Company Registration No. 07085757 (England and Wales)

INFOBIP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

INFOBIP LIMITED

COMPANY INFORMATION

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INFOBIP LIMITED

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Chief Executive Officer's Strategic Report

Overview

Infobip achieved a number of financial and operational milestones, increased revenue by 16.5% and implemented key strategic initiatives within the CPaaS (Communications Platform as a Service) industry.

Our revenue grew strongly in all three regions which underscores our heightened market influence and business scaling.

Gross profit increased by 16.7% in line with revenue growth.

The growth in our international markets, enhanced operational efficiency and the inherent operational gearing in our business contributed to a marked increase in adjusted EBITDA by 42.4%. We also reported a notable increase in operating cash flow.

With almost 1,300 signed partners, partner network continues to play the pivotal role in accelerating our market reach and driving scalable growth. In 2025, partnerships generated 30% of revenue to new customers.

Strategy

Infobip's strategy is to build on our commanding international position in the rapidly evolving communications industry and lead on digital conversations that own customer loyalty.

We will execute our strategy and drive growth by;
1. using AI to deliver personalized experiences
2. growing our powerful partnerships to drive innovation,
3. evolving our commercial model to capture massive market opportunities and
4. selecting and developing the best talents globally.

Our commitment is bold: to not only participate in this communications revolution but to seize the lead, setting new standards in customer experience, technology integration and ecosystem collaboration.

We are uniquely positioned to move beyond traditional messaging to deliver a full, intelligent platform that truly understands and anticipates customer needs across every channel.

This is our moment to shape the future of CPaaS with smarter, richer and more meaningful connections.

Market drivers and opportunities

The communication landscape is shifting faster than ever before. New technologies, evolving customer expectations, and dynamic market forces are reshaping our industry constantly, as well as the major drive of AI..

The CPaaS industry is rapidly evolving as businesses demand seamless, omnichannel customer engagement across SMS, chat apps, voice, video, and emerging channels. Communication is no longer just about sending messages, but about creating intelligent, secure, meaningful, and seamless interactions.

Providers are embedding AI to enable personalized, automated, and efficient interactions, while real-time analytics deliver sharper customer insights and drive improved outcomes.

Security has become a core differentiator, with rising concerns around fraud and stricter privacy regulations spurring adoption of features such as branded calling, two-factor authentication, and identity verification.

At the same time, the API economy is expanding, with organizations embedding communication capabilities directly into their digital products and workflows to enable new use cases in industries like finance, retail, healthcare, and logistics.

CPaaS providers are now offering more vertical-specific solutions and expanding globally, balancing broad reach with local compliance. Ecosystem partnerships and open platforms are accelerating innovation, while the rise of 5G, IoT, and rich communications creates fresh opportunities for data-driven, real-time engagement.

Chief Executive Officer's Strategic Report (continued)

Operational review

Markets & geographical reach

With over 800 direct Mobile Network Operator (MNO) connections and 40+ data centers around the world, Infobip has a notably strong global presence. We offer services in over 190 countries worldwide, with more than 70 offices located across all major regions.

Our focus continues to be on strengthening our existing customers base and deepening ecosystem partnerships with hyperscalers and technology platforms. In 2026 we are accelerating our transformation from a channel-centric provider toward a full-stack communications and AI-powered customer experience platform, with Conversational Experience Orchestration Platform (CXOP), Rich Communication Services (RCS), and Agentic AI(autonomous AI) at the centre of its go-to-market strategy across all regions.

Americas
The Americas delivered strong performance, driven by continued expansion of the customer base and significant political messaging traffic from the US mid-term election cycle. The majority of our most strategic global customers are headquartered in the United States. Growth was led by SMS and MMS channels, with RCS emerging as a high-potential product where we holds #1 market position by both agents registered and volumes.

Latin America's strategy of prioritizing higher-margin solutions — particularly WhatsApp, RCS, and Email over volume-based SMS — drove a meaningful improvement in GP margin.

Looking ahead, the Americas will accelerate RCS adoption across the US and Brazil (with the 2026 FIFA World Cup providing a strong catalyst in LatAm), deepen penetration into enterprise segments and strategic named accounts, and scale partnership-led impact.

EMEA
EMEA delivered strong performance driven by all three sub-regions with Europe as the largest GP contributor. Europe achieved exceptional results fueled by disciplined execution, strategic enterprise expansion, and strong momentum in WhatsApp, RCS, and SaaS.

MENA showed fast-paced expansion in Financial services (BFSI), Healthcare and Public Sector verticals, and Africa maintaining a positive trajectory despite currency headwinds. SMS remained the largest product contributor, complemented by significant growth in SaaS & Services and Non-SMS channels.

Looking forwardthe rollout of CXOP and Agentic AI capabilities, together with the FIFA 2026 campaign, are expected to be key growth accelerators.

Asia
Asia Pacific delivered strong growth with exceptional achievements. Growth was driven by significant new customer acquisitions as well as a strong expansion of global accounts, , although India navigated a difficult year following the churn of two of its largest customers.

For 2026, the focus will be on improving margin with a focus on higher margin products, as well as expansion of strategic partnerships with telcos and global partners, whilst in India .

We foresee a strategic pivot toward non-SMS channels — RCS, Email, WhatsApp, and SaaS — to diversify revenue, protect margin, and reduce dependency on a small number of large accounts.

Technology - R&D, AI and Product Development

In 2025, Infobip accelerated its AI strategy by embedding innovations across every layer of the communications stack. From smarter conversational platforms and network optimization to advanced fraud detection and dynamic personalization, Infobip's AI investments enable enterprises to deliver more secure, engaging, and data-driven customer experiences at global scale. By opening the platform for partner-driven AI use cases and empowering brands with actionable insights, Infobip sets new standards for intelligence, automation, and trust in the CPaaS industry.

Chief Executive Officer's Strategic Report (continued)

Technology - R&D, AI and Product Development (continued)

Looking ahead, our increased investment in R&D and AI-driven development is setting the way for smarter, consumable experiences and expanding our portfolio of solutions. Infobip remains committed to delivering cutting-edge technology, driving stronger partnerships across telcos, enterprises, ISVs, Platforms and setting the standard in global communications innovation

Security and Network APIs
During 2025, we expandedthe boundaries of network integration through advanced Network APIs developed under the CAMARA open-source project. These APIs unlock new value for mobile operators by enabling the monetization of 5G and next-generation network assets, while expanding opportunities for collaboration and service innovation within the broader CPaaS ecosystem. For our enterprise customers, this means simplified access to powerful services via unified API interfaces—delivering consistent, high-quality experiences globally, independent of geography or local network specifics.As market interest continues to grow in anti-fraud and identity use cases, in 2026 we will further focus on strengthening our position in the Identity & Security domain with offerings like Number Risk Scoring.

Rich Channels
Rich messaging channels continued to transform business communications, with RCS (Rich Communication Services) at the forefront of this evolution. The global adoption of RCS accelerated significantly, driven by Apple's rollout of RCS support on iOS and growing demand from enterprises seeking more interactive, secure, and engaging messaging experiences.

Throughout the year, Infobip capitalized on this momentum by deepening partnerships with mobile operators and expanding our RCS Business Messaging footprint across key markets. As a recognized Messaging as a Platform (MaaP) partner, we accelerated RCS adoption by enhancing our global infrastructure and delivering comprehensive management tools for carriers. MaaP played a pivotal role in enabling faster RCS adoption and more effective monetization of RCS traffic for our partners.

WhatsApp continued to be a critical growth engine across all regions, increasingly evolving beyond a messaging channel into a super app experience — enabling end-to-end commerce, customer service, authentication, and payments within a single conversational thread.

Beyond RCS and WhatsApp, we continued to expand our rich channel portfolio to meet diverse regional and enterprise needs. Viber is growing steadily, enabling rich branded messaging and conversational experiences for our customers. Apple Messages for Business opened new opportunities for high-quality, secure customer interactions on iOS devices. In Asia Pacific, regional channels including LINE, KakaoTalk, and Zalo allowed us to serve customers with locally relevant conversational platforms that dominate consumer attention in their respective markets. Our long-term vision remains unchanged: to make rich channels an integral part of the omnichannel customer journey, empowering customers to deliver more secure, personalized, and engaging communications at scale — regardless of geography or consumer preference.

Voice
In 2025, Infobip officially launched Voice Base, unifying the entire Voice platform and product across Infobip and legacy Peerless capabilities under a single, scalable framework. This move resolved longstanding challenges, including complexity, fragmentation, and limited regional focus, while making the Voice product easier to sell, onboard and maintain.

Over the past year, the Voice business has advanced on multiple fronts, demonstrating strong market demand and internal strategic evolution. Emphasis on voice quality, caller reputation and OTT integration like Viber and Whatsapp has shaped product development and commercialization, while industry trends such as increased fraud have made Branded Calling a high priority. We are actively participating in Global System for Mobile Communications Association (GSMA) working groups to shape industry standards and speed up the adoption of trusted solutions, addressing both the challenges and opportunities presented by evolving market needs.

Chief Executive Officer's Strategic Report (continued)

Technology - R&D, AI and Product Development (continued)

Email
In 2025, Infobip's email business advanced significantly on its journey to become a global leader in the sector. Building on a foundation of robust infrastructure and global reach, the focus shifted toward enhancing deliverability, authentication, and sender reputation—key priorities as industry standards and customer expectations continued to rise. Throughout the year, Infobip expanded its offering beyond traffic-driven services, introducing new deliverability solutions and professional services that strengthened customer outcomes and diversified revenue streams.

Infobip is committed to establishing itself as a global leader in the Email marketing sector by delivering the highest possible quality to all our clients. Our goal is to create a leading Email ecosystem that positions Infobip as a world-class Email Service Provider (ESP).

Conversational Transformation powered by AI
Our software stack offers complete programmability and is seamlessly embeddable, supporting our ongoing transformation into a next-generation customer experience (CX) platform. By integrating AI-powered conversational capabilities and a conversational Customer Data Platform (CDP), we enable intelligent, agent-driven experiences.

AI is rapidly reshaping the customer communication landscape, enabling businesses to move from transactional messaging to dynamic, two-way engagement. We are evolving alongside this transformation by embedding AI deeply across our entire platform.

This goes far beyond basic automation, it's about understanding customer emotions and intentions to deliver truly personalized conversations.

By integrating advanced AI technologies including natural language processing, intelligent routing, and conversational analytics, we empower brands to interact with their customers using the right message, on the right channel, at precisely the right moment. Through these innovative, agentic capabilities, Infobip puts meaningful conversation at the center of digital customer experience, driving stronger engagement, loyalty, and value at every touchpoint.

Partners & Channels

As a core element of our commercial strategy, Infobip utilizes a variety of sales channels to expand our customer reach and accelerate scalable growth.

Direct Sales
Our direct sales team partners with some of the world's largest brands and corporations. Organized into specialized, cross-functional groups called Squads, we concentrate on B2C collaborations with enterprises and digital-native companies across key industries. This structure enables us to cultivate deep relationships with Tier 1 and strategic accounts, delivering tailored service and value on a global scale.

Partnerships and Self-service
Infobip collaborates with partners worldwide to seamlessly integrate our solutions into their offerings, creating innovative conversational experiences by combining their expertise with our advanced technology. Our partnership strategy centers on accelerating growth and boosting efficiency by embedding ourselves within major technology ecosystems. Working closely with a diverse network of organizations, we expand our reach and strengthen our market presence.

We are committed to building robust technology ecosystems alongside Systems Integrators (SIs), Value-Added Resellers (VARs), Digital Marketing Agencies (DMAs), and Independent Software Vendors (ISVs), enabling the delivery of customized, industry-focused solutions. Beyond technology partners, we actively engage with telecommunications providers and implementation partners to serve larger enterprise clients effectively.

Moreover, we are establishing dedicated Infobip practices with leading Consulting and Services (C&S) firms to ensure expert implementation and maintain consistent delivery quality.

Chief Executive Officer's Strategic Report (continued)

Partners & Channels (continued)

This multi-faceted approach empowers Infobip to scale efficiently by leveraging our partners' strengths, generating mutual success, and enhancing value for our customers.

Complementing this, our Self-Service team supports a wide spectrum of SMB customers. Mirroring our partnership approach, this model allows us to broaden our customer base and scale rapidly.

By expanding self-service capabilities and deploying localized strategies, customers can independently access and utilize our solutions directly through our portal. We continue to grow these capabilities across critical segments, including platform customers integrating our communication tools into their software, hyperscalers offering large-scale cloud services, and other digital enterprises—all seeking flexible, scalable communication solutions to fuel their growth.

Marketing
Marketing plays a key role in strengthening Infobip's global brand, accelerating growth, and supporting the transition toward an AI-powered, full-stack customer experience platform. Marketing further amplified our positioning around AI, RCS, CXOP, and emerging Agentic capabilities, supporting margin expansion and Infobip's evolution from a channel-centric provider to an intelligent conversational platform.

In 2025, the function aligned closely with Revenue and GTM to sharpen focus on platform adoption and high-value growth opportunities. The launch of the multi-year TGR Haas F1 Team partnership positioned Infobip as a real-world innovation platform, demonstrating conversational use cases at scale. Thought leadership initiatives, including a Harvard Business Review Analytic Services study on AI and CX, alongside continued recognition in leading analyst evaluations, strengthened our market credibility and authority.

In 2026, Marketing will scale the AgentOS vision globally, deepen ecosystem partnerships, and leverage the Group's 20-year milestone to strengthen customer engagement and platform adoption, reinforcing Infobip's leadership in the next era of conversational AI.

People

Our people are central to our success and evolution. In 2025, our internationally diverse team exceeds 3,400 professionals across more than 60 countries, united by a shared commitment to innovation, excellence, and impact. Senior leadership recognizes that our continued growth and industry leadership are built on the skills, passion, and dedication of our employees.

Infobip thrives on diversity, international collaboration, and the belief that revolutionary ideas happen when different perspectives meet. Infobip Culture is also about empowerment and inclusion. The Company seeks individuals with a growth mindset—those who are adaptable, eager to learn, and ready to make an impact. The mentoring program and career mobility initiatives help employees shape their own paths, while our global reach ensures exposure to diverse clients and challenges.

We prioritize hiring for cultural fit and passion for technology and innovation, setting high standards and strategically placing people where they can create maximum impact. Our approach balances dynamic recruitment with tailored onboarding, mentorship and career development programs that nurture future leaders and innovators.

Cross-regional cooperation strengthens connections between offices and our HQ, driving both productivity and trust.

By investing in talent development, internal mobility and transparent career paths, we empower Bippers to explore new opportunities, upskill, and build fulfilling long – term careers. Our focus on competitive pay and recognition ensures that our teams remain engaged, supported and motivate to stay and grow.

Chief Executive Officer's Strategic Report (continued)

People (continued)

Long-term commitment is fostered through an environment where people feel valued, recognized, and supported. Our focus on succession planning ensures strong leadership continuity, while our engagement initiatives help us maintain a high-performing, motivated workforce. We cultivate strong, agile leaders who inspire teams and drive results, ensuring Infobip remains responsive and resilient in a dynamic market.

The Company will not unlawfully, unethically and/or unfairly discriminate against any individuals including but not limited to those with protected characteristics or members of protected categories such as: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex (gender) and sexual orientation. The Company is committed to fostering a discrimination-free workplace, where everyone is treated with dignity and respect. Company is committed to creating a workplace culture in which everyone has equal opportunities regardless of their race, colour, gender, age, national origin, religion, sexual orientation, gender identity or expression, marital status, citizenship, disability, veteran status, HIV/AIDS status, and/or protected status.

2026 Focus

To execute in 2026, we focus on five strategic pillars:

1. Financial Resilience: We are committed to maintaining strong financial health and delivering sustainable growth by prioritizing spend toward the highest-return initiatives and tightly managing costs. Our focus is on growing gross profit while driving profitability enhancement, managing risk effectively, and maximizing long-term returns.
2. Operational Excellence: We strive to deliver exceptional customer experiences by continuously improving our commercial capabilities and operational efficiency. Our goal is to strengthen our market reach, enhance service delivery, and foster deep, lasting relationships built on trust and value.
3. Culture & People: We are committed to building a culture that is inclusive, empowering, and performance-driven. We invest in developing our talent and future leaders while fostering collaboration, ownership, and mutual accountability. Together, we create an environment where people feel inspired, supported, and proud to make a meaningful contribution.
4. Unleashing Transformation: We see digitalization as a technology shift, strategic enabler of organizational effectiveness. By embedding digital tools across the business, we enhance agility, accelerate decision-making, and simplify operations. We foster a connected, multi-national cross-functional way of working, breaking down silos to encourage collaboration, efficiency and innovation.
5. Scalable Innovation: We cultivate a mindset of curiosity and experimentation across all areas of our business. From rethinking how we serve customers to evolving our products and services, we ensure that innovation is purposeful, scalable, and ahead of industry disruption. Our goal is to lead through change, not just adapt to it.

Despite the current considerable geo-political instability, we will continue to focus on our priorities in our rapidly evolving markets for 2026, by:

1. deepening our customer engagement through AI-driven solutions across our global footprint,
2. expanding our platform ecosystem
3. accelerating our transition toward fully integrated, verticalized offerings and
4. continuing to invest in R&D to ensure our platform remains at the forefront of innovation and security.

Chief Financial Officer's report

Financial Highlights:

	2025 $ million	2024 $ million	Variance %
Turnover	2,335.8	2,004.2	17%
Gross profit	556.8	477.0	17%
Adjusted EBITDA	200.6	140.8	42%
Operational cash flow	144.4	84.2	71%

The Group delivered a strong financial performance, with significant improvements across all key metrics.

Turnover increased by 17% to $2.3 billion, driven by solid growth across all three regions. Gross profit rose by 17% to $556.8 million, reflecting increased turnover volumes with Gross profit margin in line with the previous year.

Adjusted EBITDA jumped by 42% to $200.6 million, and in turn operational cash flow strengthened, rising by $60.0 million to $144.4 million. Leverage (net debt / adjusted EBITDA) improved from 2.7x to 2.0x as the Group continues to focus on deleveraging and strengthening the balance sheet.

