## Company Description

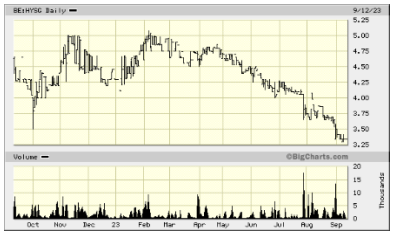
Hybrid Software Group PLC ("the Group" or "the Company") develops enterprise software and hardware solutions for industrial digital inkjet printing through the operation of its subsidiaries: (1) Global Graphics Software: a developer of software components for high-speed digital printing; (2) HYBRID Software: an enterprise software developer for the label and packaging market; (3) Meteor Inkjet: a developer of industrial inkjet printhead driving solutions, electronics, and software; (4) Xitron: a developer of prepress workflow solutions; (5) ColorLogic: a developer of color management software technology; and (6) iC3D: a developer of 3D packaging design and visualization software. The Group's combined product portfolio has created a company unique in the industry: a single provider of all core technologies required to drive digital printing equipment. Because of this, the Group does not see itself as a holding company, but as an integrated group of six interrelated companies that allows it to leverage its offerings to the market. The Company is focused on four strategic digital printing growth markets: labels and packaging, ceramics, textiles, and additive manufacturing (3D printing). The Group's strategic focus is to offer original equipment manufacturers (OEMs), print manufacturers, and print service providers an end-to-end integrated solution covering all the stages of a digital printing operation. The Company believes that its ability to act as a full-stack supplier offering its clients a fully integrated system that can handle the end-to-end process of a digital printing operation, including automation, variable data printing, and color management, translates into a competitive advantage.

## Key Points

- The global digital printing market size was valued at $27.6 billion in 2022 and is projected to reach $42.7 billion by 2028.
- The Company's customers include leading press manufacturers, such as Hewlett-Packard, Canon, Kodak, Epson, Ricoh, Durst, Roland, and Hymmen, among others, as well as hundreds of packaging printers and trade shops in Europe, North and South America, and Asia.
- One key element of the Company's competitive strategy is the ability of the Group's portfolio companies to collaborate and integrate each other's products and technologies into complete solutions. A key project that demonstrates the potential of this collaboration is the development of SmartDFE™, the first product to be co-developed by all Group companies. SmartDFE is a one-provider complete software solution designed to drive a fully automated high-speed digital inkjet printing process.
- The Company plans to continue to grow both organically and through acquisitions and strategic partnerships, as it focuses on leveraging its subsidiaries' combined offerings to maintain its technological leadership in the digital printing market. Recent examples of these initiatives include:
    - HYBRID Software's June 2023 strategic partnership with Tallon Graphic Solutions (TGS), a Belgian software company that provides packaging and artwork management solutions to become the preferred reseller for TGS's flagship software product, Flow, a comprehensive artwork management solution.
    - Xitron's June 2023 collaboration with Memjet, a global leader in digital inkjet technology, for the launch of the next generation of high-speed digital inkjet printing solutions: the DuraBolt 325C PrintEngine and DuraBolt 650 PrintBar with integrated Navigator DFE.
    - HYBRID Software's June 2023 collaboration with ICScolor, a world leader in remote digital color proofing, to seamlessly integrate HYBRID CLOUDFLOW and ICScolor Remote Director to offer a simple and exact way to view and approve color-accurate digital proofs.
- As of June 30, 2023, the Company had cash and cash equivalents of €5.23 million.

HYBRID SOFTWARE GROUP

**HYSG-EBR One-Year Chart**



| Ticker (Exchange) | HYSG-EBR |
|---|---|
| Recent Price (09/12/2023) | €3.34 |
| 52-week Range | €3.30-5.08 |
| Shares Outstanding | 32.9 mm |
| Market Capitalization | 110 million |
| Average volume | 2,400 |
| EPS (Yr. ended 12/31/2022) | €(0.01) |
| Employees | 282 |

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*See page 11 for applicable disclosures.*

**SECOND QUARTER 2023 FINANCIAL RESULTS**

On July 27, 2023, the Company announced financial results for the six-month period ended June 30, 2023.

