

Company Registration No. 503352

Nuance Communications Ireland Limited

Directors' Report and Financial Statements

For the financial year ended 30th June 2025

Nuance Communications Ireland Limited

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Nuance Communications Ireland Limited

General Information

Directors

Caroline Curtis
Leigh Anne Kiviat - US
Benjamin Orndorff - US

Company Secretary:

Matsack Trust Limited

Registered Number

503352

Registered Office

70 Sir John Rogerson's Quay,
Dublin 2, D02 R296,
Ireland

Auditors

Deloitte Ireland LLP
Chartered Accountants & Statutory Audit Firm
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2

Bankers

Bank of Ireland
Colvill House
Talbot Street
Dublin 1
Ireland

Citibank London
Citigroup Centre
33 Canada Square
Canary Wharf
London
E14 5LB

Solicitors

Matheson Solicitors
70 Sir John Rogerson's Quay
Dublin 2

Nuance Communications Ireland Limited

Directors' report

The directors present their report and audited financial statements of Nuance Communications Ireland Limited for the financial year ended 30 June 2025.

Principal activities and review of the business

Nuance Communications Ireland Limited ("the Company") is a company incorporated in the Republic of Ireland. The address of the registered office is given on page 3.

The Company commenced operations on 1 October 2011 and was granted the right to sublicense and distribute software for the International territory. The company operates as the primary sales and marketing representative within the International market selling the Nuance suite of products. Nuance is a leader in conversational AI and ambient intelligence. Nuance solutions are used in healthcare, financial services and other enterprise markets (retail, telecommunications and other industries).

In Healthcare markets the Company offers patient engagement, documentation capture and diagnostic tools with solutions like Dragon Medical and DAX that help in reducing clinician burnout and enhancing early detection and treatment of disease. For financial services customers we provide AI-powered customer engagement and speech recognition applications. While across other industries we offer solutions to create personalised customer experiences.

In order to align with the group, the company changed its financial year end to 30 June during the prior financial year. Given this, the prior period financial statements were prepared for a period of nine months. As a result, the comparative amounts presented in these financial statements, including the related notes, are not entirely comparable.

During the financial year ended 30 June 2025, the company sold its Enterprise professional services business to a third party. Further details are set out in note 8 to the financial statements.

During the year, the company absorbed two of its subsidiaries by way of a merger by absorption. Further details are set out in note 25 to the financial statements.

Results for the year and state of affairs

The statement of comprehensive income, statement of changes in equity and balance sheet are set out on pages 13 to 16. The profit after tax for the financial year, amounting to €12,081,000 has been credited to reserves (2024: €5,708,000). The Company's gross revenue amounted to €196,409,000 (2024: €154,704,000). The company's cost of sales amounts to €177,653,000 (2024: €139,966,000) which include, sales and marketing services to related parties. This results in a gross profit of €18,756,000 (2024: €14,738,000).

The Company paid dividends of €40,000,000 during the financial year (2024: €Nil).

Future Developments in the business

It is the intention of the directors to continue to develop the activities of the company.

Nuance Communications Ireland Limited

Directors' report (continued)

Principal Risks and Uncertainties

The Company has identified the following areas of risk and has put in place actions to monitor and report on these as well as mitigation plans for each of the risk categories;

Strategic risks

- **Licensing agreements:** the Company's viability is dependent on its right to offer services under the license agreement.
- **Business profitability:** to support profitability and customer deliverables the Company will need to continue to grow revenues with both existing and new customers by maintaining levels of service and offering new products and services.
- **Competitive action:** the software sector in which the Company operates is highly competitive and the pace of technological development is rapid. The Board continuously monitors developments in its sector and comparable speech technology markets closely.

Operating risks

- **Hosting and service quality:** in order to retain and grow existing customer base, the Company has a key dependency on its hosting providers. Contracts include a number of service level agreements (SLAs) concerning service delivery, quality and reliability.
- **International presence:** the Company has international customers requiring it to maintain management and control mechanisms that are currently in place.

Financial risks

- **Global financial markets and global economy:** current uncertainty in the global financial markets and economy may negatively impact the Company's financial results, through for example reduced demand for the Company's products or delayed customer payments. The Company manages its exposure by staying close to market and economic developments and by maintaining tight controls around cash flow through its Group treasury function.
- **Liquidity:** Liquidity risk is the risk the company will encounter difficulty in meeting financial obligations due to the shortage of funds. The company's exposure to liquidity risk arises primarily for mismatches of the maturities of financial assets and liabilities. The company's objective is to maintain sufficient funds to meet its contractual and financial obligations as they fall due. Management is of the view that the liquidity risk is minimal as the company is a participant in the cash pooling arrangement with other related companies.
- **Price:** Prices are decided by Nuance at a Group level. Prices are dependent on market conditions, but the Company is not exposed to significant price risk.
- **Credit:** The company's principal financial assets are cash, trade and other receivables and investments. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Nuance Communications Ireland Limited

Directors' report (continued)

Financial risks (continued)

- **Cash Flow:** The Company generates significant cash flow from operating activities, and the Company does not consider that there is currently significant Cash Flow risk.
- **Foreign exchange rates:** As the company operates in numerous currencies, the directors are conscious of the effect of foreign exchange on the company's results. Where deemed necessary, Microsoft Corporation, the ultimate parent undertaking, takes appropriate action to enter into hedging programmes to protect against foreign exchange exposure.