The Group makes use of a number of non-GAAP Alternative Performance Measures "APMs", which may not be directly comparable with similar measures used by other companies.

Turnover:

	2025 $ million	2024 $ million	Variance %
Americas	1,329.5	1,137.4	*17%*
Europe, Middle East, Africa	580.8	503.3	*15%*
Asia Pacific and India	425.5	363.5	*17%*
Total	2,335.8	2,004.2	***17%***

Revenue growth in the Americas was driven by new customer acquisitions with Voice being the most significant contributor across North America and positive results in WhatsApp in Latin America.

In the EMEA region, revenue growth was supported by continued strength in SMS, WhatsApp and other ChatApps, driven by new and existing customers.

Asia Pacific and India recorded growth supported by large customer acquisitions predominantly in Asia as well as further expansion of RCS and Other ChatApps. SMS volumes continued to grow across both new and existing customers, particularly in emerging Asia Pacific markets, supported by strong partnerships with major regional mobile network operators. Growth of Asia region was driven mostly by APAC subregion and with China and Singapore contributing the most.

The geographical analysis is based on customer headquarters and reflects the structure of the Group's customer-facing organization.

Gross profit and margin
Gross profit improvement was during the year driven mainly by turnover growth, with gross margin in line with the previous year. There was a decrease driven largely by customer mix, offsetting Gross margin the improvements from product mix with higher-margin products such as WhatsApp, RCS and other ChatApps accounting for a greater share of revenue, were offset by a decrease from customer mix.. Further On-going optimization of the supply chain is on-going in 2026 is expected to improve margin.

Adjusted EBITDA
Adjusted EBITDA increased by $59.8 million, or 42% to $200.6 million, reflecting higher gross profit and operational leverage with Adjusted EBITDA margin expanding from 7.0% to 8.6%.

Chief Financial Officer's report (continued)

Adjusted EBITDA (continued)
Administrative expenses and other operating income, as expected, were to $356.2 million (2024: $336.2 million), with staff costs increasing as the Group continue to invest in people to drive growth initiatives. However, this has been mitigated by reducing discretionary spend, as well as recognizing income relating to Important Projects of Common European Interest (IPCEI) project.

The reconciliation to operating profit /(loss) is below.

	2025 $ million	2024 $ million	Variance %
Operating profit/(loss)	**75.7**	**(36.3)**	309%
Exceptional items	6.9	40.3	(83%)
Separately reported items	12.6	22.6	*(44%)*
Intangible acquired amortization and impairment	52.9	83.3	(36%)
Adjusted EBIT	**148.1**	**109.9**	**35%**
Depreciation	25.0	15.1	66%
Other amortization	27.5	15.8	74%
Adjusted EBITDA	**200.6**	**140.8**	**42%**

The Group's delivered an Operating profit of $75.7 million following an Operating loss of $36.3 million in the previous year.

Exceptional charges of $6.9 million (2024: $40.3 million), mainly relate to one-off items bad debts and transformation-related costs, offset by and integration expenses. Separately reported items primarily reflect foreign exchange losses recognized on the balance sheet.

Adjusted EBIT increased by $38.2 million, or 35%, driven by higher gross profit and controlled operating costs. The improvement in Adjusted EBIT and Adjusted EBITDA demonstrates the effectiveness of the Group's initiatives to enhance operational efficiency and profitability as well as our inherent operational gearing.

The Group's delivered an Operating Gain of $75.7 million following an Operating loss of $36.3 million in the previous year. The net tax expense for the year amounted to $13.8 million (2024: $30.4 million), with the previous year reflecting the derecognition of deferred tax assets in the US.

Operational cash flow:

	2025 $ million	2024 $ million	Variance %
Adjusted EBITDA	200.6	140.8	43%
CAPEX (tangible and intangible)	(13.7)	(12.1)	16%
Capitalized R&D	(32.7)	(30.6)	6%
Capitalized Rent	(7.9)	-	100%
Exceptional items cash inflow/outflow	(1.9)	(13.9)	*86%*
Operating cash flow	**144.4**	**84.2**	71%

Operating cash flow increased significantly to $144.4 million, up $60.0 million year-on-year. This improvement was primarily driven by higher Adjusted EBITDA, lower cash outflows related to exceptional items and disciplined capital investments across CAPEX. In the year, the Group early adopted revised Section 20 of FRS 102 Leases, therefore capitalized rent is now presented within Operational cashflow.

Chief Financial Officer's report (continued)

Net debt position:

	2025 $ million	2024 $ million	Variance %
Cash	142.5	121.5	17%
Long term debt	(504.9)	(505.8)	0%
Revolving debt	(24.3)	-	-
Obligations under finance leases	(14.0)	-	-
Net debt (*)	**(400.7)**	**(384.3)**	4%
Leverage (x)	**2.0x**	**2.7x**	0.7x

Cash and cash equivalents of $142.5 million (2024: $121.5 million) which includes inflow from a revolving debt drawdown of $24.3 million as at 31 December 2025. When adjusting for this, the cash outflow is $11.8 million with one-time working capital outflows offsetting EBITDA improvements.

Net debt increased by $16.5 million to $400.8 million, despite growth in cash and cash equivalents, primarily due to the revolving debt drawdown of $24.3 million, as well as the recognition of Obligations under finance leases of $14.0 million being recognized. Net debt was also impacted by unrealized foreign exchange gains of $8.5 million resulting from the translation of non-USD-denominated balances at the balance sheet date. Foreign exchange exposure is partially mitigated by the geographical distribution of the Group's cost base and customer billings largely being denominated in local currencies.

Leverage represents Net debt as a proportion of Adjusted EBITDA reduced from 2.8x as at 31 December 2024 to 2.0x as at 31 December 2025.

On 7 May 2025, the Company adopted new Articles of Association equalizing the rights of all share classes, including convertible preference shares. As a result, in the 2025 financial year, $556.0 million of convertible preference shares were reclassified from liabilities to equity.

Promoting the success of the Company

This statement aligns to Section 172 of the Companies Act 2006 (the Act). The statement focuses on how the Directors have had regard during the year to the matters set out in section 172(1) (a) to (f) of the Act when performing their duties.

Each of the Directors acted in the way they considered, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. The Directors have had regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the Company.

While performing their duties, the Directors have had regard to a number of matters obtained through, inter alia, listening to the Company's key stakeholders (employees, clients, suppliers etc.) in order to ensure they fully understand the potential impacts of every decision.

Further detail of the considerations applied by the Directors in respect of these key events and decisions and their broader approach ensuring the interests of the business stakeholders are adequately considered in Technology, Partners & Channels and People sections of Strategic report.

Principal risks and uncertainties

Risk management is a crucial part of an effective management practice. Due to our growth and continuous changes in our business environment, Infobip has adopted the Enterprise Risk Management (ERM) process to identify and control risks, and to ensure that required controls and procedures are established to safeguard the assets and interest of Infobip.

The ERM Framework is based on ISO31000 standard and includes the processes of establishing context, risk identification, analysis, assessment, evaluation and treatment, as well as monitoring and reporting. The framework establishes a comprehensive methodology, governance structure, and reporting mechanisms to effectively address three main types of risks: strategic, financial, and operational, where risks are operationally managed by responsible risk owners.

Strategic risks primarily arise out of 3 main risk categories: (i) integration risks that could potentially impact the value of acquired companies through, for example, insufficient integration of systems, personnel, business culture and ethics, and data transfer; (ii) risks related to product strategy in terms of failing to meet customer needs and respond to changes that could affect the organization's products' value and relevance and ability to maintain competitive edge in the market; (iii) technology risks primarily associated with loss of opportunities due to the rapid speed of technology changes (e.g., artificial intelligence, automation, hyper-scalable platforms, blockchain, digital currencies and competing technologies) and the ability to manage these changes proactively.

Operational risks impact the effectiveness and efficiency of the organization's operations, and encompass inadequate internal business processes and procedures, as well as issues related to products, people, and systems. For our industry the most important categories of operational risks are identified as: enterprise security and resilience, fraud/scams, supplier price increases, human capital and talent retention and legal and regulatory compliance.

The primary financial risks to which the Group is exposed are credit risk and market risks which include currency risk, interest rate risk and liquidity risk.

Credit risk:

The Group's credit risk is primarily attributable to its principal assets, being cash balances, trade and other receivables, and advance payments towards suppliers. The Group is continuously improving policies and processes to properly mitigate the risk of client default and non-payment, together with regular monitoring and reporting on aged trade receivables. Risk mitigation activities include the implementation of credit limits on the existing portfolio as well as consistent implementation of credit limits on new customers. The credit risk team also performs credit worthiness monitoring and checks on the supplier side when advance payments are applied and when requested by other internal stakeholders. The Group has a concentration of credit risk among certain large customers, and its ten largest customers account for slightly more than 30 percent of total revenues. The customer portfolio is spread over a large variety of customer categories in numerous geographical markets and industries, the majority of which are highly reputable and have high credit worthiness.

Where trade receivables are considered uncollectable, that amount of receivables is written off to the profit and loss account as a loss of the current period. Except for settlements reached with a few large customers in voice business, level of write-offs recorded during 2025 remained on insignificant level, and in part relates to the release of historic provisions.

Despite challenging political and macroeconomic circumstances, credit risk of Infobip's customer portfolio remained very stable during 2025, with robust credit risk management procedures in place, especially in terms of risk assessment, monitoring and collection activities.

Market Risk (currency risk, interest rate risk and liquidity risk):

Global economic and political conditions, including macroeconomic uncertainties, may adversely impact our business, results of operations and financial condition. Therefore, during its regular course of operations the Group's Treasury is actively monitoring sovereign and counterparty risk on its respective operational markets and is adressing the following market risks:

Principal risks and uncertainties (continued)

Currency risk:

The Group operates in various international markets with exposure to more than 50 different currencies. The Group's reporting currency is United States dollars. This global presence comes with a significant currency risk both on the side of inflows and outflows. Fluctuation in value between the United States dollars and foreign currencies affects revenues, costs, and operating losses.

The Group uses three different mechanisms of protection from currency risk:
1. Natural hedging – currency adjustment of inflows and outflows.
2. Contractual hedging – implementing protective clauses into customers and suppliers' agreements.
3. Market hedging – protecting our net exposures again FX risks are being evaluated regularly, and the Group is using derivative instruments such as FX forwards and FX swaps through existing trading limits.

Sufficient trading limits are made available by our trading partners, which allows the Group to, when considered appropriate, start actively hedging foreign exchange exposure using derivative instruments. The Group does not engage in speculative trading in financial instruments.

Interest Rate Risk:

The Group interest rate risk arises from existing debt financing arrangements. The Term loan credit facility has a floating interest rate tied to a 3-month term secured overnight financing rate (SOFR). During 2025 Infobip executed an amendment and extension of the existing facility and managed to reduce credit margin. On the other hand base rate also decreased in 2025 in line the FED easing cycles. The lowering of interest costs is expected to continue during 2026 due to margin stepdown under agreed margin grid and also due to expected continuation of FED easing cycles.

The factoring facility has its base rates linked to GBP, EUR and USD reference rates, depending on the portfolio sold. Aside from FED mentioned above, both European Central Bank (ECB) and Bank of England (BOE) executed rate several cuts during 2025, all of which influenced on decrease of interest costs. In addition to this, the facility utilization was at its optimum capacity given the portfolio available for sale and eligibility criteria thus strongly contributing to group's liquidity. Existing facility's cap amounting to €75M is sufficient to cover all factoring needs of the Group. This approach will be maintained, while further rate cuts of previously mentioned central banks are also likely to proceed in 2026.

During 2025 Revolving Loan Facility in the amount of €50.0 million was granted to Infobip d.o.o. Croatia aimed to render working capital financing support to Croatian exporters.

Liquidity and cash flow risk:

During 2025 EBITDA growth contributed to the achievement of positive operating cash flows which had a positive impact on the liquidity and cash flow risk. The Group monitors its liquidity risk related to the potential shortage of funds by collecting data from all related companies on a daily basis. Weekly cash flow forecasts are approved and monitored regularly at the Group level and Thirteen Weeks Cash Flow model TWCF model) is also prepared to render a forward-looking quarterly view on anticipated liquidity development. Liquidity in the Group is centralized through intragroup transactions, thus minimizing external borrowing requirements, and liquidity surpluses are being invested into short term financial instruments with appropriate risk / return.

Principal risks and uncertainties (continued)

Liquidity and cash flow risk (continued):

Group's cash flow forecasting process is incorporated into the Treasury Management System, allowing the Group to improve overview of the Group's planned and available liquidity for each company, currency, region and business segment, which enables the move towards more accurate cash flow planning, better liquidity management and swifter fund allocation. With an aim to consolidate, automate and improve liquidity management speed and payment processing expenses, our Payment Factory Team recently expanded its scope onto entire EU region, with rest of EMEA region to follow, while APAC and LATAM will fall into scope during 2026.

Funding flexibility is achieved through the $520.0 million term loan facility, leases and also through intra-group lending. Moreover, the Group also has a €75.0 million Master Factoring Agreement with Raiffeisen Bank International, whereby they are executing purchase of selected receivables on a non-recourse basis thus providing the Group with support to increase working capital requirements parallel to the Group's increase in revenues. During 2025 additional €50.0 million Revolving Loan Facility was granted to Infobip d.o.o. Croatia by HPB d.d. and HBOR. Facility is aimed to render working capital financing support to Croatian exporters.

Additionally, documentary business limits are available which provide the Group with improved flexibility and cash savings, due to cash deposits no longer needed for guarantees. No other debt requirements exist at present as the Group's current performance and existing working capital are sufficient to support its current liquidity requirements.

Non-financial and sustainability Information statement

Led by our Environment, Social and Governance (ESG) strategic framework for the 2025-2030 period, we are strengthening the Infobip's long-term commitment to responsible growth and sustainable value creation. In 2025, Infobip's near-term and net-zero science-based emissions reduction targets were approved by the Science Based Targets initiative (SBTi), confirming their alignment with the latest climate science. Joining more than 10,000 companies with validated science-based targets reinforces our long-term commitment to decarbonizing our operations and contributing to a resilient, low-carbon economy. Infobip commits to reduce absolute scope 1 and 2 GHG emissions 63% by 2035 from a 2024 base year. Infobip also commits to reduce scope 3 GHG emissions 66.3% per EUR value added within the same timeframe. In the long term, Infobip commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2045 from a 2024 base year. Infobip also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.

In line with the Group's commitment to strengthening its approach to climate-related risk management and transparency, the Group has implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD framework provides a globally recognized basis for identifying, assessing and disclosing climate-related risks and opportunities, and forms the foundation of the UK's mandatory climate-related financial disclosure requirements.

During the reporting period, the Group conducted a comprehensive assessment of climate-related risks and opportunities to better understand the potential financial and operational impacts of climate change on its business model, strategy and long-term performance.

As the parent company of the Group, Infobip Limited is within the scope of the UK's climate-related financial disclosure requirements under Companies Act 2006 (Climate-related Financial Disclosures) Regulations 2022.
Accordingly, Infobip Limited is required to provide TCFD-aligned disclosures within the Group's consolidated financial statements, covering the governance, strategy, risk management, and metrics and targets related to climate change at the Group level.

Non-financial and sustainability Information statement (continued)

TCFD

Infobip acknowledges the significant impacts of climate change and is dedicated to taking meaningful action. We have reinforced this commitment by joining the Science Based Targets initiative (SBTi) and committing to achieve net zero targets by 2045. In 2025, Infobip completed an assessment of both transitional and physical climate risks to better understand exposure and potential financial implications, particularly with respect to our critical infrastructure and data center operations.

Governance

The Board of Directors retains ultimate responsibility for climate-related risks and opportunities and has delegated oversight of key governance, strategic and operational matters, including climate-related matters, to a management body, the CoreBoard. The CoreBoard is a management-level forum comprising senior leadership, including four of the six Board members, and is responsible for the supervision of climate-related risks and opportunities, including the oversight of the Group's ESG framework. Climate-related matters are reviewed as a part of the Group's annual Enterprise Risk Management (ERM) assessment, following the ERM framework which provides structured processes for identifying, assessing, managing and monitoring risks and opportunities.

Responsibility for the overview of the implementation of ESG-related activities is delegated to the Vice President of Business Integrity, who reports directly to the CoreBoard. The ESG team, in collaboration with senior leadership and subject matter experts, leads the identification and assessment of climate-related risks and opportunities, including monitoring regulatory developments and overseeing ESG data and disclosures.

Climate-related risks and opportunities are identified at a Group level, including all Infobip's subsidiaries, with inputs from relevant business units (Business Continuity team, Enterprise Risk Management team, Facility team, Infrastructure Operations team, Financial Planning and Analysis team) consolidated to provide a comprehensive Group-wide view. A formal assessment of climate-related risks and opportunities is conducted at least every five years, or more frequently in response to significant changes in the business or external environment, with results reported to senior management and the CoreBoard.

Climate-related risks are integrated into the Group's overall risk management processes through the ERM and Business Continuity Management (BCM) frameworks. Risks are prioritized based on likelihood and impact, and appropriate mitigation or adaptation measures are defined and monitored. Decisions on risk treatment are made by the ESG, ERM and BCM teams in collaboration with relevant internal and external experts.

Strategy

Infobip's ESG strategic framework aligns with our broader business goals, outlined in the Group's Strategic and Director's statements. In 2025, we updated our ESG strategic framework to incorporate climate-risk assessment findings and science-based targets aimed at achieving net zero by 2045.

Risk Management

The Group conducted a climate-related risk and opportunity assessment using a combination of qualitative and quantitative scenario analysis aligned with the Intergovernmental Panel on Climate Change Shared Socioeconomic Pathway (SSP) framework and corresponding Network for Greening the Financial System reference scenarios (NGFS). This included a range of warming pathways representing low, medium and high climate futures.

The scenarios considered include an orderly 1.5°C transition (SSP1-1.5), aligned with the Group's commitment to the net-zero and Paris Agreement; a below 2°C pathway (SSP1-2.6), reflecting moderate transition ambition and alignment with near-term Scope 3 emissions targets; a middle-of-the-road scenario (SSP2-4.5), based on current policy trajectories; and a high-emissions scenario (SSP5-8.5), representing limited climate action and continuation of "business as usual" operations.

