill

As presented in section 2.4, an annual impairment test is conducted for the recognized goodwill. This test must be based on assumptions such as future cashflows or discount rates. These assumptions and estimates are based on experience and other considerations that the Management Board or management deem appropriate. However, the amounts actually realized may differ from the assumptions and estimates made if the conditions expected on the balance sheet date develop differently than assumed. The relevant sensitivities are listed in section 5.1.2.

Deferred income tax assets

Deferred income tax assets are recognized for all unused tax loss carry forwards to the extent that it is probable that taxable income will be available against which the losses carried forward can actually be utilized. The estimation of the expected time and amount of the future taxable income and the future tax planning strategy play a decisive role in the calculation of the amount of the deferred income tax assets claims eligible for capitalization. If, based on this forecast, an existing loss carry forward is not expected to be utilized within an appropriate period of five years, this loss carry forward is not capitalized.

Accounting of leases

IFRS 16 requires estimates that influence the valuation of lease liabilities and usage rights. These include, among others, the determination of contracts that fall under IFRS 16, the lease terms of lease agreements and the incremental borrowing rate used for the discounting of future payment obligations. The incremental borrowing rate is derived from the risk-free rate of the underlying term, adjusted to the country, currency and corporate risk.

Climate-related aspects and macroeconomic factors

Climate-related aspects and macroeconomic factors increase the uncertainty of estimates and assumptions in several items in the consolidated financial statements. The following discretionary decisions and estimates were considered when preparing the consolidated financial statements:

Useful life of property, plant and equipment

An evaluation is made of the appropriate estimate of the useful life in relation to climate-related laws and regulations. No adjustments are currently considered necessary for the Fabasoft Group's property, plant and equipment.

Value retention of goodwill

The budget for the annual impairment test of goodwill is based on the sustainable strategy of the Fabasoft Group. Macroeconomic uncertainty is also reflected in the sensitivity analysis. Furthermore, climate-related and macroeconomic risks are evaluated on an ongoing basis to identify indicators for a need of impairment.

Financial instruments

Macroeconomic uncertainties, such as interest rate changes and inflation, have an impact on financial instruments. The appropriateness of the values used is evaluated on an ongoing basis.

Provisions and contingent obligations

The need for provisions and contingent obligations due to climate-related and macroeconomic uncertainties is evaluated on an ongoing basis.

With regard to climate-related aspects, management has not currently identified any significant risks for the Group's business model. The management therefore does not currently expect such risks to have any significant impact on the business model or on the presentation of the assets, liabilities, financial position and profit and loss.

3. Subsidiaries with material non-controlling interests

3.1. Mindbreeze

Mindbreeze GmbH has significant non-controlling interests in the amount of 14.5 %. Below is a summary of financial information before intragroup eliminations for the Mindbreeze GmbH and its subsidiary Mindbreeze Corporation drawn up in accordance with IFRS, as applicable in the EU.

Summarized balance sheet in kEUR	Mindbreeze	
	31/03/2025	31/03/2024
Current assets	11,169	12,688
Current liabilities	-8,306	-9,359
Current net assets	2,863	3,329
Non-current assets	2,174	2,051
Non-current liabilities	-469	-314
Non-current net assets	1,705	1,737
Total net assets	4,568	5,066
Thereof net assets allocated to non-controlling interests	662	735

Summarized income statement in kEUR	Mindbreeze	
	2024/2025	2023/2024
Sales revenue	16,625	17,106
Result before income taxes	3,302	4,003
Income taxes	-708	-913
Result for the year	2,594	3,090
Other result	3	-15
Total result	2,597	3,075
Thereof total result allocated to non-controlling interests	377	446

Summarised cash flow statement in kEUR	Mindbreeze	
	2024/2025	2023/2024
Cash generated from operations	5,212	6,172
Interest recieved	51	108
Interest paid	-10	-11
Income tax payments	-751	-1,042
Net cash generated from operating activities	4,503	5,227
Net cash used in investing activities	-1,386	-1,146
Net cash used in financing activities	-1,958	-5,842
Net increase in cash and cash equivalents	1,159	-1,761
Effect of exchange rates changes	-1	7
Changes in cash and cash equivalents	1,158	-1,754

3.2. Fabasoft 4teamwork AG

Fabasoft 4teamwork AG has significant non-controlling interests in the amount of 30.0 %. Below is a summary of financial information before intragroup eliminations for Fabasoft 4teamwork AG, drawn up in accordance with IFRS, as applicable in the EU.

Summarized balance sheet in kEUR	Fabasoft 4teamwork AG	
	31/03/2025	31/03/2024
Current assets	6,851	5,887
Current liabilities	-3,354	-3,068
Current net assets	3,497	2,819
Non-current assets	700	970
Non-current liabilities	-167	-190
Non-current net assets	533	780
Total net assets	4,030	3,599
Thereof net assets allocated to non-controlling interests	1,209	1,080

Summarized income statement in kEUR	Fabasoft 4teamwork AG	
	2024/2025	2023/2024
Sales revenue	7,765	8,171
Result before income taxes	441	132
Income taxes	-93	-27
Result for the year	348	105
Other result	83	99
Total result	431	204
Thereof total result allocated to non-controlling interests	129	61

Summarised cash flow statement in kEUR	Fabasoft 4teamwork AG	
	2024/2025	2023/2024
Cash generated from operations	702	537
Interest recieved	5	2
Interest paid	-4	-8
Income tax payments	0	-42
Net cash generated from operating activities	703	489
Net cash used in investing activities	-4	-19
Net cash used in financing activities	-135	-156
Net increase in cash and cash equivalents	564	314
Effect of exchange rates changes	87	76
Changes in cash and cash equivalents	651	390

The remaining non-disclosed, non-controlling interests in relation to net assets amounting to kEUR 452 (previous year kEUR 823) for the most part concern Fabasoft Xpublisher GmbH with its subsidiary Fabasoft Xpublisher Inc., Fabasoft Approve GmbH, Fabasoft Contracts GmbH as well as Fabasoft Oblivation GmbH, which, however, do not constitute any significant share in the results of the Group results.

In the 2024/2025 fiscal year kEUR 700 (previous year kEUR 686) of the dividend distributions to non-controlling shareholders kEUR 450 (previous year kEUR 616) was distributed to the non-controlling shareholders of Mindbreeze GmbH.

There are no restrictions on the Group's ability to access or use assets and settle liabilities.

4. Financial Instruments

Financial instruments are agreements which lead to financial assets for one company and at the same time led to a financial liability or an equity instrument for the other company. According to IFRS 9, these instruments include original financial instruments such as trade receivables and payables or financing receivables and liabilities. Derivative financial instruments, which are applied for example as hedging to secure against risks from changes in exchange rates and interest rates, are also included. In the 2024/2025 fiscal year no derivative financial instruments were used.

Financial instruments to be measured at fair value are categorized in the following fair value hierarchy, on the basis of input factors used in the valuation techniques:

- Fair Value Level I: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Fair Value Level II: valuation techniques in which input factors are used that are observable either directly or indirectly on the market and that cannot be derived from Level I;
- Fair Value Level III: valuation techniques in which input factors are used that cannot be derived directly or indirectly from the market.

The following methods and assumptions were used to calculate the fair value for the respective financial instruments:

In view of daily and short-term maturities, the carrying value of cash and cash equivalents, short-term investments, current receivables and payables can be deemed as an appropriate approximation for fair value.

Other financial assets relate to securities (investment certificates) to the amount of kEUR 151 (31/03/2024: kEUR 145). The fair values of the securities are derived from the current market value.

As part of the acquisitions of Fabasoft 4teamwork AG, a miscellaneous receivable arose in the 2022/2023 fiscal year due to the valuation of the contingent purchase price at fair value. In subsequent years, the miscellaneous receivable was not recognized due to materiality considerations (< kEUR 1).

Part of the purchase price was paid into a trust account and will be paid to the seller in accordance with the specified performance indicators and defined integration steps. The valuations was carried out using the discounted cash flow method.