Charitable and political donations

During the period ended 30 June 2025, no charitable donations are included in the income statement (2024: €Nil). The Company made no political contributions during the current period or prior financial year.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As such the financial statements continue to be prepared on the going concern basis.

Further details regarding the adoption of the going concern basis can be found in Note 4 of the financial statements.

Accounting Records

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the engagement of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The accounting records are maintained at One Microsoft Place, South County Business Park, Leopardstown, Dublin 18.

Directors and Secretary's interest in shares:

The directors of the company and its secretary, who held office at 30 June 2025, had no interests in the shares of the company at that date.

The directors who held office at 30 June 2025 have advised that they hold some shares in the company's ultimate parent company, Microsoft Corporation, however none of the directors hold more than 1% of the voting shares in Microsoft Corporation or in any of Microsoft's subsidiaries.

Nuance Communications Ireland Limited

Directors' report (continued)

Directors

The directors who served during the financial year were:

Caroline Curtis
Leigh Anne Kiviat – US
Benjamin Orndorff – US

Events after the balance sheet date

Refer to Note 29 to the financial statements for details of material events occurring after the balance sheet date.

Statement on relevant audit information

In accordance with Section 332 of the Companies Act 2014, each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Audit Committee

Following due review and consideration of the requirement under section 167 of the Companies Act 2014 and the current circumstances of the company, the board has taken the decision not to establish an audit committee at the present time. The reason for the decision is that Microsoft Corporation, the company's ultimate parent company, has established an audit committee which, in the Director's opinion, adequately performs the relevant functions for the Microsoft group as a whole, including the company, and that therefore, the Directors believe there is no necessity for the company itself to establish a committee for the purpose of Section 167 of the Companies Act 2014.

Directors Compliance Statement

As required by section 225 (2) of the Companies Act 2014 ("The Act"), the Directors:

1. Acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 of the Act; and
2. Confirm that the following has been done:
 - i a compliance statement (as defined in section 225 (3)(a) of the Act) setting out the Company's policies (that, in the Directors' opinion, are appropriate to the company) respecting compliance by the Company with its relevant obligations has been drawn up;
 - ii appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations, have been put in place; and
 - iii during the financial year to which this report relates, a review of arrangements or structures referred to in paragraph (ii) above has been conducted.

Nuance Communications Ireland Limited

Directors' report (continued)

Auditors

The auditors, Deloitte Ireland LLP, Chartered Accountants & Statutory Audit Firm, continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

Approved by the Board on 28 January 2026 and signed on its behalf by:



Leigh Anne Kiviati (US)
Director



Benjamin Orndorff (US)
Director

Nuance Communications Ireland Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards,
- notify the Company's shareholders in writing of the use of disclosure assumptions, if any, of FRS 102, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the 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 NUANCE COMMUNICATIONS IRELAND LIMITED

Report on the audit of the financial statements

Opinion on the financial statements of NUANCE COMMUNICATIONS IRELAND LIMITED ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 June 2025 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 34, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 company's ability to continue as a going concern 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.

Other information

The other information comprises the information included in the Director's Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Director's Report and Financial Statements. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUANCE COMMUNICATIONS IRELAND LIMITED

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, 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 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 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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NUANCE COMMUNICATIONS IRELAND LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Kehoe
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

28 January 2026

Nuance Communications Ireland Limited

Statement of Comprehensive Income for the financial year ended 30 June 2025

	Notes	2025 12 Months €'000	2024 9 Months €'000
Turnover	5	196,409	154,704
Cost of Sales		<u>(177,653)</u>	<u>(139,966)</u>
Gross Profit		18,756	14,738
Operating expenses		<u>(10,220)</u>	<u>(8,118)</u>
Operating Profit	6	8,536	6,620
Impairment on investments	7	-	(2,230)
Gain on disposal/liquidation of subsidiaries	16	64	-
Gain on sale of assets	8	5,733	554
Interest payable and similar charges	9	(239)	-
Investment income	12	<u>2,326</u>	<u>2,302</u>
Profit on ordinary activities before tax		16,420	7,246
Tax on profit on ordinary activities	13	<u>(4,339)</u>	<u>(1,538)</u>
Profit for the financial year/period		<u>12,081</u>	<u>5,708</u>

Turnover and operating profit in the current year arose solely from continuing operations. There are no recognised gains or losses in the year other than the profit attributable to the shareholder of the Company.

The notes on pages 17 to 40 form an integral part of the financial statements.