Non-financial and sustainability information statement (continued)

Risk Management (continued)

Physical climate risks were assessed across key operational locations, including offices and data centres, with a focus on acute and chronic hazards - extreme heat, flooding and storms, to evaluate potential impacts on business continuity and resilience. Transition risks were analysed across regulatory, market, technological, and reputational dimensions.

Climate-related opportunities were primarily identified in relation to technological advancements, including improvements in energy efficiency and the increased use of renewable energy in data centre operations and owned premises, as well as evolving regulatory and market developments.

Risks and opportunities were assessed over short-term (0–5 years), medium-term (5–10 years) and long-term (10+ years) horizons, and integrated into the Group's risk management processes in line with its Enterprise Risk Management framework.

Climate-related risks are assessed using both qualitative and quantitative methodologies. Physical risks are quantified using a Climate Value at Risk (CVaR) approach, incorporating key cost drivers such as rental expenses, electricity costs and consumption and data centre colocation costs. Transition risks and opportunities are evaluated qualitatively and quantitatively and scored based on likelihood and potential business impact in relation to EBITDA thresholds.

Risks are prioritized using the Group's Enterprise Risk Management framework, which applies a standardized likelihood–impact scoring methodology. This enables the positioning of climate-related risks within the Group's risk heat map and supports consistent prioritization and decision-making.

Based on the assessment, the overall financial exposure to physical climate risks prior to any mitigation measures is currently considered low across considered low across all scenarios and time horizons. The highest relative exposure is observed under a high warming scenario, particularly in the long term, driven primarily by increased cooling costs associated with extreme heat. Flooding and cyclone-related risks remain limited, with cyclone exposure increasing gradually over time but not reaching material levels. The potential impacts of these risks include temporary disruption to operations due to flooding of office or data centre facilities, physical damage to buildings and infrastructure, and associated increases in maintenance or insurance costs; however, based on current assessments, such impacts are not expected to be material to the Group's financial position or operations.

Transition risks have been assessed as low, with no currently identified risks expected to have a material financial impact across the short, medium or long term. Consequently, climate-related risks are positioned in the low range of the Group's risk heat map. The Group will continue to monitor developments and enhance its methodologies to further refine the quantification and prioritisation of climate-related risks and opportunities over time. A comprehensive assessment of climate-related risks (including both physical and transition risks) is performed every five years, in line with the ESG strategic planning cycle, and more frequently where there are significant changes in the Group's business model, including acquisitions, divestments or other material developments.

Metrics and targets

Infobip's 2024 carbon footprint covers the entire Group from January 1 to December 31. It reflects global annual greenhouse gas (GHG) emissions across all operated entities and the value chain and no material emission sources have been excluded from the calculations. The assessment uses the operational control approach following the WRI/WBCSD GHG Protocol standards, including Scope 1, 2, and 3 emissions.
Infobip's Group carbon footprint and related metrics for the period from January 1 to December 31 2025 will be published in Group's ESG Report for financial year 2025 in Q2 2026 since assessment results were not available at the date the financial statement are published.

Greenhouse gas emissions for Infobip Group

Scope	Emissions Location-Based (tCO_2e)	Emissions Market-Based (tCO_2e)
Scope 1	718	718
Scope 2	1,966	2,176
Scope 3	151,586	150,343
	154,270	**153,237**

Non-financial and sustainability Information statement (continued)

Other metrics related to carbon footprint

Category	Metric	FY 2024
Energy	MWh	19,186.69
Total electricity consumption	MWh	17,148.88
Electricity from Renewable Energy Sources RES	MWh	3,553.00
% electricity from Renewable Energy Sources RES	%	20.72
Electricity intensity*		9.26
Energy intensity*		10.36
Natural gas and heating	MWh	2,035.12
Other energy sources	MWh	2.69
Municipal waste	t	1,109.39
Waste intensity**		0.33
Water	m^3	26,105.70
Water intensity**		7.80

**intensity per revenue in $ million: financial year (FY) 2024 2004,2 million $*
***intensity per employee (FTE) 2024 3,345 employees*

Metrics and targets (continued)

Greenhouse gas emissions for Infobip Limited, UK

For the year ended 31 December 2025, the quantity of total emission arising from electricity consumption by Infobip Limited UK was approximately 1.12 tons of carbon dioxide equivalent (tCO2e) (2024: 1.02 tons). The intensity ratio (Scope 2) calculated as consumption of carbon dioxide equivalent per employee (HC on 31 December 2025) is 20.27 kgCO2e (in 2024: 14.40 kgCO2e). Total electricity consumption in 2024 was 5.73 MWh (in 2024: 4.94 MWh).

The report was approved by the board of Directors and signed on behalf of the board by:

........................Silvio Kutic
S Kutic Silvio Kutic (02/04/2026 20:04:58 GMT+2)
Director

Date: 02/04/2026

The Strategic Report on pages 1 to 15 form part of this Directors' Report.

Going concern and basis of preparation of financial statements

The Directors have assessed the ability of the Group to continue to operate as a going concern. To support this assessment forecasts covering at least 12 months from the date of approval of these financial statements have been prepared. These forecasts represent management's best estimate of future trading performance based on expectations and commitments made at the time of signing the financial statements. The Directors are satisfied it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

In making this assessment, the Directors have considered all available information about the future for a period of at least 12 months from the date of approval of these financial statements, as required by FRS 102 paragraph 3.8A. The significant judgements and assumptions made in this assessment are set out above.

Statement of corporate governance arrangements

During the financial year 2025, the Group did not apply a formal corporate governance code. The Board kept under review the governance frameworks available to large private companies, including the Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles"), and used the Wates Principles as a reference point in developing the Group's governance arrangements.

The Board considers that, given the Group's ownership structure and governance needs, a proportionate framework is appropriate. In practice, the Group's governance arrangements include clear allocation of responsibilities, management reporting to the Board, internal controls and risk management processes, with ongoing enhancements aligned to the outcomes reflected in the Wates Principles.

Results and dividends

The results for the year are set out on page 23. No dividends were paid during 2025, nor are the Directors recommending any payment of dividend for the financial year to 31 December 2025.

Directors

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

I Jelenic	
R Kutic	Resigned on 18 June 2025
S Kutic	
A Kusurin	
I Ostojic	Resigned on 7 November 2025
M Ancic	
Y Dafna	
V Vuković	Appointed on 7 November 2025

Russian Ukraine conflict

In 2025 Infobip Group continued its very minimal operations related to the Russian Federation, limited to activities necessary for the safety of our employees and ensuring stability of Group operations. Our customer base comes predominantly from the digital communication sector and Infobip supports them in securing free and uninterrupted communication for their end users, as encouraged by western regulators. In all its activities Infobip stays committed to all applicable standards of ethical and responsible business conduct, including, but not limited to, all applicable economic and financial sanctions and trade embargoes (Note 19).

Iran conflict

Based on the information currently available on the current situation in Iran, management expects the impact on Infobip's business operations or financial performance in 2026 to be immaterial.

Engagement with suppliers, customers and others

The Group's engagement with suppliers, customers and others is explained in the Strategic report.

Research and development

The Group's development work is undertaken across a number of Group companies. From the start, the Group has relied on internal development of its products and services rather than buying ready-made solutions. The Group's R&D activities relate to the development of AI powered communication platform through various products.

During 2025 the Group's R&D efforts were connected to already existing products, however new features and updates were developed on regular basis.

Starting from 2023, the Group changed accounting policy and started to capitalize costs of internally developed software. Research expenditure is written off against profits in the year in which it is incurred.

Events after the balance sheet date

At the beginning of 2026 the directors reassessed the parent company functional currency and concluded to change its functional currency from euro ("€") to US dollar ("$") with effect from 1 January 2026, reflecting the evolution of its underlying economic environment. This forthcoming change does not affect the measurement basis applied in these financial statements for the year ended 31 December 2025.

Adoption of FRS 102 amendments

For the year ended 31 December 2025, the Group has early adopted the amendments to FRS 102 arising from the FRC's September 2024 Periodic Review, including the new lease accounting standard (Section 20) and the new revenue recognition standard (Section 23). These have been applied with effect from 1 January 2025. The principal effect of the adoption of Section 20 is the recognition of right-of-use assets and lease liabilities on the Group's balance sheet for leases previously classified as operating leases. Full details of the impact are provided in Note 28 to the financial statements.

In the current year, the Company has adopted a revised presentation format for its Statement of Financial Position to improve clarity and comparability as allowed by February 2026 Amendments to FRS 102. The revised format reorders and relabels certain line items but does not reflect any change in accounting policies or the Company's financial position.

Auditor

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the Group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

The report was approved by the board of Directors and signed on behalf of the board by:

.... Silvio Kutic

S Kutic
Director

Silvio Kutic (02/04/2026 20:04:58 GMT+2)

Date: 02/04/2026

INFOBIP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFOBIP LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Infobip Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2025 which comprise Group profit and loss account, Group statement of comprehensive income, Group balance sheet, Company balance sheet, Group statement of changes in equity, Company statement of changes in equity, Group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Considering the appropriateness of management's forecasts for the Infobip Limited Group, which includes the parent company, by reviewing and challenging the key assumpions applied by management, assessing both historical accuracy and mathematical accuracy;
- Assessment of Infobip Limited's potential downside sensitivities within the forecast period, including challenging the directors' assumptions and evaluating the group's financial headroom; and
- Review management's covenant compliance calculations throughout the year and independently recalculate period-end covenant compliance measures to ensure that the entity has not breached any of the loan covenants which might impact the going concern assumption.

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

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

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Review of the minutes of Board and other papers related to climate change and performed a risk assessment as to how the impact of climate change may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of managements disclosures included as 'Statutory Other Information' with the financial statements and with our knowledge obtained from the audit.

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, those charged with governance and its internal legal counsel;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006 and relevant employment and tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and trading regulations.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, and those made in preparation of the financial statements, which met a defined risk criterion and a arbitrary sample of journals that did not meet the risk criteria, by obtaining and understanding of the business rationale for the journal and agreeing to supporting documentation;
- Assessing significant estimates made by management for bias particularly in relation to impairment assessment models; and
- Testing a sample of revenue throughout the year by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all considered to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:
Gavin Crawford
0BD8F31DCC5C4CC...
Gavin Crawford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK
Date: 02 April 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

INFOBIP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 $ million	2024 $ million
Turnover	3	**2,335.8**	**2,004.2**
Cost of sales		(1,779.0)	(1,527.2)
Gross profit		**556.8**	**477.0**
Administrative expenses		(373.4)	(341.3)
Other operating income		17.2	5.1
Adjusted EBITDA*		**200.6**	**140.8**
Depreciation and impairment	11,12	(25.0)	(15.1)
Amortization and impairment	10	(80.4)	(99.1)
Exceptional items	4	(6.9)	(40.3)
Separately reported items	4	(12.6)	(22.6)
Operating Profit/(Loss)	5	**75.7**	**(36.3)**
Net interest payable and similar expenses	8	(61.0)	(78.5)
Profit/(Loss) before taxation		**14.7**	**(114.8)**
Tax on profit/loss	9	(13.8)	(30.4)
Profit/(Loss) for the financial year		**0.9**	**(145.2)**

Profit for the financial year is all attributable to the owners of the parent company.

*Adjusted EBITDA is a non-GAAP measure, being it is not a measure recognized or defined under UK GAAP. The Directors consider that this measure may be helpful to users of the financial statements. Adjusted EBITDA is earnings before interest, tax, depreciation, impairment, amortization, foreign exchange gains and losses, exceptional and separately reported items.

The notes on pages 30 to 78 form part of these financial statements.

INFOBIP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 $ million	2024 $ million
Profit/(Loss) for the year	**0.9**	**(145.2)**
Other comprehensive (loss)/income		
Currency translation differences	(42.2)	45.6
Taken to hedge reserve	-	-
Deferred tax effect of hedge	-	-
Total comprehensive (loss) for the year	**(41.3)**	**(99.6)**

Total comprehensive loss for the year is all attributable to the owners of the parent company.

The notes on pages 30 to 78 form part of these financial statements.

INFOBIP LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 $ million	2024 $ million
Non-current assets			
Goodwill	10	53.7	92.5
Other intangible assets	10	70.0	61.0
Tangible assets	11	64.0	63.4
Right-of-Use Assets	12	12.5	-
Investments	13	0.5	0.4
Deferred tax asset	20	10.2	10.7
Other long-term assets		6.1	0.7
		217.0	**228.7**
Current assets			
Trade receivables	16	365.1	306.7
Cash and cash equivalents		142.5	121.5
Prepayments		39.2	34.1
Tax receivables	17	20.1	14.2
Other investments		1.8	1.9
Other receivables		26.8	34.3
		595.5	**512.7**
Total assets		**812.5**	**741.4**
Equity			
Share capital	22	106.4	92.0
Share premium	22	546.2	4.6
Foreign currency translation reserve		(4.8)	37.4
Share repurchase reserve	22	(11.4)	(11.4)
Merger reserve		(1.7)	(1.7)
Other reserves	22	1.0	1.0
Retained earnings		(862.6)	(863.5)
Total equity		**(226.9)**	**(741.6)**
Non-current liabilities			
Preference convertible share	19,22	-	508.5
Non-current loans and borrowings	19	524.0	500.4
Non-current lease liabilities	12,19	7.9	-
Deferred tax liabilities	19, 20	1.2	5.2
Other non-current liabilities	19	8.6	9.9
		541.7	**1024.0**
Current liabilities			
Trade payables	18	423.1	402.5
Other payables	18	44.8	37.8
Current lease liabilities	12,18	6.1	-
Tax payables	18	18.5	13.4
Current borrowings	18, 19	5.2	5.3
		497.7	**459.0**
Total equity and liabilities		**812.5**	**741.4**

The financial statements were approved by the board of Directors and authorized for issue on ....
and are signed on its behalf by:

..........................Silvio Kutic
S Kutic
Director Silvio Kutic (02/04/2026 20:04:58 GMT+2)

The notes on pages 30 to 78 form part of these financial statements.

INFOBIP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 $ million	2024 $ million
Non-current assets			
Goodwill	10	18.4	21.7
Other intangible assets	10	54.4	41.6
Tangible assets	11	2.6	4.6
Right-of-Use Assets	12	0.2	-
Investments	13	350.8	305.8
Deferred tax asset		0.2	0.2
Other long-term assets		5.1	0.2
		431.7	**374.1**
Current assets			
Trade receivables	16	441.0	411.2
Cash and cash equivalents		51.7	25.6
Prepayments		20.5	22.2
Other receivables		8.4	16.2
		521.6	**475.2**
Total assets		**953.3**	**849.3**
Equity			
Share capital	22	106.4	92.0
Share premium	22	546.2	4.6
Foreign currency translation reserve		(2.5)	28.6
Share repurchase reserve	22	(11.4)	(11.4)
Retained earnings		(460.6)	(511.1)
Total equity		**178.1**	**(397.3)**
Non-current liabilities			
Preference convertible share	19,22	-	508.5
Non-current lease liabilities	19	0.2	-
Other non-current liabilities	19	2.1	-
		2.3	**508.5**
Current liabilities			
Trade payables	18	751.8	718.1
Other payables	18	15.8	17.7
Tax payables	18	5.3	2.3
		772.9	**738.1**
Total equity and liabilities		**953.3**	**849.3**

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was $50.5 million (2024: $56.8 million loss).

The financial statements were approved by the board of Directors and authorized for issue on .... and are signed on its behalf by:

.......................Silvio Kutic
Silvio Kutic (02/04/2026 20:04:58 GMT+2)

S Kutic
Director
Company Registration No. 07085757

The notes on pages 30 to 78 form part of these financial statements.

INFOBIP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium	Share repurchase reserve	Foreign currency translation reserve	Merger reserve	Other reserves	Retained earnings	Total
	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
Balance at 1 January 2024	**92.0**	**4.6**	**(11.4)**	**(8.2)**	**(1.7)**	**1.0**	**(718.3)**	**(642.0)**
Year ended 31 December 2024:								
Loss for the year	-	-	-	-	-	-	(145.2)	**(145.2)**
Other comprehensive (loss)/income:								
Currency translation differences	-	-	-	45.6	-	-	-	**45.6**
Total comprehensive loss for the year	-	-	-	45.6	-	-	(145.2)	**(99.6)**
Balance at 31 December 2024	**92.0**	**4.6**	**(11.4)**	**37.4**	**(1.7)**	**1.0**	**(863.5)**	**(741.6)**
Effect of adoption of FRS 102 amendments	-	-	-	-	-	-	-	-
Balance at 1 January 2025 as restated	**92.0**	**4.6**	**(11.4)**	**37.4**	**(1.7)**	**1.0**	**(863.5)**	**(741.6)**
Year ended 31 December 2025:								
Profit for the year	-	-	-	-	-	-	0.9	**0.9**
Other comprehensive (loss)/income:								
Currency translation differences	-	-	-	(42.2)	-	-	-	**(42.2)**
Total comprehensive loss for the year	-	-	-	(42.2)	-	-	0.9	**(41.3)**
Preference shares reclassification	14.4	541.6	-	-	-	-	-	**556.0**
Balance at 31 December 2025	**106.4**	**546.2**	**(11.4)**	**(4.8)**	**(1.7)**	**1.0**	**(862.6)**	**(226.9)**

The notes on pages 30 to 78 from part of these financial statements.