As of the reporting date of March 31, 2024, the specified performance indicators and defined integration steps had been achieved, so a further portion of the contingent purchase price amounting to kCHF 100 was paid out in the second quarter of 2024/2025.

In May 2025, it was agreed that the previous payment date for the remaining contingent purchase price would be extended from March 31, 2025 to March 31, 2026 with the specified performance indicators and defined integration steps remaining unchanged.

The amount recognized at fair value in other liabilities in the previous year is the earn-out component from the acquisitions of Fabasoft Xpublisher GmbH. The valuation was performed using the discounted cash flow method. The specified performance indicators were achieved in the 2023/2024 fiscal year, resulting in the payment of part of the earn-out component in the amount of kEUR 400 in the 2024/2025 fiscal year.

Due to changes in management's estimates, the earn-out obligation was revalued as of the reporting date. This resulted in the complete reversal of the provision in the amount of kEUR 830, as there will be no cash out-flow from the earn-out. The reversal is recognized as other operating income in the consolidated statement of comprehensive income.

The financial liabilities relate to a loan with a nominal amount of kEUR 12,000 and a term of 15 years, which was taken out in connection with the acquisition of the office building at Honauerstrasse 2 and 4, 4020 Linz on October 30, 2024. The financial liability is to be repaid in equal semi-annual installments. For the first five years, the interest rate is fixed at 3.77%, after which it will be converted to a variable interest rate based on the 6-month EURIBOR. There are no loan agreements (covenants) for this financing. The effective interest rate for this financial liability is 3.79% for the 2024/2025 fiscal year.

Based on the relevant balance sheet items, the following table shows the classification according to IFRS 9 and the values of the financial instruments.

The financial instruments on 31 March 2025 break down as follows:

Balance sheet item in kEUR	Category to IFRS 9	Book Value	Fair Value – Level I (through profit and loss)	Fair Value – Level III (through profit and loss)	Amortized costs	No financial instrument
Cash and cash equivalents	At amortized costs	34,283	0	0	34,283	0
Trade and other receivables*	At amortized costs	13,905	0	6	11,789	2,110
Other financial assets	At fair value through profit and loss	151	151	0	0	0
Other payables*	At fair value through profit and loss	4,503	0	0	0	4,503
Trade and other payables*	At amortized costs	12,919	0	0	3,538	9,381
Financial liability	At amortized costs	11,474	0	0	11,474	0

* The carrying amounts cannot be reconciled with the respective balance sheet items, as this list only applies to financial instruments.

The financial instruments on 31 March 2024 broke down as follows:

Balance sheet item in kEUR	Category to IFRS 9	Book Value	Fair Value – Level I (through profit and loss)	Fair Value – Level III (through profit and loss)	Amortized costs	No financial instrument
Cash and cash equivalents	At amortized costs	25,068	0	0	25,068	0
Trade and other receivables*	At amortized costs	16,532	0	7	14,541	1,984
Other financial assets	At fair value through profit and loss	145	145	0	0	0
Other payables*	At fair value through profit and loss	6,149	0	526	0	5,623
Trade and other payables*	At amortized costs	13,704	0	684	3,392	9,628

* The carrying amounts cannot be reconciled with the respective balance sheet items, as this list only applies to financial instruments.

Allowances for trade and other receivables are declared set off with trade and other receivables. Cumulative allowances amount to kEUR 1 (previous year kEUR 2). In the 2024/2025 fiscal year an impairment loss for financial assets amounting to kEUR 7 (previous year kEUR 1) was recorded under other operating expenses.

The following shows the net results from financial instruments:

in kEUR	2024/2025	2023/2024
Interest from loans	-233	0
Interest from receivables (cash and cash equivalents)	39	51
Interest from other financial assets	2	2
Foreign currency income/expenses from loans and receivables (cash and cash equivalents)	0	1
Interest from receivables (trade and other receivables)	7	-1
Interest from other liabilities	-21	-34
Total	-206	19

4.1. Primary financial instruments

The financial instruments reported in the balance sheet consist of securities, cash and cash equivalents, receivables, supplier credits and financial liabilities. Accounting policies apply to the primary financial instruments listed against the respective balance sheet items.

4.2. Credit risk

In respect of financial assets all the amounts specified likewise represent the maximum credit and non-payment risk as there are no general offsetting agreements. The receivables risk can be regarded as low due to the client structure and the desired financial scatter. The risk of non-payment for other primary financial instruments declared on the asset side is equally low, since the contractual parties are made up of financial institutions with an excellent credit rating.

The non-excludable risk regarding safety and impairment of assets at financial and insurance institutions and claims against these institutions is counteracted by the selection of institutions with a high credit rating and a broad scatter over various institutions.

4.3. Liquidity risk

Due to the extent of the existing cash and cash equivalents there is no significant liquidity risk. All the financial liabilities reported have short-term maturities, except for lease liabilities and financial liabilities.

Maturity structure of financial liabilities and leases liabilities on 31 March 2025:

in kEUR	Book value	Up to one year	1 to 5 years	More than 5 years
Financial liabilities	11,474	1,046	4,000	7,600
Trade and other payables	3,538	3,538	0	0
Lease liability (IFRS 16)	6,069	1,866	3,835	1,489

Maturity structure of financial liabilities and leases liabilities on 31 March 2024:

in kEUR	Book value	Up to one year	1 to 5 years	More than 5 years
Earn-out liability	1,210	700	600	0
Trade and other payables	3,392	3,392	0	0
Lease liability (IFRS 16)	7,604	2,468	6,001	371

4.4. Interest rate risk

Interest rate risk in terms of the fair value occurs in the case of other financial assets. As these can be converted into cash at short notice, the interest rate risk can be classified as insignificant. Similarly, the interest rate risk arising from the financial liability (loan) is not considered material, as a fixed interest rate has been agreed for the first five years and a variable interest rate based on the 6-month EURIBOR will apply after the first five years.

4.5. Exchange rate risk

In particular, currency risks arise where receivables, liabilities or credits at financial and insurance institutions exist in a currency other than the functional currency of the company. Cash and cash equivalents in foreign currencies are in Swiss Francs and US Dollars.

Cash and cash equivalents

in kEUR	31/03/2025	31/03/2024
Euro	29,375	20,213
US Dollars	713	1,331
Swiss Francs	4,195	3,524
Total	34,283	25,068

The following table shows the sensitivity of the Group result before tax (due to the foreign currency valuation of the cash and cash equivalents) compared to a basically possible exchange rate change judged to be fair and to currencies that are of major relevance to the Group and its effect on the valuation of credit at financial institutions. The development of the rate of the reporting currency Euro against the foreign currencies is taken as a basis.

in kEUR	Rate development 2024/2025	Effect on result before tax 2024/2025	Effect on result before tax 2023/2024
US Dollars	+10% (1.18866)	-65	-121
	-10% (0.97254)	79	148
Swiss Francs	+10% (1.04940)	-381	-320
	-10% (0.85860)	466	392

Trade receivables in foreign currencies

in kEUR	31/03/2025	31/03/2024
Euro	10,230	12,507
US Dollars*	864	985
Canadian Dollars	18	66
Swiss Francs*	546	748
Total	11,658	14,306

* Trade receivables in foreign currency are retained primarily in foreign subsidiaries with the relevant foreign currency as functional currency.