*Revenue & Financial Results*

Revenue for the period was €24.91 million, compared with €23.44 million for the same period in 2022, an increase of 6.3%. At constant exchange rates (2023 restated at 2022 exchange rates), revenue would have been €25.30 million.

The pre-tax result was a loss of €0.92 million for the period, compared with a profit of €0.25 million for the same period in 2022. Gross profit for the period was 82.3% of revenue. For the same period in the prior year, gross profit was 84.7% of revenue. The decrease in margin percentage is primarily due to the revenue increase in driver electronics versus software related revenue during the period.

The adjusted operating result was a profit of €1.52 million for the period, compared with a profit of €1.44 million for the same period in 2022. The adjusted net result was a profit of €1.36 million for the period, compared with a profit of €0.96 million for the same period in 2022.

Total operating expenses increased by €1.36 million, or 6.95% compared to the same period in the prior year. This was due to the acquisition of iC3D in March 2022, higher payroll expenses to retain staff, investment in additional staff in the Enterprise Software segment, and higher amortization charges on intangible assets.

*Liquidity and Capital Resources*

As of June 30, 2023, The Group held €5.23 million in cash, compared to €6.32 million as of December 31, 2022.

**RECENT COMPANY DEVELOPMENTS**

- **September 7, 2023—**Global Graphics Software, a Hybrid Software Group company and leading developer of intelligent software components and Digital Front Ends (DFEs) for manufacturers of digital printers, has been granted a US patent (Patent No. 11,720,769) for "Methods and Systems for Enhancing Raster Image Processing Using Artificial Intelligence". This patented technology has already been embodied in Global Graphics Software's award-winning SmartDFE™, a digital front end (DFE) for high-speed industrial inkjet presses.

- **September 6, 2023—**Announced a collaboration between HYBRID Software and A B Graphic International to streamline operations and enhance efficiency on the shop floor. The integration between the two industry leaders is centered around three key areas that promise to deliver unprecedented operational enhancements: (1) *Streamlined Setup with Automated Slitting Parameters*: HYBRID Software's automation will seamlessly transmit slitting parameters to the ABG Digicon Series 3 machine through the ABG Connect platform. This integration will effectively eliminate the need for manual setup, reducing human touchpoints and paving the way for increased productivity; (2) *Enhanced Inspection Automation*: The partnership brings about a more automated process for driving ABG's proprietary camera inspection technology, fleyeVision. Through a direct link to HYBRID's CLOUDFLOW software, fleyeVision can effortlessly retrieve the "golden image" required for inspection, minimizing the potential for errors and optimizing quality control; and (3) *Efficient Laser Cutting*: The ABG DigiLase machine will benefit from CLOUDFLOW's ability to incorporate QR codes representing corresponding dielines for laser cutting. ABG's laser technology and its innovative approach ensures precise and efficient laser cutting while maintaining the highest levels of accuracy.

- **September 5, 2023—**Hybrid Software Group announced that the products of two of its companies have received prestigious awards from the PRINTING United Alliance. SmartDFE™ from Global Graphics Software received a 2023 Pinnacle Product Award in the Technology category. In addition, ColorLogic GmbH was also recognized with a 2023 PRINTING United Pinnacle Product Award for its CoPrA 9 color management technology.

- **August 30, 2023—**Announced that SmartDFE™, Global Graphics Software's powerful Digital Front End for high-speed industrial inkjet presses, has been awarded a coveted 2023 Pinnacle Product Award for Technology from the PRINTING United Alliance. The Pinnacle Awards honor the development of technologies judged to be truly innovative and expected to have a significant impact on the industry.

