



Financial Report for Q1 2022

AROBS Transilvania Software S.A.
SMT-AeRO Listed Company, on the Bucharest Stock Market
Symbol: AROBS

TABLE OF CONTENTS

ISSUER INFORMATION	3
FINANCIAL RESULTS IN Q1 2022	4
ABOUT AROBS TRANSILVANIA SOFTWARE	5
KEY EVENTS IN Q1 2022 AND AFTER THE CLOSING OF THE REPORTING PERIOD	6
INDIVIDUAL FINANCIAL RESULTS	9
<i>P&L ANALYSIS</i>	9
<i>BALANCE SHEET ANALYSIS</i>	11
<i>KEY FINANCIAL RATIOS</i>	13
PROFIT AND LOSS ACCOUNT	14
BALANCE SHEET	15
DECLARATION OF THE MANAGEMENT	17

Disclaimer: The financial figures presented in the descriptive part of the report that are expressed in million lei are rounded off to the nearest integer and may result in small reconciliation differences.

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	Quarterly report - Q1 2022
Report publishing date	26.05.2022
According to	Annex 13 to the ASF Regulation 5/2018
For financial period	01.01.2022 - 31.03.2022

ISSUER INFORMATION

Issuer's name	AROBS Transilvania Software SA
Fiscal Code	RO 11291045
Trade registry number	J12/1845/1998
Registered office	Str. Donath no. 11, pp. M4, sc. 2, et. 3, ap. 28, Cluj-Napoca, Cluj, Romania

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	91,139,498.80 lei
Market on which the securities are traded	SMT- AeRO Premium
Total number of shares	911,394,988
Symbol	AROBS

CONTACT DETAILS FOR INVESTORS

Phone number	+40 31 860 21 01
E-mail	ir@arobs.com
Website	www.arobsgrup.ro and www.arobs.com

The financial statements for Q1 2022 presented in the following pages are **individual** for AROBS Transilvania Software SA and are **not audited**.

FINANCIAL RESULTS IN Q1 2022



53.2 million lei

OPERATING REVENUE

+33% vs. Q1 2021



52.6 million lei

TURNOVER

+33% vs. Q1 2021



17.4 million lei

EBITDA

+22% vs. Q1 2021



17.7 million lei

GROSS RESULT

+14% vs. Q1 2021



14.9 million lei

NET RESULT

+14% vs. Q1 2021



42.2 million lei

SERVICES

80% vs. 75%



9.7 million lei

PRODUCTS

19% vs. 24%



0.7 million lei

OTHER SERVICES

1% vs. 1%

ABOUT AROBS TRANSILVANIA SOFTWARE

AROBS Transilvania Software S.A. is an IT company founded in 1998. The company's activity is focused on developing customized software with high expertise in automotive, IoT, travel & hospitality, life sciences, enterprise solutions, FinTech, but also the designing of software solutions and products – for which AROBS owns the intellectual property – for fleet management and GPS monitoring, business optimization (SFA, WMS, CRM, contactless mobile payments and others), human resources management and payroll, channel management for the hotel industry and much more.



From the very beginning, AROBS Transilvania Software has relied on excellent specialists and well-adjusted but flexible processes to constantly deliver customized software, products, and software applications of the highest quality, the company retaining ownership.

The excellence of the services and the dedication shown by the company's specialists helped establish strong, long-term partnerships with over 8,000 companies from Europe, America, and Asia.

Since 2003, AROBS Transilvania Software has been designing its solutions and products, the most important of which are:

- **TrackGPS** - car fleet management and monitoring solution
- **Optimall** - sales force automation solution;
- **RateWizz** - channel manager for the hotel industry
- **Digital textbooks solution**
- **MonePOS** – contactless and paperless payment solution



The company is headquartered in Cluj-Napoca and has regional operational offices in Bucharest, Iasi, Targu Mures, Baia Mare, Suceava, and Arad. The company has over 23 years of experience in developing custom software solutions for clients in 14 countries in Europe, Asia and America. Since November 2021, new offices have been added to the AROBS map in Romania, through the acquisition of Berg Software with offices in Timișoara, Oradea and Lugoj. Also,

in April 2022, the company announced the taking over of Software Development Services business line from the Swedish company Enea.

AROBS has offices outside Romania, in the Netherlands, Germany and following the acquisition of Software Development Services, AROBS will have an office also in the USA.