5. Notes to the consolidated balance sheet

5.1. Non-current assets

5.1.1. Property, plant and equipment

in kEUR	Land, buildings, and structural investments	Office furniture and equipment	Advance payments and assets under construction	Total
Cost or valuation				
As at 1 April 2023	19,533	24,643	288	44,464
Additions	6,845	5,880	1,886	14,611
Disposals	-469	-2,099	0	-2,568
Transfers	1,470	498	-1,968	0
Net exchange differences	20	43	0	63
As at 31 March 2024	27,399	28,965	206	56,570
As at 1 April 2024	27,399	28,965	206	56,570
Additions	18,705	3,513	249	22,467
Disposals	-7,041	-4,581	0	-11,622
Transfers	0	413	-413	0
Net exchange differences	8	8	0	16
As at 31 March 2025	39,071	28,318	42	67,431
Accumulated depreciation				
As at 1 April 2023	-10,427	-17,518	0	-27,945
Additions	-2,737	-4,171	0	-6,908
Disposals	423	1,825	0	2,248
Net exchange differences	-3	-34	0	-37
As at 31 March 2024	-12,744	-19,898	0	-32,642
As at 1 April 2024	-12,744	-19,898	0	-32,642
Additions	-2,839	-3,929	0	-6,768
Disposals	4,143	4,591	0	8,734
Net exchange differences	-2	-10	0	-12
As at 31 March 2025	-11,442	-19,246	0	-30,688
Book value				
As at 1 April 2023	9,106	7,125	288	16,519
As at 31 March 2024	14,655	9,067	206	23,928
As at 31 March 2025	27,629	9,072	42	36,743

The rights of use included in property, plant and equipment in accordance with IFRS 16 are as follows:

in kEUR	Buildings	Office furniture and equipment	Total
As at 1 April 2023	6,487	619	7,106
Additions	1,388	811	2,199
Depreciation charges	-1,671	-422	-2,093
Disposals	-46	-68	-114
Net exchange differences	15	2	17
As at 31 March 2024	6,173	942	7,115
As at 1 April 2024	6,173	942	7,115
Additions	2,788	620	3,408
Depreciation charges	-1,466	-514	-1,980
Disposals	-2,793	45	-2,748
Net exchange differences	4	0	4
As at 31 March 2025	4,706	1,093	5,799

No foreign capital interest for property, plant and equipment has been capitalized.

The leasing activities accounted for pursuant to IFRS 16 include leased buildings and leased vehicles.

Investment in property, plant and equipment mainly relate to the acquisition of the office building at Honauerstrasse 2 and 4, 4020 Linz on October 30, 2024. The property, which was previously leased by Fabasoft AG, was acquired from Hon24 Immobilien GmbH (a wholly owned subsidiary of Fabasoft AG) for a purchase price including incidental fees of kEUR 15,741. The acquisition of the office building by Fabasoft strengthens this location, where Fabasoft AG and some of its affiliated companies already had their headquarters.

Due to the acquisition of the previously leased office building at Honauerstrasse 2 and 4 at the end of October 2024, the previous lease arrangement with Fabasoft AG, which had an original term until December 31, 2028, was also terminated prematurely. At the time of acquisition of the property, the carrying amounts of the lease liability (kEUR 2,895) and right of use (kEUR 2,790) from this lease were therefore derecognized, and the difference in carrying amounts of kEUR 105 resulted in an adjustment to the acquisition cost of the property in the consolidated financial statements.

A portion of the purchase price amounting to kEUR 12,000 was financed by the Group through a bank loan (see also Note 4.).

In the consolidated cash flow statement, an adjustment item was recognized in cash flow from investing activities resulting from non-cash additions to non-current assets. These relate to investments for which no payments had been made as of the balance sheet date and amount to kEUR 68 in the 2024/2025 fiscal year (previous year: kEUR 122). The corresponding adjustment serves to present cash-generating investing activities.

5.1.2. Intangible assets

in kEUR	Goodwill	Internally developed software	Customer relationships and orderbacklog	Software licences and other rights	Total
Cost or valuation					
As at 1 April 2023	5,129	1,722	1,178	1,077	9,106
Additions	0	0	0	1,042	1,042
Disposals	-76	-364	-98	0	-538
Net exchange differences	45	21	19	0	85
As at 31 March 2024	5,098	1,379	1,099	2,119	9,695
As at 1 April 2024	5,098	1,379	1,099	2,119	9,695
Additions	0	0	0	399	399
Disposals	0	0	0	143	143
Net exchange differences	44	8	15	0	66
As at 31 March 2025	5,142	1,387	1,114	2,661	10,303
Accumulated depreciation					
As at 1 April 2023	0	-601	-255	-807	-1,663
Additions	0	-349	-234	-387	-970
Impairments	-335	0	0	0	-335
Disposals	0	109	21	0	130
Net exchange differences	1	-1	-2	2	0
As at 31 March 2024	-334	-842	-470	-1,192	-2,838
As at 1 April 2024	-334	-842	-470	-1,192	-2,838
Additions	0	-196	-104	-557	-857
Impairments	-2,220	0	0	0	-2,220
Disposals	0	0	0	-143	-143
Net exchange differences	-2	-2	-6	0	-10
As at 31 March 2025	-2,556	-1,040	-580	-1,892	-6,068
Book value					
As at 1 April 2023	5,129	1,121	923	270	7,443
As at 31 March 2024	4,764	537	629	927	6,857
As at 31 March 2025	2,586	346	534	769	4,235

No internally generated intangible assets were capitalized in the 2024/2025 fiscal year except for first time consolidations (previous year kEUR 0). The reported internally generated intangible assets exclusively comprise internally generated software from past purchase price allocations.

The position "Customer relationships" results from the initial consolidation of Fabasoft Xpublisher GmbH in the 2019/2020 fiscal year, Fabasoft Talents GmbH in the 2021/2022 fiscal year and Fabasoft 4teamwork AG in the 2022/2023 fiscal year.

Goodwill from the acquisition of Fabasoft Xpublisher GmbH amounting to kEUR 605 (previous year kEUR 2,825), from the acquisition of Fabasoft Talents GmbH amounting to kEUR 111 (previous year kEUR 111) and from the acquisition of Fabasoft 4teamwork AG amounting to kEUR 1,870 (previous year kEUR 1,828) is included in the intangible assets.

These goodwills are allocated to the cash-generating unit (CGU) "Fabasoft Xpublisher GmbH", to the cash-generating unit (CGU) "Fabasoft Talents GmbH" and to the cash-generating unit (CGU) "Fabasoft 4teamwork AG" and are usually tested for impairment annually in the fourth quarter. A triggering event analysis is also performed for each reporting period. In addition, a triggering event analysis is performed on each reporting date. For this purpose, the recoverable amount of the CGU is determined by calculating its value in use. This is done using the discounted cash flow method with a five-year detailed planning phase and subsequent perpetuity.

The discount rate used (WACC) for the "Fabasoft Xpublisher GmbH" is 9.14 % after taxes (previous year 7.96 %) or 12.20 % before taxes (previous year 10.28 %), the growth rate of the perpetuity was assumed to be 1 % (previous year 2 %). The discount rate used (WACC) for the CGU "Fabasoft Talents GmbH" is 14.47 % after taxes (previous year 17.75 %) or 19.12 % before taxes (previous year 21.25 %), the growth rate of the perpetuity was assumed to be 1 % (previous year 2 %). For the CGU "Fabasoft 4teamwork AG" the discount rate used (WACC) is 8.33 % after taxes (previous year 10.49 %) or 10.00 % before taxes (previous year 12.56 %), the growth rate of the perpetuity was assumed to be 1 % (previous year 2 %).

The detailed planning phase of five years is based on the budget approved by the Managing Board and the Supervisory Board and on medium-term planning for the following four years, which is based on management's estimates. These management estimates are based among other things, on historical and empirical values. Subsequently, based on the assumptions made in the previous year with a perpetual annuity that takes into account a sustainable and long-term growth rate. The estimated value used for this is half the inflation rate for the coming years as expected by an international economic institute, which tends to offset general inflation.

In the detailed planning phase, an average annual growth rate between 9.98 % and 13.69 % (previous year: 11.70 % and 12.05 %) is expected for revenue in all CGUs. The EBIT planning, which forms the basis for the expected cash flows, is based on an expected improvement in the EBIT margin, driven by changes in the product mix and cost savings. The EBIT of the CGUs is also currently still affected by relatively high investments in product development and in strengthening the market positions, which is why the Group EBIT margin will only be approached beyond the medium-term planning horizon. These internal assumptions are based on historical experience, current operating results and the company's assessment of future developments. In addition, industry-specific conditions and market trends are also taken into account in the assessment to ensure that the picture of future business development is as realistic as possible.

The discount rate used is based on a risk-free interest rate calculated on the basis of the Svensson method. This is adjusted by a risk premium that reflects the specific risk of the CGU and the heightened risk of an equity investment. This is based on external information that corresponds to the internal estimates of the management.