- **August 29, 2023—**EyeC and HYBRID Software announced that they have expanded their successful collaboration and will be presenting their latest workflow integration at Labelexpo Europe 2023. The direct integration of the web-based artwork proofreading system EyeC ProofText into CLOUDFLOW by HYBRID Software enables maximum efficiency already in the artwork creation process. The collaboration of the two software experts raises quality assurance within the pre-press stage to a new level.

- **August 29, 2023—**ColorLogic announced that CoPrA 9 has been honored with the prestigious PRINTING United Alliance 2023 Pinnacle Product Award in the Non-Output device category. The highly esteemed Pinnacle Product Award recognizes products that improve or advance the printing industry with exceptional contributions in quality, capability, and productivity.

- **August 2, 2023—**Global Graphics Software appointed Lawrence Geere as OEM Sales Manager, EMEA. Lawrence will work closely with the Company's OEM customers to enable them to maximize the potential of the rapidly evolving digital inkjet market. Lawrence brings a wealth of experience to the role, having worked for leading companies in the printing industry for over 30 years.

- **July 5, 2023—**Hybrid Software Group is scheduled to present its innovative stack of products at Labelexpo Europe 2023, on September 11-14, 2023. All six of the Group's companies are schedule to showcase their products: HYBRID Software will display innovations to the PACKZ and STEPZ PDF editors for prepress and the CLOUDFLOW modular production workflow suite; ColorLogic will conduct live demonstrations of ColorLogic's three flagship products (ColorAnt, CoPrA, and ZePrA); Global Graphics Software will perform live demos of SmartDFE™, the fastest Digital Front End (DFE) for digital printing of labels and packaging; iC3D will showcase

Version 9 of the iC3D Suite; Meteor Inkjet, will display its complete portfolio of industrial inkjet solutions for labels and packaging; and Xitron will highlight the powerful Navigator Flexo Suite.

- **June 28, 2023—**HYBRID Software announced a strategic partnership with Tallon Graphic Solutions (TGS), a Belgian software company that provides packaging and artwork management solutions for brand owners, retailers, and design agencies. HYBRID Software will become the preferred reseller for TGS's flagship software product, Flow, a comprehensive, SaaS-based artwork management solution that helps brands and retailers manage their large portfolios of complex graphical projects. The partnership between HYBRID Software and TGS will allow for a common development and technology roadmap, leading to accelerated feature development and a consistent link between the artwork management process and various production workflows.

- **June 27, 2023—**Xitron, a subsidiary of Hybrid Software Group, and Memjet, the global leader in digital inkjet technology announced the launch of its next generation of high-speed digital inkjet printing solutions: the DuraBolt 325C PrintEngine and DuraBolt 650 PrintBar with integrated Navigator DFE. Supporting full color, high-quality output at speeds of 450 feet per minute, the DuraBolt 325C PrintEngine leverages Memjet's proprietary printhead technology in a "Ready-to-Deploy" package designed specifically for high volume/high-speed print runs. The DuraBolt 650 PrintBar operates in monochrome mode, reaching linear speeds of over 950 feet per minute.

- **June 9, 2023—**HYBRID Software and ICScolor, the world leader in remote digital color proofing, announced the seamless integration between HYBRID CLOUDFLOW and ICScolor Remote Director to offer a simple and exact way to view and approve color-accurate digital proofs. While CLOUDFLOW users could always access Remote Director, now they can launch the Remote Director color viewing window directly within CLOUDFLOW. Using tools from Hybrid Software Group's ColorLogic to create accurate profiles and IC3D three-dimensional views, CLOUDFLOW now offers a complete, color-accurate digital proofing environment.

- **June 6, 2023—**Global Graphics Software announced the release of Mako Core™ version 7.0, a groundbreaking update to the popular SDK aimed at developers who create document processing and manipulation capabilities for print applications. Mako Core 7.0 introduces an intelligent Document Object Model (iDOM) that provides unparalleled access to every aspect of a document's composition, including fonts, images, vector art, layers, and metadata. Mako Core 7.0 also incorporates a powerful color management module (CMM) using technology from sister company ColorLogic GmbH to guarantee ICC profile compatibility and consistent color rendering.