INFOBIP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium	Share repurchase reserve	Foreign currency translation reserve	Retained earnings	Total
	$ million	$ million	$ million	$ million	$ million	$ million
Balance at 1 January 2024	**92.0**	**4.6**	**(11.4)**	**5.1**	**(454.3)**	**(364.0)**
Year ended 31 December 2024:						
Loss for the year					(56.8)	**(56.8)**
Currency translation differences	-	-	-	23.5		**23.5**
Total comprehensive loss for the year	-	-	-	23.5	(56.8)	**(33.3)**
Balance at 31 December 2024	**92.0**	**4.6**	**(11.4)**	**28.6**	**(511.1)**	**(397.3)**
Effect of adoption of FRS 102 amendments	-	-	-	-	-	**-**
Balance at 1 January 2025 as restated	**92.0**	**4.6**	**(11.4)**	**28.6**	**(511.1)**	**(397.3)**
Year ended 31 December 2025:						
Loss for the year					50.5	**50.5**
Currency translation differences	-	-	-	(31.1)		**(31.1)**
Total comprehensive income for the year	-	-	-	(31.1)	50.5	**19.4**
Preference shares reclassification	14.4	541.6	-	-	-	**556.0**
Balance at 31 December 2025	**106.4**	**546.2**	**(11.4)**	**(2.5)**	**(460.6)**	**178.1**

The notes on pages 30 to 78 form part of these financial statements.

INFOBIP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025		2024
	$ million	**$ million**	**$ million**	**$ million**
Profit/(Loss) for the year after tax		**0.9**		**(145.2)**
Adjustments for:				
Taxation charged		13.8		30.4
Finance costs		63.0		81.4
Investment income		(1.9)		(3.0)
Amortization and impairment of intangible assets		80.4		99.1
Depreciation of tangible fixed assets		25.0		15.1
Provisions		-		5.2
Write off and provisions for bad debts		18.7		31.1
Disposal of fixed asset		1.3		-
Foreign exchange losses/(gains)		(12.2)		22.9
Movement in working capital:				
Increase in debtors		(60.4)		(18.8)
(Increase)/decrease in creditors		(16.7)		9.5
Cash generated from operations		**111.9**		**127.7**
Interest paid		(58.8)		(66.4)
Other investment income received		0.6		1.1
Income taxes paid		(6.9)		(3.4)
Net cash generated from operating activities		**46.8**		**59.0**
Investing activities				
Purchase of intangible assets	(33.4)		(30.9)	
Purchase of tangible fixed assets	(13.0)		(11.9)	
Proceeds on disposal of tangible and intangible fixed asset	0.3		0.5	
Interest received	1.3		1.9	
Net cash (used in) investing activities		**(44.8)**		**(40.4)**
Financing activities				
Repayment of long term borrowings		(5.2)		(5.3)
Increase in long term borrowings		23.6		29.4
Principal paid on lease liabilities		(7.9)		-
Net cash generated from financing activities		**10.5**		**24.1**
Net increase in cash and cash equivalents		**12.5**		**42.7**
Cash and cash equivalents at beginning of year		121.5		87.2
Effect of foreign exchange rates		8.5		(8.4)
Cash and cash equivalents at end of year		**142.5**		**121.5**

The notes on pages 30 to 78 form part of these financial statements.

1 Accounting policies

Company information
Infobip Limited ("the Company") is a private limited company limited by shares, domiciled and incorporated in England and Wales. The registered office is 181 Queen Victoria Street, London, EC4V 4EG, United Kingdom.

The Group consists of Infobip Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The Group and Company have early adopted the amendments to FRS 102 from the Periodic Review 2024 for the year ended 31 December 2025. Information on the effect of the adoption of these amendments is provided in Note 28.

In the current year, the Company has adopted a revised presentation format for its Statement of Financial Position to improve clarity and comparability as allowed by February 2026 Amendments to FRS 102. The revised format reorders and relabels certain line items but does not reflect any change in accounting policies or the Company's financial position.

Comparative information for the year ended 31 December 2024 has been prepared in accordance with the previous version of FRS 102 as permitted by the transitional provisions of the 2024 amendments. Comparatives have not been restated.

Effective for the year ended 31 December 2025, the Company has changed its presentation currency from euro ("€") to United States dollars ("$"). This change has been made to enhance the relevance and comparability of the financial information presented, given the increasing significance of $-denominated reporting within the Group. The Company's functional currency remains the euro ("€") for the 2025 financial year. All balances and transactions measured in the functional currency have been translated into the presentation currency in accordance with FRS 102 requirements.

Monetary amounts in these financial statements are presented in $ million, rounded to one decimal place, unless otherwise indicated.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Details of the significant judgements and estimates are provided in Note 2.

Under FRS 102 revised only material accounting policy is required to disclosed. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the users of general purpose financial statements make on the basis of those financial statements. The disclosure shall include the measurement basis (or bases) used in preparing the financial statements. The notes present material accounting policy information, focusing on entity-specific application of the FRS 102 requirements; immaterial policies have been omitted

1 Accounting policies (continued)

1.1 Accounting convention (continued)

Parent company disclosure exemptions
In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and Parent company would be identical;
- no income statement nor statement of comprehensive income has been prepared for the Parent company;
- certain disclosures in respect of revenue including disaggregation of revenue and details of unsatisfied performance obligations;
- no cash flow statement or net debt reconciliation has been presented for the Parent company;
- disclosures in respect of the Parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Parent company as their remuneration is included in the totals for the Group as a whole.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Infobip Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

In the Group and Parent company financial statements, where acquisition accounting is adopted, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. Provisional fair values recognized for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognized on differences between the value of assets (other than goodwill) and liabilities recognized in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled.

All financial statements are made up to 31 December 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Merger accounting

A number of subsidiaries acquired during 2019 are consolidated using the merger accounting method. Their results have been incorporated as if they were always in the Group.

1 Accounting policies (continued)

1.4 Going concern

The Directors confirm that they have considered all available information about the future for a period of at least 12 months from the date of approval of these financial statements, in making this going concern assessment, as required by FRS 102 paragraph 3.8A. To support this assessment forecast covering the period to the end of December 2027 have been prepared. After making enquiries and reviewing detailed financial projections, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have sensitized the forecasts and considered the extent to which predicted revenues would need to fall to prevent the business from meeting the loan covenant requirements. Forecasts made reflect the market conditions that the management is observing currently. The business has continued to grow in this calendar year in line with forecast and with the expected wider market trends. In the opinion of the Directors the downside sensitivity required to breach the loan covenant requirements is not reasonably expected to occur. For that reason, the Directors are satisfied it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

1.5 Turnover

The Group and the Company prepares its financial statements in accordance with FRS 102. With effect from 1 January 2025, the Group and the Company has early adopted the amended revenue recognition requirements of FRS 102 Section 23 Revenue, which introduce a single, principles-based model for recognizing revenue from contracts with customers. The Group and the Company have applied the modified retrospective transition method. Comparative information for the year ended 31 December 2024 has not been restated; the cumulative effect of initial application has been recognized as an adjustment to opening retained earnings at 1 January 2025. Further details are provided in Note 28 Effect of Changes in Accounting Policies.

Revenue recognition framework
Revenue is recognised by applying the following five-step model to each contract with a customer, as required by FRS 102 Section 23:

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations.
- Step 5: Recognise revenue when (or as) each performance obligation is satisfied.

This framework is applied consistently across all material revenue streams. The Company generates revenue from three principal streams: CPaaS, SaaS, and Professional Services. Each stream has been assessed under the five-step revenue recognition model in FRS 102 Section 23, as summarized below.

CPaaS (Communications Platform as a Service)
CPaaS revenue arises from the provision of stand-ready messaging and connectivity services, including SMS, OTT/business messaging channels (such as WhatsApp, RCS, Apple Business Chat and similar), email messaging, and voice/network traffic. Contracts typically contain distinct performance obligations by channel, each representing a promise to provide continuous access to the platform and to process traffic as it occurs. The transaction price consists primarily of usage-based variable consideration, with pricing observable at the individual service level. Consideration is allocated directly to the related performance obligation. Revenue is recognized over time, using usage (e.g. messages, conversations or minutes processed) as the measure of progress, as customers simultaneously receive and consume the benefits of the services.

SaaS (Software as a Service)
SaaS revenue relates to subscription-based access to the Company's software platforms. The promise to the customer is to provide access to the software functionality over the contractual term, which represents a single stand-ready performance obligation.
The transaction price is generally fixed consideration stated in the contract. Revenue is recognized over time, on a straight-line basis over the subscription period, as the customer continuously receives the benefit of access to the software.

1 Accounting policies (continued)

1.5 Turnover (continued)

Professional Services
Professional services revenue includes implementation, configuration, integration, migration and other one-off services provided to customers. These services are assessed to determine whether they are distinct from CPaaS or SaaS services.
Where professional services are capable of being distinct and are not highly integrated with ongoing platform services, they are treated as separate performance obligations. Revenue is recognized over time where the customer simultaneously receives and consumes the benefit of the service, or at a point in time upon completion where the service creates a distinct deliverable. Where professional services are not distinct, they are combined with the related CPaaS or SaaS performance obligation.

Transaction price
The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring promised services to a customer. Variable consideration (including usage-based fees, volume rebates and service level credits) is estimated using the expected value method and is included in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue will not occur when the related uncertainty is resolved.

Allocation of the transaction price
Where a contract contains more than one distinct performance obligation, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. Stand-alone selling prices are determined by reference to observable market prices where available, or otherwise estimated using a cost plus reasonable margin approach.

Contract balances
A contract asset arises when the Company has transferred a good or service to a customer before the customer has paid consideration, or before payment is due, and the Company's right to consideration is conditional on something other than the passage of time (for example, completion of a further performance obligation). Contract assets are subject to impairment assessment in accordance with the expected credit loss model under FRS 102 Section 11.

A contract liability arises when the Company has received consideration (or an amount of consideration is due from the customer) before the Company transfers the related goods or services. This includes amounts invoiced to customers in advance of the subscription or service period, which are deferred and recognized as revenue in the period to which they relate.

Contract assets are presented under Trade receivables. Contract liabilities are presented as Deferred income within Other payables:. The opening and closing balances of contract assets and contract liabilities, together with revenue recognized from contract liabilities in the period, are disclosed in Note 3.

Costs to obtain a contract
Incremental costs of obtaining contracts (principally sales commissions) are capitalized where the expected amortization period exceeds 12 months. Where the expected amortization period is 12 months or less, the practical expedient is applied and such costs are expensed as incurred. Capitalized contract cost assets are amortized on a systematic basis consistent with the pattern of transfer of the related services. Contract cost assets are presented within other receivables.

Principal versus agent
The Company controls the provision of services (including platform access, routing, pricing and billing) and is responsible for fulfilment. Third-party network operators are inputs into the Company's service offering. Accordingly, the Company acts as principal and recognizes revenue gross.

Additional practical expedients
Portfolio approach: where contracts have similar characteristics, the revenue recognition guidance is applied to a portfolio of contracts where the effect is not expected to differ materially from applying it to individual contracts.

1 Accounting policies (continued)

1.5 Turnover (continued)

Remaining performance obligations: the Company does not separately disclose the aggregate transaction price allocated to unsatisfied performance obligations for contracts with an original expected duration of 12 months or less, or where the right-to-invoice practical expedient applies.

Disaggregation of revenue
Revenue is disaggregated in a manner that depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Basis of disaggregation selected
Management has determined that the most meaningful disaggregation is by:
1. Geographical region, reflecting how revenue is generated and managed; and
2. Timing of transfer of services, distinguishing between services recognized over time and at a point in time.

Disaggregation by individual product or customer type is not presented separately, as the majority of revenue arises from usage-based CPaaS services that share similar economic characteristics, risk profiles and recognition pattern.

Turnover
Throughout these financial statements, the term Turnover is used in the primary statements and note headings in accordance with the Companies Act 2006 and Schedule 1 to the Small Companies and Groups (Accounts and Reports) Regulations 2008, and the equivalent large and medium-sized company regulations. Turnover represents amounts derived from the provision of goods and services falling within the Company's ordinary activities, after deduction of value added tax and any other taxes based on the amounts so derived. The revenue recognition principles described above apply in full to all amounts presented as Turnover.

1.6 Research and development expenditure

Starting from 2023, the Group changed its accounting policy and started to capitalize costs of internally developed software. Research expenditure is written off against profits in the year in which it is incurred (see 1.8. Internally generated intangible assets).

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognized as an asset at cost and is subsequently measured at cost less accumulated amortization and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortized on a systematic basis over its expected life, which is 6 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Internally generated intangible assets

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the generation of the asset into:
(a) research phase; and
(b) development phase.

1 Accounting policies (continued)

1.8 Internally generated intangible assets (continued)

Research phase
No intangible asset arising from research (or from the research phase of an internal project) is recognized. Expenditure on research (or on the research phase of an internal project) is recognized as an expense when it is incurred.

Development phase
The Group recognizes an intangible asset arising from development (or from the development phase of an internal project) if, and only if, an entity can demonstrate all of the following:
(a) Technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) Its intention to complete the intangible asset and use or sell it;
(c) Its ability to use or sell the intangible asset;
(d) How the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate 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;
(e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If the Group cannot distinguish the research phase from the development phase of an internal project to create an intangible asset, the Group treats the expenditure on that project as if it were incurred in the research phase only.

Measurement
The Group is measuring an intangible asset initially at cost.

Other than direct employee costs, the cost of an internally generated intangible asset comprises also all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

All internally generated intangible assets are amortized straight line over a 3 year period.

1.9 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired on business combinations are recognized separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortization is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licenses, domains and computer programs	Straight line over 3 years
Brand	Straight line over 6 years
Technology	Straight line over 6 years
Trade names	Straight line over 10 years
Internally generated intangible asset	Straight line over 3 years

1 Accounting policies (continued)

1.10 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	Straight line over 3 years
Furniture and fittings	Straight line over 5 years
Office and other equipment	Straight line over 5 years
Servers	Straight line over 4 years
Property and equipment	Straight line over 50 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognized in the profit and loss account.

1.11 Fixed asset investments

Fixed asset investments in the Group are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

In the Parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.12 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognized impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognized in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortized.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Derecognition of financial assets
Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Factoring
In 2020, the Group has entered into a Master Factoring Agreement with Raiffeisen Bank International, whereby they are executing purchase of selected receivables on a non-recourse basis. The Group accounts for the sale of these receivables as derecognition of financial asset and at the same time establishing provision for fair value of guarantee to Raiffeisen Bank International in the amount of agreed default and dilution reserves.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual obligations, rather than the financial instrument's legal form. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

1 Accounting policies (continued)

1.14 Financial instruments (continued)

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortized.

Debt instruments are subsequently carried at amortized cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognized when the Group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of the Group.

The Group shall recognize the issue of shares or other equity instruments as equity when it issues those instruments and another party is obliged to provide cash or other resources to the entity in exchange for the instruments.

Group shall recognize additional contribution from the parent, different from share capital to Other reserves.

A preference share that provides for mandatory redemption by the Group for a fixed or determinable amount at a fixed or determinable future date or gives the holder the right to require the Group as issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability.

On 7 May 2025 new Articles of association of the Company were adopted by which, among other matters, all rights of all share classes including preference convertible shares (C class shares) were equalized with ordinary (A class shares). As a result, in 2025, the Company reclassified amount of $556.0 million which includes amount paid in and rolled up interest, from liabilities to equity.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

1.16 Taxation (continued)

Deferred tax

Deferred tax liabilities are generally recognized for all timing differences and deferred tax assets are recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognized if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax balances are not recognized in respect of permanent differences except in respect of business combinations, when deferred tax is recognized on 1) the difference between the fair values of assets acquired and the future tax deductions available for them, and 2) the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

The costs of short-term employee benefits are recognized as a liability and an expense, unless those costs are required to be recognized as part of the cost of stock, fixed assets or internal capitalized development costs.

The cost of any unused holiday entitlement is recognized in the period in which the employee's services are received.

Termination benefits are recognized immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

1 Accounting policies (continued)

1.19 Share-based payments (continued)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

1.20 Leases as a lessee

In 2024 and earlier, Group considered classification of leases as finance or operating leases. Leases of assets that transfer substantially all the risks and rewards incidental to ownership were classified as finance leases. Finance leases were capitalized at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate could not be determined, the Group's incremental borrowing rate (IBR) was used.

Leases that do not transfer all the risks and rewards of ownership were classified as operating leases. Payments under operating leases were charged to the profit and loss account on a straight-line basis over the period of the lease.

Until the end of 2024 the Group classified all leases as operating leases.

With effect from 1 January 2025, the Group has early adopted the amended lease accounting requirements of FRS 102 Section 20 Leases.

In accordance with the amended requirements, all leases that qualified for recognition at the date of initial application were recognised on the balance sheet: the Group recognized a right-of-use asset (ROU) and a corresponding lease liability. This included also leases that, at the transition date, had a remaining lease term of less than 12 months.

The Group applied the modified retrospective approach on transition. Comparative information has not been restated.

Subsequent Lease Recognition:

At inception of the arrangement, the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

The Group recognizes a right-of-use (ROU) asset and a lease of liability for office buildings, apartments, vehicles and equipment, removing the previous distinction between operating and finance leases. Short-term and low-value leases are expensed.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease
- initial direct costs incurred, and
- the amount of any provision recognized where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations – see Note 12).

Exemptions

The Group applies the recognition exemptions for the following categories of lease:

- Short-term leases: leases with a lease term of 12 months or less at the commencement date; or
- Low-value asset leases: leases where the underlying asset has a low value when new (assessed at an individual asset level; the Group's threshold is approximately $5,000.

1 Accounting policies (continued)

1.20 Leases as a lessee (continued)

Although FRS 102 does not specify a low-value lease exemption, the Group applies a materiality-based internal threshold of $5,000. Threshold considerations include: immateriality to financial reporting, administrative burden vs. benefit, typical value of IT/office equipment leases within the Group.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease. Where that rate cannot be readily determined, which is typically the case, either the group's incremental borrowing rate or the group's obtainable borrowing rate on commencement of the lease is used. The choice of rate is applied on a lease-by-lease basis.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee
- the exercise price of any purchase option if the group is reasonably certain to exercise that option
- variable lease payments that depend on an index or a rate (initially measured using the index or rate at the commencement date)
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

The right-of-use asset is initially measured at the amount equal to the lease liability, adjusted for the following:
- Increased by any lease payments made at or before the commencement date.
- Increased by any initial direct costs incurred.
- Increased by the estimated cost of dismantling and restoring the underlying asset where the Group has an obligation to do so.
- Reduced by any lease incentives received.