KEY EVENTS IN Q1 2022 AND AFTER THE CLOSING OF THE REPORTING PERIOD

In 2022, the company will continue its announced investment plans by conducting M&A transactions and developing new highly sought-after expertise in the global software services market. AROBS is in a context where the automation and simplification of work processes within companies and organizations worldwide will continue to represent the trends in the tech industry in the medium to long term. There are still many things that can be improved in digital transformation at every industry level, from fleet management to business optimization and digital payments. From this perspective, AROBS has all the necessary ingredients to attract a significant share of product development and software services in the markets in which it is present.

JANUARY 2022: CONTRACT WITH BRK FINANCIAL GROUP FOR MARKET-MAKING SERVICES

On the **January 14, 2022**, the company informed the market about signing a contract with BRK Financial Group (“BRK”) for providing market-making services, starting with 18th of January 2022. For market-making services, the minimum cumulative volume corresponding to the firm bid-ask quotes provided by BRK is the equivalent of EUR 60,000, the maximum difference between the bid and ask being 3%. BRK provides market-making services for at least 95% of a trading session.



FEBRUARY 2022: INFORMATION ON THE ACQUISITION PRICE OF BERG COMPUTERS SRL



On **February 28, 2022**, the Issuer informed the market about the signing price of the contract for the acquisition by the Issuer of 100% of the share capital of Berg Computers SRL; the price at which the transaction was performed exceeding 10% of the Company's assets at the date of conclusion of the contract, respectively 16.12.2021.

The price will be paid in two installments, the first, in the amount of EUR 2,848,800, was paid on the date of signing the contract, the remaining 20% of the contract value will be paid within 18 months

from the conclusion of the contract provided the requirements included in the contract are met.

MARCH 2022: AGOA AND AGEA

On **February 1, 2022**, the Board of Directors of AROBS Transilvania Software convened the Ordinary and Extraordinary General Meeting of Shareholders for **March 7, 2022**.

The key point voted in the OGMS was the selection of the auditor BDO AUDITORS & CONSULTANTS SRL. The key point voted in the EGMS included the approval of the share capital increase with the amount of RON 45,569,749.40 (representing issue premiums) from the value of RON 45,569,749.40 to the amount of RON 91,139,498.8 by issuing a number of 455,697,494 new shares with a nominal value of RON 0.1/share. Following the EGMS decision, each shareholder received a bonus share for each share held on the date of registration.

The Decisions are available [HERE](#).

APRIL 2022: OBTAINING OF THE CERTIFICATE OF THE REGISTRATION OF FINANCIAL INSTRUMENTS FOR THE SHARE CAPITAL INCREASE

On **April 5, 2022**, the Company informed the market about obtaining from the Financial Supervisory Authority, the Certificate of the Registration of Financial Instruments for the share capital increase operation with 455,697,494 new shares that were as a result of the EGMS Decision dated 07.03.2022. Pursuant to the share capital increase, AROBS Transilvania Software SA's share capital of 91,139,498.80 lei is divided into 911,394,988 nominative shares, with a nominal value of 0.1 lei per share. The new shares were uploaded to the shareholders' accounts on **April 29, 2022**.

APRIL 2022: SIGNING OF THE ACQUISITION CONTRACT OF ENEA SERVICES ROMANIA SRL

On **April 7, 2022**, the Company informed the market about the signing of the acquisition contract of the entire stake in Enea Services Romania SRL, with offices in Romania and the United States. The acquisition represents the software development services team of the Enea AB company group. The purchase price in the amount of EUR 17.9 million, subject to adjustments based on the net debt and working capital of the acquired entity, will be paid on the closing of the transaction. The closing of the transaction is subject to customary conditions precedent.

Enea Services Romania S.R.L. offers a mix of competences with full-scope services in IT outsourcing, custom software development, and outsourced R&D, for embedded technologies and enterprise applications, in a variety of fields such as medical, maritime, and embedded devices.

With a total turnover approx. EUR 12 million in 2021, Enea Services Romania S.R.L. has established over the years an exceptional management team, with approximately 160 software engineers working in the Bucharest headquarters and the two additional offices in Iasi and Craiova, as well as a workforce of approximately 10 specialists located in the United States, which are coordinated from the Bucharest headquarters. With this transaction, AROBS strengthens its presence in Romania and in the United States and expands its client base in Western Europe and the United States. Following this acquisition, completes further steps as part of its growth strategy, while also accessing further business opportunities for several attractive industries such as medical, maritime, and embedded devices.