## Company Background

Hybrid Software Group PLC ("the Group" or "the Company") is a leading developer of integrated software and hardware solutions for industrial inkjet printing. The Company believes that the combined offering of its subsidiaries has created a company unique in the industry: a single provider of all core-critical technologies required to drive digital printing equipment for industrial print manufacturing.

Because of this, the Group does not see itself as a holding company, but as an integrated group of six interrelated companies that allows it to leverage its offering to the market. The Company's subsidiaries are listed below and highlighted in Figure 1:

- ColorLogic: An award-winning developer of color management software technology;
- Global Graphics Software: A leading developer of software platforms for high-speed digital printing;
- HYBRID Software: An enterprise software developer for the labels and packaging prepress value chain;
- iC3D: the industry's largest library of modelling templates for 3D packaging design, visualization, and prototyping;
- Meteor Inkjet: A provider of industrial inkjet printhead driving solutions, electronics, and software; and
- Xitron: A developer of prepress workflow solutions that drive the industry's most popular output devices.

Figure 1
SUBSIDIARIES


*Source: Hybrid Software Group PLC.*

The Group provides critical technology used for printing and manufacturing in an increasingly diverse range of markets, from labels and packaging, to textiles, floor tiles, laminates, wall coverings, and additive manufacturing and 3-D printing applications. This not only positions the Group as a technology leader in the industrial printing market, but also as a leading full stack supplier offering its clients a fully compatible and integrated system that can handle all the needs of a digital printing operation, including automation, variable data printing, and color matching.

The Company believes that its ability to act as single provider offering an end-to-end integrated solution encompassing the software and related products and services that meet its client's digital printing operations needs translates into a competitive advantage. Current customers include world leading press manufacturers, such as Hewlett-Packard, Canon, Kodak, Epson, Ricoh, Durst, Roland, Hymmen, and Mark Andy, among others, as well as hundreds of packaging printers, trade shops, and converters in global markets such as Europe, North and South America, and Asia.

**Digital Printing**

Digital printing is a method of printing a digital-based image directly to a variety of media using laser or inkjet printers. The global digital printing market size was valued at $27.6 billion in 2022, and is projected to reach $42.7 billion by 2028, behind rapid adoption of digital printing systems in the packaging and textile industries, penetration of smart factories and digital image technologies, and a surge in demand for sustainable printing techniques due to environmental concerns (Source: Prodture's *Digital Printing Market: Global Market Size, Forecast, Insights, and Competitive Landscape*, 2022).

Within digital printing, digital inkjet printing is a versatile, non-contact printing process in which different sizes and colors of ink droplets are formed and sprayed at high speeds in precise, computer-controlled patterns from tiny nozzles on a moving or stationary printhead. Because inkjet printers use real ink, they can generally create vivid and professional-quality color photos.

*Software and Critical Core Technologies in Digital Printing*

Unlike a traditional analog printing workflow, where graphic designs are transferred to a printing plate, in a digital workflow a PDF file is created by the designer, which is then submitted to the digital printing press via a digital front end (DFE)—the control center of the digital printing operation and a key component of the ability to achieve an integrated and automated smart printing operation.

Once a PDF file is created for printing, specialized software is used to prepare it for printing. This step might include layout, proofing, and color management tools, as well as workflow and automation software solutions that send print-ready layouts to a DFE. During the printing process, additional software in the DFE ensures high-quality output, centered around the use of RIP (Raster Image Processing) software, which translates (rasterizes) computer vector files (such as PDF, JPG, etc.) to a raster image that is composed out of a matrix of dots that the printer can understand.

The final step in the process is the actual printing. Using automation software, the printing process can benefit from digital inkjet printing advantages, allowing for on-demand printing and customization of printing jobs, in which modifications of the image (variable data) are used for each impression (which is useful in packaging for bar codes or promotional material), as well as smaller printing jobs with a quick turnaround.