The impairment test for the CGU "Fabasoft Talents GmbH", which sells a software solution for efficient and transparent HR processes and a learning app for effective, verifiable and sustainable knowledge transfer, did not result in any impairment losses (previous year: impairment losses of kEUR 335). Similarly, the impairment test carried out on the CGU "Fabasoft 4teamwork AG", which sells a software solution for efficient business management for Swiss cantons, municipalities and administration-related organizations, did not result in any impairment losses either. The recoverable amount of both CGUs resulted in sufficient coverage of the carrying amounts.

The CGU "Fabasoft Xpublisher GmbH" offers the Xpublisher product, a cloud-based editorial and publishing system for digital and print media in all phases of the content lifecycle. In the fiscal year 2024/2025, the CGU achieved revenue growth, but this was lower than originally planned. The tense economic situation in the target markets led to noticeable restraint on the part of customers, which was reflected in longer sales cycles and low momentum in new businesses. In addition, there were delays in the project business. In response to these developments, strategic measures were initiated in the reporting period to strengthen the CGU in the long term. These include organizational adjustments and the targeted sharpening of the market positioning, combined with the further development of the software product. The changed conditions have been taken into account in the current planning and are reflected in reduced revenue growth and lower free cashflows. The recoverable amount of the CGU "Fabasoft Xpublisher GmbH" in the amount of kEUR 1,955 resulted in a value adjustment requirement for the CGU in the amount of kEUR 2,220, which reduced the existing goodwill of this CGU from kEUR 2,825 to kEUR 605. The value adjustment requirement is allocated to the Segment Germany.

The following sensitivity analyses indicate the impact of the value in use as at 31 March 2025:

		Change in value in use Fabasoft Xpublisher GmbH	Change in value in use Fabasoft Talents GmbH	Change in value in use Fabasoft 4teamwork AG
Change in the discount rate by	1 %	-283	-23	-1,769
	-1 %	366	26	2,335
Change in growth in perpetuity by	1 %	256	36	1,927
	-1 %	-200	-31	-1,464
Change in annual free cashflows by	10 %	195	57	1,351
	-10 %	-195	-57	-1,351

Due to the impairment of the CGU "Fabasoft Xpublisher GmbH" in the 2024/2025 fiscal year, the sensitivities indicated, which leads to a reduction in the value in use, would result in a further impairment requirement.

The sensitivities stated would not result in any impairment requirement for the CGU "Fabasoft Talents GmbH" and the CGU "Fabasoft 4teamwork AG".

The following sensitivity analyses indicate the impact of the value in use as at 31 March 2024:

		Change in value in use Fabasoft Xpublisher GmbH	Change in value in use Fabasoft Talents GmbH	Change in value in use Fabasoft 4teamwork AG
Change in the discount rate by	1 %	-2,310	-35	-572
	-1 %	3,244	40	726
Change in growth in perpetuity by	1 %	2,792	25	627
	-1 %	-1,989	-22	-495
Change in annual free cashflows by	10 %	1,434	47	525
	-10 %	-1,434	-47	-525

Based on the sensitivities indicated, only Fabasoft Talents would require further value adjustments.

5.1.3. Other financial assets

in kEUR	2024/2025	2023/2024
Start of fiscal year	145	153
Additions	6	0
Reclassification to current receivables	0	-7
Fair value changes	0	-1
End of fiscal year	151	145

Other financial assets largely consist in their entirety of investment certificates. These are classified as long-term securities as there is no intention of selling them within the next twelve months.

5.1.4. Other non-financial assets

The contract acquisition costs recognized under other non-financial assets in compliance with IFRS 15 developed as follows:

in kEUR	2024/2025	2023/2024
Start of fiscal year	376	413
Dissolution	-217	-310
Allocation	0	273
End of fiscal year	159	376

5.1.5. Deferred income taxes

Deferred income taxes as at 31 March 2025 is calculated as follows:

in kEUR	01/04/2024		Changes of statement of comprehensive income	31/03/2025	
	Deferred income tax assets	Deferred income tax liabilities		Deferred income tax assets	Deferred income tax liabilities
Provisions for non-current employee obligations	437	0	21*	458	0
Fixed assets	0	-610	-138	0	-748
Fair values valuation of the securities	1	0	-1	0	0
Contract assets		-1,018	-223	0	-1,241
Contract acquisition cost		-86	49	0	-37
Loss carryforwards	1,040	0	49	1,090	0
Other provisions	2	0	15	17	0
Vacation provisions	83	0	12	95	0
Anniversary bonus provision	0	0	158	158	0
IFRS 16	88	0	-48	40	0
Deferred income	9	0	-8	1	0
Unrealized FX gains/losses	0	-25	-12	0	-37
Contracts liabilities	0	-7	7	0	0
	1,660	-1,746	-119	1,859	-2,063
Netting	-838	838	0	-904	904
Total deferred income taxes	822	-908	-119	955	-1,159

* Thereof kEUR 7 were reported as part of other result and offset with the revaluation effects from severance payments.

Deferred income tax receivables for loss carryforwards on 31 March 2024 are as follows:

in kEUR	01/04/2023		First time applica- tion IAS 12.22 S	Changes of state- ment of compre- hensive income	31/03/2024	
	Deferred income tax assets	Deferred income tax liabilities			Deferred income tax assets	Deferred income tax liabilities
Provisions for non-current employee obligations	439	0	0	-2*	437	0
Fixed assets	0	-815	0	205	0	-610
Fair values valuation of the securities	1	0	0	0	1	0
Contract assets	0	-679	0	-339	0	-1,018
Contract acquisition cost	0	-98	0	12	0	-86
Loss carryforwards	980	0	0	60	1,040	0
Other provisions	3	0	0	-1	2	0
Vacation provisions	0	0	0	83	83	0
IFRS 16	0	0	61	27	88	0
Deferred income	9	0	0	0	9	0
Unrealized FX gains/losses	0	0	0	-25	0	-25
Contracts liabilities	0	-16	0	9	0	-7
	1,432	-1,608			1,660	-1,746
Netting	-942	942			-838	838
Total deferred income taxes	490	-666	61	29	822	-908

* Thereof kEUR 23 were reported as part of other result and offset with the revaluation effects from severance payments.

Deferred income tax receivables for loss carry forwards on March 2025 are as follows:

in kEUR	Existing loss carryforwards	Tax rate	Assessed deferred income taxes	Non-assessed deferred income taxes
Mindbreeze Corporation	175	30%	53	0
Fabasoft Xpublisher GmbH	1,910	31%	601	0
Fabasoft 4teamwork AG	551	21%	116	0
Fabasoft Xpublisher Inc.	162	21%	0	34
Fabasoft Talents GmbH	1,073	23%	247	0
Fabasoft Contracts GmbH	313	23%	72	0

Deferred income tax receivables for loss carryforwards on 31 March 2024 were as follows:

in kEUR	Existing loss carryforwards	Tax rate	Assessed deferred income taxes	Non-assessed deferred income taxes
Mindbreeze Corporation	265	27%	72	0
Fabasoft Xpublisher GmbH	1,698	31%	534	0
Fabasoft 4teamwork AG	762	21%	160	0
Fabasoft Xpublisher Inc.	152	20%	0	30
Fabasoft Talents GmbH	1,098	23%	252	0
Fabasoft Contracts GmbH	94	23%	22	0

The loss carryforwards in Mindbreeze Corporation arose in particular due to the tax-related immediate amortization of additions of property, plant and equipment. The reported loss carryforwards of Mindbreeze Corporation exist both nationwide with an effective tax rate of 21% as well as on the level of a US state with an effective tax rate of 9.18%. The resulting combined tax rate is 25%. The reported loss carryforwards of Fabasoft Xpublisher Inc. exist both nationwide with an effective tax rate of 21% as well as on the level of a US state with an effective tax rate of 0.37%. The resulting combined tax rate is 21%.