Subsequent measurement — Right-of-use asset

After the commencement date, right-of-use assets are measured using the cost model: at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter of the lease term and the useful economic life of the underlying asset. Right-of-use assets are included within the same line as owned property, plant and equipment in the consolidated statement of financial position, and disclosed separately in the notes.

Subsequent measurement — Lease liability

After the commencement date, the lease liability is increased by the interest accrued (calculated using the effective interest rate method) and reduced by lease payments made. The carrying amount is remeasured where there is a change in future lease payments arising from a change in an index or rate; a change in the estimated amount payable under a residual value guarantee; or where the Group reassesses whether it is reasonably certain to exercise a purchase, extension, or termination option. Remeasurement adjustments are recognized against the carrying amount of the right-of-use asset.

Lease modifications

Where a lease modification is not accounted for as a separate new lease (i.e. where it does not grant an additional right-of-use not included in the original lease and the remaining consideration is commensurate with the stand-alone price of that additional right), the Group remeasures the lease liability using a revised discount rate and adjusts the right-of-use asset accordingly. Where a modification decreases the scope of a lease, the Group recognizes a gain or loss in profit or loss for any portion of the right-of-use asset or lease liability derecognized.

1 Accounting policies (continued)

1.20 Leases as a lessee (continued)

Variable lease payments

Variable lease payments that do not depend on an index or a rate (e.g. payments based on usage or performance) are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

Presentation of right-of-use assets and lease liabilities

The group presents right-of-use assets which do not meet the definition of investment property separately from other assets in the balance sheet. Right-of-use assets which meet the definition of investment property are presented in the balance sheet as investment property. Lease liabilities are not presented separately in the balance sheet. They are presented within creditors: amounts falling due within one year and creditors: amounts falling due after one year.

1.21 Foreign exchange

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

For the year ended 31 December 2025, the Group has changed its presentation currency from euro ("€") to United States dollar ("$") to provide more relevant and comparable information to users of the financial statements, reflecting the increasing prominence of $ within the Group's reporting framework.

The Company's functional currency remains the euro ("€") for the 2025 financial year. Accordingly, the Company's financial information, initially measured in its functional currency, has been translated into United States dollars for presentation purposes in accordance with FRS 102.

On consolidation, the results of overseas operations are translated from functional currency into the presentation currency ($) at the average exchange rate for the year. All assets and liabilities of overseas operations are translated from functional currency to presentation currency at the exchange rate ruling at the reporting date, including any goodwill relating to those operations. Exchange differences arising from the translation of the opening net assets at opening exchange rates and the results of overseas operations at actual exchange rates are recognized in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

All foreign exchange gains and losses are presented in profit or loss within 'Operating loss' as Separately reported items.

Exchange differences arising from the translation of the opening net assets at opening exchange rates and the results of overseas operations at actual exchange rates are recognized in other comprehensive income.

1 Accounting policies (continued)

1.22 Exceptional and separately reported items

Items that are considered material in size and are of a non-operating or a non-recurring nature or are incurred solely as a result of the Group's ownership structure are presented as exceptional items in the Consolidated Statement of Comprehensive Income.

Also, as the Group operates in various international markets with exposure to more than 50 different currencies, with significant effect of foreign currency gains and losses on the Group's financial statements, all foreign exchange gains and losses are presented as separately reported items in the Consolidated Statement of Comprehensive Income.

The Directors are of the opinion that the separate reporting of these items provides a better understanding of the underlying performance of the Group. Events which may give rise to classification of items as exceptional include equity raising, acquisitions, finance transformation and sales of financial assets expenses.

1.23 Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as a finance cost.
The provision is recognized as a liability in the balance sheet and as an expense in profit and loss account.

1.24 Changes in accounting policies

The Group is considering change in accounting policy only if the change:
(a) is required by an FRS; or
(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

Voluntary Change in Accounting Policy – Balance Sheet Format

During the year ended 31 December 2025, the Company and the Group voluntarily changed the accounting policy relating to the presentation format of the Balance Sheet, electing to adopt the IFRS-style presentation format instead of the statutory formats prescribed under FRS 102 and the Companies Act. This is permitted by FRS 102.3.11, which allows departures from the statutory formats when necessary to achieve a results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

Management considers the IFRS-style to:

- better reflect the way the Group and the Company presents information internally;
- enhance relevance and comparability with industry peers;
- improve users' understanding of liquidity and capital structure.

This represents a voluntary change in accounting policy under FRS 102 Section 10.8 and has been applied retrospectively.

1 Accounting policies (continued)

1.24 Changes in accounting policies (continued)

Voluntary Change in Accounting Policy – Balance Sheet Format (continued)

The change affects presentation only and has no impact on profit, cash flows, net assets, or equity. Comparatives have been restated to reflect the new presentation.
A reconciliation between the prior-period statutory format and the IFRS-style format is provided in Note 28.

Early Adoption of Amendments to FRS 102 (Periodic Review 2024)
The Group and Company have early adopted the amendments to FRS 102 arising from the FRC's September 2024 Periodic Review with effect from 1 January 2025 (the 'date of initial application'), in advance of the mandatory effective date of 1 January 2026.

In accordance with the transitional provisions, all amendments have been applied simultaneously.
The Group has applied the modified retrospective transition method for both Section 20 (Leases) and Section 23 (Revenue). Under this method, comparative information for the year ended 31 December 2024 has not been restated; the cumulative effect of initially applying the amendments has been recognized as an adjustment to the opening balance of retained earnings (or other components of equity as applicable) at 1 January 2025. Information on the effect of the adoption of the 2024 amendments on the Group's and Company's financial statements is provided in Note 28 Effect of Changes in Accounting Policies.

In the current year, the Company has adopted a revised presentation format for its Statement of Financial Position to improve clarity and comparability as allowed by February 2026 Amendments to FRS 102. The revised format reorders and relabels certain line items but does not reflect any change in accounting policies or the Company's financial position.

2 Judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Share-based payments
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

Fair value of share options granted are estimated to be €2.85 to €7.41 per option based on average contractual life of different exit scenarios (IPO short term, IPO long term, sale) using Black Scholes model and volatility based on historical volatilities of selected guideline public companies and expected term of options between 2.4 to 5.7 years. Due to current market conditions, timing of potential vesting event is uncertain and not expected within 12 months from the balance sheet date.

Impairment of investment in subsidiaries of Company
The Company applies Section 27 Impairment of Assets for recognizing impairment of assets, including investment in subsidiaries. The Company performs assessment at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

As an indicator of potential impairment, a comparison of net book value (NBV) of investment and Net asset of the subsidiary is performed and where impairment is identified, based on insufficient future profits, provision is recorded. Future forecasts are uncertain and represent a key source of estimation uncertainty.

2 Judgements and key sources of estimation uncertainty (continued)

Impairment of non-financial assets

Identification of cash generating units involves significant judgement. During this process, management considered various factors, including how they monitor the entity's operations and how they make decisions about continuing or disposing the entity's assets and operations. It was concluded that there are two cash generating units. First is formed by Peerless Network and the other corresponds to the rest of Infobip Group. Differences in facts and circumstances could result in different conclusions being reached. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill, technology and brand recognized by the Group.

Taxes

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

The Group has total amount of tax losses that arose in various tax jurisdiction of $216.8 million that are available for offsetting against future taxable profits of the companies in which the losses arose.

The Group recognized deferred tax asset on tax losses in the amount of $24.5 million, primarily relating to Infobip UK, based on an assessment that these losses will be utilized in the future tax returns.

On the remaining amount of tax losses of $184.1 million, no deferred tax asset has been recognized.

Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group. The subsidiaries incurring those losses have been loss-making for some time without any positive outlook for future taxable profits, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

If the Group recognized deferred tax assets on all tax losses, profit after tax would decrease and equity would increase by $46.0 million, using a 25% tax rate.

Significant judgements in revenue recognition

The following significant judgements were applied in recognizing and measuring turnover for the year ended 31 December 2025:

Distinct performance obligations in bundled contracts: In arrangements combining SaaS platform access with implementation services, management assesses whether implementation services are distinct. Where assessed as not distinct, they are combined with the platform licence into a single performance obligation.
Variable consideration — volume discounts and usage fees: The majority of the Company's revenue comprises usage-based consideration. Management recognises revenue based on actual usage in the period, as this corresponds directly to the value of services transferred to customers. As revenue is recognised only when the right to invoice arises, no significant estimation or constraint of variable consideration is typically required.

Timing of revenue recognition: judgement is applied in determining whether performance obligations are satisfied over time or at a point in time. Messaging, connectivity and platform access services are recognised over time, as customers simultaneously receive and consume the benefits of the services. Certain professional services are recognised at a point in time where the service results in a distinct deliverable transferred to the customer upon completion.

2 Judgements and key sources of estimation uncertainty (continued)

Significant judgements in revenue recognition (continued)

Contract term and modifications: For SaaS contracts with renewal or cancellation options, management exercises judgement in determining the contract term. Modifications are assessed as new contracts or continuations of existing arrangements based on whether additional rights are priced at stand-alone selling price.

Change in presentation currency

The Group and the Company have changed their presentation currency from euro (€) to United States dollars ($) for the financial statements for the year ended 31 December 2025. Management determined that presenting financial information in Unites States dollars ($) provides information that is more relevant to users of the financial statements, given the increasing significance of Unites States dollars ($)-denominated transactions in the Group's operations and financial structure.

The decision reflects the fact that:

- a substantial and growing proportion of revenue is generated in Unites States dollars ($);
- the Group's principal suppliers and operating expenditures are predominantly Unites States dollars ($) denominated; and
- the Group's main financing arrangements are in Unites States dollars ($);

These changes in the economic environment have resulted in Unites States dollars ($) becoming the most relevant currency for measuring and evaluating the Group's financial performance and position.

Basis of translation

In accordance with the principles set out in FRS 102 Section 30 (consistent in approach with IAS 21), the change in presentation currency has been applied retrospectively.

Accordingly:

- Assets and liabilities at each reporting date have been translated at the closing exchange rate applicable at that date.
- Income and expense items have been translated at the average exchange rate for the year.
- Equity components have been translated at historical exchange rates prevailing at the dates of the underlying transactions.

All comparative information has been restated to reflect presentation in Unites States dollars ($).

Translation differences

The retrospective application of the change in presentation currency has resulted in the recognition of cumulative translation differences, which have been recorded within other comprehensive income and accumulated in a translation reserve within equity.

These translation differences have no impact on profit or loss for the current or comparative periods.

Functional currency

The change in presentation currency does not affect the Group's or the Company's functional currency for the year ended 31 December 2025, which remains euro (€).

3 Turnover and other revenue

The following tables provide disaggregation of turnover together, with contract balance and performance obligation disclosures.

a) Turnover by geographical regions

	2025 $ million	2024 $ million
Americas	1,329.5	1,137.4
Europe, Middle East and Africa	580.8	503.3
Asia Pacific and India	425.5	363.5
Total	**2,335.8**	**2,004.2**

b) Turnover by timing of recognition

	2025 $ million	2024 $ million
Revenue recognized over time	2,327.7	1,999.0
Revenue recognized at a point in time	8.1	5.2
Total	**2,335.8**	**2,004.2**

The Group's revenue is predominantly recognized over time, compared to recognition at a point in time, as services are provided on a stand-ready and usage-based basis.

c) Contract balances

Revenue recognised in the year that was included in the contract liability balance at 1 January 2025 amounted to $21.4 million.(as at 1 January 2024: $10.1 million).

There was no revenue recognised in the year from performance obligations satisfied (or partially satisfied) in prior periods.

Contract balances relate to Contract assets and Contract liabilities. Contract assets are presented under Trade receivables (Note 16) amounting to $365.1 million as at 31 December 2025 (as at 31 December 2024: $306.7milion). Contract liabilities are presented as Deferred income within Other payables (Note 18), amounting to $ 27.8 million as at 31 December 2025 (as at 31 December 2024: $ 21.4million).

d) Remaining performance obligations

The Company applies the practical expedient in FRS 102 and does not separately disclose the transaction price allocated to unsatisfied performance obligations for contracts with an original expected duration of 12 months or less, or where the right-to-invoice practical expedient applies (principally Messaging Services and Network Call Services).

SaaS subscription contracts are agreed under terms not exceeding 12 months, the aggregate transaction price allocated to unsatisfied performance obligations at 31 December 2025 is $27.8 million, expected to be recognized within one year.

4 Exceptional and separately reported items

	2025 $ million	2024 $ million
Exceptional items		
Transformation expenses	9.2	9.8
One-off staff costs	1.9	3.1
Costs of raising finance	0.2	0.2
Integration expenses	(10.0)	1.8
Equity raising expenses	0.6	-
Provisions	-	5.2
One off bad debt	5.0	20.2
	6.9	**40.3**
Separately reported items		
Foreign exchange losses	12.6	22.6
	12.6	**22.6**
Exceptional and separately reported items	**19.5**	**62.9**

Transformation expenses mainly relate to costs of one-off projects related to optimizing the go-to-market model, optimizing the geographical footprint and increasing internal efficiency, as well as costs associated with the closure of certain operational locations driven by changes in the global environment.

One-off staff costs relate to one-off severance payments.

Infobip had incurred one-off costs related to integration of previously acquired companies, as well as some one-off income related to insurance proceeds in 2025.

Equity raising expenses in 2025 relate to costs incurred for optimizing the Group's capital structure.

One-off bad debt expenses relate to exceptional writing off receivables in the voice business from prior periods that, due to outcome of regulatory changes and settlements reached with several big customers, the Group does not now expect to be collected.

5 Operating profit/(loss)

	2025 $ million	2024 $ million
Operating profit/loss for the year is stated after charging:		
Exceptional and separately reported items	19.5	62.9
Depreciation of owned tangible fixed assets	25.0	15.1
Depreciation and impairment of ROU tangible assets	9.5	-
Amortization of intangible assets	80.4	99.1
Research costs	35.8	30.1
Defined contribution pension expense (see Note 7)	3.1	3.0
Short term and low value asset leases in 2025 / Operating lease charges in 2024	2.4	9.0

6 Auditor's remuneration

Fees payable to the Company's auditor and associates:

	2025 $ million	2024 $ million
For audit services		
Audit of the financial statements of the Group and company	1.9	1.9
Audit of the financial statements of the Company's subsidiaries	0.2	0.2
Total	**2.1**	**2.1**

7 Employees

The average monthly number of people (including Directors) employed by the Group and Company during the year was:

	Group 2025 Number	2024 Number	Company 2025 Number	2024 Number
Sales	1,290	987	31	27
Support	1,179	1,442	10	18
Development	956	916	6	7
Total	**3,425**	**3,345**	**47**	**52**

Their aggregate remuneration comprised:

	Group 2025 $ million	2024 $ million	Company 2025 $ million	2024 $ million
Wages and salaries	204.5	180.8	6.8	7.9
Social security costs	26.6	25.5	1.4	1.4
Pension costs	3.1	3.0	-	-
Total	**234.2**	**209.3**	**8.2**	**9.3**
Amounts capitalized	(32.4)	(30.1)	(0.4)	(0.7)
Staff costs charged to profit and loss	**201.8**	**179.2**	**7.8**	**8.6**

Group staff costs of $32.4 million were capitalized in development costs within intangible assets (Note 10) in the year. On the Company level $0.4 million of staff costs were capitalized to intangible assets.

Directors' remuneration has been disclosed in Note 23.

8 Net interests payable and similar expenses

	2025 $ million	2024 $ million
Accrued interests on preference shares	-	(7.2)
Amortization of capitalized expenses on preference shares	-	(3.4)
Interest on long term loan	(53.2)	(61.1)
Amortization of capitalized debt raising costs	(3.6)	(4.5)
Finance lease interest expense	(1.3)	-
Revolving debt-Commitment fee	(0.2)	-
Revolving debt-Interest	(0.3)	-
Other financial expenses	(2.4)	(2.3)
Total	**(61.0)**	**(78.5)**

For details on these costs please see Note 19 and Note 22.

9 Taxation

	2025 $ million	2024 $ million
Current tax		
Tax on losses for the current period	14.0	8.4
(Overdraft) / under draft of current tax of previous period	3.9	(1.5)
Total current tax charge for the year	**17.9**	**6.9**
Deferred tax		
Origination and reversal of timing differences	(2.4)	(15.9)
Adjustments to deferred tax balances relating to previous periods	3.5	1.8
Recognition of DTA previously not recognized	(5.2)	(2.8)
Derecognition of DTA in the US	-	40.4
Total deferred tax charge for the year	(4.1)	23.5
Total tax charge for the year	**13.8**	**30.4**

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2025 $ million	2024 $ million
Profit/(Loss) before taxation	**14.7**	**(114.8)**
Expected tax credit charge based on the standard rate of corporation	3.7	(28.7)
Tax effect of non deductible expense and non taxable revenue	7.4	13.1
Tax effect of unrecognized deferred tax balances	8.3	16.2
Utilization of tax losses and tax credits on which DTA was not	(7.9)	(7.8)
Lower taxes on overseas earnings	(0.6)	(0.3)
Minimum / additional tax	0.7	-
(Overdraft) / under draft of current tax of previous period	3.9	(1.5)
Adjustments to deferred tax balances relating to previous periods	3.5	1.8
Recognition of DTA previously not recognized	(5.2)	(2.8)
Derecognition of DTA in the US	-	40.4
Tax charge for the year	**13.8**	**30.4**

9 Taxation (continued)

Tax rate changes

Tax effect of expenses that are not deductible in determining taxable profits ($7.4 million) mainly relates to permanent differences across multiple jurisdictions, including disallowable expenses and nontaxable income streams, mostly driven by non-deductible amortization of goodwill. Tax effect of unrecognized deferred tax balances ($8.3 million) mainly relates to jurisdictions where losses, interest restrictions, or temporary differences do not meet the recognition criteria for deferred tax assets.

The Group has total amount of tax losses that arose in various tax jurisdiction of $216.8 million that are available for offsetting against future taxable profits of the companies in which the losses arose.

The Group recognized deferred tax asset on tax losses in the amount of $24.5 million, primarily relating to Infobip UK, based on an assessment that these losses will be utilized in the future tax returns.