*Variable Data and Mass Customization*

A key area for growth and increased adoption of digital printing is its unique ability to deliver variable data printing (mass customization), where elements such as text, graphics, and images may be changed from one printed piece to the next, without stopping or slowing down the printing process, using information from a database or external files. As variable data printing's capabilities continue to improve, its usage is expected to expand beyond traditional areas like greetings cards and photobooks, into other markets where the opportunity to mass customize products represents a competitive advantage, such as flooring, 3D objects, tiles, clothing, and many more.

However, as variable printing's complexity grows to meet the demand of its new applications, so does the complexity of the software needed to achieve an efficient and automated process. Customers are looking for software solutions that provide a complete solution that can deliver mass customization, including access to the database containing the variable data information, graphic composition, and color management for the different jobs, among others. The ability of printing software components to handle variable printing could lead to expansion of digital printing in additional markets.

**Hybrid Software Group's Value Proposition**

The Group's strategic focus—based on the technology leadership position of each of its companies in its respective market—is to offer original equipment manufacturers (OEMs), print manufacturers, and print service providers end-to-end integrated solutions consisting of the different offerings of the Company's portfolio companies.

The Company's value proposition to OEM and printer manufacturers is to offer turnkey solutions and individual components in the areas of printhead electronics, output quality and speed, and image processing and control device, to enable them to migrate analog processes to digital. The Group's value proposition to print service providers is a complete set of software applications to maximize efficiency in production workflows in areas such as file preparation and editing, workflow automation, and rasterization and output.

*The Need for Seamless Integration*

Through internal development and its acquisition strategy (described on pages 37-39), the Group's combined product portfolio has created a company unique in the industry, a one-stop provider of all the critical technologies required to drive digital inkjet printing.

As digital printing operation workflows become more complex, the importance of connectivity between the different software and hardware components needed for smart printing operation and automation—the DFE, the workflow automation engine server, the color management software, and printhead technology, among others—becomes more critical. As the demand for end-to-end automation, variable data printing, and color matching capabilities continues to increase, printing operators and OEMs need to ensure that the software components and other tools and hardware used during the printing process are compatible with each other and easily integrated.

The need for full integration of all components tend to favor those companies that can offer a fully compatible system that can handle all or most of the needs of a digital printing operation. The Company believes that its ability to act as a full-stack supplier offering its clients a fully compatible system that can handle all the needs of a digital printing operation, including automation, variable data printing, and color matching, translates into a competitive advantage.

**Collaboration Between the Group's Portfolio Companies—SmartDFE™**

One key element of the Company's value and competitive strategy is the ability of the Group's portfolio companies to collaborate and integrate each other's products and technologies into complete solutions to meet the demand of their respective customers. Not only can different products from different portfolio companies be banded together to create a complete solution, but Global Graphics Software's Harlequin® is the foundation for other Group companies' products and offerings: HYBRID Software's CLOUDFLOW®, a workflow automation solution for the packaging industry, incorporates the Harlequin RIP processor; and Xitron's Navigator Harlequin RIP is a best-in-class implementation of the Harlequin RIP.

Collaborations between the portfolio companies have yielded many dual company product offerings, including: iC3D 3D packaging modeling technology, which is fully integrated into HYBRID Software's STEPZ® and PACKZ® offerings. In addition, compatibility with both ColorLogic's color management software technologies and Meteor Inkjet's printhead driver solutions are incorporated in integrated solutions by some of its other portfolio companies.

A key project that demonstrates the growth potential of the collaboration between the portfolio companies and underlines the Group's position as the only full stack supplier of all critical core technologies for inkjet, is the development of SmartDFE™, the first product to be co-developed by all Group companies and marketed through the Global Graphics Software subsidiary. SmartDFE is a full software and hardware stack designed to be the heart of a fully automated manufacturing system, incorporating print functionality to the fully automated smart factory.

