MANAGEMENT REPORT

AROBS GROUP

FOR 2021

General economic environment

After a strong rebound in the first half of 2021, Romania's GDP is set to exceed pre-pandemic levels. In the future, growth is expected to remain robust at around 5%, with domestic consumption and facilities for recovery and resilience supporting investment as the main economic drivers. Unemployment is expected to fall below 5% in the coming years. However, there are risks to future forecasts due to a wave of COVID-19 infections. The general government deficit is projected to gradually decline to around 6.3% of GDP in 2023, while the debt-to-GDP ratio is projected to increase further to 53.2%.

After a real GDP decline of 3.9% in 2020, Romania's economy started a strong recovery mainly driven by domestic demand. By the autumn of 2021, the lifting of the pandemic-related restrictions in all sectors has released pent-up demand, especially in food services, hospitality, leisure and culture. In addition, construction activity was robust and investments, especially in digital equipment, has been strong. While confidence in retail and services was maintained during Q3-2021, despite a resurgent infection wave. Once introduced, mobility restrictions are established to reduce consumption somewhat. Despite the loss of purchasing power in households due to rising energy prices, imports are expected to increase in line with rising domestic demand.

Export growth will be less dynamic due to supply-side bottlenecks, especially in the automotive industry. Thus, the external side is expected to reduce GDP and current account growth, with the deficit expected to rise to 6.5% this year. Overall, Romania's economy is expected to grow by 7% in 2021, exceeding pre-pandemic levels.

The policy measures have helped to limit the increase in the unemployment rate, which is expected to reach 5% by the end of 2021, amid a strong economy and rising demand for staff in healthcare, information technology and communications and courier services. In 2022 and 2023, the unemployment rate is expected to fall, in line with economic activity. Nominal wage growth is expected to be stable over the coming period, with the forecast horizon setting unemployment rates below double digits. Labour cost growth is expected to be moderate.

HICP (Updated Index of Consumer Prices) inflation rose year-on-year to 4.3% in the third quarter, largely due to the sharp rise in gas, energy and oil prices, but also to higher food prices. The average annual HICP is estimated to reach 4% by the end of 2021, mainly due to higher electricity and fuel prices, and is expected to remain at that level in 2022. Price shocks are projected to gradually decrease over the forecast horizon and the HICP is projected to reach 2.9% in 2023.

AROBS Group

The AROBS Group is composed of 11 companies from 6 countries on 2 continents, with software development services, GPS fleet monitoring services as its core business. The year 2021 was the second year in which the Financial Statements of the Group companies were consolidated. The main activity of the 11 separate economic entities within AROBS Group is the development of software services, in accordance with the business lines of AROBS Transilvania Software S.A. (parent company).

The company is headquartered in Cluj-Napoca and has regional operational offices in Bucharest, Iași, Târgu Mureș, Baia Mare, Suceava, and Arad. The company has over 24 years of experience in developing custom software solutions for customers in 14 countries in Europe, Asia, and America.

AROBS is among the top companies offering fleet management solutions in the Central and South-Eastern Europe market, and those aimed at optimizing business and human resources are well positioned in the Romanian market.

***The wide-group target*** is to increase turnover by 18% during 2022 compared to 2021. In addition, the aim is to achieve an increase in the number of employees in order to ensure that all new projects can be delivered. The aim is to develop subsidiaries by capturing larger market shares in the countries in which they operate and to support organic growth for these companies. As most of the turnover comes from custom software development services, the main challenge is to attract new employees and retain existing employees in a dynamic labour market characterised by aggressive IT competition. Companies outside Romania face additional barriers to market penetration and for this reason, the group wants to support them in attracting new customers and developing innovative solutions for them.

AROBS Group Mission:

Creating and delivering modern software services and solutions, developed in-house or through strategic partnerships, using innovative technologies to increase the number of customers, employees, shareholder satisfaction, maximizing the return on investment and being an active partner in the community.

Our pillars are our employees, partners, and shareholders.

AROBS Group Values:

• Innovation and creativity

• Communication and team spirit

• Respect and loyalty

• Effectiveness, efficiency and performance

• Flexibility & commitment

• Social responsibility.

The 10 companies within the Group (in addition to the Parent Company), together with their shareholding structure, are set out in the table below:

|  |  |  |
| --- | --- | --- |
| Company | Percentage of Control (AROBS) | Percentage of Minority Interest |
| PT AROBS SOLUTIONS INDONESIA | 70% | 30% |
| CABRIO INVEST B.V. | 90% | 10% |
| COSO TEAM UK LTD | 90% | 10% |
| COSO BY AROBS BVBA | 90% | 10% |
| COSO BY AROBS B.V. | 90% | 10% |
| AROBS SOFTWARE SOLUTIONS GMBH | 60% | 40% |
| UCMS GROUP ROMANIA S.R.L. | 97.67% | 2.33% |
| SAS GRUP S.R.L. | 100% | 0% |
| BERG COMPUTERS S.R.L. | 100% | 0% |
| SOFTMANAGER S.R.L. | 70% | 30% |

The companies included in the consolidation are as follows:

* AROBS TRANSILVANIA SOFTWARE S.A., Romania, Cluj-Napoca, str. Donath, nr. 11/28, Cluj County
* PT AROBS Solutions, Indonesia, Puri Indah Financial Tower, et. 8 809-810, Jalan Puri Lingkar Dalam Blok T8, Jakarta Barat
* CABRIO INVEST B.V., The Netherlands, Tolweg 7, 4851SJ, Ulvenhout
* COSO TEAM UK LTD, United Kingdom, 10 Bridge Street Christchurch Dorset BH23 1EF, UK
* COSO BY AROBS BVBA, Belgium, De Vis 20, code 2930, Brasschaat
* COSO BY AROBS B.V., The Netherlands, Tolweg 7, 4851SJ, Ulvenhout
* AROBS Software Solutions GmbH, Germany, Leopold Strasse 23, 80801, Munich
* UCMS GROUP ROMANIA S.R.L., Romania, Cluj-Napoca, str. Câmpului 84-86 Cluj
* SAS GRUP S.R.L., Romania, Bucharest, Sector 6, Bld. Ghencea, nr. 43b, Ghencea Business Center, et. 5
* SOFTMANAGER S.R.L, Romania, Ploiești, str. Zmeului, nr. 21, Prahova County
* BERG COMPUTERS SRL, Romania, Giroda Commune, Ghiroda Village, str. Lugoj, nr.4, Timiș County

BALANCE SHEET ANALYSIS

In 2021, at Group level, the total assets recorded a value of RON 210.5 million determined by a 74% increase in fixed assets reaching a total value of RON 39.6 million and a 43% increase in current assets, which recorded a total value of RON 169.1 million. Non-current assets increased in 2021 as a result of the increase in intangible assets put into operation and financial assets.

Current assets increased in 2021 by 43%, mainly due to positive changes in receivables and cash availabilities. Cash and cash equivalents increased by 120% in 2021, recording a value of RON 102.5 million, as a result of the contribution of new investors following the private placement in October 2021.

With regard to intangible assets, the development of a new mobile app and other in-house products was completed during 2021.

At the end of 2021, AROBS Transilvania Software - the Parent Company, consolidated its presence in the Western part of Romania, fully acquiring Berg Computers SRL, a local custom software development and outsourcing company. The decision to acquire this company is part of the company's strategy to increase its national and international presence in the markets of Germany, Austria and Switzerland. This transaction resulted in an increase of the stake in affiliated entities of approximately RON 14 million.

In 2021, the total liabilities decreased to RON 23.17 million, down by RON 13.37 million compared to 2020, due to the full repayment of the working capital line.