Nuance Communications Ireland Limited

Statement of Changes in Equity for the financial year ended 30 June 2025

	Called-up Share capital €'000	Capital Contribution €'000	Other Reserves €'000	Retained Earnings €'000	Total €'000
At 30 September 2023	1	40	1,661	67,453	69,155
Profit for the financial period	-	-	-	5,708	5,708
At 30 June 2024	1	40	1,661	73,161	74,863
Profit for the financial year	-	-	-	12,081	12,081
Dividend paid (Note 14)	-	-	-	(40,000)	(40,000)
Merger adjustment (Note 25)	-	-	-	(974)	(974)
At 30 June 2025	1	40	1,661	44,268	45,970

The issued share capital of the company is €501 and has been rounded to €1,000 in the above table for disclosure purposes.

The notes on pages 17 to 40 form an integral part of the financial statements.

Nuance Communications Ireland Limited

Balance Sheet as at 30 June 2025

	Notes	2025 €'000	2024 €'000
Assets			
Non-current assets			
Tangible assets	15	-	382
Financial assets	16	6,241	6,260
Debtors – amounts falling due after more than one year	17	7,805	21,376
		<u>14,046</u>	<u>28,018</u>
Current assets			
Cash at bank	18	2,174	2,339
Stocks	19	-	454
Debtors– amounts falling due within one year	20	136,493	173,135
		<u>138,667</u>	<u>175,928</u>
Current Liabilities			
Creditors – amounts falling due within one year	21	(87,440)	(116,379)
		<u>(87,440)</u>	<u>(116,379)</u>
Net Current Assets			
		51,227	59,549
Creditors – amounts falling due after more than one year	22	(19,303)	(12,704)
		<u>45,970</u>	<u>74,863</u>
Net Assets			
Capital and Reserves			
Called up share capital	24	1	1
Capital Contribution	26	40	40
Other Reserves	26	1,661	1,661
Profit and loss account	26	44,268	73,161
Shareholders' Equity		<u>45,970</u>	<u>74,863</u>

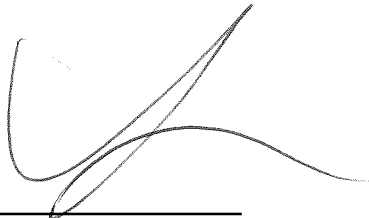
Nuance Communications Ireland Limited

Balance Sheet as at 30 June 2025 (continued)

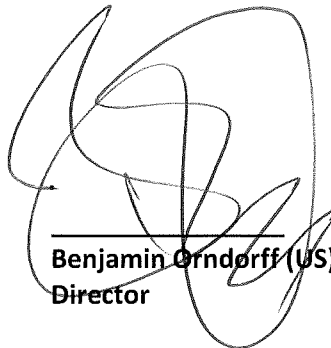
The notes on pages 17 to 40 form an integral part of the financial statements.

The financial statements were approved by the Board and authorised for issue on 28 January 2026.

On behalf of the board



Leigh Anne Kiviat (US)
Director



Benjamin Orndorff (US)
Director

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

1. General Information

Nuance Communications Ireland Limited is a private company limited by shares and is incorporated in Ireland under the Companies Act 2014. The registered office address is 70 Sir John Rogerson's Quay, Dublin 2, D02 R296, Ireland. The nature of the company's operations and its principal activities are set out in the Directors' Report on pages 4 to 8. The presentation currency of the company financial statements is Euro (€). All amounts in the financial statements have been rounded to the nearest thousand Euro, unless otherwise stated. These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements by virtue of section 300 of the Companies Act 2014, because it is included in the group accounts of Microsoft Corporation. The group accounts of Microsoft Corporation can be obtained as set out in Note 32.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2014 and Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* and issued by the Financial Reporting Council .

Exemptions for qualifying entities under FRS 102

The company is a qualifying entity for the purpose of FRS 102. As a qualifying entity, the company has availed of a number of exemptions from the disclosure requirements of FRS 102 in the preparation of stand-alone financial statements. In accordance with FRS 102, the company has availed of an exemption from the following paragraphs of FRS 102:

- The requirements of Section 7 and paragraph 3.17(d) to present its own Statement of Cash Flows.
- The requirements of Section 33 Related Party Transactions, paragraph 33.7.
- The requirements of Section 26 Share Based payments, paragraphs 26.18 (b), 26.19 to 26.21, and 26.23.
- The requirements of Section 11 Financial Instruments, paragraphs 11.42, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

Where relevant, equivalent disclosures have been given in the group accounts of Microsoft Corporation. The group accounts of Microsoft Corporation are available to the public and can be obtained as set out in Note 32.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

2. Accounting policies (continued)

Accounting Convention

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Foreign currencies

The financial statements are presented in Euro, which is the currency of the primary economic environment in which the company operates (its functional currency). Transactions in currencies other than the company's functional currency are translated at the rate of exchange ruling at the date of the transaction. The resulting monetary assets and liabilities are translated at the balance sheet rate. Non-monetary items are measured in terms of historical cost in a foreign currency and are not retranslated. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

Investment in subsidiaries

Investments in subsidiaries are carried at cost less provisions for any impairment.

Dividends

Dividends from subsidiary undertakings are recognised in the statement of comprehensive income in the financial year in which they are received. Dividends payable are recognised once appropriate approvals or payments have been made.