AROBS will also become a valuable software service provider for Enea.



APRIL 2022: NOTICE OF OGSM AND EGSM FOR MAY 31, 2022

On **April 28, 2022**, the Board of Directors of AROBS Transilvania Software convened the Ordinary and Extraordinary General Meeting of Shareholders for May 31, 2022.

Key points that will subject to vote in the OGMS include: approving the annual financial statements prepared for the financial year ended December 31, 2021, the revenues and expenses budget for the financial year 2022 and the allocation of the company's net profit, amounting 43,199,268,45 lei, for the financial year ended December 31, 2021, determined in accordance with the applicable laws, as follows: the amount of 40,477,475.02 lei undistributed net profit (result carried forward), the amount of 2,459,391.47 lei is distributed for the constitution of the legal reserve and the amount of 262,401.96 lei is distributed for the establishment of other reserves.

The key points that will be subject to the vote within the EGMS are: the approval of the acquisition by the company of the shares representing the entire share capital of Enea Software Development Services Romania and the approval of the buy-back program for AROBS shares.

The convening notice of the OGMS and the EGMS is available [HERE](#).

MAY 2022: ESTIMATE BUDGET REVENUE AND EXPENDITURE 2022

On **May 2, 2022**, the Company informed the market about the availability of the Individual Revenues and Expenses Budget for fiscal year 2022. The budget was prepared by the Company's management and will be submitted for approval at the Ordinary General Meeting of Shareholders, which will take place on May 31, 2022. The REB for 2022 is presented below.

ESTIMATE OF INDIVIDUAL REVENUES AND EXPENSES BUDGET FOR 2022	AMOUNT (LEI)
Net turnover, of which:	197,300,000
Revenue from services	162,300,000
Revenues from products	32,500,000
Other services	2,500,000
Other operating revenues	2,800,000
Total operating income	200,100,000
Goods expenses	5,500,000
Personnel expenses	66,800,000
Expenses for services performed by third parties	62,700,000
Other operating expenses	12,200,000
Total operating expenses	147,200,000
Operating result	52,900,000
EBITDA	54,900,000
<i>EBITDA margin</i>	<i>27%</i>
Financial result	1,800,000
Gross result	54,700,000
<i>Gross profit margin</i>	<i>28%</i>
Net result	47,300,000
<i>Net result Margin</i>	<i>24%</i>
<i>No. of shares</i>	<i>911,394,988</i>
Net result/share	0.05

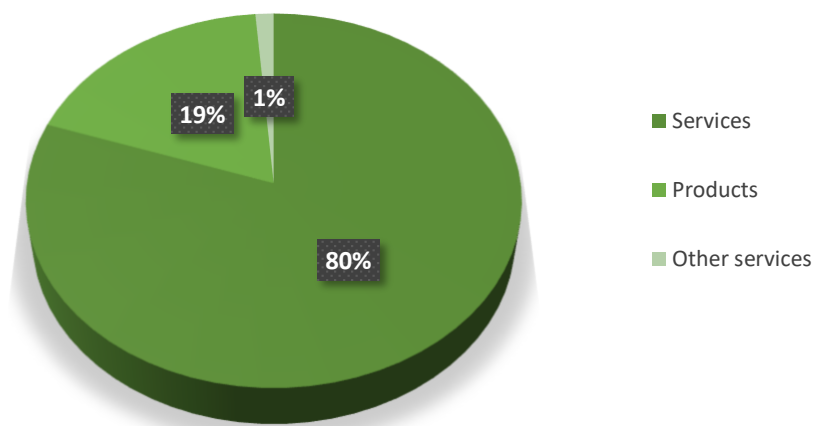
INDIVIDUAL FINANCIAL RESULTS

P&L ANALYSIS

In the first quarter of 2022, AROBS Transilvania Software SA generated operating revenues amounting to 53.2 million lei at the individual level, a 33% increase compared to the same period of the previous year. This increase was directly determined in line with the increase in turnover. The net turnover for the first three months of 2022 was 52.6 million lei. The contribution of the company's business lines to the total turnover is presented below:

Business lines	Turnover (lei)	Share	Turnover (lei)	Share
	31.03.2022	31.03.2022	31.03.2021	31.03.2021
Services	42,206,313	80%	29,605,214	75%
Products	9,700,775	19%	9,557,475	24%
Other services	684,189	1%	339,168	1%
Total	52,591,277	100%	39,501,856	100%

Turnover - March 2022 (RON)



The software development industry is constantly developing, and is a continuous and increasing need to access excellent resources globally.