The equity increased by 84%, due to the increase in the share capital of the Parent Company from RON 100,000 to RON 45.6 million by incorporating the retained earnings for 2018 and 2019 and other reserves and by issuing new shares. The increase in equity capital was also helped by share premiums, which amounted to RON 68.8 million as a result of private placement. For employee retention and the implementation of a Stock Option Plan, AROBS Transilvania Software, the Parent Company, repurchased 8.8% of the company's share capital.

|  |  |  |  |
| --- | --- | --- | --- |
| Balance sheet indicators (RON) | December 31, 2020 | December 21, 2021 | Change % |
| Non-current assets | 22,731,890 | 39,546,055 | 74% |
| Current assets | 118,487,382 | 169,114,764 | 43% |
| Accrued charges | 1,179,507 | 1,824,159 | 55% |
| Total assets | 142,398,779 | 210,484,978 | 48% |
| Current liabilities | 33,767,970 | 22,258,997 | -34% |
| Long-term liabilities | 2,776,806 | 913,364 | -67% |
| Provisions | 1,214,411 | 1,216,647 | 0% |
| Deferred income | 7,556,570 | 7,026,270 | -7% |
| Total liabilities | 45,315,757 | 31,415,278 | -31% |
| Owners' equity | 97,083,022 | 179,069,700 | 84% |
| Total owners' equity and liabilities | 142,398,779 | 210,484,978 | 48% |
| Net book assets | 97,083,022 | 179,069,700 | 84% |

P&L REVIEW

During 2021, the AROBS Group generated operating revenues amounting to RON 193.8 million, up by 10% compared to the previous year. This increase was directly pro rata determined by the increase in turnover. The net turnover for 2021 was RON 190 million.

The customer portfolio has grown by attracting new partners from Europe, but also from the United States and there have been increases in the services and projects requested by the customers. The software development industry is in a state of continuous growth in the constant need to have access to excellent resources, in increasing numbers, globally.

In the software product area, such as fleet management, business optimisation and digital payments, the market is also growing, thanks to the accelerated digitisation processes of companies and organisations. For future growth forecasts, AROBS Group is counting on the idea that the high demand for digitisation will boost its growth rate.

The turnover for 2021 has increased as a result of new customer contracts in the area of product supply, as well as project growth in the area of services. The renegotiation of tariffs on all business lines also made a favourable contribution to the increase in turnover in 2021.

Operating expenses evolved at the same rate as operating income, reaching RON 144.8 million, compared to RON 130.1 million recorded in the previous year. The highest expenses were generated by employee costs and services contracted from third parties. This increase is in line with the expansion of the business and the development of new internal products.

As a result of the above, the operating result for 2021 recorded a value of RON 49 million, up by 5% compared to the comparative period. The financial result increased significantly compared to the previous year, reaching RPN 3.4 million. This increase is due to the efficiency of foreign exchange transactions compared to 2020 and the appreciation of the main currencies.

The gross result recorded by the Group for 2021 was RON 52.4 million, representing an increase of 13% compared to the gross profit recorded last year.

The company earned a net profit for 2021 amounting to RON 45.7 million, up 16% compared to the net profit of 2020.

|  |  |  |  |
| --- | --- | --- | --- |
| Profit and Loss Account Indicators (RON) | December 31, 2020 | December 21, 2021 | Change % |
| Turnover | 173,104,541 | 190,066,243 | 10% |
| Operating income | 176,760,586 | 193,842,193 | 10% |
| Operating profit | 46,623,939 | 49,071,858 | 5% |
| Financial result | (246,301) | 3,358,158 | -1463% |
| Gross profit | 46,377,638 | 52,430,016 | 13% |
| Net profit | 39,566,981 | 45,732,918 | 16% |
| EBITDA | 52,779,995 | 54,509,761 | 3% |

CONSOLIDATED PROFIT AND LOSS ACCOUNT

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2020A | 2021A | Change % |
| Net turnover | 173,104,541 | 190,066,243 | 10% |
| Production sold | 157,931,222 | 175,439,437 | 11% |
| Revenue from the sale of goods | 16,014,210 | 15,328,887 | -4% |
| Trade discounts granted | (840,891) | (702,081) | -17% |
| Revenue related to the cost of production in progress | (394,570) | 56,748 | 0% |
| Revenue from the production of intangible and tangible assets | 2,404,214 | 1,853,263 | -23% |
| Revenue from operating subsidies | 181,848 | 42,050 | -77% |
| Other operating income | 1,464,553 | 1,823,889 | 25% |
| OPERATING REVENUE - TOTAL | 176,760,586 | 193,842,193 | 10% |
| Expenditure on raw materials and consumables | 1,385,756 | 1,232,284 | -11% |
| Other materials expenses | 1,108,940 | 977,934 | -12% |
| Other external expenses (including energy and water) | 1,382,852 | 1,215,866 | -12% |
| Expenditure on goods | 10,728,492 | 10,427,749 | -3% |
| Trade discounts received | (286,546) | (81,836) | -71% |
| Staff expenditure | 57,657,171 | 61,260,441 | 6% |
| Value adjustments of tangible and intangible assets | 6,140,919 | 6,042,045 | -2% |
| Value adjustments on current assets | 138,784 | 195,487 | 41% |
| Other operating expenses | 51,449,596 | 63,745,663 | 24% |
| Adjustments relating to provisions | 430,683 | (245,298) | -157% |
| OPERATING EXPENSES - TOTAL | 130,136,647 | 144,770,335 | 11% |
| OPERATING PROFIT | 46,623,939 | 49,071,858 | 5% |
| Financial income | 3,870,776 | 4,923,214 | 27% |
| Financial expenses | 4,117,077 | 1,565,056 | -62% |
| FINANCIAL RESULT | (246,301) | 3,358,158 | -1463% |
| Total income | 180,631,362 | 198,765,407 | 10% |
| Total expenditure | 134,253,724 | 146,335,391 | 9% |
| Gross profit | 46,377,638 | 52,430,016 | 13% |
| Income tax | 6,810,658 | 6,697,099 | -2% |
| NET PROFIT | 39,566,981 | 45,732,918 | 16% |