Revenue recognition

Revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive for those goods or services. The impact of the adoption primarily relates to an upfront recognition of term licenses and general requirement to allocate the transaction price on a relative stand-alone selling price. The transaction price of the arrangement is based on the relative estimated standalone selling price ("SSP") of each distinct performance obligation.

The Company derives revenue from the following sources: (1) hosting services, (2) software license agreements; including royalty and other usage-based arrangements, (3) professional services and (4) post-contract customer support ("PCS"). Our hosting services are generally provided through on-demand, fixed monthly fee, or usage-based per transaction fee arrangements. Our revenue recognition policies for these revenue streams are discussed below.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

2. Accounting policies (continued)

The sale and/or license of software products and technology are deemed to have occurred when a customer either has taken possession of or has access to take immediate possession of the software or technology. In select situations, we sell or license intellectual property in conjunction with, or in place of, embedding our intellectual property in software. We also have non-software arrangements including hosting services where the customer does not take possession of the software at the outset of the arrangement either because they have no contractual right to do so or because significant penalties preclude them from doing so. Generally, we recognize revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the fee is fixed or determinable and (iv) collectability is probable.

Software license arrangements generally include post-contract customer support (“PCS”), which includes telephone support and the right to receive unspecified upgrades/enhancements on a when and if available basis, typically for one to five years. Revenue from PCS is generally recognized on a straight-line basis over the term that the maintenance service is provided. When PCS renews automatically, we provide a reserve based on historical experience for contracts expected to be cancelled for non-payment. All known and estimated cancellations are recorded as a reduction to revenue and accounts receivable.

When we provide professional services considered essential to the functionality of the software, we recognize revenue from the professional services as well as any related software licenses on a percentage-of-completion basis whereby the arrangement consideration is recognized as the services are performed, as measured by an observable input. In these circumstances, we separate license revenue from professional service revenue for income statement presentation. We generally determine the percentage-of-completion by comparing the labour hours incurred to-date to the estimated total labour hours required to complete the project. We consider labour hours to be the most reliable, available measure of progress on these projects. Adjustments to estimates to complete are made in the periods in which facts resulting in a change become known. When the estimate indicates that a loss will be incurred, such loss is recorded in the period identified. Significant judgments and estimates are involved in determining the per cent complete of each contract. Different assumptions could yield materially different results.

We offer some of our products via a Software-as-a-Service (“SaaS”) model also known as a hosted model. In this type of arrangement, we are compensated in two ways: (1) fees for up-front set-up of the service environment and (2) fees charged on a fixed monthly fee or a usage based per transaction basis. Our up-front set-up fees are non-refundable. We recognize the up-front set-up fees pro rata over the contract lives. The fixed fee or on-demand, usage-based per transaction fees are due and recognized as revenue in the period the services are provided.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

2. Accounting policies (continued)

Judgment is required to determine the standalone selling price ("SSP") for each distinct performance obligation. We use a single amount to estimate SSP for items that are not sold separately, including on-premises licenses sold with SA or software updates provided at no additional charge. We use a range of amounts to estimate SSP when we sell each of the products and services separately and need to determine whether there is a discount to be allocated based on the relative SSP of the various products and services.

In instances where SSP is not directly observable, such as when we do not sell the product or service separately, we determine the SSP using information that may include market conditions and other observable inputs. We typically have more than one SSP for individual products and services due to the stratification of those products and services by customers and circumstances. In these instances, we may use information such as the size of the customer and geographic region in determining the SSP. Revenue allocated to each performance obligation is then recognized when the basic revenue recognition criteria are met for each performance obligation.

When products are sold through distributors or resellers, title and risk of loss generally passes upon shipment, at which time the transaction is invoiced and payment is due. Shipments to distributors and resellers without right of return are recognized as revenue upon shipment, provided all other revenue recognition criteria are met. Certain distributors and resellers have been granted rights of return for as long as the distributors or resellers hold the inventory. We cannot use historical returns from these distributors and resellers as a basis upon which to estimate future sales returns. As a result, we recognize revenue from sales to these distributors and resellers when the products are sold through to retailers and end-users.

When products are sold directly to retailers or end-users, we make an estimate of sales returns based on historical experience. The provision for these estimated returns is recorded as a reduction of revenue and accounts receivable at the time that the related revenue is recorded. If actual returns differ significantly from our estimates, such differences could have a material impact on our results of operations for the period in which the actual returns become known.

We record consideration given to a reseller as a reduction of revenue to the extent we have recorded cumulative revenue from the customer or reseller. However, when we receive an identifiable benefit in exchange for the consideration and can reasonably estimate the fair value of the benefit received, the consideration is recorded as an operating expense.

We record shipping and handling costs billed to customers as revenue with offsetting costs recorded as cost of revenue.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

2. Accounting policies (continued)

Deferred Cost of sales

Deferred Cost of sales includes deferred commissions and deferred labour costs. An asset for the incremental costs of obtaining a contract with a customer is recognised if the benefit of those costs is expected to be longer than one year. It is determined that these costs meet the requirements to be capitalised. Generally, labour costs are deferred for projects that have not yet gone live. The amortisation of deferred commissions and deferred labour is recognised in the statement of comprehensive income. Total capitalised costs are included within debtors on the balance sheet.