In the software products field, such as fleet management, business optimization, and digital payments, the market is also developing due to the accelerated digitalization processes of companies and organizations.

The turnover for the first quarter ended on 31.03.2022 increased as a result of attracting new clients in the product supply field, but also due to the increase of the number of projects in the services field. Moreover, the company renegotiated the fees on all business lines, which had a positive impact also on the increase in turnover in the first quarter of 2022.

Operating expenses increased at a faster pace than operating revenue, reaching 35.9 million lei, compared to 25.8 million lei recorded in the first three months of the previous year. The personnel expenses and services contracted from third parties generated the most significant expenses. This increase is in line with the expansion of the business and the development of new domestic products.

As a result of those mentioned above, the operating result for the first quarter ended March 31, 2022, registered a value of 17.3 million lei, a 22% increase compared to Q1 2021. The financial result decreased by 72% compared to January - March 2021 period. The exchange rate fluctuations caused the decrease during the quarter applied to diminished foreign currency receivables compared to the same period of last year.

The gross result recorded by the company as of March 31, 2022 was 17.7 million lei, representing a 14% increase compared to the gross result recorded as of March 31, 2021.

In the first quarter of 2022, the company recorded a net profit of 14.9 million lei, up 14% compared to Q1 2021.

indicator	31.03.2021	31.03.2022	% Variation
Profit and Loss Account (LEI)			
Turnover	39,501,856	52,591,277	33%
Operating revenue	40,026,201	53,165,607	33%
Operating result	14,185,587	17,299,613	22%
Financial result	1,291,130	362,033	-72%
Gross result	15,476,717	17,661,646	14%
Net result	13,099,396	14,948,358	14%
EBITDA	14,276,671	17,416,336	2%

The financial results for January and March 2022 exceeded the estimates for the analyzed period. The summary of the indicators is presented below:

BVC	Realized Quarter I 2022	Estimated Quarter 2021	Realized vs. Estimated%	Estimated 2022
Net turnover, of which:	52,591,277	49,325,000	7%	197,300,000
Services rendered	42,206,313	40,575,000	4%	162,300,000
Revenue from internal products	9,700,775	8,125,000	19%	32,500,000
Other services	684,189	625,000	9%	2,500,000
Other operating revenues	574,330	700,000	-18%	2,800,000
Total operating revenues	53,165,607	50,025,000	6%	200,100,000
Goods for resale	2,854,100	1,375,000	108%	5,500,000
Personnel expenses	14,845,720	16,700,000	-11%	66,800,000
Third party services	17,205,643	15,675,000	10%	62,700,000
Other operating expenses	960,531	3,050,000	-69%	12,200,000
Total operating expenses	35,865,994	36,800,000	-3%	147,200,000
Operating result	17,299,613	13,225,000	31%	52,900,000
EBITDA	17,416,336	13,725,000	27%	54,900,000
EBITDA margin	33%	28%	19%	27%
Financial result	362,033	450,000	-20%	1,800,000
Gross result	17,661,646	13,675,000	29%	54,700,000

Gross result margin	34%	28%	21%	28%
Net result	14,948,358	11,825,000	26%	47,300,000
Net result margin	28%	24%	19%	24%
No. of shares	911,394,988	911,394,988	0%	911,394,988
Net result/share	0.02	0.01	26%	0.05

AROBS profitability

AROBS	March 2021	March 2022
Revenue	40,026,202	53,165,608
Cost	25,749,530	35,749,272
EBITDA	14,276,671	17,416,336
EBITDA%	36%	33%
Depreciation & Provision	91,084	116,721
EBIT	14,185,587	17,299,614
Financial profit	1,291,130	362,032
EBT	15,476,717	17,661,646
Tax	2,377,321	2,713,288
Net result	13,099,396	14,948,358

BALANCE SHEET ANALYSIS

By March 31, 2022, the total assets reached a value of 235 million lei, determined by a 20% increase in current assets, which registered at the end of the first quarter a total value of 180.7 million lei. The increase in current assets is mainly due to the liquidity obtained from the bank loan contracted by the company during the quarter to refinance the acquisition of the shares of Berg at the end of last year.