CONSOLIDATED BALANCE SHEET

|  |  |  |  |
| --- | --- | --- | --- |
|  | January 1, 2021 | December 21, 2021 | Change % |
| INTANGIBLE FIXED ASSETS | 15,081,535 | 30,779,078 | 104% |
| Development expenditure | 4,782,579 | 2,928,601 | -39% |
| Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets | 6,592,127 | 10,984,463 | 67% |
| Goodwill | 3,706,829 | 16,866,014 | 355% |
| Advance payments | - | - | 100% |
| PROPERTY, PLANT AND EQUIPMENT | 5,652,191 | 6,453,301 | 14% |
| Land and buildings | 1,465,216 | 1,001,001 | -32% |
| Plant and machinery | 3,086,363 | 3,879,820 | 26% |
| Other plant, machinery and furniture | 1,015,540 | 1,075,690 | 6% |
| Tangible assets in progress | 85,072 | 496,790 | 484% |
| FINANCIAL FIXED ASSETS | 1,998,164 | 2,313,676 | 16% |
| Shares held in subsidiaries | 1,049 | 1,050 | 0% |
| Loans granted to group entities | - | - | 100% |
| Shares held in associates and jointly controlled entities | 9,130 | 9,130 | 0% |
| Other non-current securities | 560,104 | - | -100% |
| Other loans | 1,427,881 | 2,303,496 | 61% |
| NON-CURRENT ASSETS - TOTAL | 22,731,890 | 39,546,055 | 74% |
| INVENTORIES | 5,261,661 | 5,042,725 | -4% |
| Raw materials and consumables | 1,725,126 | 1,968,919 | 14% |
| Work in progress | 518,416 | 575,164 | 11% |
| Finished products and goods | 2,181,418 | 2,378,290 | 9% |
| Advance payments | 836,701 | 120,352 | -86% |
| RECEIVABLES | 66,603,482 | 61,859,221 | -7% |
| Trade receivables | 36,343,076 | 40,064,494 | 10% |
| Amounts receivable from related entities | 29,904,606 | 20,524,942 | -31% |
| Other receivables | 355,760 | 1,269,785 | 257% |
| Subscribed capital not paid in | 40 | - | -100% |
| CASH ON HAND | 46,508,476 | 102,212,818 | 120% |
| CURRENT ASSETS - TOTAL | 118,487,382 | 169,114,764 | 43% |
| PREPAYMENTS | 1,179,507 | 1,824,159 | 55% |
| TOTAL ASSETS | 142,398,779 | 210,484,979 | 48% |
| SHORT-TERM LIABILITIES | 33,767,970 | 22,258,997 | -34% |
| Amounts due to credit institutions | 19,064,438 | 2,226,645 | -88% |
| Advances received on account of orders | 442,048 | 740,727 | 68% |
| Trade payables - suppliers | 4,594,766 | 5,693,380 | 24% |
| Amounts due to group entities | 225,062 | 3,783,039 | 1581% |
| Other liabilities, including tax liabilities and social security liabilities | 9,441,656 | 9,815,206 | 4% |
| LONG-TERM LIABILITIES | 2,776,806 | 913,364 | -67% |
| Amounts due to credit institutions | 2,191,230 | - | -100% |
| Other liabilities, including tax liabilities and social security liabilities | 585,576 | 913,364 | 56% |
| TOTAL LIABILITIES | 36,544,776 | 23,172,361 | -37% |
| PROVISIONS | 1,214,411 | 1,216,647 | 0% |
| DEFERRED INCOME | 7,556,570 | 7,026,270 | -7% |
| Investment grants | 1,164,964 | 774,396 | -34% |
| Deferred income | 5,606,300 | 6,020,901 | 7% |
| OWNERS' EQUITY | 97,083,022 | 179,069,700 | 84% |
| Subscribed and paid-in capital | 100,000 | 45,569,749 | 45470% |
| Other equity items | - | 229,123 | 100% |
| Capital premiums | - | 68,754,750 | 100% |
| Reserves | 2,740,489 | 3,097,859 | 13% |
| Own shares | - | (4,010,000) | 100% |
| Retained profit or loss | 55,270,437 | 22,560,066 | -59% |
| Profit or loss for the financial year | 39,566,981 | 45,732,917 | 16% |
| Profit distribution | (282,073) | (2,721,793) | 865% |
| Other equity | (312,812) | (142,972) | 0% |
| TOTAL LIABILITIES | 142,398,779 | 210,484,979 | 48% |

AROBS Transilvania Software S.A. – Parent Company

AROBS Transilvania Software was founded as a limited liability company in 1998 in Cluj-Napoca and today is one of the most important software development companies in the country. In September 2014, the company changed its legal status into a joint-stock company.

The registered office of the company is in Cluj-Napoca, Str. Donath, Nr.11, Ap.28, the company has secondary offices - places of business:

In Cluj-Napoca:

* Str. Minerilor, Nr. 63;
* P-ța Cipariu, Nr. 9, Ap. 69;
* Str. Săpatorilor, Nr. 5;
* Str. Henri Barbusse; Nr. 44-46, within Cluj Business Center, et. 2 and 3;
* Str. Trifoiului, Nr. 22;
* Str. Constantin Brancusi, Nr. 55.

In Iași – Str. Palat, Nr.3E, United Business Center 1 building, ground floor.

In Tg. Mureș – Str. Georghe Doja, Nr.64-68, Multinvest Business Center 2 Building (MBC2).

In Suceava – Str. Universității, Nr.32, Classic Office Center, Et.1, 2 and 3.

In Bucharest – Str. Bdl Tudor Vladimirescu, Nr.22, Unit.4.1, Et.4, Sector 5, Bucharest.

In Baia Mare – Bdul Unirii, Nr. 18, Baia Mare Business Center Building, Et.1.

In Arad – Bdul Revolutiei, Nr.52-54, Arad Platza, sc. C, Et.3, ap.12.

The company has gradually moved from developing outsourced products for large companies in Western Europe and the United States to developing its own in-house products and software solutions. Thus, with more than 22 years of experience in the IT market, AROBS Transilvania Software S.A. is currently a company specialised in software development for several types of mobile applications, fleet management and monitoring solutions for vehicles, SFA and CRM solutions, innovative projects and in-house products.

In order to strengthen its market position, the company has been pursuing a procurement policy for the last 6 years. It has grown into an international company, forming partnerships and collaborations with customers or companies in the United States of America, Canada, Germany, Finland, Switzerland, The Netherlands, Belgium, Italy.

At the end of 2021, AROBS Transilvania Software consolidated its presence in the Western part of Romania, fully acquiring **Berg Computers SRL**, a local custom software development and outsourcing company. The decision to acquire this company is part of the company's strategy to increase its national and international presence in the markets of Germany, Austria and Switzerland. This transaction resulted in an increase of the stake in affiliated entities of approximately RON 14 million.

AROBS Transilvania Software debuted in December 2021 on the AeRO market of the Bucharest Stock Exchange, the shares being traded under the AROBS stock exchange symbol. The listing of AROBS comes after the completion of a private placement of shares in the second half of October through which AROBS raised a record RON 74 million in a share capital increase. This placement attracted huge interest from both retail and professional investors, so it was closed early from the first day of the placement, showing once again the high appetite of investors for Romanian entrepreneurial companies. The funds attracted will support the company's expansion strategy, through the acquisition of IT companies both nationally and internationally, the opening of new subsidiaries in major markets in Europe and the United States, as well as the development of the company's expertise and specialisation. In parallel with the preparations for the listing on the Stock Exchange, the parent company implemented the first stage of the Stock Option Plan (SOP) programme to stimulate and retain employees within the Group companies. Through this programme, AROBS aims to turn employees into partners of the company and, in the medium term, into active investors in the Bucharest Stock Exchange.

AROBS Transilvania Software is an IBM business partner and Microsoft certified partner, member of ARIES - Romanian Association for Electronic and Software Industry and ANIS - Employers Association of Software and Services Industry.

The company is organised along several business lines, as follows:

* Software Services - Outsourcing

The software services business line has seen an increase in demand and therefore turnover in 2021 across all industries in the portfolio of expertise, compared to 2020. For 2022, we estimate that the demand for software services will increase, across existing expertise, but also across new industries and specialisations. An example would be the vehicle electric charging platforms, in the Automotive - Embedded area.