Stock

Stock is stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out (FIFO) method. Cost includes materials, labour, and manufacturing overhead related to the purchase and production of inventories. Net realisable value is the estimated selling price of stock on hand less all further costs to completion and all costs expected to be incurred in the marketing, distribution and selling.

Current and deferred tax

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax, or a right to pay less tax, in the future, have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

2. Accounting policies (continued)

Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Company will be required to settle that obligation, and the amount of the obligation can be measured reliably. Provisions are measured at the directors' best estimate of the expenditure required to settle that obligation at the balance sheet date.

Contingent liabilities are not recognised unless it is probable or certain that a present obligation may exist at the reporting date as a result of a past event and the outflow can be reliably estimated. Unless the probability of an outflow of resources is remote, contingent liabilities are disclosed in the notes to the financial statements where there is a possible but uncertain obligation as a result of a past event.

Leases

The company determines if an arrangement is a lease at inception of the contract. Operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Comprehensive Income.

Depreciation is provided at rates calculated to write off the cost of assets, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Computer Equipment	-	Straight line over 3 to 5 years
Network Equipment	-	Straight line over 5 years
Furniture and Fixtures	-	Straight line over 5 years
Leasehold Improvements	-	Straight line over 5 to 10 years

Impairment of tangible assets

At each balance sheet date and whenever there is an indication that an asset may be impaired, the Company reviews the carrying amount of its tangible 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). The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is calculated by discounting the expected future cash flows using a discount rate commensurate with the risk associated with the asset assessed for impairment.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified at initial recognition, and subsequently measured at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The company's financial assets include cash and cash equivalents, trade and other receivables and loans with group undertakings.

For the purpose of subsequent measurement, the company measures the financial assets at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment.

The company assesses whether there is objective evidence of impairment of any financial assets. If there is objective evidence of impairment it is recognised in the statement of comprehensive income.

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate. All financial liabilities are recognised net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, accruals and loans with group undertakings. Financial liabilities are subsequently measured at amortised cost using the EIR method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's obligations under the liability are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

3. Accounting policies (continued)

Group reconstructions – merger accounting

Where the Company undertakes a business combination between entities under common control (with no change in ultimate ownership), the transaction is accounted for using the merger accounting method in accordance with FRS 102. Under merger accounting, the assets, liabilities and reserves of the combining entities are recorded at their existing book values and not adjusted to fair value. No goodwill is recognised on a merger. Instead, any difference arising between the consideration (if any) and the book value of the net assets of the entities acquired is recorded directly in equity. This policy is applied to transactions meeting the conditions of a group reconstruction under FRS 102 and company law (i.e. transactions that are merely reorganisations of entities within the group with no change in ultimate shareholders).

Derivative financial instruments

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Derivative financial instruments, if used by the company, have not been designated as accounting hedges. These instruments, are contracted to mitigate risks arising from operating activities and comprise of foreign currency forward contracts. Foreign currency forward contracts are initially recognised at nil value and subsequently measured at fair value with changes in fair value recognised in income as they arise. The fair value of the foreign currency forward contracts is determined using forward exchange market rates at the balance sheet date. The Company does not enter into derivative instruments for speculative trading purposes. The Company has not entered into any derivative instruments to which it applies hedge accounting.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

Management makes judgements about the expected term of a customer contract when recognising integration revenues. This judgement takes account of the initial term of the contract and the possibility of renewal. In certain instances, the contract may be cancelled by either party part way through the initial term. Unless an early termination is probable it is not taken into account in allocating integration revenues. In addition, management makes estimates about the gross revenue that will be earned over the term of the contract in order that any payments to obtain access to provide services are allocated in proportion to gross revenues over the expected term of the contract.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

In the early stages of a contract where the ultimate net revenues from estimated future message volumes that will be earned under a contract are such that management do not yet consider it reasonably assured that the net revenue under the contract (i.e. taking account of customer incentives) will be greater than nil, the Company defers all net revenue until such time that a different allocation can be made. Where an intangible asset has been recorded in respect of obtaining access to provide services the asset is amortised against revenue such that net revenues recognised are nil.

Taxation

The objectives of accounting for taxation are to recognise the amount of taxes payable or refundable for the current financial year and deferred tax assets and liabilities for the future tax consequences of events that have been recognised in an entity's financial statements or tax returns. In assessing tax uncertainties, if it is probable that the tax authority will accept a tax treatment on examination, the company measures its income taxes in the financial statements consistent with the tax treatment used in its income tax return. Otherwise, it measures the effect of the uncertainty using the method that is expected to better predict the resolution of the uncertainty. Judgement is required in assessing the future tax consequences of events that have been recognised in the financial statements or tax returns. Variations in the actual outcome of these future tax consequences could materially impact the financial statements.

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any of the financial assets that are measured at cost. If there is objective evidence of impairment, impairment losses are recognised in the statement of comprehensive income.