Realization of deferred tax assets:

in kEUR	31/03/2025	31/03/2024
Deferred income tax assets that are expected to be realised after more than 12 months	543	1,336
Deferred income tax assets that are expected to be realised within 12 months	1,316	324
	1,859	1,660

Realisation of deferred income tax liabilities:

in kEUR	31/03/2025	31/03/2024
Deferred income tax liabilities that are expected to be realised after more than 12 months	-1,699	-615
Deferred income tax liabilities that are expected to be realised within 12 months	-364	-1,131
	-2,063	-1,746

In compliance with IAS 12.39 no deferred tax liabilities were recognized for temporary differences in connection with investment in affiliated companies (kEUR 4,019, previous year kEUR 3,740), because the incurred profits in the subsidiaries are indefinitely invested or are not subject to taxation if sold.

5.2. Current assets

5.2.1. Trade and other receivables

in kEUR	31/03/2025	31/03/2024
Trade receivables	11,658	14,306
Other receivables	444	459
thereof input tax reimbursement	40	51
thereof receivables from tax office	205	90
thereof deposits	108	94
thereof social security	0	76
thereof other receivables	91	148
Accrued costs	1,803	1,767
Total	13,905	16,532
thereof financial receivables	11,795	14,548
thereof non-financial receivables	2,110	1,984

Trade receivables are generally recognized with a term of payment of 30 days. With some individual customers special due dates are agreed which are also categorized short-term. There is no variable offset.

Accrued costs prior to the balance sheet date are declared prepaid expenses if they represent expenses for a specific period after that date.

Maturity structure of trade receivables:

in kEUR	31/03/2025	31/03/2024
Not yet mature	7,854	8,693
Overdue and depreciated (individual)	0	2
Overdue but not depreciated	3,804	5,611
Between 1 and 60 days	2,906	3,999
Between 61 and 90 days	517	295
Between 91 and 180 days	281	675
More than 180 days	100	642

The book values of trade receivables correspond closely to the fair value. Allowances amounting to kEUR 1 (previous year kEUR 2) – see section 2.9 – were formed. There is no further need for value adjustment, in particular due to the branch sector of overdue receivables, payments received after the balance sheet date and a detailed analysis of the overdue analysis of the overdue receivables.

5.2.2. Cash and cash equivalents

in kEUR	31/03/2025	31/03/2024
Cash in hand	4	4
Credit at financial institutions	34,279	25,064
Total	34,283	25,068

5.3. Equity

As of 31 March 2025, the company's share capital was kEUR 11,000 (31/03/2024: kEUR 11,000). It is comprised of 11,000,000 individual shares (31/03/2024: 11,000,000) at a nominal value of EUR 1.00 per share.

The Group considers components to be equity that must be recognised as such in accordance with IFRS. Equity management focusses on being in a position to maintain the companies operated within the Group as going concerns in a secured and independent manner, on assuring the progress of the topic of growth that is critical for the corporate Group with the aid of the equity base and on investing or expanding investment of utilizable equity in future-proof company participations based on responsible entrepreneurial action and thinking.

Consistent with others in the industry, the Group monitors capital on the basis of the equity ratio. The aim is to achieve a stable equity ratio in order to enable any investments and to maintain the Group's general resilience. This ratio is calculated as equity divided by total capital. The equity ratio of the Fabasoft Group on the balance sheet date is 39% (40% on 31 March 2024).

The following resolutions, among others, were made at the Fabasoft AG Annual General Meeting on 2 July 2024:

A dividend of EUR 0.10 per dividend-bearing share was paid out for the 2023/2024 fiscal year.

The Managing Board is authorized for the period of 30 months to acquire its own shares pursuant to Section 65 (1) (4) of the Austrian Stock Corporation Act (Aktiengesetz, AktG) for the purpose of issuing them to employees, company executives and members of the Managing Board of the company or an affiliated company respectively to Section 65 (1) (8) of the AktG and up to a maximum holding of 10% of the total share capital of the company. The equivalent value permissible at repurchase must not exceed 10% above and must not be 20% at the least below the average price at the close of Xetra trading on the Deutsche Börse AG of the last five stock exchange trading days prior to the fixing of the purchase price.

The Managing Board of Fabasoft AG proposes for the fiscal year from 1 April 2024 to 31 March 2025, that a dividend of EUR 0,10 will be disbursed per dividend-bearing no-par value share.

5.3.1. Reserves

The capital reserve amounting to kEUR 19,555 (31/03/2024: kEUR 19,555) affects premiums to the amount of kEUR 17,173 (31/03/2024: kEUR 17,173). The remainder results in an amount of kEUR 2,069 (31/03/2024: kEUR 2,069) from reorganizations and in an amount of kEUR 313 (31/03/2024: kEUR 313) from former options programs.

5.3.2. Treasury shares

The resolution of the Managing Board dated 13 August 2024, made after approval of the Supervisory Board, to make use of the authorization of the General Meeting on 2 July 2024 to purchase its own shares according to Section 65 (1) (4) and Section 65 (1) (8) of the AktG was made public on 14 August 2024 and can be viewed in detail on the investors section of www.fabasoft.com. Under this share buyback programme, shares in the company were to be acquired up to a maximum total volume excluding incidental acquisition costs of EUR 2 million.

The share buyback programme of Fabasoft AG started on 15 August 2024 and was completed on 10 December 2024. Since then, a total of 223,627 shares (2.03 % of the share capital) have been held as treasury shares, of which 125,409 shares were purchased in fiscal year 2024/2025. The costs this entailed for the company amounting to kEUR 4,024 are disclosed in a separate adjustment item in equity.

The share buyback was carried out under the management of a bank that made its decisions on the timing of the acquisition of the shares independently and without influence from the company. The acquisition was made via the stock exchange in compliance with the safe harbor provision in Article 5 of Regulation (EU) No. 596/2014, with the exception of the repurchase purpose. This is broader than provided for in Article 5 (2) of Regulation (EU) No. 596/2014. The equivalent value permissible at repurchase must not exceed 10 % above and must not be 20 % at the least below the average price at the close of Xetra trading on the Deutsche Börse AG of the last five stock exchange trading days prior to the fixing of the purchase price.

The acquired shares can be used for all purposes specified in the authorisation of the Annual General Meeting on 2 July 2024, in particular in accordance with Section 65 para. 1 no. 4 AktG for issue to employees, senior executives and members of the Executive Board of the company or an affiliated company and in accordance with Section 65 para. 1 no. 8 AktG up to a maximum of 10 % of the share capital. No treasury shares were sold in the reporting period.

5.4. Non-current liabilities

5.4.1. Provisions for severance payments

The following significant actuarial assumptions were made:

	2024/2025	2023/2024
Discount rate	3.29 %	3.30 %
Future salary increases	4.28 %	4.24 %
Fluctuation	0.99 %	1.08 %

The calculation of the provisions for severance payments for employees was affected according to actuarial principles based on the biometric guideline tables AVÖ 2018-P. The retirement age results from the minimum from the retirement age as stipulated in the ASVG (the Austrian General Social Security Act) and the early retirement age due to long insurance period. Fluctuation was calculated on the basis of individual company experience.

Plan duration (average weighted period) amounts to 6.90 years (previous year 7.55 years).

Severance payment expenses are derived from the following components:

in kEUR	2024/2025	2023/2024
Service cost	90	98
Interest cost	98	98
Payments into employee severance payment and pension funds	362	301
Total severance payment expenses	550	497
Revaluation effects		
-/+ Profit/loss from change to economic assumptions	-4	139
-/+ Experience gain/loss	0	-1
Total revaluation effects (loss)	-4	138

The components of severance payment expenses (current service cost, interest cost, severance payments to be made and payments into employee severance payment and pension funds) are disclosed under employee benefit expenses.

The revaluation effects are reported in other result (net deferred income taxes) and concluded through other reserves.