On the remaining amount of tax losses of $184.1 million, no deferred tax asset has been recognized.

Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group. The subsidiaries incurring those losses have been loss-making for some time and there are no tax planning opportunities or sufficient evidence of recoverability in the near future.

If the Group recognized deferred tax assets on all tax losses, profit after tax would increase and equity would increase by $46.0 million, using a 25% tax rate.

The Group is in scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in a number of jurisdictions where the Group operates, including United Kingdom, and is effective in 2025.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to FRS 102 section 29 issued in July 2023.

The Group assessed the potential exposure to Pillar Two income taxes in 2025. Current assessment showed that the Group qualifies for the Transitional CbCR Safe harbor in most of the jurisdictions where it operates. However, there is a small number of jurisdictions that do not meet conditions for application of Transitional CbCR Safe Harbor. The Group performed calculations based on Pillar Two rules and assessed immaterial exposure in the total amount of approximately $99.4 thousand.

10 Intangible assets

Group	Goodwill	Licenses, domains and computer programs	Brand and Trade name	Technology	Total
	$ million	$ million	$ million	$ million	$ million
Cost					
At 1 January 2025	475.1	80.7	44.2	47.1	**647.1**
Additions	-	0.7	-	-	**0.7**
Additions - Internally generated	-	32.7	-	-	**32.7**
Transfer from/to tangible assets	-	1.4	-	-	**1.4**
Exchange adjustments	38.5	10.6	4.7	3.8	**57.6**
At 31 December 2025	**513.6**	**126.1**	**48.9**	**50.9**	**739.5**
Amortization and impairment					
At 1 January 2025	382.6	37.2	37.5	36.3	**493.6**
Amortization charged for the year	48.8	27.5	1.0	3.1	**80.4**
Transfer from/to tangible assets	-	0.1	-	-	**0.1**
Exchange adjustments	28.5	5.0	4.6	3.6	**41.7**
At 31 December 2025	**459.9**	**69.8**	**43.1**	**43.0**	**615.8**
Carrying amount					
At 31 December 2025	**53.7**	**56.3**	**5.8**	**7.9**	**123.7**
At 31 December 2024	**92.5**	**43.5**	**6.7**	**10.8**	**153.5**

Company	Goodwill	Licenses, domains and computer programs	Brand	Technology	Total
	$ million	$ million	$ million	$ million	$ million
Cost					
At 1 January 2025	60.9	71.2	3.0	29.1	**164.2**
Additions - Internally generated	-	32.6	-	-	**32.6**
Exchange adjustment	7.9	10.5	0.4	3.8	**22.6**
At 31 December 2025	**68.8**	**114.3**	**3.4**	**32.9**	**219.4**
Amortization and impairment					
At 1 January 2025	39.2	29.6	3.0	29.1	**100.9**
Amortization charged for the year	5.9	25.6	-	-	**31.5**
Exchange adjustment	5.3	4.7	0.4	3.8	**14.2**
At 31 December 2025	**50.4**	**59.9**	**3.4**	**32.9**	**146.6**
Carrying amount					
At 31 December 2025	**18.4**	**54.4**	**-**	**-**	**72.8**
At 31 December 2024	**21.7**	**41.6**	**-**	**-**	**63.3**

10 Intangible assets (continued)

On the Group level additions to internally generated intangible assets comprise $32.4 million (2024: $30.1 million) of capitalized internal costs (staff costs) and $0.4 million (2024: $0.5 million) of other external directly attributable costs necessary to create, produce and prepare the assets to be capable of operating in the manner intended by management. On the Company level $0.5 million (2024: $0.7 million) of staff costs and $32.2 million (2024: $29.6 million) of other external costs were capitalized to intangible assets.

Goodwill is tested for impairment when there are indications that an impairment loss has occurred.

The Company has determined that it operates as two cash-generating units (CGUs). One CGU involves legacy Infobip Group (IB). The other CGU is for Peerless Network (PN), telecommunication provider acquired in 2022.

The Group considered the indicators of possible impairment separately for each CGU. In respect of legacy The Group concluded that no indicators of impairment exist and no impairment test is performed, while Peerless goodwill was amortized in full already at the end of 2024 and remaining carrying value of CGU is recoverable.

The recoverable amount for Peerless CGU is determined based on its estimated value in use. These estimates are based on cash flow projections, which are based on financial budgets approved by the management covering a five-year period. In the assessment of future cash flows assumptions are made, primarily concerning sales growth and discount rate (WACC). WACC is based on a peer group of similar listed entities. The estimated growth rate and the forecast operating margin are based on the Company's budgets and forecasts for the Group.

11 Tangible assets

Group	Assets under construction $ million	Computer equipment $ million	Furniture and fittings $ million	Servers $ million	Property and equipment $ million	Total $ million
Cost						
At 1 January 2025	3.7	14.8	5.5	37.8	67.6	**129.4**
Additions	-	5.8	0.1	6.2	0.6	**12.7**
Disposals	(0.9)	(1.3)	-	(1.9)	-	**(4.1)**
Transfer from/to intangible assets	-	(1.4)	-	-	-	**(1.4)**
Exchange adjustments	0.3	1.5	0.5	3.1	5.2	**10.6**
At 31 December 2025	**3.1**	**19.4**	**6.1**	**45.2**	**73.4**	**147.2**
Depreciation and impairment						
At 1 January 2025	-	12.9	4.5	28.2	20.4	**66.0**
Depreciation charged for the year	-	2.4	0.6	6.2	6.2	**15.4**
Disposals	-	(1.1)	-	(1.3)	-	**(2.4)**
Transfer from/to intangible assets	-	(0.1)	-	-	-	**(0.1)**
Exchange adjustments	-	1.2	0.5	2.1	0.5	**4.3**
At 31 December 2025	**-**	**15.3**	**5.6**	**35.2**	**27.1**	**83.2**
Carrying amount						
At 31 December 2025	**3.1**	**4.1**	**0.5**	**10.0**	**46.3**	**64.0**
At 31 December 2024	**3.7**	**1.9**	**1.0**	**9.6**	**47.2**	**63.4**

Company	Assets under construction $ million	Computer equipment $ million	Furniture and fittings $ million	Servers $ million	Property and equipment $ million	Total $ million
Cost						
At 1 January 2025	0.4	0.6	0.3	18.7	0.1	**20.1**
Additions	0.2	-	-	0.1	-	**0.3**
Exchange adjustment	(0.2)	0.1	-	2.3	-	**2.2**
At 31 December 2025	**0.4**	**0.7**	**0.3**	**21.1**	**0.1**	**22.6**
Depreciation and impairment						
At 1 January 2025	-	0.6	0.3	14.6	-	**15.5**
Depreciation charged for the year	-	-	-	2.4	-	**2.4**
Exchange adjustment	-	0.1	-	2.0	-	**2.1**
At 31 December 2025	**-**	**0.7**	**0.3**	**19.0**	**-**	**20.0**
Carrying amount						
At 31 December 2025	**0.4**	**-**	**-**	**2.1**	**0.1**	**2.6**
At 31 December 2024	**0.4**	**-**	**-**	**4.1**	**0.1**	**4.6**

12 Leases

Group

Right-of-Use Assets	ROU - Vehicles $ million	ROU - Equipment $ million	ROU - Offices $ million	Total $ million
At 1 January 2025 – opening balance	-	-	-	-
Early adoption/transition 1 January 2025	0.9	-	15.3	**16.2**
Additions	0.3	1.5	2.4	**4.2**
Depreciation	(0.5)	(0.9)	(6.3)	**(7.7)**
Impairment	-		(1.9)	**(1.9)**
Foreign exchange movements	0.1	0.1	1.5	**1.7**
At 31 December 2025	**0.8**	**0.7**	**11.0**	**12.5**

Lease liabilities	2025 $ million	2024 $ million
At 1 January – opening balance	-	-
Early adoption/transition 1 January 2025	16.2	-
Additions	4.2	
Interest expense	1.3	-
Lease payments	(9.2)	-
Foreign exchange movements	1.5	
At 31 December 2025	**14.0**	-

	2025 $ million	2024 $ million
Short term lease liabilities	6.1	-
Long term lease liabilities	7.9	-
Lease liabilities	**14.0**	-

Company

Right-of-Use Assets	ROU - Offices $ million	Total $ million
At 1 January 2025	-	-
Early adoption/transition 1 January 2025	0.4	**0.4**
Depreciation	(0.2)	**(0.2)**
At 31 December 2025	0.2	**0.2**

12 Leases (continued)

Company (continued)

Lease liabilities	2025 $ million	2024 $ million
At 1 January 2025 – opening balance	-	-
Early adoption/transition 1 January 2025	-	-
Additions	0.4	-
Lease payments	(0.2)	-
At 31 December 2025	**0.2**	-

	2025 $ million	2024 $ million
Short term lease liabilities	-	-
Long term lease liabilities	0.2	-
Lease liabilities	**0.2**	-

The Group adopted FRS 102 Section 20 for the first time on 1 January 2025, applying the modified retrospective approach. Comparative information has not been restated.

The Group recognized right-of-use (ROU) assets and lease of liabilities for office buildings, apartments, vehicles and equipment, removing the previous distinction between operating and finance leases. Short-term and low-value leases remain expensed.

Lease liabilities are recognized at the present value of the remaining lease payment, discounted using the Group's IBR at the date of adoption. The weighted average IBR applied to lease liabilities in 2025 was 7.97%. Lease liabilities due within one year are classified as short term lease liabilities, while those falling due over one year are classified as long term lease liabilities.

On initial recognition of leases the Group also recognized impairment loss of one onerous lease contract which holds unavoidable lease obligations payable till July 2026.

The maturity of long term lease liabilities is presented in the Note 19.

13 Investments

	Group 2025	2024	Company 2025	2024
	$ million	$ million	$ million	$ million
Investments in subsidiaries	-	-	350.4	305.4
Unlisted investments	0.5	0.4	0.4	0.4
Total	**0.5**	**0.4**	**350.8**	**305.8**

Movements in investments

<u>Group</u>	Other investments other than loans $ million	Total $ million
Cost or valuation		
At 1 January 2025	0.4	**0.4**
Additions	-	-
Exchange adjustments	0.1	**0.1**
At 31 December 2025	**0.5**	**0.5**
Carrying amount		
At 31 December 2025	**0.5**	**0.5**
At 31 December 2024	**0.4**	**0.4**

<u>Company</u>	Shares in group undertakings $ million
Cost or valuation	
At 1 January 2025	305.4
Additions	5.2
Decrease	-
Impairment	-
Exchange adjustments	39.8
At 31 December 2025	**350.4**
Carrying amount	
At 31 December 2025	**350.4**
At 31 December 2024	**305.4**

The Company has increased its investment in Infobip Latam S.A., OpenMarket Services India Private Limited and Bsmart Tech Private Limited. Decrease relates to dissolving of Infobip Austria GmbH.

Investment in Infobip d.o.o. is pledged as security for obligation under the Term Loan Facility (Note 19). Carrying value of Infobip d.o.o. in the group financial statements is $55.3 million and in the company financial statements $ 57.4 million.

14 Subsidiaries

Details of the Company's subsidiaries, all of which are wholly owned, either directly or indirectly, at 31 December 2025 are as follows:

Name of undertaking	Country of incorporation	Subsidiary address
«Инфобип Казахстан» ЖШС (eng.INFOBIP KAZAKHSTAN LLP)	Kazakhstan	Block 4B, room No. 3-4B-7 (office 703), Nurly Tau Complex, 15 Al- Farabi Avenue, Bostandyk District, 050059 Almaty city, Kazakhstan
ANAM ASIA SDN. BHD.	Malaysia	09-01, Menara K1, No.1 Lorong 3/137C, Off Jalan Kelang Lama, 58000 Kuala Lumpur, W.p. Kuala Lumpur.
ANAM TECHNOLOGIES LIMITED	Ireland	Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2
ARD SUAS HOLDINGS LIMITED	Ireland	Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2
BSMART TECH PRIVATE LIMITED	India	10th floor, Wing 'E', Times Square, Marol, Andheri (East), Mumbai – 400059, Maharashtra.
COMPATEL AFRICA (Pty) Ltd	South Africa	1st Floor, Building B, Bryanston Corner, 18 Ealing Crescent, Bryanston, Johannesburg, 2191, Gauteng, Republic of South Africa
COMPATEL CHILE LIMITADA	Chile	Avenida Andres Bello, 2687, piso 24, Comuna de Las Condes, Santiago, Chile
COMPATEL COLOMBIA SAS	Colombia	Cl. 93 # 16 - 46 Oficina 702, Bogotá, Colombia
COMPATEL COMMUNICATIONS RO s.r.l.	Romania	Bucharest, 5th-11th Vanatori Street, Demisol Floor, Apt. No. 2, Room no. 1, Office 4, 5th District
COMPATEL INDIA PRIVATE LIMITED	India	10th floor, Wing 'E', Times Square, Marol, Andheri (East), Mumbai – 400059, Maharashtra.
COMPATEL KENYA LIMITED	Kenya	L.R. No. 140/36 Piedmont Plaza, Ngong Road, 00100 Nairobi, Kenya
COMPATEL LIMITED	United Kingdom	Suite 121 Viglen House, Alperton Lane, London, United Kingdom, HA0 1HD
COMPATEL LLC	United States	28 LIBERTY STREET, NEW YORK, NY, 10005
COMPATEL NIGERIA LIMITED	Nigeria	3, Olakunle Ajibade Street, Off Ogudu-Ojota Road, Ogudu, Lagos, Nigeria
COMPATEL s.r.o.	Czech Republic	Na Perštýně 342/1, Staré Město, 110 00 Praha 1, Czech Republic
COMPATEL SA de CV	Mexico	Av Paseo de la Reforma 180, Piso 14, Juarez, Cuauhtemoc, 06600 CDMX
COMPATEL TELEKOMÜNİKASYON HİZMETLERİ TICARET LİMİTED ŞİRKETİ	Turkey	MECİDİYEKÖY MAH. ŞEHİT AHMET SK. ADA RESIDANCE NO: 6 -10 İÇ KAPI NO: 70 ŞİŞLİ/ İSTANBUL
"COMPATEL UKRAINE" LLC	Ukraine	Office 505, Nizhnii Val str., 15, Kyiv, 04071, Ukraine

14 Subsidiaries (continued)

INFOBIP (GHANA) LTD	Ghana	Suite Number 501 Fifth Floor, The Pelican Building, 8th Blohum Street, Dzorwulu Accra-Ghana, GPS: GA-122-4591
INFOBIP LLC	Saudi Arabia	6897 - King Fahd Al Olaya Dist, Riyadh 12211 - 3388, Kindgdom of Saudi Arabia
INFOBIP (PRIVATE) LIMITED	Pakistan	2nd floor, No:208, ISE Towers, 55-B, Jinnah Avenue, Islamabad, Pakistan
INFOBIP (THAILAND) LIMITED	Thailand	ITF Tower, 17th Floor, 140/36 Silom Road, Kwang, Suriyawong, Khet Bangrak, Bangkok 10500, Thailand
INFOBIP (UGANDA) LIMITED	Uganda	Plot 69, Nkrumah Road, 137517 Kampala GPO, Uganda
INFOBIP AFRICA (Pty) Ltd	South Africa	1st Floor, Building B, Bryanston Corner, 18 Ealing Crescent, Bryanston, Johannesburg, 2191, Gauteng, Republic of South Africa
INFOBIP AFRICA EDUCATION TRUST	South Africa	7 Northwold Drive, Saxonwold, Johannesburg, 2196
INFOBIP ASIA PACIFIC Sdn. Bhd.	Malaysia	09-01 Menara K1, No.1, Lorong 3/137 C, Off Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia
INFOBIP ASIA PACIFIC SDN. BHD. Taiwan Branch	Taiwan	Rm. B, 4 F., No. 44, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104016, Taiwan (R.O.C.)
INFOBIP BH d.o.o.	Bosnia and Herzegovina	Tesanjska 24 a, 71000 Sarajevo, Bosnia and Herzegovina
INFOBIP BOLIVIA LIMITADA	Bolivia	Calle Federico Zuazo 1598, Zona Central, Edificio Park Inn, Piso 11, La Paz, Bolivia
INFOBIP BRASIL SERVICOS DE VALOR ADICIONADO LTDA	Brazil	Calçada das Margaridas 163, sala 02, Barueri, São Paulo, CEP 06453-038, Brasil & Av. Cândido de Abreu, 70, 8º andar, Centro Cívico Corporate, - Centro Cívico, Curitiba, Paraná, 80530-000, Brasil.
INFOBIP CHILE LIMITADA	Chile	Avenida Suecia nº 0155, Oficina 702, Comuna Providencia, Santiago, Chile
INFOBIP CIS LLC	Uzbekistan	100015, Tashkent city, Mirobod district, Abdulla Avloni MFY, Oybek street, the Republic of Uzbekistan
INFOBIP COLOMBIA S.A.S.	Colombia	Cr 11 B # 97-56 Oficinas 502-503, Bogotá D.C., Colombia
INFOBIP COMMUNICATIONS INC.	Canada	2200 - 885 West Georgia Street, Vancouver BC V6C 3E8, Canada
INFOBIP COMPANY LIMITED (Vietnamese: CONG TY TNHH INFOBIP)	Vietnam	Level 9, Lim Tower 3, 29A Nguyen Dinh Chieu, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.
INFOBIP COSTA RICA SRL	Costa Rica	Pavas, Rorhmoser del Parque de la Amistad, 275 N, Numero 2486, San Jose, Costa Rica
INFOBIP COTE D'IVOIRE - SUCCURSALE SENEGAL	Senegal	Rue carnot 47-53, BP 1686, Dakar, SENEGAL