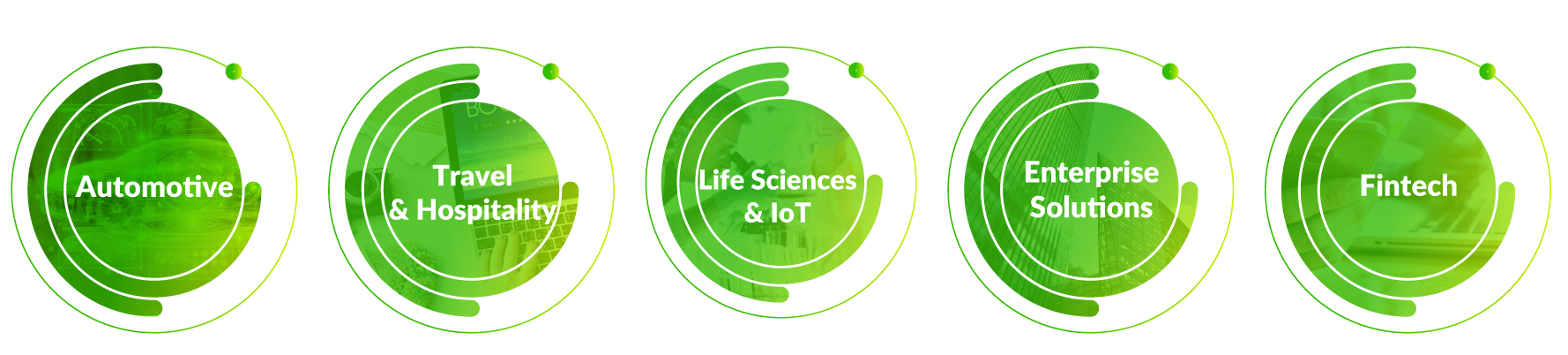
In addition, AROBS has a stronger exposure in the DACH market (Germany, Austria, Switzerland) through the acquisition of Berg. The acquisition carried out in April 2022 (Enea's Software Development Services Line, specialised in the medical, maritime and embedded industries), as well as through the other acquisitions in the pipeline for 2022, are in line with the strategic directions undertaken by AROBS: the development of new areas of expertise with high demand in the global software services market, while the continuous transfer of in-house knowledge to the future generations of programmers and hardware specialists and horizontal integration (inorganic development) through acquisitions of existing players operating in the same industry, which can enable synergies and are easily integrated with a solid EBITDA, as well as the expansion in Europe, America and Asia.

The risks that the company takes into account regarding the software services business line are related to the geopolitical situation in the region, but also to the overheating on the software specialist recruitment market in Romania.

In terms of the fierce competitive situation on the labour market, in Romania and in the region, at Group level, one of the strategic directions assumed is the motivation and fidelity of the employees by increasing the opportunities for professional development, the increase of the level of integration and communication between employees, and, very importantly, to involve employees in the good running of the company through the financial mechanism of the "stock option plan" type.

The Issuer's software services division is the strongest, with steady growth every year and with the largest team of specialists in the AROBS Group. It is structured on two pillars: Automotive and High-Level Industries.

Automotive Industry is the main specialization, with hundreds of software developers in Romania, Moldova and Hungary.



AROBS automotive engineering expertise includes both software and hardware expertise. Moreover, the Issuer's projects benefit from over ten years of experience in providing software services to leading companies in the industry, in Germany, France, Japan, Romania, China, USA.

The High-Level Industries specialisation consists of the Travel & Hospitality, IoT, Life Sciences, Enterprise Solutions and Fintech divisions.

**Automotive** - Automotive industry expertise is based on the delivery of advanced automotive software and hardware services from leading brands. Engineers with specialisation and know-how in automotive develop essential components and modules, such as: Body Control Modules, Gateway ECUs, Door Control ECUs, Power closures, Powertrain, Radars, Car Keys, Wireless chargers, Instrument Clusters, Head-Up Displays, Secondary Displays, Infotainment Systems and Telematic units.

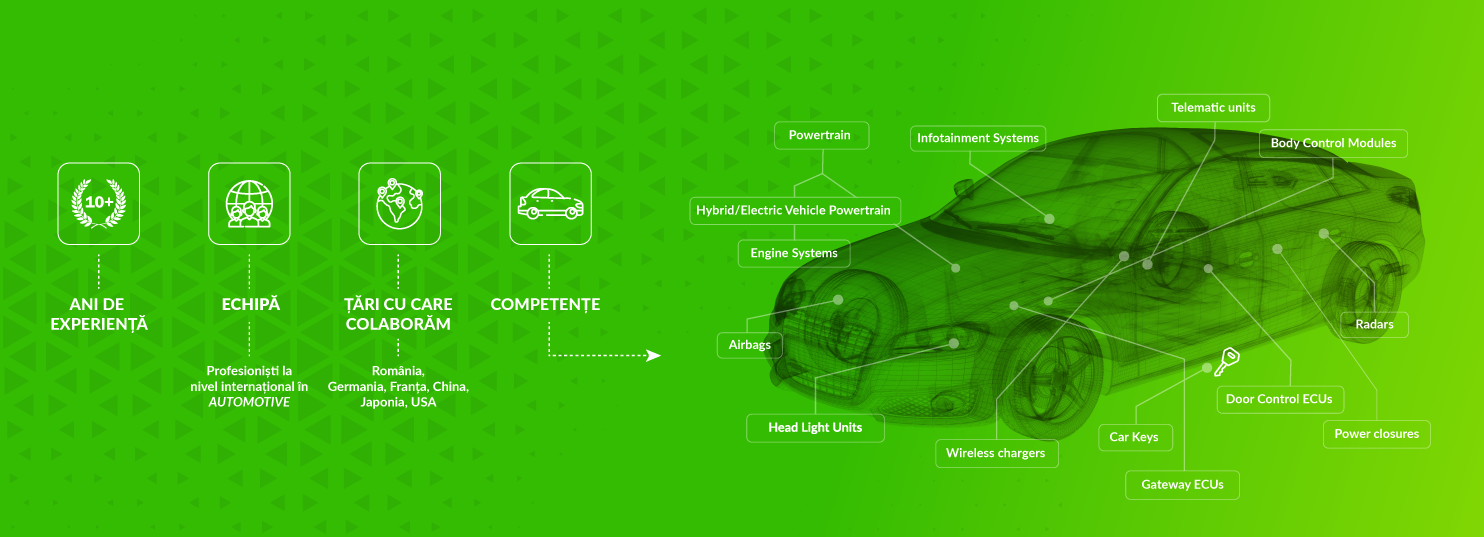
The expertise includes elements of the internal combustion vehicle architecture as well as modules for electric vehicles or plug-in hybrid vehicles (PHEVs).

AROBS follows AUTOSAR (AUTomotive Open System Architecture) standards and is TISAX (Trusted Information Security Assessment Exchange) certified. TISAX is the most prestigious information security standard in the automotive industry. This certification is obtained via the international ENX ASSOCIATION platform. This platform facilitates the online interaction of companies, from suppliers of products and services to international audits.