Provisions for severance payments in kEUR	2024/2025	2023/2024
Value as at 31/3 previous year	3,043	2,708
Service cost	90	98
Interest cost	98	99
Severance Services	-128	0
Revaluation effects		
-/+ Profit/loss from change to economic assumptions	-4	139
-/+ Experience gain/loss	0	-1
Value as at 31/3	3,099	3,043

5.4.2. Provisions for pensions

As shown under section 2.12, during the 2014/2015 fiscal year the pension approvals were amended to the effect that the respective claim of the person entitled to the extent of the cover asset on the respective reporting date of the existing pension reinsurance agreements. The gross pension obligation is thus specified in the amount of the asset values of the insurance agreements. The commitment and cover asset (plan assets) are offset on the balance sheet based on the congruency, pledging and the insolvency-proof nature of the asset. There are no portions of the provisions for pensions that are not covered by reinsurances.

The asset values amounted to kEUR 3,356 on the reporting date 31 March 2025 (previous year kEUR 3,069).

in kEUR	2024/2025	2023/2024
Service cost	235	250
Interest cost	101	101
Interest income	-101	-101
Total expenses for pension schemes	235	250
Revaluation effects (gain/loss)	-25	-39

Changes in net liability in kEUR	Defined benefit obligation	Fair value of plan assets	Net liability
Value as at 31/03/2024	3,069	-3,069	0
Service cost	211	0	211
Interest cost/interest income	101	-101	0
Actuarial effects/income from plan assets without interest income	-25	25	0
Contributions paid by the employer	0	-211	-211
Value as at 31/03/2025	3,356	-3,356	0

5.4.3. Financial liability

in kEUR	31/03/2025	31/03/2024
Liabilities to banks	10,672	0
Total	10,672	0

Further information on financial liabilities can be found in Note 4.

5.4.4. Other payables

in kEUR	31/03/2025	31/03/2024
Non-current lease liabilities	4,503	5,623
Earn-out liability	0	526
Total	4,503	6,149

Further information on long-term lease liabilities is provided in Note 5.1.1.

5.4.5. Investment grants

in kEUR	31/03/2025	31/03/2024
Investment grant	81	106
Total	81	106

The balance sheet item 'Investment grants' includes investment premiums. These are grants from the Republic of Austria of up to 14 % of the investments made and up to 30 % of the investments made in e-charging infrastructure.

With regard to the effects of the reversal of investment grants on income, see section 6.2.

5.5. Current liabilities

5.5.1. Financial liability

in kEUR	31/03/2025	31/03/2024
Liabilities to banks	1,046	0
Total	1,046	0

5.5.2. Trade and other payables

in kEUR	2024/2025	2023/2024
Trade payables	3,538	3,392
Prepayments received	283	661
Current lease liabilities IFRS 16	1,565	1,981
Payables from other taxes	1,042	1,073
Payables for social security payments	690	635
Other current payables	5,802	5,962
thereof short-term employee benefits	5,772	5,173
thereof other payables	30	789
Total	12,920	13,704
thereof financial payables	3,538	4,076
thereof non-financial payables	9,382	9,628

Short-term benefits to employees consist mainly of accruals for as yet non-consumed leave, special payments and performance-related remuneration.

The book values correspond closely to the fair value.

5.5.3. Income tax liabilities

in kEUR	31/03/2025	31/03/2024
Austria	2,090	1,646
Other countries	7	149
Total	2,097	1,795

5.5.4. Contract liabilities

Contract liabilities include revenue received from usage fees and software updates as well as recurring professional services, which will not have an effect on profit before fiscal year 2024/2025.

Transfer of contract liabilities as at 31 March 2025:

in kEUR	01/04/2024	Dissolution 2024/2025	Allocation 2024/2025	31/03/2025
Contract liabilities in compliance with IFRS 15	19,985	-19,698	21,298	21,585

Transfer of contract liabilities as at 31 March 2024:

in kEUR	01/04/2023	Dissolution 2023/2024	Allocation 2023/2024	31/03/2024
Contract liabilities in compliance with IFRS 15	18,752	-18,482	19,715	19,985

This includes contract liabilities resulting from service contracts pursuant to IFRS 15 amounting to kEUR 747 (31/03/2024: kEUR 739), the remaining amount of kEUR 20,838 (31/03/2024: kEUR 19,246) relates to deferred revenue, in particular from software updates, fees for right of use and recurring professional services.

The terms of the contract liabilities break down as follows:

in kEUR	31/03/2025	31/03/2024
Up to one year	20,813	19,698
Longer than one year	772	287
Total	21,585	19,985

6. Notes to the consolidated statement of comprehensive income

6.1. Sales revenue

In 2024/2025 fiscal year revenue for service contracts realized over time amounts to kEUR 8,439 (previous year kEUR 6,610). For further information on sales revenue see the details on segment reporting section 8.

6.2. Other operating income

in kEUR	2024/2025	2023/2024
Income from disposal of property, plant and equipment	8	2
Other income	916	1,042
thereof grants for research projects	0	463
thereof from termination of life and death insurance	0	169
thereof settlement of earn-out obligation currency gains	830	0
thereof from the dissolution of investment grants	38	45
Total	924	1,044

Further information on earn-out liability can be found in Note 4.

6.3. Employee benefits expenses

in kEUR	2024/2025	2023/2024
Salaries	36,479	34,262
Expenses for severance payments	550	497
Expenses for pension schemes	235	250
Expenses for statutory social contributions	8,248	7,510
Other social welfare expenditure	1,027	974
Total	46,539	43,493

6.4. Depreciation and amortisation expenses

in kEUR	2024/2025	2023/2024
Depreciation charges on property, plant and equipment	6,767	6,908
Depreciation charges on intangible assets	857	970
Total	7,624	7,878

6.5. Expenses from impairment

The expense from impairment totalling kEUR 2,220 results from the impairment of the goodwill of the CGU "Fabasoft Xpublisher GmbH". In the previous year, the expense from impairment losses consisted of the impairment of the goodwill of the CGU "Fabasoft Talents GmbH" in the amount of kEUR 335. Further information on this can be found in segment reporting section 5.1.2.

6.6. Other operating expenses

in kEUR	2024/2025	2023/2024
Taxes unless included under income taxes	101	104
Maintenance	560	603
Rental* and operating costs	1,211	1,383
Vehicle and leasing expenses*	416	440
Operating expenses	2,187	2,426
Legal and consulting fees	1,796	1,661
Auditing, bookkeeping and tax advice fees	443	440
Investor relations	215	210
Insurance premiums	273	285
Personnel recruitment	578	762
Information expenses	313	317
Further education	1,088	378
Other	1,128	1,234
Administrative expenses	5,834	5,287
Trademark registrations	142	157
Travel expenses	873	765
Advertising	3,740	3,468
Other	44	40
Sales expenses	4,799	4,430
Other operating expenses	12,921	12,247

* excl. IFRS 16 contracts

The leasing expenses for short-term leases, which are accounted for pursuant to IFRS 16.6, amount to kEUR 216 in the 2024/2025 fiscal year (previous year kEUR 194). The leasing expenses for leases of low value, which are accounted for pursuant to IFRS 16.6, amount to kEUR 2 in the 2024/2025 fiscal year (previous year kEUR 11).

6.7. Financial result

in kEUR	2024/2025	2023/2024
Interest income	132	111
Foreign currency income	1	1
Interest expenses	-537	-384
thereof interest expenses for lease liabilities	-282	-348
thereof interest expenses for loans	-233	0
Total	-404	-272

In addition to the interest expenses presented for lease liabilities, interest expense mainly results from bank balances and liabilities to banks as well as from earn-out accounting.

6.8. Income taxes

in kEUR	2024/2025	2023/2024
Austria	-2,201	-2,126
Other countries	-1,471	-1,365
Current income taxes	-3,672	-3,491
Austria	55	178
Other countries	-165	-171
Deferred income taxes	-110	7
Total	-3,782	-3,484

The tax on the Group's pre-tax profit deviates from the theoretical value, which results from the use of the income tax rate of 23% (previous year 24% (until 31 December 2023) as well as 23% (as of 1 January 2024)) applicable in Austria to the result before tax as follows:

in kEUR	2024/2025	2023/2024
Result before income taxes	12,897	13,113
Tax expenses calculated according to Austrian tax rate 2024/2025: 23% (previous year: 24% (until 31/12/2023) as well as 23% (as of 01/01/2024))	-2,965	-3,113
Tax effects from:		
Foreign tax rates	-396	-420
Effects of future tax rate changes	0	-17
Tax-free income and other tax-free items	52	72
Currency differences	-4	-100
Expenses not deductible for tax purposes	-499	-167
Adjustment to deferred income taxes	4	8
Changes in unapplied deferred income tax assets and liabilities	4	212
Non-periodic income tax	22	41
Declared income tax expenses	-3,782	-3,484

7. Consolidated cash flow statement

The cash flow statement has been drawn up according to the indirect method. It shows the change in cash and cash equivalents for the Group during the reporting year through the inflow and outflow of funds.