14 Subsidiaries (continued)

"INFOBIP COTE D'IVOIRE" SARL	Côte d'Ivoire	Cocody, 2 Plateaux Vallon, Immeuble Antilope, 1er etage, Porte 64, Cite SOGEFIHA, 01 BP 4651, Abidjan 01, Cote d'Ivoire
INFOBIP d.o.o.	Slovenia	Ameriška ulica 2, 1000 Ljubljana, Slovenia
INFOBIP d.o.o.	Croatia	Istarska 157, 52215 Vodnjan, Croatia
INFOBIP EGYPT LLC	Egypt	Cairo Festival City – New Cairo, Building P3-Second Floor, Office number 211 – Area 96
INFOBIP G.K.	Japan	Cerulean Tower 15th Floor, 26-1, Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan
INFOBIP GLOBAL LIMITED	United Kingdom	Suite 121 Viglen House, Alperton Lane, London, Wembley, United Kingdom, HA0 1HD
INFOBIP GmbH	Germany	c/o Bird & Bird LLP, Maximiliansplatz 22, 80333 Munich, Germany
INFOBIP GULF - FZ LLC	United Arab Emirates	EIB Building No.1, Office 302, Dubai Internet City, P.B 500284, Dubai, United Arab Emirates
INFOBIP INC.	United States	111 Town Square Place, Suite 830, Jersey City, NJ 07310
INFOBIP INDIA PRIVATE LIMITED	India	10th floor, Wing 'E', Times Square, Marol, Andheri (East), Mumbai – 400059, Maharashtra.
INFOBIP INFORMATION TECHNOLOGY (SHANGHAI) LIMITED COMPANY	China	E08, 28th Floor, Aurora Plaza, 99 Fucheng Road, Pudong New Area, Shanghai
INFOBIP INFORMATION TECHNOLOGY Pty Ltd	Australia	Level 8, 210 George Street, Sydney NSW 2000
INFOBIP ISRAEL LTD	Israel	12 Yad Harutzim Street, Tel Aviv 6770005
INFOBIP KENYA LIMITED	Kenya	6th Floor, Marsabit Plaza, LR No 330/676 Ngong Road, P.O. Box 21937 - 00500, Nairobi, Kenya
INFOBIP LAB sp. z o.o.	Poland	ul. Świdnicka 40, 2nd floor, 50-024 Wrocław, Poland
INFOBIP LATAM S.A.	Argentina	Marcelo Torcuato de Alvear 636, Piso 9º, C1058AAH Ciudad Autonoma de Buenos Aires, Argentina
INFOBIP LIMITED	Hong Kong	18/F, On Building, 162 Queen's Road Central, Central Hong Kong
INFOBIP Limited	Bangladesh	11th Floor, Type B, 16 Navana Yusuf Infinity, Bir Uttam A K Khandoker Road, Mohakhali C/A, Dhaka 1212, Bangladesh
INFOBIP LIMITED (JORDAN)	Jordan	Unit no. 131, Building No. 194, 3rd floor, Princess Basma St. Abdoun, Amman 11183, Jordan
INFOBIP LLC	South Korea	7th Floor, 38, Seocho-daero 52-gil, Seocho-gu, Seoul, Republic of Korea

14 Subsidiaries (continued)

INFOBIP LLC	Qatar	Office no. 4, 4th Floor, Tower 4, The Gate, Doha - Qatar, PO Box 10805
INFOBIP MOBILE SERVICES PTE.LTD.	Singapore	171 Tras Street, #05-173A, Union Building, Singapore 079025
INFOBIP MOBILE SERVICES, SOCIEDAD LIMITADA	Spain	Calle Infanta Mercedes 31, 2ª planta. Codigo Postal 28020, Madrid, Spain
INFOBIP MYANMAR COMPANY LIMITED	Myanmar	NO. 3/A, BOGYOKE AUNG SAN ROAD, #14-00 JUNCTION CITY TOWER PABEDAN TOWNSHIP, YANGON REGION, MYANMAR
INFOBIP Netherlands B.V.	Netherlands	Piet Heinkade 55, 1019GM Amsterdam
INFOBIP NIGERIA LIMITED	Nigeria	2 Siji Soetan St, off Onikepo Akande St, off Admiralty Way Lekki Peninsula Phase 1, Lagos, Nigeria
INFOBIP PARAGUAY S.A.	Paraguay	Jejui 1036 casi Colon - Asuncion - Paraguay
INFOBIP PERU S.A.C.	Peru	Avenida Dionisio Derteano 184, office n 302, San Isidro, Lima, Peru
INFOBIP PHILIPPINES INC.	Philippines	Unit 1, 15th Floor, The Curve Building, 32nd Street corner 3rd Avenue, Bonifacio Global City, Taguig City 1634
INFOBIP Pty Limited	Australia	Level 8, 210 George Street, Sydney NSW 2000
INFOBIP RDC SARL	Congo	Avenue du Livre 46/B, Gombe, Kinshasa, DRC
INFOBIP S.A.R.L.	Morocco	22 Soumaya street, Shehrazade residence, 5th Floor, 20000 Palmiers-Casablanca, Morocco
INFOBIP S.R.L. CON SOCIO UNICO	Italy	Piazza Sicilia 6, 20146 Milano, Italy
INFOBIP s.r.o.	Slovakia	Rolnicka 187, Bratislava 831 07, Slovak Republic
INFOBIP s.r.o.	Czech Republic	Na Strzi 1702/65, CZ-14000 Prague - Nusle, Czech Republic
INFOBIP SAS	France	2 rue Pasquier 75008 Paris, France
INFOBIP SERBIA d.o.o.	Serbia	Omladinskih Brigada 90V, sprat 6, Beograd, Novi Beograd, 11073 Beograd,129, Srbija
INFOBIP sp.z o.o.	Poland	ul. Świdnicka 40, 2nd floor, 50-024 Wrocław, Poland
INFOBIP SWEDEN AB	Sweden	c/o Convendum, Biblioteksgatan 29, 114 35 Stockholm, Sweden
INFOBIP SWITZERLAND GmbH	Switzerland	c/o Haussmann Services AG, Bahnhofplatz, 6300 Zug
INFOBIP TANZANIA LIMITED	Tanzania	Sky Tower, 10th Floor-Left Wing, P.O.Box 31227, New Bagamoyo Road, Kijitonyama, Dar es Salaam, Tanzania
INFOBIP TELEKOMUNIKASYON HIZMETLERI TICARET LIMITED SIRKETI	Turkey	MECİDİYEKÖY MAH. ŞEHİT AHMET SK. ADA RESIDANCE NO: 6 -10 İÇ KAPI NO: 70 ŞİŞLİ/ İSTANBUL
INFOBIP ZAMBIA LIMITED	Zambia	Unit 5B, Aquarius House,Katima Mulilo Road, Olympia Park, Lusaka, Zambia

14 Subsidiaries (continued)

INFOBIPTELCOM S.A.	Ecuador	Av. Republica Oe3-30 e Ignacio de San Maria, Quito, Distrito Metropolitano, Republica de Ecuador
INTLEACHT LIMITED	Ireland	Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, DUBLIN, Ireland
MOBILE SERVICES CLOUD S.A. de C.V.	Mexico	Av. Paseo de la Reforma 180, Piso 18, Oficina 1805, Col. Juárez, Alcaldía Cuauhtémoc, CP 06600, Ciudad de México, México
NETOKRACIJA d.o.o. za računalne usluge	Croatia	Hinka Würtha 4, Zagreb, Croatia
ООО "ИнфоБип СПб" (eng. INFOBIP SPB LLC)	Russian Federation	Street 2-Sovetskaya, 7, Building A, Premises/Room 14-H / 1, 191036 Saint-Petersburg, Russian Federation
OPENMARKET HOLDINGS LLC	United States	1209 Orange Street Wilmington, New Castle Delaware 19801 USA
OPENMARKET LIMITED	United Kingdom	Fifth Floor, 35-38 New Bridge Street, London, EC4V 6BW
OPENMARKET SERVICES INDIA PRIVATE LIMITED	India	Unit No. 409, 4th Floor, Koncord Tower, Bund Garden Road, Pune, Maharashtra, India, 411001
PARSECO LIMITED	United Kingdom	Suite 121 Viglen House, Alperton Lane, London, United Kingdom, HA0 1HD
PROTEATECH HOLDINGS (Pty) Ltd	South Africa	1st Floor, Building B, Bryanston Corner, 18 Ealing Crescent, Bryanston, Johannesburg, 2191, Gauteng, Republic of South Africa
PT. INFOBIP TECHNOLOGY INDONESIA	Indonesia	Menara Prima, 23rd Floor Unit I, Jl, DR. Ide Anak Agung Gde Agung Block 6.2, Kawasan Mega Kuningan, Jakarta 12950, Indonesia
RAPIDO QUICK SMS PRIVATE LIMITED	India	10th floor, Wing 'E', Times Square, Marol, Andheri (East), Mumbai – 400059, Maharashtra.
TAIWAN INFOBIP LIMITED (台灣英富必有限公司)	Taiwan	Rm. B, 4 F., No. 44, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104016, Taiwan (R.O.C.)
VEGTER SMS SOLUTIONS PRIVATE LIMITED	India	10th floor, Wing 'E', Times Square, Marol, Andheri (East), Mumbai – 400059, Maharashtra.
ООО «ИнфоБип» (eng.INFOBIP Limited)	Russian Federation	109544, Russian Federation, Moscow, 2 Bulvar Entuziastov, floor 21, room 1
Peerless Network of Alabama, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Arizona, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Arkansas, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of California, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Colorado, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607

14 Subsidiaries (continued)

Peerless Network of Connecticut, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Delaware, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of the District of Columbia, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Florida, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Georgia, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Guam, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Hawaii, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Idaho, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Illinois, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Indiana, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Iowa, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Kansas, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Kentucky, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Louisiana, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Maine, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Maryland, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Massachusetts, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Michigan, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Minnesota, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Mississippi, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Missouri, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Montana, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Nebraska, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Nevada, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of New Hampshire, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607

14 Subsidiaries (continued)

Peerless Network of New Jersey, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of New Mexico, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of New York, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of North Carolina, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of North Dakota, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Ohio, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Oklahoma, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Oregon, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Pennsylvania, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Rhode Island, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of South Carolina, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of South Dakota, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Tennessee, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Texas, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Utah, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Vermont, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Virginia, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Washington, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of West Virginia, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Wisconsin, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
Peerless Network of Wyoming, LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
PEERLESS NETWORK INC.	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
PEERLESS NETWORK HOLDINGS INC.	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
AIRUS INC.	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
AIRUS VIRGINIA INC.	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607

14 Subsidiaries (continued)

PEERLESS NETWORK UK LIMITED	United Kingdom	Citadel House, 58 High Street, Hull, United Kingdom, HU1 1QE
WAVENATION LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
PEERLESS ENTERPRISE CLOUD SERVICES LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
PEERLESS CHICAGO DATA CENTER LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
PEERLESS ATLANTA DATA CENTER LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607
AIRUS CLOUD COMMUNICATIONS LLC	United States	550 W Van Buren St, Suite 330, Chicago, IL 60607

The Group has control over the following entities through contractual arrangements: INFOBIP (THAILAND) LIMITED, Thailand (49%); INFOBIP RDC SARL, Congo (70%); INFOBIP (GHANA) LTD, Ghana (70%); VEGTER SMS SOLUTIONS PRIVATE LIMITED, India (99.99%); RAPIDO QUICK SMS PRIVATE LIMITED, India (99.99%); PT. INFOBIP TECHNOLOGY INDONESIA, Indonesia (48,8%); BSMART TECH PRIVATE LIMITED, India (99,99%); INFOBIP PHILIPPINES INC., Philippines (39,2%); INFOBIP TELEKOMUNIKASYON HIZMETLERI TICARET LIMITED SIRKETI, Turkey (99.5%); INFOBIP COMPANY LIMITED (Vietnamese: CONG TY TNHH INFOBIP), Vietnam (49%); INFOBIP KENYA LIMITED, Kenya (70%); INFOBIP LLC, Saudi Arabia (70%); COMPATEL NIGERIA LIMITED, Nigeria (99%); COMPATEL INDIA PRIVATE LIMITED, India (99%); COMPATEL KENYA LIMITED, Kenya (70%).

15 Financial instruments

Group	2025 $ million	2024 $ million
Carrying amount of financial assets		
Cash and cash equivalents	142.5	121.5
Debt instruments measured at amortized cost	391.9	341.0
	534.4	**462.5**
Carrying amount of financial liabilities		
Financial liabilities measured at amortized cost	(956.1)	(1,424.7)
	(956.1)	**(1,424.7)**

Financial assets measured at amortized cost comprise cash at bank and in hand, trade receivables, other receivables and accrued income.

Financial liabilities measured at amortized cost comprise trade payables, bank loan, preference shares classified as debt in 2024 (in 2025 converted to Equity), other payables and accrued expenses.

Group	2025 $ million	2024 $ million
Interest income/(expense)		
Total interest expense for financial liabilities at amortized cost	(53.2)	(68.3)
	(53.2)	**(68.3)**

16 Trade receivables

	Group 2025 $ million	2024 $ million	Company 2025 $ million	2024 $ million
Trade receivables	297.2	251.8	117.4	88.7
Accrued income	67.9	54.9	6.5	20.3
Amounts owed by group undertakings	-	-	317.1	302.2
Total	**365.1**	**306.7**	**441.0**	**411.2**

Amounts owed by group undertakings are repayable within one year.

17 Tax receivables

	Group 2025 $ million	2024 $ million	Company 2025 $ million	2024 $ million
Corporation tax receivables	5.6	5.2	-	-
VAT receivable	14.5	9.0	-	-
Total	**20.1**	**14.2**	-	-

18 Current liabilities

	Group 2025 $ million	2024 $ million	Company 2025 $ million	2024 $ million
Trade payables				
Trade payables	185.9	216.3	103.9	110.7
Amounts owed to group undertakings	-	-	560.3	557.2
Accruals	237.2	186.2	87.6	50.2
	423.1	**402.5**	**751.8**	**718.1**
Other payables				
Deferred income	27.8	21.4	15.4	16.1
Other payables	17.0	16.4	0.4	1.6
	44.8	**37.8**	**15.8**	**17.7**
Short term lease liabilities	6.1	-	-	-
	6.1	-	-	-
Tax payables				
Corporate tax payable	10.8	7.3	2.5	0.4
VAT liabilities	6.9	7.9	2.8	1.9
Other taxation and social security	0.8	(1.8)	-	-
	18.5	**13.4**	**5.3**	**2.3**
Current borrowings				
Bank loans	5.2	5.3	-	-
	5.2	**5.3**	-	-
Total	**497.7**	**459.0**	**772.9**	**738.1**

Amounts owed to group undertakings on Infobip Limited Company relate to intercompany loans received from Infobip Inc. amounting to $165.8 million (2024: $238.5 million) and other intercompany transactions.

19 Non-current liabilities

	Group 2025 $ million	2024 $ million	Company 2025 $ million	2024 $ million
Preference convertible share	-	508.5	-	508.5
	-	**508.5**	**-**	**508.5**
Non-current loans and borrowings				
Bank loans	499.7	500.4	-	-
Revolving debt	24.3	-	-	-
	524.0	**500.4**	**-**	**-**
Other non-current liabilities				
Provisions	4.1	7.6	-	-
Other non-current liabilities	4.5	2.3	2.1	-
	8.6	**9.9**	**2.1**	**-**
Long term lease liabilities	7.9	-	0.2	-
	7.9	**-**	**0.2**	**-**
Deferred tax liabilities	1.2	5.2	-	-
	1.2	**5.2**	**-**	**-**
Total	**541.7**	**1,024.0**	**2.3**	**508.5**

The maturity of sources of debt finance are as follows:

<u>Group</u>	Loans 2025 $ million	Revolving debt 2025 $ million	Finance leases 2025 $ million	Total 2025 $ million
In one year or less, or on demand	5.2	-	6.1	11.3
In more than one year but not more than two years	5.2	25.7	3.6	34.5
In more than two years but not more than five years	505.7	-	4.1	509.8
In more than five years	-	-	0.2	0.2
Total	**516.1**	**25.7**	**14.0**	**555.8**

19 Non-current liabilities (continued)

Group	Preference shared treated as liabilities 2024 $ million	Loans 2024 $ million	Total 2024 $ million
In one year or less, or on demand	508.5	5.3	513.8
In more than one year but not more than two years	-	508.1	508.1
In more than two years but not more than five years	-	-	-
In more than five years	-	-	-
Total	**508.5**	**513.4**	**1,021.9**

The group has adopted the FRS 102 amendments during the year. The group has applied the modified retrospective approach to the recognition of leases as explained in Note 12. As a result, the comparatives for 2024 have not been restated. The carrying value of obligations under finance leases and hire purchase contracts as at 31 December 2024 were transferred to lease liabilities on the date of initial application, which was 1 January 2025.

In 2021, the Group borrowed $500.0 million from its lenders. Issue costs of $21.2 million were incurred, which have been deducted from the initial carrying value and were charged to profit or loss as part of the interest charge calculated using the effective interest rate method. The cash for this loan was received net of the issue costs. In March 2024 the Group borrowed additional funds $30.0 million from its lenders, carrying the same terms as the initial loan.

In 2025 the Group amended and extended the existing 2021 Term Loan facility for a new total principal amount of $520.0 million. The facility matures in June 2029 and is subject to an annual amortization rate of 1%, with $5.2million falling due for repayment within one year of the reporting date. The financial statements show bank loan of $516.1 million. The loan accrues interest at a variable rate equivalent to 3-month USD SOFR plus 5.75% at signing, featuring an interest rate ratchet linked to the Group's leverage ratio. The first-interest rate ratchet was achieved prior to the reporting date.

A security for obligations under the Term Loan facility, the Group has granted security interests over 100% of the equity interests in Infobip d.o.o. (Note 13).

As of the reporting date, additional issue costs of $7.1 million were incurred, which have been deducted from the initial carrying value and will be charged to profit or loss as part of the interest charge calculated using the effective interest rate method. The cash for this loan was received net of the issue costs. In 2025 $3.6 million (2024: $4.5 million) (Note 8 and Note 19) of loan issue costs was amortized in the year. To secure the loan the Group has pledged its premises in Zagreb and Vodnjan.