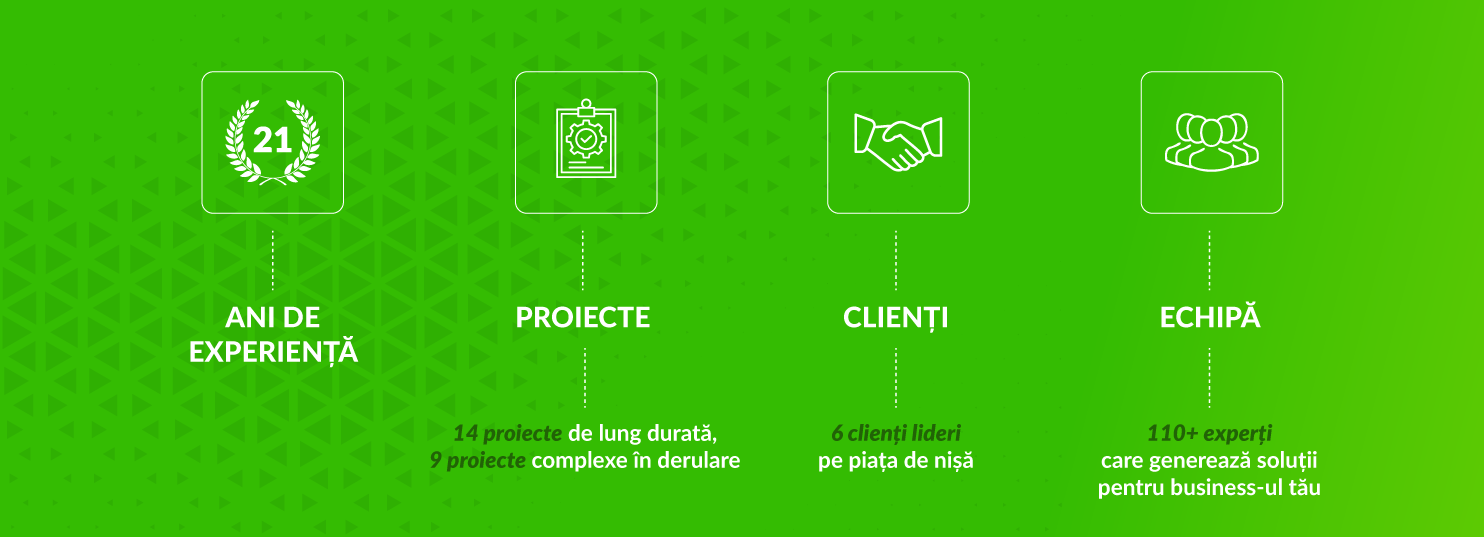
AUTOSAR capabilities: Classic platform.

Customised AUTOSAR configuration tools, EB Tresos Studio. Vector DaVinci, AUTOSAR Builder

Projects: Body Controllers (BCM), Car Access ECUs, Gateways, Transmissions, Infotainment, Car Radar Sensors, Keys, Instrument Clusters.



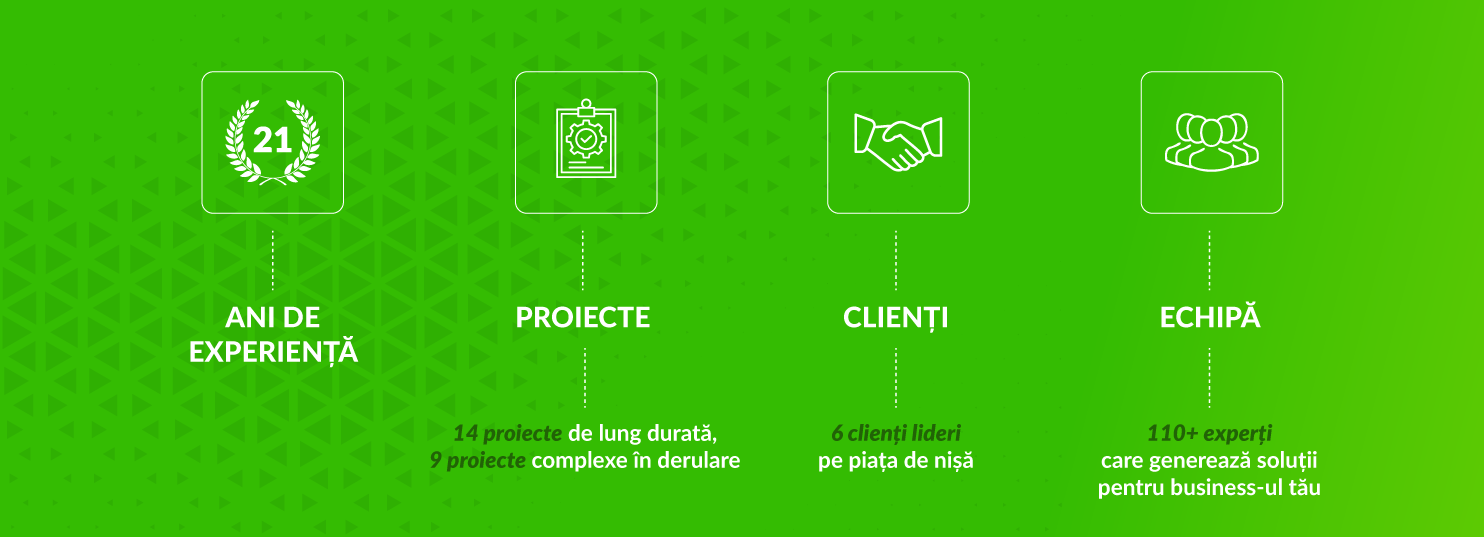
**Travel Technology** - Combining niche knowledge and technical capabilities has helped the Issuer to build long-term partnerships with customers. So far, end-to-end solutions have been created and delivered for companies in the USA, France, Spain, Germany and the Netherlands. The experience in the travel software and hospitality industry provides AROBS specialists with an overview of the market, adaptability in the delivery of solutions, which are customised for each customer.



**Life Science & IoT** – The issuer has developed projects in areas such as clinical trials, IoT, home automation, smart agriculture and beyond.

With regard to Life Sciences specialisation, the Issuer has built a solid expertise in recent years around long-lasting collaborations with large American companies in the pharmaceutical industry. During this period, medical software solutions were developed that simplify the clinical trial applied to new medicines launched on the market.

IoT systems created by AROBS are intuitive, user-friendly thanks to optimised interfaces and processes. However, although the expertise of the team is predominant in the area of creating systems and architectures for home automation and building monitoring, the Issuer provides efficient IoT solutions for several market segments.



**Enterprise Solutions** – this business group has expertise in cloud-based applications, real-time or reactive, Big Data, NoSQL or any other advanced software technology based on which can build custom solutions necessary for the proper functioning of companies and organisations.

The Issuer develops cloud applications for enterprises with specific challenges, created by professionals with many years of experience, which are focused on ease of use.



**Fintech** – The Issuer has developed projects such as software audit, cloud solutions, SaaS and services of integration, security, artificial intelligence and machine learning.

Also, in the banking area, the Issuer collaborates with one of the top players of the banking sector in Romania and one of the largest providers of financial services in Central and Eastern Europe, on specific modules, such as: day-to-day banking, insurance, notifications, QA automation, for various internal and user-oriented processes.

The Fintech experience is also reflected in the MonePOS solution - Contactless and Paperless Digital Payment Solution, launched in March 2021. MonePOS is already used by companies and institutions in Romania, mostly in mobility services. This product ensures full digitalisation of payment transactions for businesses in industries such as passenger transport, taxis, food delivery, markets, retail, etc.



Within the Software services division, there are three particularly valuable cross-cutting areas of expertise: Embedded Systems, Cybersecurity and Quality Assurance.



The expertise in embedded software and systems is based on over 20 years of engineering excellence and expertise gained from global projects with partners in Europe and the US, with specialisation in Automotive, Domotics, Industrial IoT and Smart City.

In addition to providing state-of-the-art software development for business partners around the world, AROBS has created a strong team of cybersecurity experts who can evaluate, analyse data, consult and implement a security strategy to protect the organisations they work with.

The quality assurance services that AROBS offers are delivered by teams of professionals specialising in manual and automated testing. The QA team at AROBS has extensive experience testing on a variety of devices and include testing web, mobile and desktop applications.

Very important is the expertise brought by Berg Software, which complements the service offering of AROBS Group's software services business line. Berg Software has experience on projects in industries such as Manufacturing, Retail, Office automation, IT, Storage and Cloud for large-scale clients in Germany, Austria and Switzerland.

AROBS Transilvania Software is a global provider of ready-to-use solutions and customised software, based on the latest technologies. We develop modern technological solutions with a focus on innovation and user experience.

* Fleet monitoring and management solutions – Track GPS



With 4,321 customers and 61,562 GPS licenses, in 2021 AROBS Transilvania Software S.A. was the market leader in Romania in this sector. TrackGPS is a complete car fleet monitoring and management solution offering real-time GPS tracking system, special devices and customised services.