In the first quarter of 2022, Etoll Solutions SRL was established, a new division in the AROBS Group, through a capital contribution of 45k lei. The new division will manage the European toll system.

Current assets increased by 20% in 2022, mainly due to positive variations in receivables and cash and cash equivalents. Receivables increased by 25% between January and March 2022, reaching the value of 72.1 million lei due to the development of the business. Cash and cash equivalents increased by 19% in the first quarter of 2022, amounting to 104.5 million lei due to the bank loan collection contracted during this period to refinance the acquisition of Berg's shares at the end of last year. Inventories decreased by 748k lei compared to the end of 2021 due to the transfer of goods to a newly established company, AROBS Trading & Distribution SRL, which took over the distribution activity.

In the first quarter of 2022, the company invested in short-term shares worth 149k lei.

In the first quarter of 2022, the total liabilities increased by 14.8 million lei, an 88% increase compared to the end of 2021, reaching a value of 31.6 million lei due to the contracting of bank loans. By March 31, 2022, deferred revenue increased by 5% compared to the end of 2021, and the value of provisions decreased by 255k lei compared to 2021.

Equity increased by 8% as a result of undistributed 2021 results and the share capital increase operation. The company's share capital was increased by issuing new shares allocated to shareholders in a ratio of 1:1 by incorporating the share premiums. For employee retention and implementation of a

Stock Option Plan program, AROBS Transilvania Software repurchased 8.8% of the company's share capital.

Balance sheet indicators (RON)	31.12.2021	31.03.2022	% Variation
Fixed assets	52,531,580	52,733,306	0%
Current assets	150,464,564	180,668,607	20%
Prepaid expenses	1,632,277	1,573,106	-4%
Total assets	204,628,421	234,975,019	15%
Current liabilities	15,892,296	20,627,080	30%
Non-current liabilities	874,938	10,977,706	1155%
Provisions	596,879	341,407	-43%
Deferred revenue	2,556,593	2,685,385	5%
Total liabilities	19,920,706	34,631,578	74%
Equity	184,707,715	200,343,441	8%
Total equity and liabilities	204,628,421	234,975,019	15%
Net assets	184,707,715	200,343,441	8%

KEY FINANCIAL RATIOS

Current ratio as of 31.03.2022

Current assets	182,241,713		
<hr/>			
Current liabilities	20,627,080	=	8.84

Debt to equity ratio as of 31.03.2022

Borrowed capital	x 100	10,977,706	x 100	
<hr/>				
Equity		200,343,441		= 5.48

Borrowed capital	x 100	10,977,706	x 100	
<hr/>				
Employed capital		211,321,147		= 5.19

Borrowed capital = Credits over 1 year

Employed capital = Borrowed capital + Equity

Fixed assets turnover as of 31.03.2022

Turnover	52,591,277	
<hr/>		
Fixed assets	52,733,306	= 1.00

PROFIT AND LOSS ACCOUNT

	31.03.2021	31.03.2022	% Variation
Net turnover	39,501,856	52,591,277	33%
Sold production	36,339,939	49,406,968	36%
Revenue from sale of goods	3,314,097	3,382,167	2%
<i>Commercial discounts granted</i>	152,180	197,858	30%
Revenue from the cost of work in progress	-	-	0%
Revenue from the production of intangible and tangible fixed assets	293,297	264,206	-10%
Operating subsidy revenue	-	93,473	100%
Other operating revenue	182,902	188,473	3%
OPERATING REVENUE - TOTAL	40,026,201	53,165,607	33%
Cost of raw materials and consumables	226,320	245,737	9%
Other material expenses	211,513	193,209	-9%
Other external expenses (energy and water)	267,434	191,999	-28%
Cost of goods	2,175,964	2,854,100	31%
<i>Trade discounts received</i>	18,630	72	-100%
<i>Personnel expenses</i>	12,284,350	14,845,720	21%
<i>Value adjustments in respect of tangible and intangible assets</i>	635,154	803,131	26%
<i>Value adjustments in terms of current assets</i>	(232,063)	(430,937)	86%
<i>Other operating expenses</i>	10,602,579	17,418,580	64%
<i>Adjustments regarding provisions</i>	(312,007)	(255,473)	-18%
OPERATING EXPENSES - TOTAL	25,840,614	35,865,994	39%
OPERATING RESULT	14,185,587	17,299,613	22%
Financial revenue	1,500,370	578,684	-61%
Financial expenses	209,240	216,651	4%
FINANCIAL RESULT	1,291,130	362,033	-72%
Total revenue	41,526,571	53,744,291	29%
Total expenses	26,049,854	36,082,645	39%
Gross result	15,476,717	17,661,646	14%
Income tax	2,377,321	2,713,288	14%
NET RESULT	13,099,396	14,948,358	14%