4. Going concern

On the basis of the directors' assessment of the Company's financial position and solvency, the Company's directors' have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Company reported a total profit of €12,081,000 (2024: €5,708,000) for the financial year end and had net assets of €45,970,000 (2024: €74,863,000) at the balance sheet date. The directors have considered the future cash requirements of the Company's business in the context of the economic environment, risks and uncertainties facing the Company and the medium-term strategy of the Company and concluded that sufficient reserves are available in respect of the liquidity and the equity base of the Company to guarantee continuity of the Company. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

5. Turnover

The analysis of the Company's turnover for the period is as follows:

	2025	2024
	12 Months	9 Months
	€'000	€'000
Turnover from contracts with customers	196,394	153,973
Turnover from group undertakings	15	731
	<u>196,409</u>	<u>154,704</u>

	2025	2024
	12 Months	9 Months
	€'000	€'000
Geographical analysis of turnover		
Ireland	1,973	2,440
Europe	167,124	124,918
Rest of world	27,312	27,346
	<u>196,409</u>	<u>154,704</u>

	2025	2024
	12 Months	9 Months
	€'000	€'000
Category of turnover		
Product & licencing	33,149	38,852
Services	131,109	80,756
Maintenance & support	32,151	35,096
	<u>196,409</u>	<u>154,704</u>

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

6. Operating profit

	2025 12 Months	2024 9 Months
	€'000	€'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	108	288
Loss on disposal of tangible fixed assets	274	-
Net foreign exchange loss	1,045	262
	<u>1,427</u>	<u>550</u>

Analysis of auditors' remuneration in respect of the audit of the financial statements and for other services provided to the company is as follows:

	2025 12 Months	2024 9 Months
	€'000	€'000
Audit of the financial statements	237	225
Other fees to auditors		
Other assurance services	-	-
Tax advisory services	441	250
Other non-audit services	-	-
	<u>678</u>	<u>475</u>

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

7. Impairment of investment in subsidiaries

The carrying amount of investments in subsidiaries at the balance sheet date was €6,241,000 (2024: €6,260,000) as outlined in Note 16 with the following impairment losses recognised.

	2025 12 Months €'000	2024 9 Months €'000
Impairment on investments	-	(2,230)
	<u>-</u>	<u>(2,230)</u>

There was no impairment during the current financial year, 30 June 2025. During the prior financial period, 30 June 2024, the carrying value of investments was adjusted for in the subsidiary Agnitio S.L. by €2.2M as there was an impairment in the value of the underlying assets of the subsidiary.

8. Gain on sale of assets

During the current financial year end 30 June 2025, the company sold its enterprise professional services business to a third party. This resulted in a profit on sale of €5.7m recognised in the statement of comprehensive income. At the financial year end approximately 63% of customer contracts had transferred to the buyer, while an estimated 37% were still pending transfer.

During the prior financial period end 30 June 2024, the company transferred certain assets and liabilities to a fellow wholly owned subsidiary of Microsoft Corporation. This resulted in a profit on sale of €554,000 recognised in the statement of comprehensive income.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

9. Interest payable and similar charges

	2025 12 Months €'000	2024 9 Months €'000
Interest payable on balances from group undertakings	<u>(239)</u>	<u>-</u>
	<u>(239)</u>	<u>-</u>

10. Staff Costs

The company had no employees in either the current or preceding financial year.

11. Directors Remuneration

Directors' remuneration is borne by a fellow group company. The company have determined there are no key management personnel except for the directors.

12. Investment Income

	2025 12 Months €'000	2024 9 Months €'000
Interest on bank deposits	-	1
Interest receivable from group undertakings	<u>2,326</u>	<u>2,301</u>
	<u>2,326</u>	<u>2,302</u>

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

13. Taxation charge on Profit on ordinary activities

(A) Analysis of the tax charge on profit for the period

	2025 12 Months	2024 9 Months
	€'000	€'000
Corporation tax on taxable profits for the period at 12.5%	3,515	808
Corporation tax on taxable profits for the period at 25%	581	571
Prior year tax under provision	113	53
Total current tax (see reconciliation below)	<u>4,209</u>	<u>1,432</u>
Deferred tax charge	<u>130</u>	<u>106</u>
Total tax charge for the period	<u><u>4,339</u></u>	<u><u>1,538</u></u>

(B) Factors affecting the tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in Ireland of 12.5% (2024: 12.5%) The differences are explained below:

	2025 12 Months	2024 9 Months
	€'000	€'000
Profit on ordinary activities before tax	<u>16,420</u>	<u>7,246</u>
Tax on ordinary activities multiplied by the standard rate of 12.5% (2024: 12.5%)	2,053	906
Expenses not deductible for tax purposes	176	30
Investment income taxed at 25%	291	286
Non-taxable income	-	(72)
Accounting gain on disposals	(8)	-
Taxable gain – chargeable at 33%	1,175	-
Write down of investment	-	279
Depreciation in excess of capital allowances	(30)	(58)
Foreign withholding tax	(42)	8
Current tax expense related to global minimum top-up tax	481	-
Prior year under provision	113	53
Current tax charge for the period	<u><u>4,209</u></u>	<u><u>1,432</u></u>

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

13. Taxation charge on Profit on ordinary activities (continued)

The Company is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules as it is a member of the Microsoft group, which is a multi-national entity within the scope of Pillar Two. Pillar Two legislation has been enacted and is effective in Ireland.