AROBS has been active in the fleet management market since April 2006, when the first contract was signed with the first customer. Through its fleet management business line, especially through the TrackGPS solution, AROBS is the main provider of this type of complex services on the Romanian market.

Through acquisitions and consolidations in the market, AROBS is among the relevant players in Central and Eastern Europe. Over 10,000 customers – companies and organisations, public institutions - in several countries in Europe, but also in Asia (Indonesia) – use AROBS fleet management solutions every day.

TrackGPS - is the leading Fleet Management brand developed and owned by AROBS. TrackGPS is a comprehensive fleet management and monitoring solution that helps companies to reduce their maintenance and operating costs, improve the efficiency of resource allocation and utilisation, increase driver professionalism and safety at the wheel, and improve service delivery.

In 2021, the TrackGPS division recorded an increase in customer numbers and turnover compared to 2020. Also in 2021, 4.0 version of the app with the same name was launched, and the process of customer migration to the new platform will be completed in 2022.

Thus, a considerable increase in the use of the mobile version of TrackGPS has been observed, as well as an increase in interest in fuel consumption control solutions.

The strategic directions of the TrackGPS division are focused on further consolidation on the Central and Eastern Europe market, as well as Indonesia; identifying and launching in new markets; continued investment in research and development; launching new, more complex, user-friendly versions that optimise both the financial and time resources of fleet managers, as well as implementing new solutions that bring added value to users and real benefits to the ecosystem, as well as to communities in general.

TrackGPS will continue to invest, in 2022, in developing new solutions and facilities for safe driving and green driving, but also in monitoring solutions for electric cars – elements specific to IoT and sustainable transport.

* Optimall - Business Optimisation Solutions



AROBS Optimall - a complete optimisation suite through automation and management systems. From sales force automation, warehouse inventory management, TMS systems to business intelligence software, Optimall SFA incorporates all the optimisation tools for a company.

The Optimall division recorded an increase in turnover, as well as a doubling of requests for the development of new projects from customers and prospects. Most new projects concerned OptimallSFA (sales force automation solution), Logistic (for route optimisation), but also Optimall ConnectoR, the data transfer automation service for connecting EPR with e-commerce platforms.

For 2022, the Optimall team is focused on R&D, with the aim of completing the new version of the SFA solution, as well as increasing the market footprint of the ConnectoR service, which has a very good growth potential.



MonePOS - In addition to the obvious protection and hygiene benefits for operators and customers, MonePOS supports the full digitalisation of operations for companies in several industries: passenger transport, taxi, FMCG, deliveries, virtually any type of business the operations of which can be enhanced by contactless and paperless payments.

The contactless and paperless payment solution was launched in March 2021, with an initial focus on the taxi market in major urban centres in Romania, such as Cluj, Timisoara, Iași, Bucharest, etc., a market that accounted for 85% of the customer portfolio accessed during 2021. We have taken the first steps towards the penetration of the Public Transport industry, developing projects in Turda and Caransebeș.

In 2021, the hardware and software integrations made together with the partners of Selirom SRL, Ectra Electronic Craiova, and Romlogic Technology SA brought us categorical elements of differentiation from the competition, especially in the taxi market.

Another important differentiator is the paperless functionality, which we reached by developing a QR code (electronic POS receipt).

For 2022, the MonePOS team will continue to focus on developing versions and integrations with other solutions, to increase the portfolio of clients and collaborators. MonePOS will follow the direction of consolidation on public transport, distribution, store in store concept sectors, essentially mobility industries.

The MonePOS solution is certified by [Visa](https://www.visa.ro/)and[Mastercard](https://www.mastercard.ro/), through the relationship of the parent company with the partner Banca Transilvania.

* Distribution of consumer electronic products

The AROBS distribution division sells a wide range of products: gadgets, audio systems, TVs but also cosmetics. All these products can be found on the websites **softcare.ro**, **soundon.ro** and **gps-auto.ro**, with the distribution division recording significant growth in online sales in 2021.

The launch of this business line coincides with the launch of the Smailo brand, an internal product created by AROBS Transilvania Software S.A. The Smailo portfolio includes cameras, car radio, handsfree kits, navigation systems, etc. Adapted to the latest technological challenges and market demands, the brand is constantly growing.

In addition to the Smailo brand, in the past 10 years, the division has expanded its portfolio by more than 10 international brands: MIO, TomTom, Garmin, Sharp, Silk'n, Motorola, etc. AROBS, through these brands, is present in the most important retail chain – online and offline. Altex, Emag, Flanco, Carrefour, Auchan, Cel.ro and Evomag.ro are among the main AROBS distribution partners.

* Special projects

This division was created in 2014 with dedicated resources to research and develop new ideas and technologies. The areas in which products have been developed are: real estate and construction, education, cluster management platforms, learning management systems, Telematics & Fleet Management Platform Add-Ons, map management portal. Among the products of this line are:

- Digital textbooks;

- RateWizz Channel Management – an innovative property management product used by hotel operators in Finland;

- MedControl Solution – platform for personal healthcare;

- Fleet4Share – Car Sharing Management Solution;

- Cluj Parking – automation systems for public parkings.

AROBS Group Companies:

PT AROBS Solutions Indonesia

The penetration of the Indonesian market started at the end of 2014 through the collaboration between AROBS Transilvania Software Services (ATS) and PT Sukanda Djaya. The collaboration was enshrined in a Fleet Management contract, whereby AROBS Transilvania Software Services S.A. undertakes to provide tracking equipment to the client PT Sukanda Djaya and to provide monthly fleet tracking services against payment.

In 2017, PT AROBS Solution Indonesia was established, a company that provides its partners in Indonesia with complete Fleet Management solutions and integrated IoT solutions that have software and hardware components, addressing different industries: Transport, Agriculture, Construction, etc.

Arobs Software Solutions GmbH

The company was created for the development of custom software services. Arobs Software Solutions was established on August 31, 2020 and at the end of 2021 was not listed as having any employees. It is intended to develop a customer portfolio in Western Europe through this company.

Coso Team UK LTD

Coso Team UK LTD is based in Christchurch, Dorset, UK and was established on March 29, 2018 to deliver bespoke software. During 2021, the company had no activity. Coso Team UK LTD is part of CABRIO INVEST B.V. holding company

Coso by Arobs BVBA Belgium

Coso by Arobs B.V. Belgium is part of CABRIO INVEST B.V. holding company. In 2018, AROBS continues its expansion on the international market through the acquisition of Coso by AROBS in Belgium and the Netherlands, which specialises in process automation. The acquisition opened up the opportunity for a new specialisation in the AROBS Group: the Robotic Process Automation sub-sector. At the end of 2021, the company had 2 employees.

Coso by Arobs B.V. Netherland

Coso by Arobs B.V. Netherland is part of CABRIO INVEST B.V. holding company. The company's main focus is software services. The company was acquired by the Arobs Group in 2018.

The company specialises in custom software development. Coso Netherlands enjoys the trust of several international customers for whom it provides offshore and nearshore IT development services in areas such as logistics, education and business solutions.

Process automation through robotics is an area where the company wants to grow strongly in the coming period amid new emerging trends in manufacturing. These solutions mean lower production costs as well as a considerable decrease in errors on the production line. The direct result is significant increases in quality and a reduction in scrap and labour hours.

Coso by Arobs B.V. has access to highly qualified developers in the field of RPA product development, which enables the company to offer versatile automation solutions that meet the needs of cost reduction and process automation of a wide range of customers.

In terms of software development services, the company proves its versatility by adapting the solutions offered to the customers' needs.