During 2025 additional €50.0 million Revolving Loan Facility was granted to Infobip d.o.o. Croatia by HPB d.d. and HBOR. Facility is aimed to render working capital financing support to Croatian exporters. The Company has provided a corporate guarantee in respect of the facility, which constitutes a financial guarantee contract under FRS 102 Section 12. No liability has been recognised as the fair value of the guarantee was assessed as immaterial and no default by the subsidiary was considered probable at the reporting date.

Provisions in 2025 arose in December 2025 and relate mainly to restructuring provision for closing down operations in St. Petersburg, amounting to $3.5 million. Provisions in 2024 related mainly to one-off claw back provisions amounting to $5.0 million arising on the expected settlement with two major customers in respect of historical disputes over certain charges, as well as provision for legal case amounting to $1.7 million. All provisions for 2024 were settled during 2025.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances for financial reporting purposes.

Group	Assets 2025 $ million	Assets 2024 $ million	Liabilities 2025 $ million	Liabilities 2024 $ million	Net assets 2025 $ million	Net assets 2024 $ million
Tax losses and tax credits	11.6	5.9	-	-	**11.6**	**5.9**
Accelerated capital allowances and other timing differences	26.5	12.5	(29.1)	(12.9)	**(2.6)**	**(0.4)**
Subtotal	**38.1**	**18.4**	**(29.1)**	**(12.9)**	**9.0**	**5.5**
Netting off balances related to the same jurisdiction	**(27.9)**	**(7.7)**	**27.9**	**7.7**	**-**	**-**
Total	**10.2**	**10.7**	**(1.2)**	**(5.2)**	**9.0**	**5.5**

Deferred tax assets have been recognized in respect of tax losses only by entities where utilization of these losses is expected in foreseeable future and primarily relate to Infobip UK, supported by taxable temporary differences arising from capitalized development costs in the UK. Tax losses on which deferred tax asset is recognized do not have an expiry date.

Deferred tax balances recorded on timing differences mainly relate to amortization of goodwill on Infobip Inc., capitalized development costs in the UK and disallowed interest available to carry forward based on the corporate interest restriction rule in the UK.

21 Share-based payments

The Group has two share schemes in place during the year, being the Equity settled share options ("SOP") scheme (as described below) and the General Incentive Plan ("GIP") which is set out further within the share capital note (Note 20).

Equity settled share options schemes

The right to acquire shares in Infobip, will be granted to participants selected by the Committee. Once the criteria attaching to Participant's options have been satisfied, Participant may exercise option granted and acquire the shares.

The vesting conditions of the share options are as follows:

1. In the event that an IPO occurs prior to the fourth anniversary of the date of grant of the Option, the Option shall only become exercisable upon the Fourth Anniversary. In the event that an IPO occurs following the Fourth Anniversary, the Option shall become exercisable immediately following the IPO subject to any Lock in Period.
2. A sale of Infobip occurs when any person or company acquires either: (i) more than 50% of the issued voting rights of Infobip; or (ii) substantially all of the assets and/or business of Infobip.

In the event that a sale of Infobip occurs prior to the Fourth Anniversary, part of Participant's option shall automatically become exercisable immediately prior to, and conditional upon, the sale. The part of option which shall become exercisable will be calculated in accordance with the following percentages:

- if the sale occurs after the 1st anniversary of the grant date, but before the 2nd anniversary of the grant date, option shall become exercisable as to 25% of the shares in respect of which it was granted;
- if the sale occurs after the 2nd anniversary of the grant date, but before the 3rd anniversary of the grant date, option shall become exercisable as to 50% of the shares in respect of which it was granted; and
- if the sale occurs after the 3rd anniversary of the grant date, but before the 4th anniversary of the grant date, option shall become exercisable as to 75% of the shares in respect of which it was granted.

In the event that a sale of Infobip occurs on or following the Fourth Anniversary, option shall automatically become fully exercisable, immediately prior to, and conditional upon, the sale. If no IPO or sale of Infobip takes place within 8 years of the date of the grant of option or if Participant should choose not to exercise options granted during this time, then such option shall lapse.

Details of the share options outstanding during 2025 and 2024 are as follows:

Group	Number of share options		Weighted average exercise price	
	2025	2024	2025	2024
	Number	Number	$	$
Outstanding at 1 January	5,458,481	5,116,140	10.6	19.14
Granted	541,024	781,965	20.34	19.48
Forfeited	(242.856)	(439,624)	19.85	32.71
Outstanding at 31 December	**5,756,649**	**5,458,481**		

During 2025, no options were exercised (2024: nil). The options outstanding at the end of the year have average contractual life of 0.92 years (2024: 1.41).

The Group did not enter into any share-based payment transactions with parties other than employees during the current or prior periods.

No share-based payment charge has been included in the financial statements, in the current or prior period.

22 Share capital and reserves

	Group 2025 $ million	2024 $ million	Company 2025 $ million	2024 $ million
<u>Ordinary share capital</u>				
A class ordinary share capital Issued and fully paid 61,215,978 of £1 each	91.9	91.9	91.9	91.9
B class ordinary share capital Issued and fully paid 642,188 of £0.01 each	-	-	-	-
C class ordinary share capital Issued and fully paid 11,406,703 of £1 each	14.4	-	14.4	-
Class D shares issue 78,994 of £1 each	0.1	0.1	0.1	0.1
Share premium	546.2	4.6	546.2	4.6
Share repurchase reserve	(11.4)	(11.4)	(11.4)	(11.4)
Total share capital	**641.2**	**85.2**	**641.2**	**85.2**
<u>Other reserves</u>				
Contribution from the parent	1.0	1.0	-	-
Total other reserves	**1.0**	**1.0**	-	-
<u>Shares classified as debt</u>				
C class ordinary share capital Issued and fully paid 11,406,703 of £1 each	-	305.1	-	305.1
Rolled up interest	-	203.4	-	203.4
Total		**508.5**		**508.5**

A class shares have full rights with regards to voting, participation, capital repayment and dividends. B class shares rank pari passu with the exception that B class shares have no rights in the Company with respect to voting.

22 Share capital and reserves (continued)

The Group and Company's reserves are as follows:

- Called-up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represent cumulative profits or losses, net of dividends paid and other adjustments.
- The foreign currency translation reserve is created when the results of subsidiaries are translated from local functional currency to the Group's presentational currency on consolidation.
- The merger reserve represents the elimination of certain subsidiary share capital and investment figures associated with the acquisition of subsidiary companies completed under merger accounting.
- Other reserves comprise items recognized directly in equity that reflect additional capital contributions from the parent company or group entities. These contributions do not give rise to the issue of shares, nor do they meet the definition of share premium or merger reserve. They represent amounts injected by the parent for which the Company has no contractual obligation to repay, and therefore they are treated as equity

Preference convertible shares relate to Class C shares, issued in 2020. These comprise both nominal share capital and share premium amounting to €300.0 million, decreased by transaction costs amounting to €6.7million. Share premium was initially not recognized in the financial statements as the shares were classified as a liability. The shares were classified as liabilities as they attracted an annual preference dividend of 15% that rolls up and is convertible, alongside the original capital, on certain future events.

At 31 December 2024 total accrued interest on the preference Class C shares reached a cap and amounted to $ 203.5 million, while Class C shares amounted to $ 305.1 million.

On 5 May 2021, Company has issued 78,994 class D shares. Class D shares have no rights with regards to voting and participation. Following the Reduction of Capital in 2021, the Company carried out the Share Buyback in accordance with section 690 of Companies act which resulted in Share repurchase reserve of $11.4 million.

On 7 May 2025 new Articles of association of the Company were adopted by which, among other matters, all rights of all share classes including preference convertible shares (C class shares) were equalized with ordinary (A class shares). As a result, in 2025, the Company reclassified amount of $556.0 million (Note 19), which includes amount paid in and rolled up interest, from liabilities to equity.

On 5 May 2021, Company has issued 78,994 class D shares. Class D shares have no rights with regards to voting and participation. Following the Reduction of Capital in 2021, the Company carried out the Share Buyback in accordance with section 690 of Companies act which resulted in Share repurchase reserve of $11.4 million.

23 Related party transactions

Remuneration of key management personnel

Remuneration for Directors and key management personnel is detailed below:

	2025 $ million	2024 $ million
Directors' remuneration		
Salaries	2.6	1.6
Company contributions to defined contributions schemes	0.4	0.3
Compensation for loss of office	0.2	-
	3.2	**1.9**
Senior management remuneration		
Salaries	3.9	3.9
Company contributions to defined contributions schemes	0.4	0.5
Compensation for loss of office	-	0.5
	4.3	**4.9**
Total	**7.5**	**6.8**

All Directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel.

Highest paid company Director was paid $908,000 (2024: 811,000).

Transactions with related parties

Entities over which the Group has control, joint control or significant influence comprise joint ventures. Commonly controlled entities comprise entities which are ultimately controlled by the same parties as the Group. Starting from the beginning of 2023 the Group does not have transactions with any entities that qualify as entities under common control.

24 Net debt reconciliation

	1 January 2025	Cash flows	Finance leases	Other non-cash changes	31 December 2025
	$ million	$ million	$ million	$ million	$ million
Cash at bank and cash equivalents	121.5	12.5	-	8.5	**142.5**
Bank and other loans	(505.8)	4.5	-	(3.6)	**(504.9)**
Revolving debt	-	(22.9)	-	(1.4)	**(24.3)**
Lease liabilities	-	7.9	(19.6)	(2.3)	**(14.0)**
Preference shares	(508.5)	-	-	508.5	-
Net debt	**(892.8)**	**2.0**	**(19.6)**	**509.7**	**(400.7)**

Cash and cash equivalents includes cash on bank accounts and in hand, without any restrictions.

Other non-cash changes refer to the effect of foreign exchange rates ($8.5 million on Cash and cash equivalents, $0.9 million on Revolving debt and $2.3million on Lease liabilities), amortization of capitalized debt raising costs ($3.6 million), amortization of capitalized expenses on revolving debt ($0.5 million). Net debt consists of the loan, revolving debt and lease liabilities, less cash and cash equivalents. In 2025, the Company reclassified amount of $508.5 million, which includes amount paid in and rolled up interest, from liabilities to equity.

25 Subsidiary undertaking audit exemptions

The parent, being Infobip Limited has guaranteed the following subsidiaries' liabilities in accordance with section 479C of the Companies Act 2006 (the "Act"):

Company name	Company registration number
OpenMarket Limited	04009908
Infobip Global Limited	08483220
Parseco Limited	09358944
Compatel Limited	07456831
Peerless Network UK Limited	11224440

By guaranteeing the debts, these subsidiaries have relied on the exemption not to have their individual accounts audited for the year ended 31 December 2025, in accordance with section 479A of the Act.

26 Ultimate controlling party

The immediate controlling party of the Group and company is Infobip Holdings Limited, Cayman Islands, and ultimate controlling party of the Group and company is Silvio Kutic.

27 Subsequent events

At the beginning of 2026 the directors reassessed the parent company functional currency and concluded to change its functional currency from euro ("€") to US dollar ("$") with effect from 1 January 2026, reflecting the evolution of its underlying economic environment. This forthcoming change does not affect the measurement basis applied in these financial statements for the year ended 31 December 2025.

Based on the information currently available on the current situation in Iran, management expects the impact on Infobip's business operations or financial performance in 2026 to be immaterial.

28 Effect of changes in accounting policies

Overview of Changes
During the year, the following changes were made:

- **Early adoption:** FRS 102 (2025) amendments on **Revenue**
- **Early adoption:** FRS 102 (2025) amendments on **Leases**
- **Voluntary change:** Adoption of IFRS presentation format for the Balance Sheet

These accounting policy changes have been reflected throughout the financial statements, including presentation, classifications, and supporting disclosures.

The Group and Company have early adopted the amendments to FRS 102 arising from the FRC's September 2024 Periodic Review with effect from 1 January 2025 (the 'date of initial application'), in advance of the mandatory effective date of 1 January 2026.

In accordance with the transitional provisions, all amendments have been applied simultaneously.

The Group has applied the modified retrospective transition method for both Section 20 (Leases) and Section 23 (Revenue). Under this method, comparative information for the year ended 31 December 2024 has not been restated; the cumulative effect of initially applying the amendments has been recognized as an adjustment to the opening balance of retained earnings (or other components of equity as applicable) at 1 January 2025.

Early Adoption of FRS 102 Section 23 Revenues (Effective 1 January 2025)

With effect from 1 January 2025, the Group has early adopted the principles of **FRS 102 Section** for the recognition and measurement of revenue, while continuing to prepare its financial statements under FRS 102. The adoption of these principles provides improved information about the pattern of transfer of services, particularly in relation to messaging services, SaaS arrangements and network call services.

The Group adopted these principles using the modified retrospective method, applying the new requirements to contracts that were not completed as of 1 January 2025.

Under the modified retrospective approach, the cumulative effect of initially applying the new revenue recognition principles should be recognised as an adjustment to the opening balance of retained earnings at 1 January 2025. The adoption did not have any material impact on the amount or timing of revenue recognised, and no adjustment to the opening balance of retained earnings at 1 January 2025 was created.

Comparative information has not been restated and continues to be reported under the previous revenue recognition policy in accordance with FRS 102.

Early Adoption of FRS 102 Section 20 Leases (Effective 1 January 2025)

The Company early adopted the revised leasing standard in FRS 102 from 1 January 2025. The amendment introduces a right-of-use model, requiring most leases to be recognized on the Balance Sheet.

The Company used modified retrospective adoption method: comparatives are not restated, Right-of-use (ROU) assets are recognized at an amount equal to lease liabilities and Right-of-use (ROU) assets recognized at an amount equal to lease liabilities. Discount rates are determined using the incremental borrowing rate.

Section 20 Leases replaces the previous operating/finance lease classification model with a single on-balance sheet model for all leases (except short-term and low-value leases). The Group applied the modified retrospective transition method and recognised:

- Right-of-use assets at the date of initial application (1 January 2025) equal to the corresponding lease liability (see below), adjusted for any prepaid or accrued lease payments previously recognised.
- Lease liabilities measured at the present value of the remaining lease payments at 1 January 2025, discounted using the Group's incremental borrowing rate at that date.

28 Effect of changes in accounting policies (continued)

Early Adoption of FRS 102 Section 20 Leases (Effective 1 January 2025) (continued)

Practical expedients applied on transition:

- For leases with a remaining term of 12 months or less at the transition date, the Group did not apply the short-term lease exemption. Instead, where such leases met the recognition criteria, the Group applied the practical expedient and recognized the related lease liabilities and right-of-use assets at their carrying amounts on the transition date.
- For leases previously classified as operating leases under the old standard, the Group reassessed whether a contract is or contains a lease at the date of initial application.
- Initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- The Group used hindsight to determine the lease term for contracts containing options to extend or terminate the lease where appropriate.

Reconciliation of operating lease commitments to lease liabilities:

<u>Group</u>

	$ million
Operating lease commitments at 31 December 2024 (as disclosed)	**19.9**
Less: short-term leases recognised on a straight-line basis	(0.2)
Less: low-value leases not recognised	-
Less: service charges	(0.2)
Less: effect of discounting at incremental borrowing rate of 7,97%	(3.3)
Add: lease liabilities from finance leases at 31 December 2024	-
Add: adjustments for extension/termination options	-
Lease liabilities recognised at 1 January 2025	**16.2**
Current	6.2
Non-Current	10.0

Right-of-use assets recognized at 1 January 2025 totaled $16.3 million, comprising principally office premises 15.3 million and vehicles $0.9 million. The weighted-average incremental borrowing rate applied to lease liabilities at 1 January 2025 was 7,97%.

Lease commitments for short-term leases and for leases of low-value assets at the end of the reporting period amounted to $ 0.2 m and all fall due not later than one year.

Supplier Finance Arrangements (Section 7, mandatory 1 January 2025)
The Group does not participate in any supplier finance, reverse factoring or supply chain finance arrangements.

Uncertain tax treatments
For uncertain tax treatments, the Group assumes that tax authorities have full knowledge of all relevant information. Where it is not probable that a tax authority will accept a treatment, the Group reflects the effect of the uncertainty in the measurement of current and/or deferred tax. There were no uncertain tax positions requiring recognition or disclosure under FRS 102 Section 29 in the year ended 31 December 2025. This assessment is consistent with the prior year.

Voluntary Change in Accounting Policy – Balance Sheet Format

In the current year, the Group and the Company has adopted a revised presentation format for its Statement of Financial Position to improve clarity and comparability, as allowed by February 2026 Amendments to FRS 102. The revised format reorders and relabels certain line items, while the only change relates to terminology change and split between previous statutory categories, but does not reflect any change in accounting policies or the Group's not the Company's financial position.

28 Effect of changes in accounting policies (continued)

Voluntary Change in Accounting Policy – Balance Sheet Format (continued)

Deferred tax assets and deferred tax liabilities are presented on the face of the Statement of financial position under Non-current assets and Non-current liabilities respectively, while per statutory format they were presented under Current assets: Debtors line-item and under Current liabilities: Creditors: amounts falling due within one year line-item.

The comparative figures for 2024 have been reclassified to conform with the current year's presentation format.

The following terminological changes have been made for consistency:

Deferred tax asset (now under Non-current assets), Trade receivables, Prepayments, Tax receivables, Other investments and Other receivables were presented under Debtors.

Deferred tax liability (now under Non-current liabilities), Trade payables, Other payables, Tax payables and Current borrowings were presented under Creditors: amounts falling due within one year.

Non-current loans and borrowings and Other non-current liabilities were presented under Long term creditors

Reconciliation – IFRS „Adapted format“ vs FRS 102 „Statutory format“ (Comparatives):

Adapted format	Statutory format
Non-current assets	Fixed assets
Other long-term assets	Long-term debtors
Trade receivables	Trade debtors
Cash and cash equivalents	Cash at bank and in hand
Retained earnings	Profit and loss reserves
Non-current liabilities	Creditors: amounts falling due after more than one year
Preference convertible share	Preference shares treated as liabilities
Non-current loans and borrowings	Long term creditors
Other non-current liabilities	Long term creditors
Trade payables	Trade creditors
Other payables	Other creditors
Current borrowings	Bank loans

These changes have no impact on total assets, total liabilities, or total equity.