BALANCE SHEET

	31.12.2021	31.03.2022	% Variation
INTANGIBLE ASSETS	8,066,279	8,244,018	2%
Development expenses	539,216	1,009,875	87%
Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets	7,527,063	7,234,143	-4%
Prepayment expenses	-	-	0%
TANGIBLE ASSETS	4,879,066	4,765,062	-2%
Land and buildings	997,736	906,169	-9%
Technical facilities and machines	2,880,807	2,911,838	1%
Other facilities, machinery and furniture	793,304	799,470	1%
Tangible assets under construction	207,219	147,585	-29%
FINANCIAL ASSETS	39,586,235	39,724,226	0%
Shares held in subsidiaries	31,262,135	31,307,135	0%
Loans to group entities	6,823,060	6,877,832	1%
Shares held in associated entities and jointly controlled entities	9,130	9,130	0%
Other loans	1,491,910	1,530,129	3%
TOTAL NON-CURRENT ASSETS	52,531,580	52,733,306	0%
INVENTORIES	4,474,772	3,726,375	-17%
Raw materials and consumables	1,588,330	1,638,362	3%
Work in progress	575,164	603,342	5%
Finished products and goods	2,223,258	1,324,010	-40%
Prepayments	88,020	160,661	83%
RECEIVABLES	57,785,108	72,251,594	25%
Commercial receivables	35,248,149	46,163,313	31%
Affiliate receivables	21,499,494	24,594,886	14%
Other receivables	1,037,465	1,493,395	44%
CASH AND CASH EQUIVALENT	88,204,684	104,541,160	19%
CURRENT ASSETS - TOTAL	150,464,564	180,668,607	20%
PREPAYMENTS	1,632,277	1,573,106	-4%
TOTAL ASSETS	204,628,421	234,975,019	15%
CURRENT LIABILITIES	15,892,296	20,627,080	30%
Amounts owned to credit institutions	2,226,645	4,822,935	117%
Advances received on account of orders	268,070	368,372	37%
Commercial liabilities – providers	4,920,046	3,648,845	-26%
Amounts owed to group entities	1,178,181	1,749,042	48%
Other liabilities, including tax and social security liabilities	7,299,354	10,037,886	38%

NON-CURRENT LIABILITIES	874,938	10,977,706	1155%
Amounts owned to credit institutions	-	9,738,619	0%
Other liabilities, including tax and social security liabilities	874,938	1,239,087	42%
TOTAL LIABILITIES	16,767,234	31,604,786	88%
PROVISIONS	596,879	341,407	-43%
DEFERRED REVENUE	2,556,593	2,685,385	5%
Investment grants	774,396	712,407	-8%
Revenue received in advance	1,782,197	1,972,978	11%
EQUITY	184,707,715	200,343,441	8%
Subscribed and paid-up share capital	45,569,749	91,139,499	100%
Share premium	68,754,750	23,185,001	-66%
Reserves	2,741,793	2,741,793	0%
Own shares	(4,010,000)	(4,010,000)	0%
Deferred profit or loss	30,944,825	71,422,300	131%
Profit or loss for the period	43,199,268	14,948,358	-65%
Profit distribution	(2,771,793)	-	-100%
TOTAL EQUITY AND LIABILITIES	204,628,421	234,975,019	15%

DECLARATION OF THE MANAGEMENT

Cluj-Napoca, May 26, 2022

I confirm, according to the best of my knowledge, that the non-audited individual financial results for the period between 01.01.2022 and 31.03.2022 give a true and fair view of AROBS Transilvania Software's assets, liabilities, financial position and revenue and expenses and that the director's report provides a true and fair view of the important events that took place in the first three months of the financial year and their impact on the company's financial statements.

Voicu Oprean

CEO