Cabrio Invest B.V. - Netherland

Cabrio Invest B.V. Netherland is the investment vehicle through which Coso Team UK LTD, Coso by Arobs B.V.B.A Belgium, Coso by Arobs B.V. Netherland were established.

The financial indicators for 2021 have been presented in the section reserved for each company within the holding company: Coso by Arobs B.V. Netherland, Coso B.V.B.A Belgium and Coso Team UK LTD. Expectations for the future development of each individual company has also been detailed in the sections reserved for them.

SoftManager SRL

The company was established in 2019 and its scope of activity is according to NACE code 6201 – "Computer programming activities (customer-oriented software)".

The sources of income of the Company, according to its representatives, are:

* SoftManager CRM+ subscriptions, which generate recurring monthly revenue;
* Software development revenue;
* Revenues from the implementation of software solutions.

The SoftManager CRM+ product emerged from the desire to help entrepreneurs to manage processes efficiently and quickly, to increase profitability and to stay connected to their customers' requirements. SoftManager supports business development, from small entrepreneurs to the already successful. SoftManager CRM+ is an easy-to-use software solution that can be tailored to the specifics of each business. All companies using the solution benefit from the same quality of service and innovative digital technology with which they have been able to lower costs, increase sales and improve profit margins.

In terms of staff, at the end of 2021, the company had 9 employees.

Following the analysis of the Financial Statements for 2021, the management of the company considers the operating result for the year mentioned above satisfactory and it is expected that the turnover in 2022 will increase by 10% compared to 2021, along with an increase in the number of employees by 3 persons.

UCMS Group Romania SRL



UCMS by AROBS continued its growth in 2021, with a customer portfolio 10% more consistent than the previous year. The company has consolidated its position on the corporate and enterprise market as one of the leading providers of integrated payroll and human resource management systems. The main verticals in which UCMS has strengthened its position are Production & Automotive, BPO, banking, retail, IT.

In 2021, the UCMS team developed the Work From Home functionality, which makes the hybrid working mode much easier, helps to manage the team more effectively, schedule changes, shifts, but also the place where employees perform their work. Through this functionality in True HR application, time clocking is done electronically and helps the employer to have a clearer record of how employees are deployed.

Also, the Electronic Signature module was another important development, through which all the documents in the employer-employee relationship can be signed, through qualified or advanced digital electronic signatures. This new functionality comes with a number of benefits. Documents can be signed in a single approval workflow, with each person involved in the e-signing process having the ability to approve or reject the signing of a document. Signing can be either individual or collective for the entire document flow. The module's interface allows the configuration of several types of signature flows, depending on the needs of the company and the type of documents to be signed. Signing documents is done securely while saving time and money.

In 2022, UCMS aims to consolidate its leading position in the market for integrated HR and payroll solutions.

UCMS will continue to invest in research and development, by developing a functionality for digitising OSH and ES files, a Business Intelligence system to deliver analytical data taken from the integrated system of human resources management and payroll, as well as a solution for automating sick leaves.

**SAS Grup SRL**

SASFleet – better known in the market as alarma.ro - is the second fleet management brand owned by AROBS SASFleet offers complete monitoring solutions through a wide range of GPS systems – fleet monitoring or personal monitoring.

The position of SAS Grup SRL on the Romanian market continued to be consolidated, and in 2021, the quality of fleet monitoring services, as well as customer services, supported the constant increase in the number of customers, respectively in turnover, compared to 2020.

SAS Grup SRL launched in 2021 the Fleet Care module, which has specific Business Intelligence functionalities, and supports fleet managers in collecting the performance parameters of the fleets they manage. The Mode provides predictability in terms of fleet maintenance, being an essential tool in related cost management.

In 2022, SAS Group will continue to invest in research and development, by launching new modules in the category of Business Intelligence and Predictive Maintenance.

Following the analysis of the Financial Statements for 2021, the management of the company considers the operating result for the year mentioned above satisfactory and it is expected that the turnover in 2022 will increase by 18% compared to 2021. No increase in the number of employees in 2022 compared to 2021 is expected.

AROBS Group – Other information on accounting policies

Provisions

Group entities shall record provisions if they have a legal or constructive obligation arising from past events, if an outflow of resources is required to settle the obligation and if a reliable estimate can be made of the amount of the obligation.

Liabilities

The major influence on the turnover speed of supplier credit compared to that for receivables is the very tight arrangements with raw material suppliers, where DAP prices and discounts obtained lead Group entities to use minimum payment terms for the most appropriate financing - supplier credit.

Liabilities are recorded at historical cost in RON. The exchange rate used to convert liabilities into foreign currencies shall be either that indicated by the customs authorities for imports or that valid at the date on which the services are invoiced or that valid at the date of the transaction.

At each year-end all foreign currency payables are revalued using the exchange rate valid at year-end. All resulting gains or losses are included in the profit and loss account.

Group entities pay all liabilities related to employee income, local taxes and taxes to the State budget within the legal deadlines, without exceptions.

Internal control

The Group's entities have an internal/managerial control system, the design and implementation of which enables management to provide reasonable assurance that funds, allocated for the purpose of achieving the general objectives, have been used in a lawful, regular, effective, efficient and economic manner.

The internal/managerial control system includes self-monitoring mechanisms and the application of measures is aimed at increasing its effectiveness and is based on risk assessment.

The internal accounting and financial control of the entities was applied for the purposes of accounting management and financial follow-up of their activity.

Internal accounting and financial control is a major element of internal control. It covers all processes for obtaining and communicating accounting and financial information and contributes to achieving reliable information in accordance with legal requirements.

Internal control aimed at ensuring:

* Compliance with the legislation in force;
* Implementation of decisions taken by the parent company's management;
* The proper functioning of the entities' internal activity;
* The reliability of financial information;
* The efficient use of resources;
* Risk prevention and control.

Risk management

The Group assesses annually the potential risks that may negatively or positively influence the current activity. A "Risk Assessment Report" is prepared with the Annual Financial Statements, which presents various aspects that may represent threats or opportunities.

Market risk

Worldwide, there is a significant degree of economic and political uncertainty. This level of uncertainty is also due to the exceptional situation caused by the COVID-19 pandemic.

Also in 2021, the IT market will be highly competitive due to the presence of a large number of global IT companies in the market. The financial strength, experience and know-how of these players have thus created a market where if growth is not one of the main objectives, there is a risk of the company going out of the market.

The Group's management cannot foresee the changes that will occur in the market and their effects on the financial position, the operating result and the cash flows of each company within the Group. The only way to withstand competitive pressure is to invest in the growth and modernisation of the company's technical and material base.

Credit risk

By the nature of its business, the Arobs Group assumes credit risks of most of its customers through the long payment terms themselves established by contract. Credit risk is managed by carefully assessing the creditworthiness of debtors, by monitoring compliance with payment deadlines and by requesting financial instruments such as cheques or promissory notes endorsed in personal name.

Debt recovery departments operate within each of the Group's companies and their main tasks are to follow up debtors, obtain financial instruments and continuously monitor clients.

Accounting policies for the Consolidated Financial Statements of the AROBS Group

The Order of the Ministry of Finance 1802/2014, as subsequently amended, entered into force on January 1, 2015 and replaces the Order of the Ministry of Finance 3055/2009, as subsequently amended. These regulations partially transpose the provisions of the Directive 2013/34/EU of the European Parliament and of the Council on the Annual Financial Statements, Consolidated Financial Statements and related reports of certain types of undertakings.