Within the cash flow statement, a distinction is made between cash flows from operating activities, investing activities and financing activities.

Lease liabilities amounted to kEUR 7,604 as of 31 March 2024 and kEUR 6,069 as of 31 March 2025. The change in the 2024/2025 financial year is made up of the following items:

Development in liabilities from financing activities in kEUR

in kEUR	Value as of 01/04/ 2024	Cash-effective changes				Non-cash changes		Value as of 31/03/ 2025
		New borrowing	Other expenses	Repay- ment	Interest payments Leasing	Addi- tions Leasing	Valuation effects	
Liabilities to banks	-	12,243	-166	-400	-	-	40	11,717
Lease liabilities	7,604	-	-	-4,991	-282	3,408	330	6,069

The change in the 2023/2024 financial year is made up of the following items:

Development in liabilities from financing activities in kEUR

in kEUR	Value as of 01/04/ 2023	Cash-effective changes				Non-cash changes		Value as of 31/03/ 2024
		New borrowing	Other expenses	Repay- ment	Interest payments Leasing	Addi- tions Leasing	Valuation effects	
Lease liabilities	7,492	-	-	-1,990	-349	2,199	252	7,604

8. Segment reporting

The business segments are reported in a manner consistent with internal reporting to the chief operating decision maker. The chief operating decision maker is responsible for decisions on the allocation of resources to the business segments and for reviewing their profitability. The Management Board of Fabasoft AG has been identified as the chief operating decision maker. The arm's length nature of transfer prices between segments is monitored and documented on an ongoing basis. The Group's segment reporting is structured by region based on the location of the assets.

2024/2025 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Gross sales	61,726	39,852	7,765	6,963	116,306
Less intersegmental sales	-27,942	-1,098	-233	-188	-29,461
Sales with external customers	33,784	38,754	7,532	6,775	86,845
Operating result	7,968	4,827	441	65	13,301
Depreciation and amortisation expenses	5,652	887	295	790	7,624
Expenses from impairment losses	0	2,220	0	0	2,220

Reconciliation in kEUR	
Operating result segments	13,301
Financial result Group	-404
Result before income taxes	12,897

2023/2024 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Gross sales	55,551	39,526	8,254	7,604	110,935
Less intersegmental sales	-27,773	-1,765	-203	-244	-29,985
Sales with external customers	27,778	37,761	8,051	7,360	80,950
Operating result	8,309	4,934	138	4	13,385
Depreciation and amortisation expenses	5,367	1,046	533	932	7,878
Expenses from impairment losses	335	0	0	0	335

Reconciliation in kEUR	
Operating result segments	13,385
Financial result Group	-272
Result before income taxes	13,113

The main decision makers see the company from a geographical perspective. The business segments that are subject to reporting generate their sales primarily through the manufacture and sales of software products and the provision of associated services.

Sales amounting to kEUR 12,038 derive from transactions with a single customer in the 2024/2025 fiscal year. These sales are attributable to the segment Germany. Sales amounting to kEUR 11,042 derived from transactions with a single customer in the previous year and these concerned the segment Germany. Internal reporting is carried out in the same way as external reporting in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU).

Sales and intermediate consumption between the segments are charged on the basis of market prices.

Internal reporting is essentially based on information on earnings power. This information is communicated to the main decision-makers on a monthly basis in the form of reporting decision-makers and serve as a basis for their decisions.

The "Other countries" segment summarizes the activities of the sales companies of the geographical region USA. Apart from scheduled depreciation and amortisation and the impairment of the goodwill of the CGU 'Fabasoft Xpublisher GmbH', there were no other significant non-cash expenses in the individual segments.

In order to take account of the general trend in the software industry in the reporting – namely the transformation process away from the model of purchasing rights of use against a one-off fee and in the direction of an ongoing monthly usage fee – a breakdown of sales by recurring revenue from ongoing obligations with varying terms or residual terms (recurring revenue) and sales not based on ongoing obligations (non-recurring revenue) follows.

Breakdown of sales by type of contract:

2024/2025 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Recurring revenue	23,445	16,389	3,890	5,078	48,802
Non-recurring revenue	10,339	22,365	3,642	1,697	38,043
thereof software	1,821	763	70	0	2,654
thereof professional services	8,518	21,602	3,572	1,697	35,389
Total	33,784	38,754	7,532	6,775	86,845

2023/2024 fiscal year in kEUR	Austria	Germany	Switzerland	Other countries	Group
Recurring revenue	18,695	14,960	4,019	4,964	42,638
Non-recurring revenue	9,083	22,801	4,032	2,396	38,312
thereof software	975	1,847	681	0	3,503
thereof professional services	8,108	20,954	3,351	2,396	34,809
Total	27,778	37,761	8,051	7,360	80,950

Recurring revenue includes in particular software updates, usage fees for Mindbreeze InSpire, Fabasoft Solutions and recurring professional services (e.g. for support and operation management).

Non-recurring revenues include one-time licenses (software) and non-recurring professional services revenues (e.g. consulting services, service contracts based on fixed-price projects).

With the exception of one-time licenses, whose revenues are recognized at a point in time, revenues are recognized on an accrual basis (see section 2.14).

Breakdown of non-current assets by region:

in kEUR	31/03/2025	31/03/2024
Austria	31,388	23,316
Germany	7,110	5,237
Switzerland	2,648	2,798
Other countries	1,097	777
Total	42,243	32,128

9. Other statements

9.1. Earnings per share

9.1.1. Diluted and undiluted earnings per share

The diluted and undiluted earnings per share are calculated on the basis of the weighted average of the subscribed capital in the period under review taking into account treasury shares (see section 5.3.2).

	2024/2025	2023/2024
Result for the year attributable to the equity holders of the Parent Company (in kEUR)	8,800	9,073
Average number of shares in circulation (units)	10,945,726	10,971,334
Diluted and undiluted earnings per share (in EUR/unit)	0.80	0.83

9.2. Expenses for research and development

In the 2024/2025 fiscal year, research and development costs totalled kEUR 26,653 (previous year kEUR 25,458). These costs were primarily allocated to employee benefits expenses and depreciation for investments.

No expenditure on research and development was capitalized in the 2024/2025 fiscal year as it was not possible to provide in full the documentation of the requirements for the capitalization as an intangible asset (see section 2.5). Software research and development are cyclical and iteratively closely linked processes. Due to the scrum method applied in the Group these are continuously rolling processes. Moreover, establishing technological feasibility taking competitive costs and customer acceptance into consideration is not possible until shortly before market maturity.