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to FRS 102.29 issued in July 2023.

The Company's assessment of the expected exposure to Pillar Two income taxes for Ireland results in a top-up tax of €702M, of which €481,181 relates to the Company under the Pillar Two intra-country allocation rules.

14. Dividends

During the financial year the company paid a dividend to owners of €40,000,000 (2024: Nil).

	2025	2024
	12 Months	9 Months
	€'000	€'000
Distributions paid to owners per share: €79,840 (2024:€Nil)	<u>40,000</u>	<u>-</u>
	<u>40,000</u>	<u>-</u>

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

15. Tangible Assets

	Network Equipment €'000	Total €'000
Cost		
At 1 July 2024	960	960
Disposals	(960)	(960)
At 30 June 2025	-	-
Depreciation		
At 1 July 2024	578	578
Depreciation charge	108	108
Disposals	(686)	(686)
At 30 June 2025	-	-
Net Book Value		
At 1 July 2024	382	1,382
At 30 June 2025	-	-

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

16. Financial Assets

	Investments In Related Party €'000
At 01 July 2024	6,260
Disposals	(19)
At 30 June 2025	<u>6,241</u>
Net book value	€'000
At 30 June 2025	6,241
At 30 June 2024	6,260

During the financial year, two of the company's subsidiaries, Nuance Communications Hungary Kft and Nuance Turkey Iletisim Hizmetleri Limited Sirketi, were liquidated. As a result, the company recognised gains on liquidation of €64,381 and the carrying value of these subsidiaries of €19,329 was written down to €Nil.

During the financial year, the company acquired 100% of the share capital of Nuance Communications International Holdings Limited (NCIH), from a fellow group company. The carrying value of NCIH was €200. Subsequently, the company absorbed NCIH, by way of a merger and the investment in subsidiary was eliminated.

During the financial year, the company absorbed two of its subsidiaries, Nuance Communications Healthcare International Limited and Nuance Communications Holdings Limited, the 'transferor companies', by way of a merger by absorption. On the accounting date, 30 June 2025, the net liabilities of the transferor companies were assumed by the company, the investment in subsidiaries were eliminated and their carrying value of €300 was written down to €Nil, and the difference recorded in retained earnings.

The transaction qualified as a group reconstruction in accordance with FRS 102 and has been accounted for using the principles of merger accounting.

Details of the subsidiaries as at 30 June 2025 are as follows:

Subsidiary Undertaking	Country of Incorporation	Principal Activity	Ordinary Share Holding
Agnitio S.L.	Spain	Support Services	100%

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

16. Financial Assets (continued)

The company also has an investment in a group undertaking which is not a full subsidiary. Details of the investment in group undertaking as at 30 June 2025 are as follows:

Group Undertaking	Country of Incorporation	Principal Activity	Ordinary Share Holding
Nuance Communications LTDA	Brazil	Support Services	5%

The company has investments as at 30th June 2025 in the following entities via its ownership of the direct subsidiary undertakings.

Direct Subsidiary Undertaking	Indirect Subsidiary Undertaking
Agnitio S.L	Agnitio Corp

17. Debtors – amounts falling due after more than one year

	2025	2024
	€'000	€'000
Deferred cost of sales	3,578	14,781
Contract assets	3,714	5,980
Deferred tax asset	-	130
Amounts owed by group undertakings	513	485
	<u>7,805</u>	<u>21,376</u>

The deferred tax asset in the prior year arose in respect of timing differences on fixed assets and in respect of allowable foreign withholding tax deductions.

18. Cash and cash equivalents

	2024	2024
	€'000	€'000
Cash at bank	2,174	2,339
	<u>2,174</u>	<u>2,339</u>

The directors consider that the carrying amount of the cash and cash equivalent approximates to fair value as it is available on demand.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

19. Stock

	2025	2024
	€'000	€'000
Stock- Held at distributors	-	454
Stock- Finished Goods	-	454

All stock was dispositioned during the financial year 30 June 2025.

20. Debtors- amounts falling due within one year

	2025	2024
	€'000	€'000
Trade Debtors	48,067	43,552
Unbilled Receivables	1,328	1,594
Amounts owed by group undertakings	74,261	103,923
Sales Tax	13	-
Deposits	-	16
Prepayments	-	253
Corporation Tax Receivable	-	2,653
Deferred Cost of Sales	9,284	16,128
Contract Assets	3,540	5,016
	136,493	173,135

All debtors are due within one year. Amounts owed by group undertakings are unsecured and repayable within normal business terms. Of the amounts owed by group undertakings, €70.64m (2024: €86.69m) bears interest at a rate equivalent to the US Federal Reserve short term deposit rate. Trade debtors are shown net of impairment in respect of doubtful debts.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

21. Creditors - amounts falling due within one year

	2025	2024
	€'000	€'000
Trade Creditors	8	189
Sales tax	-	188
Amounts owed to group undertakings	27,557	51,354
Corporation tax payable	1,658	-
Accruals	4,829	3,856
Deferred Revenue	53,388	60,792
	<u>87,440</u>	<u>116,379</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and other operating costs. Amounts owed to group undertakings are unsecured and are repayable within normal business terms. The directors consider that the carrying amount of trade and other creditors approximates fair value.