The Consolidated Annual Financial Statements are the responsibility of the management of the Parent Company, and they have been prepared in accordance with the requirements of the accounting rules in Romania, namely the Accounting Law 82/1991, republished and Order of the Minister of Public Finance ("OMF") No. 1802/2014 as subsequently amended. Order of the Minister of Finance No. 1802/2014 is harmonised with the European Directives IV and VII and differs from the International Financial Reporting Standards. As a result, these Financial Statements are not consistent with the International Financial Reporting Standards.

The accounting entries on the basis of which these Financial Statements have been prepared are made in "Romanian Lei" (RON) at historical cost, except for the statements in which fair value has been used, according to the Group's accounting policies and according to Order of the Minister of Finance 1802/2014 as subsequently amended.

AROBS Group has implemented a set of accounting principles, policies and methods, and the financial – accounting activity is organised in accordance with them. The detail by main balance sheet and income statement items, together with an overview of each such group is also presented in the notes to the Annual Financial Statements.

Impact of COVID-19

The first reports of COVID-19 (Coronavirus) surfaced in late 2019 in China, with the World Health Organization reporting a limited number of cases affected by an unknown virus as of December 31, 2019. In the early months of 2020 the virus spread globally, the emergency situation was decreed by the World Health Organization on January 30, 2020, and was considered a pandemic starting with March 11, 2020.

Taking into account the situation generated by the spread of Sars-Cov-2 virus at national and international level, which led to the decreeing of the state of emergency in various countries and subsequently the state of alert, as well as the exceptional measures taken by the national and international authorities to halt the pandemic, we specify that the impact on the local and global economy is very difficult to quantify.

Thus, in the context of the risks caused by the Sars-Cov-2 (COVID-19) pandemic, the Group entities adopted a plan of measures to prevent and combat the contamination of employees with the new coronavirus (COVID-19), as well as to identify scenarios for ensuring business continuity both at headquarters and within the company's places of business, in the event of the occurrence of cases of infection with the new coronavirus (COVID-19).

Since the onset of this situation, companies within the AROBS Group have adopted special measures to protect employees and limit potential spread of the Sars-Cov-2 virus. Thus, home-based, online work using information and communication technology has been instituted and preventive and protective measures have been implemented in all workplaces, including, among other things: establishing the minimum number of staff required for the smooth running of operations at each worksite to ensure continuity of activity, stepping up actions on prevention and sanitation, limiting internal travel and external travel/travel for business purposes, limiting access to visitors, which is only allowed in absolutely necessary situations provided that the disinfection rules established at company level are observed.

With regard to the protection of employees, a series of information notices with specific provisions have been issued and established, such as:

* Avoid crowded areas where they are exposed to direct contact and/or interaction with a large number of people, such as public gatherings, queues, heavy traffic areas, recreation areas.
* Limiting as much as possible any direct contact with people other than immediate family members through gestures such as shaking hands, hugging, kissing cheeks or hands, touching faces with hands.
* Avoid touching surfaces that are frequently touched by other people, such as: handrails, doorknobs, handles, lift or access buttons. Should they nevertheless have to touch these surfaces, protect themselves using disposable wipes.
* Keeping a significant distance of 2 meters from other people they meet. Should they be on public transport, try not to face each other and wear a protective mask.
* Make sure after using public transport that they have cleaned their hands before touching their face, nose or mouth.
* As far as possible, use alternative routes or modes of transport to avoid crowded areas and/or low-traffic times.
* Strictly observe the personal hygiene rules recommended by the authorities, in order to protect themselves and their loved ones. Use protective masks to protect others.
* Wash their hands with soap and water for at least 20 seconds after any contact with a potentially contaminated surface.
* Use paper towels, preferably to wipe hands.
* Do not touch eyes, nose or mouth with hands not sanitized.
* If they sneeze or cough, they should cover their mouth and nose with a disposable tissue, which they should immediately throw in the bin.
* Frequently disinfect surfaces they come into contact with, both at home and at work, with an alcohol or chlorine-based solution.
* Air out the rooms where they work several times a day.
* Do not come into direct contact with people in self-isolation at home, whether or not they have specific coronavirus symptoms.
* Wear a protective mask and use it correctly (cover nose and mouth completely).
* Get information about the new coronavirus only from official sources!
* Call 112 only in case of emergency!
* Report to the authorities any case they know of where they may have come into contact with a person confirmed with the new coronavirus or who has come from an affected country (red zone or yellow zone) and who is not in isolation.
* Informing their family doctor if they have travelled to areas affected by the coronavirus (COVID-19), even if they were not on the list of areas under alert at the time.
* If they are unable to contact their family doctor, call the Public Health Department and ultimately 112
* Stay at home if they have flu or cold symptoms (cough, fever, shortness of breath) and call their family doctor for advice; do not go to the emergency units in the first place.
* If they are in self-isolation at home, they should strictly follow the advice of the authorities, not leave their home under any circumstances during the 14 days, not receive visitors and not come into close contact with any people who supply them with food or products.

The AROBS Group is financially stable, has the ability to quickly and efficiently implement all the emergency measures required to protect the health of employees, as well as to continue the business and the fulfilment of the contractual obligations.

The effects of the pandemic on the business conducted up to the balance sheet date were:

* The decrease in sales revenues and, implicitly, in receipts, compared to those forecast;
* The reduction of certain projects and suspension of some contracts;
* The renegotiation of contractual deadlines.

In the given situation, the management of each company within the Group makes efforts to identify new opportunities, seeking new customers, identifying secondary costs of entities that could be reduced and new sources of financing. All attention is focused on the cash flow, on continuous monitoring of receivables and on contacting customers when payment deadlines are exceeded, on promptly taking action on the collection of receivables, on renegotiating contractual terms and on taking effective decisions both in the short, medium and long term.

Russia - Ukraine conflict

The invasion of Ukraine by the Russian Federation and the subsequent global response to these military actions could have a significant impact on some companies, in particular companies with physical operations on the territory of Ukraine, Russia and Belarus, but also entities with indirect interests (with suppliers, customers, investments and creditors with operations on the territory of these countries).

We have assessed the impact of the ongoing military operation in Ukraine and the related targeted sanctions against the Russian Federation. This may require revisions to certain assumptions and estimates that may result in significant adjustments to the carrying amounts of certain assets and liabilities within the next financial year. At this stage, we cannot reliably estimate the impact as events unfold on a daily basis.

Based on the information available so far, the Group's management has not identified any concrete potential risks related to the Russia-Ukraine conflict, and so at this point in time it does not expect any significant impact in terms of carrying out the current operations. The Group companies have no direct exposure to third parties affected by the sanctions imposed since the commencement of the conflict (customers, suppliers, banking institutions with which the Group collaborates). The indirect exposure (customers, suppliers, with whom the Group collaborates, with third party links affected by sanctions, as well as risks related to the future volatility of commodity prices, foreign exchange rates, or possible cyber attacks, is currently non-quantifiable, the Group's management has so far given no indication of any significant impact on the Group's business.

Conclusions from the analysis of the Financial Statements of 2021 and prospects for 2022

The financial situation of 2021 was mainly influenced by the national and international economic context. In the short to medium term, the Group's business is expected to continue to grow so that by the end of 2022 the average number of employees is expected to increase.

In conclusion, the Group's management is optimistic about the evolution of the 11 companies in 2022 regarding the achievement of the objectives and objectives established in 2021. The recovery of the economy after the crisis generated by the COVID-19 pandemic and the correct anticipation of the effects generated by the conflict in Ukraine will have a positive impact on development opportunities. The Group is committed to supporting the development of early-stage companies in order to develop them and create synergies that provide flexibility in the context of the dynamic areas in which the companies operate.

DIRECTOR,

Oprean Voicu