9.3. Other financial obligations

Obligations due to operating lease contracts and rental contracts (incl. leased assets accounted for in accordance with IFRS 16) amount to:

in kEUR	31/03/2025	31/03/2024
Up to one year	2,542	2,554
Between one and five years	5,414	6,460
Total	7,956	9,014

9.4. Details of affiliated persons and employees

9.4.1. Average number of employees

	2024/2025	2023/2024
Average number of employees	498	482
Number of employees on the reporting date (headcount)	494	497

9.4.2. Breakdown of expenses for severance payments

in kEUR	2024/2025	2023/2024
Members of the Managing Board and senior executives	148	261
Other employees	402	236
Total	550	497

9.4.3. Breakdown of expenses for pensions schemes

in kEUR	2024/2025	2023/2024
Members of the Managing Board	236	250

9.4.4. Managing Board of Fabasoft AG

- Prof. Dipl.-Ing. Helmut Fallmann, Linz
- Ing. Oliver Albl, Haag am Hausruck
- Matthias Wodniok, Hofheim Wallau

The expenses for continuous emoluments, severance payments and pensions schemes for members of the Managing Board amounted to kEUR 1,508 in the 2024/2025 fiscal year (previous year kEUR 1,406) and are broken down as follows:

in kEUR	2024/2025	2023/2024
Continuous emoluments	1,168	955
Expenses for severance payments recorded in the result for the year	126	238
Expenses for contributions to employee severance payment and pension funds	3	2
Expenses for pensions schemes recorded in the result for the year	211	211
Total	1,508	1,406

9.4.5. Supervisory Board of Fabasoft AG

- em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr, Linz (Chairman of the Supervisory Board)
- FH-Prof.ⁱⁿ Univ.Do^z.ⁱⁿ Dⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl, Linz (Second deputy)
- Prof. Dr. Andreas Altmann, Innsbruck (First deputy)
- Mag.^a Michaela Schwinghammer-Hausleithner, Linz (Member)

For the 2024/2025 fiscal year, emoluments amounting to kEUR 102 (previous year kEUR 90) were paid to the members of the Supervisory Board.

No members of the Managing Board or of the Supervisory Board were guaranteed loans and no liabilities were assumed for the benefit of these persons.

The following members of the Supervisory Board are on the Audit Committee of Fabasoft AG:

- Prof. Dr. Andreas Altmann, Innsbruck (Chairman of the Audit Committee)
- em. o. Univ.-Prof. Mag. Dr. Friedrich Roithmayr, Linz (Member)
- FH-Prof.ⁱⁿ Univ.Do^z.ⁱⁿ Dⁱⁿ Dr.ⁱⁿ Ingrid Schaumüller-Bichl, Linz (Member)
- Mag.^a Michaela Schwinghammer-Hausleithner, Linz (Member)

In this context, Prof. Dr. Altmann has special expertise (knowledge and practical experience) in the fields of finance and accounting as well as reporting. Furthermore, Mag.^a Schwinghammer-Hausleithner has special expertise in the field of accounting and em. o. Univ.-Prof. Mag. Dr. Roithmayr has special expertise in the field of auditing.

9.4.6. Other affiliated companies and employees

- Fallmann & Bauernfeind Privatstiftung, Linz, main shareholder of Fabasoft AG
- Mag.^a Birgit Fallmann, wife of Prof. Dipl.-Ing. Helmut Fallmann, employee of Fabasoft AG (continuous emoluments kEUR 56, previous year kEUR 57).
- Fabian Fallmann, MSc, son of Prof. Dipl.-Ing- Helmut Fallmann, managing director of Fabasoft International Services GmbH (continuous emoluments kEUR 95, previous year kEUR 0).

There are no further business relationships with other affiliated companies and employees in the 2024/2025 fiscal year.

9.5. Other affiliated companies and employees

Expenses for the auditors amount to kEUR 297 (previous year kEUR 244) and are divided into the following areas of activity:

in kEUR	2024/2025	2023/2024
Audit/Review of annual financial statements of companies included in the consolidated statements	189	190
thereof Fabasoft AG	45	50
thereof Mindbreeze GmbH	15	15
thereof Fabasoft R&D GmbH	15	15
thereof Fabasoft Austria GmbH	15	5
thereof Fabasoft Deutschland GmbH	26	15
thereof other auditing services	72	90
Review of quarterly statements	21	20
Other services	87	34
Total	297	244

9.6. Direct and indirect effects from the macroeconomic and geopolitical environment

Fabasoft does not operate any subsidiaries or branches in Ukraine, the Russian Federation, in Belarus or in Israel, nor does it procure relevant development services from any of these countries. Likewise, there is no relevant end customer or partner business in any of the aforementioned countries. The impact of the armed conflicts and the associated sanctions against Russia and similar measures on the company's customers and partners, for example by impairing supply chains, the overall economic climate, public budgets, etc., and thus possibly subsequently on the company's business, cannot currently be estimated. The increased risk of cyberattacks or other attacks on critical infrastructures cannot be quantified either.

The formation of new governments in countries that are also relevant to the Fabasoft Group represents a significant source of uncertainty. Governments determine the future direction of their countries and thus also define key factors in global economic competition. The introduction of new trade barriers could therefore also have a negative impact on the Fabasoft Group's net assets, financial position, and results of operations.

9.7. Climate-related risks and opportunities of the Fabasoft Group

Climate change is an extremely challenging issue for our society that requires all sectors to participate in the transition to a decarbonized economy. The IT industry, together with the ongoing digitalization, will make a significant contribution to the decarbonization of the economy, but is also itself exposed due to energy consumption and the use of rare earths.

The Fabasoft Group is aware of its role and responsibility with regard to climate change and is clearly committed to actively anticipating and managing its climate-related risks. For the 2024/2025 fiscal year, the Fabasoft Group has assessed its climate-related risks considering the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures). The existing group-wide assessment of climate-related opportunities was reviewed for completeness and updated in the reporting year. The Fabasoft Group's current control environment, combined with its business model and the scope of climate-related opportunities, creates a relatively low risk environment with regard to climate change.

9.8. Events after the balance sheet date

On 9 April 2025, Fabasoft AG founded two wholly owned subsidiaries, Fabasoft Research GmbH and Fabasphere GmbH, based in the political municipality of Linz.

On 23 May 2025, the shareholders of Fabasoft Xpublisher GmbH unanimously resolved to increase the share capital by EUR 58,000.00 from EUR 42,000.00 to EUR 100,000.00. The increase in share capital was carried out as a cash capital increase. The amount of the increase in share capital was paid in full. The capital increase led to an increase in the shareholding of Fabasoft AG from previously 60 % to 75.5 %; the other co-shareholders now hold 24.5 %.

No further significant events occurred after 31 March 2025 for these consolidated financial statements.

9.9. Release of consolidated financial statements

These consolidated financial statements were drawn up by the Managing Board on the date specified hereunder and released for publication. The consolidated financial statements and the individual accounts of the Parent Company – which are also included in the consolidated financial statements following adaptation to accounting standards – will be presented to the Supervisory Board for scrutiny on 3 June 2025. The Supervisory Board and, in the event of presentation at the Annual General Meeting, the shareholders may amend the individual accounts of the Parent Company in such a way that also influences the presentation of the consolidated financial statements.

Linz, 28 May 2025

Prof. Dipl.-Ing. Helmut Fallmann
Chairman of the Managing Board

Ing. Oliver Albl
Member of the Managing Board

Matthias Wodniok
Member of the Managing Board

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Statement of all Legal Representatives

We, Prof. Dipl.-Ing. Helmut Fallmann, Ing. Oliver Albl and Matthias Wodniok, as Members of the Managing Board and statutory representatives of Fabasoft AG, hereby confirm that to the best of our knowledge, the consolidated financial statements drawn up in accordance with the applicable accounting principles present the truest and fairest view possible of the asset, financial and profit position of all the companies included in the consolidation and that the course of business, operating profit and the situation of all the companies included in the consolidation are presented in the Management Report for the Group in such a way that they present the truest and fairest view possible of the asset, financial and profit situation and that the Management Report for the Group also defines all significant opportunities, risks and uncertainties with which the Group is confronted.

Linz, 28 May 2025

[Prof. Dipl.-Ing. Helmut Fallmann](#)
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[Ing. Oliver Albl](#)
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This report contains data which relate to expected future developments. These forward-looking statements are normally but not exclusively paraphrased with words such as "expect", "assume", "plan" etc. If these assumptions on which the statements have been based do not prove true or if risks materialise – such as those mentioned for example in the issue prospectus or in the risk report or if the current situation changes in the future, the actual results may deviate from the result expected at present. The forward-looking statements assert no claim to correctness or completeness, are not updated and should therefore be treated with all due caution.

This report has been compiled with the highest degree of diligence and all data published have been checked. Rounding, typesetting and printing errors cannot be excluded, however. The addition of rounded amounts and percentages may result in differences in figures calculated due to use of automatic calculation aids. The translation of the original German version of the report has been included for the convenience of our English-speaking shareholders. The German version is authoritative.

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