SmartDFE offers a one-provider complete software solution to drive high-speed digital inkjet printing process, with everything from a powerful prepress workflow through to an ultra-high-speed RIP and halftone **screening** solution. It is built around Global Graphics' award-winning Harlequin Direct™ RIP technology that has been designed to drive the fastest, widest, and highest quality inkjet presses, and incorporates components from other Hybrid Software Group at each step of the process. This product is the next step in DFE design, incorporating functionalities beyond the RIP software to achieve greater automation levels through the development of digital printing software.

**Hybrid Software Group's Business Segments**

Through its subsidiaries, the Company offers solutions in three key unique business areas needed to achieve an efficient and automated digital printing workflow:

- Printing Software – graphic processing engines for fast and high-quality digital output.
- Enterprise Software – file preparation and workflow automation for print manufacturing.
- Printhead Solutions – electronics and software for industrial inkjet devices.

*Printing Software*

The Company develops software components and workflow solutions for high-speed digital printing for a wide variety of applications. Before a digital file can advance to actual printing, the image needs to be converted into data that the printer can translate into an effective print. The Company's Global Graphics Software subsidiary is one of the world's foremost developers of the graphic processing engines that are used for these tasks.

Color management is also required for high-quality output, a task which is especially difficult for digital printing where the inks supported by the printer may not be capable of exactly matching brand-specific spot colors. The Group's ColorLogic brand provides a full set of products for these demanding applications.

*Enterprise Software*

Under the HYBRID Software brand, the Company offers specialized production software designed for the labels and packaging industry. The Group's enterprise software products are used by more than 1,000 customers worldwide in both conventional and digital printing processes in all areas of prepress and printing, including labels and packaging, folding cartons, corrugated, and wide format. Most of these customers are end-users, companies who print labels and packaging to support brands and consumer product companies that requires specially trained employees to provide sales, support, and integration services, which is an important barrier to entry for smaller and growing companies trying to compete in this space.

*Printhead Solutions*

Under the brand of Meteor Inkjet, the Company develops and supplies printhead drive electronics, software, tools, and services for industrial inkjet systems and printing devices. Printheads are a critical component of an inkjet press and generally contain multiple nozzles for jetting ink or other fluids onto substrates. The Company's software and proprietary drive electronics send data to printheads inside inkjet devices to control the output produced. The Company works closely with most leading printhead vendors, including Xaar, FUJIFILM Dimatix, Kyocera, Konica Minolta, Toshiba TEC, SII, Ricoh, Epson, and Xerox, which allows the Group to identify inkjet development projects and trends.

**Hybrid Software Group's Markets**

The Group is active in four strategic digital printing growth markets: labels and packaging, ceramics, textiles, and 3D printing (additive manufacturing).

*Labels and Packaging*

The label and packaging sectors, early adopters of digital printing, accounted for more than two-thirds of the global digital printing packaging market in 2021, behind a demand for shorter runs, more customized packaging, and greater sustainability. This market requires very specialized knowledge and advanced software solutions, especially for variable data printing and serialization.

The Group companies enjoy strategic partnerships with the major players in this market and are experts in several key areas: variable data preparation and processing, color management for matching brand colors accurately, and the speed and precision required for high-volume production environments. HYBRID Software offers specialized production software designed specifically for the labels and packaging industry. Thus, the Company believes that it is well positioned to take advantage of the strong growth expected from the digital label and packaging printing market.

*Ceramics*

Driven by the demand for more customization, smaller lot sizes, and faster cycle times, digital printing technology is now very well established in the ceramics printing industry, with over 90% of the addressable market in most countries already converted (Source: Industrial Prints' *Unique Ceramics*, 2017). Special features needed for ceramic tile printers include recirculating printheads and ink systems to prevent the sedimentation and nozzle blocking, a common problem with the heavily pigmented ceramic inks used. Led by Meteor Inkjet, the Group's products fully implement the control functions required for such systems. Furthermore, the Group's software and electronics solutions are compatible with all the leading printheads used for ceramic tile decoration and are designed to easily support ceramics printers of any size and printing speed. The Group's business model for the ceramics market is to sell directly to the end users, the printing operations, on a usage model. One example of this is to charge a set dollar amount per printed square meter, knowing that some companies printing volume can be millions of square meters every year.

