

ESEF Reporting

M SAN Grupa: A Four-Year Partnership and Continued Collaboration with IRIS CARBON®



Founded in 1995, M SAN Grupa has established itself as one of Croatia's premier IT distribution companies. By 1999, it ranked among Croatia's top-tier IT service providers and has sustained its leadership position within the industry. With a broad operational footprint, the company extends its reach across the European Union with a strong presence in the Southeast Europe, and distant markets.

The group operates through a network of regional subsidiaries, including Kim Tec Serbia, Kim Tec Bosnia and Herzegovina, Pakom Kompani Macedonia, Kim Tec Montenegro, Alterna distribucija Slovenia and AskTec Kosovo. As of 2024 M SAN Grupa boasts over 7,400 partners, underscoring its extensive influence and operational scale in the IT distribution sector.

The company's regional distribution model emphasizes independence, financial stability, and cost-efficiency, achieved through centralized procurement and a streamlined supply chain across diverse markets.



Challenges: Difficulty Implementing ESEF Mandate and Inline XBRL Tagging

Prior to 2020, Croatian and European Union-listed companies submitted annual reports in PDF format, which limited data accessibility and analysis capabilities. The European Securities and Markets Authority (ESMA) introduced the European Single Electronic Format (ESEF) mandate, requiring all listed companies to submit their annual reports in Inline XBRL (iXBRL) format starting from January 2020.

For M SAN Grupa, this transition posed several challenges:



Ensuring Compliance with ESEF and ESMA Standards

Transitioning from traditional PDF reports to a digital, machine-readable format demanded new workflows and tools.



Simplifying the Adoption of a User-Friendly iXBRL Solution

The platform needed to be intuitive enough for the reporting team to adopt quickly.



Accurate Data Tagging

Financial data points such as balance sheets and income statements had to be precisely tagged with IFRS taxonomy elements to facilitate accurate data extraction and analysis.



Report Conversion

Transforming existing reports, originally in PDF or Word, into compliant iXBRL format.



Regulatory Adherence

Ensuring compliance with ESMA and national regulator standards.



Streamlining Processes

The reporting workflow needed to be efficient enough to prevent delays and reduce errors, especially given the tight regulatory deadlines.



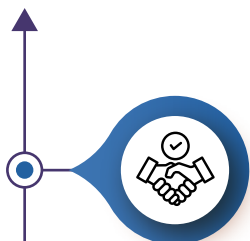
Handling Last-Minute Edits

The platform had to accommodate urgent adjustments close to submission deadlines, ensuring accuracy without compromising quality.

The critical requirement was to generate a well-structured XHTML version of their annual report that could be accurately tagged with minimal room for last-minute errors.

Why M SAN Grupa Chose IRIS CARBON®

After evaluating multiple solutions, M SAN Grupa selected IRIS CARBON® for its ESEF filing needs based on several compelling reasons:



Strong Industry Endorsements and Trust

Recommendations from reputable Croatian organizations and positive feedback from auditors underscored IRIS CARBON®'s reliability.



Multilingual Support

The platform's capability to handle all 23 EU official languages ensured seamless translation and compliance across diverse markets.



Cost-Effectiveness and Support Services

Competitive pricing, coupled with extensive support, facilitated a smooth outsourcing experience, reducing internal resource burdens and ensuring expert assistance when needed.



Solution: Demonstrating ESEF Compliance with IRIS CARBON®

1. Initial Dry Run with 2020 Data

IRIS CARBON® began its engagement with a dry run using M SAN Grupa's 2020 annual report. The platform incorporated the latest ESEF taxonomy, automating the tagging process for financial data points in both Croatian and English versions. Leveraging artificial intelligence (AI) and machine learning (ML), the platform accurately tagged data elements, with manual adjustments made where necessary. Rigorous validation processes ensured that the output was error-free and compliant, laying a solid foundation for subsequent filings.

2. Training and Capacity Building

Recognizing the importance of internal expertise, IRIS CARBON® conducted comprehensive training sessions for M SAN Grupa's reporting team. These sessions covered:

- The fundamentals of the ESEF mandate and the technical aspects of XBRL and iXBRL.
- Hands-on demonstrations of the platform's tagging, validation, and review tools.
- Best practices for reviewing and approving tagged reports using IRIS CARBON®'s commenting and collaboration features.

This empowerment enabled M SAN Grupa's team to independently validate their reports, reducing reliance on external support and increasing confidence in the process.

3. Annual Planning and Collaboration

Every year, the IRIS CARBON® team and M SAN Grupa's stakeholders collaboratively develop a detailed project timeline. This planning accounts for internal review cycles, regulatory submission deadlines, and potential last-minute adjustments. Such proactive scheduling ensures timely completion of reports, even under tight schedules, and minimizes the risk of errors or delays.

4. Auditor Review and Certification

Once the 2021 report was prepared and tagged in iXBRL format, it was shared with external auditors for review. Their feedback was incorporated into the final version, which then received official approval. This step was crucial for validating the report's compliance and ensuring smooth regulatory submission.

5. Streamlined Filings Over Multiple Years

Building on the success of the initial report, M SAN Grupa adopted a template-based approach in subsequent years. The platform's auto-tagging functionality allowed the team to reuse and reapply tags from previous reports, significantly reducing manual effort and processing time. Validation tools quickly identified discrepancies, enabling rapid corrections and ensuring error-free submissions. This iterative process fostered a highly efficient and scalable reporting routine, enabling the company to meet deadlines consistently.

6. Continuous Support and Platform Updates

Throughout the four-year partnership, IRIS CARBON® maintained a proactive approach to platform support. Regular updates and enhancements aligned with evolving ESEF regulations, ensuring that M SAN Grupa remained compliant without disruptions. This ongoing support was vital in adapting to regulatory changes and maintaining operational excellence.

Key Results and Impact

Successful First-Ever ESEF Filing: M SAN Grupa achieved its initial ESEF submission smoothly, establishing a benchmark for future filings.

Operational Efficiency: Automation, AI-enabled tagging, and validation tools significantly reduced manual workload, minimized errors, and accelerated the reporting process.

Regulatory Compliance: The company consistently met all regulatory deadlines and standards, avoiding penalties.

Strengthened Partnership: Continuous support, training, and platform improvements fostered a relationship of trust and confidence.

Multilingual Capabilities: Support for all EU languages facilitated regional reporting and translations, broadening compliance scope.

Scalability and Flexibility: The platform's adaptable architecture supported subsequent filings with minimal adjustments, future-proofing the company's reporting processes



Summary

Through a collaborative approach leveraging IRIS CARBON®'s innovative platform, M SAN Grupa successfully transitioned to ESEF reporting, establishing a robust foundation for ongoing compliance and digital reporting excellence. The four-year partnership exemplifies how strategic technology adoption, combined with continuous support and training, can transform regulatory reporting from a complex obligation into a streamlined, efficient process that adds value to the organization.

This case illustrates the importance of choosing the right technological partner and fostering ongoing collaboration to ensure regulatory agility, operational efficiency, and long-term compliance in an evolving digital landscape.

“Overall, the experience has been exceptional. Over the past four years, IRIS Carbon has delivered outstanding support, enabling smooth and timely fulfilment of ESEF obligations with ease. The software, Customer Engagement Manager, and Support Team consistently rose to the challenge, expertly ensuring compliance with all regulatory requirements.”

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