

## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of AROBS TRANSILVANIA SOFTWARE SA

Registered Office: DONATH STREET, no. 11, building M4, SC 2, 3<sup>rd</sup> floor, ap 28, CLIJ NAPOCA, ROMANIA  
Unique Code of Registration: 11291045

#### Audit Opinion

1. We have audited the consolidated financial statements of AROBS TRANSILVANIA SOFTWARE SA (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The consolidated financial statements as at and for the year ended 31 December 2023 are identified as follows:

- Total equity: 273.687.158 Lei
- Net profit /(loss) for the year: 31.915.886 Lei

2. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations compliant with International Financial Reporting Standards (MOFP no. 2844/2016).

#### Basis for opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs), UE Regulation no. 537/2014 of the European Parliament and of the Council („The Regulation”) and Law no. 162/2017 („The Law”). Our responsibilities under those standards and regulations are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (“IIESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, including the Regulation and the Law, and we have fulfilled out other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Revenue recognition	
Key audit matter	How our audit addressed the key audit matter
Information regarding revenue from contracts with customers are presented in Note 5 “Turnover” while the recognition policies are presented in Note 32.1 “Revenue from contracts with customers”	Our audit procedures included, among other: <ul style="list-style-type: none"><li>▪ Evaluation of processes and controls on the existence and accuracy of the recorded revenues, also to identify fraud and errors in revenue recognition.</li></ul>

A. Revenue recognition	
Key audit matter	How our audit addressed the key audit matter
<p>In accordance with International Standards on Auditing, there is an implicit risk on revenue recognition due to the pressure on management in obtaining the planned results.</p> <p>The main activities from which the Group generates revenues are custom software and software development, fleet tracking monitoring solutions, HR applications licensing and implementation of integrated hardware and software solutions.</p> <p>Revenues are recognized when control is transferred to the customer, which generally happens at the time of receipt by him of the products sold, respectively over time or when the service was provided.</p>	<ul style="list-style-type: none"> <li>▪ Testing a sample of agreements concluded with customers to understand terms and conditions for delivery.</li> <li>▪ Verification of sale register to identify unusual transactions and to check the supporting documents to confirm that revenues are properly recorded.</li> <li>▪ Audit procedures for testing that revenues were recorded in the appropriate period, for a sample of transactions recorded around the year-end.</li> <li>▪ Testing a sample of sales and receivables balance by sending direct confirmation letters.</li> </ul>

B. Goodwill depreciation testing	
Key audit matter	How our audit addressed the key audit matter
<p>Intangible assets mainly include goodwill presented in Note 18, which according to IFRS should be tested annually for depreciation.</p> <p>Goodwill is presented in the balance sheet at the acquisition value less the accumulated value adjustments.</p> <p>Impairment adjustment testing is based on management estimate of future discounted cash flows, or other alternative valuation methods in the current economic context.</p> <p>Therefore, there is significant measurement uncertainty inherent in this assessment.</p>	<p>Our audit procedures included, exclusively for the purpose of testing for impairment of goodwill:</p> <ul style="list-style-type: none"> <li>▪ testing the historical accuracy of management's estimates through retrospective review;</li> <li>▪ testing the assumptions, methodologies and other data used in the computation model, for example by comparing them with external information;</li> <li>▪ reviewing growth rates and cash flow forecasts by reference to historical performance and our expectations based on understanding the current environment.</li> </ul>

#### Other information - Administrators' Annual Consolidated Report

5. Management is responsible for the preparation and presentation of Other information. The Other information comprise the Consolidated Board of Directors report, which does not include the sustainability report (in progress), and the Remuneration Report but does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the consolidated financial statements for the period ended at 31 December 2023, our responsibility is to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

7. In respect to the Board of Directors report, we read and report whether the Board of Directors report is prepared, in all material respects, in accordance with the Order of Minister of Public Finance no 2844/2016, articles 15-19, respectively 26-28 of the accounting regulations in accordance with International Financial Reporting Standards.

In respect of Remuneration Report, we read and report if this was prepared, in all material respects, in accordance with Law 24/2017, articles 106-107.

8. Based solely on the work required to be undertaken in the course of the audit of the financial statements, in our opinion:
  - a) The information given in the Board of Directors report for the financial year for which the financial statements are prepared, is consistent, in all material respects, with the consolidated financial statements;
  - b) The Board of Directors Report, including the non-financial representation has been prepared, in all material respects, in accordance with OMFP no. 2844/2016, points 15-19, respectively 26-28, of the accounting regulations compliant with the International of Financial Reporting Standards.
  - c) The remuneration report has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, articles no. 106-107
9. In addition, based on our knowledge and understanding of the entity and its environment obtained in the course of the audit of consolidated financial statements for the year ended as at 31 December 2023, we are required to report if we have identified material misstatements in the Board of Directors report. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

10. Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Order of the Minister of Public Finance no. 2844/2016. and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
12. Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

13. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtaining sufficient and appropriate audit evidence for the entities and activities from the Group, to issue an opinion over the consolidated financial statements. We are responsible for coordination, supervision and execution of the group audit. We are solely responsible for our audit opinion.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

18. We were appointed as auditor of AROBS TRANSILVANIA SOFTWARE SA by the General Shareholders' Meeting on 7 March 2023. Our total uninterrupted period of engagement is 3 years, respectively for the financials period between 2021-2023.
19. We confirm that:
- Our audit opinion is consistent with the additional report presented to the Audit Committee of the Company, which is issued with the same date as the current report. We also remain independent of the audited entity in conducting the audit.
  - We have not provided to the Company the prohibited non-audit services referred to in article 5 (1) of EU Regulation no 537/2014.



#### Other matters

20. This report of the Independent Auditor is addressed exclusively to the Group's shareholders, as a body. Our audit was undertaken in order to report to the Company's shareholders all those aspects that we are required to state to them in a financial audit report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for the report on the financial statements, or for the opinion we have formed.

#### For and behalf of

#### **BDO AUDITORS & ACCOUNTANTS SRL**

Registered in the Public Electronic Report of financial auditors and audit firms with no. FA1003

Partner's name: Cristian Iliescu

Registered in the Public Electronic Report of financial auditors and audit firms with no. AF1530

29 March 2024

Cluj-Napoca, Romania

Refer to original signed version in Romanian language
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