*Textiles*

Digital textile printing technology, which refers to the inkjet-based method that allows manufacturers to print different designs in any kind of fabric, has emerged as a new printing trend and has already started to make an impact on the textile world**.** To obtain a competitive edge and increase their market share, providers of digital technology are making significant investments in their R&D for new digital textile printing technologies. Technological advance are anticipated to create new opportunities along with the many new digital textile printers coming to market. The Group's reputation for high-speed software, color management technology, and expertise in inkjet electronics address the manufacturers' demands for turnkey solutions to drive these machines.

*Additive manufacturing (3D Printing)*

Inkjet 3D printing is a low-temperature, low-pressure additive manufacturing technology that involves the deposition of liquid printing materials through a small nozzle within a print head. As the printhead scans over a surface, multiple layers are built up in a layer-by-layer process. Recently, machine vision systems and artificial intelligence (AI) are broadening the applications for inkjet 3D printing, overcoming technical limitations that prevented the process from being used in production of end-use parts. Through its subsidiary Meteor Inkjet, the Group helps manufacturers harness the power of inkjet for additive manufacturing applications without the distraction of having to design electronics and software solutions in-house.

**Acquisition Strategy**

The Company's acquisition activities are the foundation of its goal to become the technology leader in the industrial printing market as well as the only vertically integrated supplier to the market. The Group's strategy is to acquire companies that fill a gap in its technology portfolio in order to offer its customers a full stack solution of software and critical technology needed for their industrial digital print manufacturing and production.

The Group believes that its 2021 acquisition of HYBRID Software was a critical step in shaping the Company's objective, as it broadened its focus from its traditional OEM sales channel to high-margin enterprise software for both OEMs and end users—companies who print and convert labels and packaging. And it did so while bringing a greater focus on the high-growth labels and packaging market, along with innovative products for enterprise workflow and packaging production.

**Environmental Matters**

The Group allocates significant importance to its environmental responsibilities and believes that driving sustainability goals throughout the business is not only the right thing to do but also makes for good business practice. In fact, the sustainability and environmental benefits of digital printing is a key driver contributing to the adoption of digital printing technologies in some of the Companies key target markets. In labels and packaging, digital printing minimizes waste and the costs of storing inventory in warehouses. In textiles, one of the world's biggest sources of water waste and pollution, digital inkjet production reduces water, energy usage, pollution, and waste compared to traditional textile printing methods, which use numerous chemicals and create a great deal of wastewater.

In terms of the Company and its subsidiary's operations, policies aimed at minimizing the Group's environmental footprint to the lowest levels possible have been implemented for several years. To enhance these efforts, in 2021 the Group partnered with Ecologi, a platform that facilitates the funding of carbon offset projects and tree planting around the world, to offset its carbon footprint. Through this partnership, the Group has been working towards compensating for the environmental footprint of every employee both at work and in their personal life.

**Company Background**

Hybrid Software Group PLC is a public limited-liability company registered in England and Wales with its shares traded on Euronext Brussels under stock code HYSG. The company was formerly known as Global Graphics PLC and changed its name to Hybrid Software Group PLC in October 2021. Hybrid Software Group PLC was founded in 1986 and is headquartered in Cambridge, the United Kingdom. The Company and its subsidiaries have 282 employees worldwide.

## Risks and Disclosures

This Company Update has been prepared by Hybrid Software Group ("the Group" or "the Company") with the assistance of Crystal Research Associates, LLC ("CRA") based upon information provided by the Company. CRA has not independently verified such information. Some of the information in this Update relates to future events or future business and financial performance. Such statements constitute forward-looking information within the meaning of the Private Securities Litigation Act of 1995. Such statements can only be predictions and the actual events or results may differ from those discussed due to the risks described in Hybrid's statements on Forms 10-K, 10-Q, and 8-K as well as other forms filed from time to time.

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