22. Creditors - amounts falling due after more than one year

	2025	2024
	€'000	€'000
Long term deferred revenue	18,346	12,228
Other Payables	476	476
Corporation tax payable	481	-
	<u>19,303</u>	<u>12,704</u>

The directors consider that the carrying amount of creditors approximates fair value.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

23. Other financial commitments

Operating Lease Commitments

At 30 June 2025, the company had future minimum lease payments under non-cancellable operating leases as follows:

Leased Data Centres	2025	2024
	€'000	€'000
Not later than one year	-	454
	<u>-</u>	<u>454</u>

During the financial year 30 June 2025, the company terminated its remaining data centre leases.

24. Called-Up Share Capital

	2025	2024
	Euro	Euro
Authorised		
500,100,000 ordinary shares of €1 nominal value	<u>500,100,000</u>	<u>500,100,000</u>
Called up, allotted and fully paid		
501 (2024: 501) ordinary shares of €1 nominal value	<u>501</u>	<u>501</u>

The company has one class of ordinary shares with a nominal value of €1 each which carry no right to a fixed income.

25. Merger of Subsidiaries

By merger agreement, effective 30 June 2025, the wholly-owned subsidiaries, Nuance Communications Healthcare International Limited (NCHIL) and Nuance Communications International Holdings Limited (NCIH), as the transferor companies, transferred their assets and liabilities by way of a merger by absorption, to their parent company, Nuance Communications Ireland Limited (NCIL), as the transferee company.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

26. Reserves

Profit and Loss Account

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of transfers to/from other reserves and dividends paid.

Capital Contribution

Capital contribution was received by the company in relation to investment in a related party.

Other Reserves

Other reserves are capital contributions relating to share-based payment charges.

27. Contingent liabilities

The Company has no contingent liabilities as at 30 June 2025 (2024: €Nil).

28. Financial Risk Management

Financial assets and liabilities

Financial assets and liabilities analysed by the categories defined in FRS 102, Sections 11 & 12, "Recognition and Measurement of Financial Instruments" were as follows:

	Carrying Value €'000	Fair Value €'000
As at 30 June 2025		
Financial assets		
Trade and other receivables	124,182	124,182
Cash and cash equivalents	2,174	2,174
	<u>126,356</u>	<u>126,356</u>
Financial liabilities		
Trade and other payables	<u>(29,223)</u>	<u>(29,223)</u>
	<u>(29,223)</u>	<u>(29,223)</u>

Cash and cash equivalents have floating interest rates. Accordingly, the carrying amount is considered to approximate fair value.

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

28. Financial Risk Management (continued)

Credit Risk

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Management considers its maximum exposure to credit risk to be as follows:

	2025	2024
	€'000	€'000
Trade and Other Receivables	<u>971</u>	<u>1,623</u>
	<u>971</u>	<u>1,623</u>

The Company performs on-going credit evaluations of its customers' financial condition and generally requires no collateral to secure accounts receivable.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's liquidity is affected by many factors, some of which relate specifically to the operations of the business and others relate to the uncertainties of global economies, including the availability of credit, and the condition of the overall telecommunications industry.

	Within	Between	
	1 Year	1 and 5 Years	Total
As at 30 June 2025	€'000	€'000	€'000
Trade and other payables	-	82,611	82,611
	-	82,611	82,611

Nuance Communications Ireland Limited

Notes to the accounts

For the financial year ended 30 June 2025

29. Events after the balance sheet date

No subsequent events have occurred since the financial year end that materially impact the financial statements for the financial year ended 30 June 2025.

30. Related party transactions

The exemption not to disclose related party transactions under FRS 102, section 33 "Related Party Disclosures" has been availed of as the financial statements of the ultimate parent Company Microsoft Corporation are publicly available.

31. Capital Commitments

The company had no capital commitments as at 30 June 2025 (2024: €Nil).

32. Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Microsoft Corporation, incorporated in the United States of America. The largest and smallest group in which the results of the company are consolidated is that headed by Microsoft Corporation. The consolidated financial statements of Microsoft Corporation are available at One Microsoft Way, Redmond, Washington 98052-6399.

The company's immediate parent undertaking is Microsoft Round Island One UC, a company incorporated in Ireland.

33. Comparatives

In order to align with the group, the company changed its financial year end to 30 June during the prior financial year. Given this, the prior period financial statements have been prepared for a period of nine months. As a result, the comparative amounts presented in these financial statements, including the related notes, are not entirely comparable.

34. Approval of financial statements

The board of directors approved these financial statements for issue on 28 January 2026.