

To: *Bursa de Valori București S.A.*

Autoritatea de Supraveghere Financiară

CURRENT REPORT 88/2024

Pursuant to Law no. 24/2017 on issuers of financial instruments and market operations and to the Romanian Financial Supervisory Authority Regulation no. 5/2018 on issuers and operations with securities, as subsequently amended and supplemented and the provisions of Article 99 of the Bucharest Stock Exchange Code, Title II, Issuers and Financial Instruments.

Date of report	14.11.2024
Name of the Company	AROBS Transilvania Software S.A.
Registered Office	11 Donath Street, building M4, entrance 2, 3rd floor, ap. 28, Cluj-Napoca, Cluj, Romania
Email	ir@arobsgroup.com
Phone	+40 754 908 742
Website	www.arobs.com
Registration nr. with Trade Registry	J12/1845/1998
Fiscal Code	RO 11291045
Subscribed and paid share capital	104,555,233 lei
Total number of shares	1,045,552,330
Symbol	AROBS
Market where securities are traded	Bucharest Stock Exchange, Main Segment, Premium Category

Important events to be reported: Q3 2024 Report

AROBS Transilvania Software reports **consolidated turnover of 306.2 million lei** as of September 30, 2024, with **EBITDA of 43.4 million lei** and a net profit of **16.1 million lei**.

In terms of the performance across business segments, the "**Software Services**" segment generated **revenues of 245.6 million lei** as of September 30, 2024, representing **80%** of the total turnover. Although this segment experienced a moderate decrease of 6% due to the challenging context of 2024, the company remains confident that investments in cybersecurity and AI integration into its solutions will yield visible results in the near future.

Revenue from the second business segment, "**Software Products**," **increased by 14%** compared to the same period last year, reaching 57.5 million lei as of September 30, 2024. This segment accounted for **19%** of the total revenue. Growth in this segment highlights the importance of AROBS's diversified business model with three business lines. The software products segment helps offset challenges in the services area, thus ensuring financial and operational stability.

The **Integrated Systems** segment, where AROBS recorded revenues of **3.1 million lei**, remains impacted by the delay of essential projects, including those financed through the PNRR (National Recovery and Resilience Program), which is one of the main reasons for the decrease in total revenue this year. Although

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AROBS's management initially expected these projects to be awarded in Q4 2024, currently, the company anticipates the projects be signed at the beginning of next year.

In terms of contributions from companies acquired by AROBS since 2021, as of September 30, 2024, the companies in the **Software Services** segment contributed **103 million lei** to the Group's revenue, compared to 86.7 million lei in the same period in 2023. For the **Software Products** segment, companies that joined the Group since 2021 contributed **6.4 million lei** to the turnover, compared to 4.4 million lei as of September 30, 2023.

In **Q3 2024**, AROBS **successfully optimized its cost structure**, achieving:

- **A 4% reduction in the cost of software services**, totaling 61.6 million lei in Q3 2024, compared to 64.4 million lei in Q3 2023. This decrease is also notable compared to Q1 2024 when these costs were 66.5 million lei.
- **The streamlining of the sales and marketing department resulted in an 11% reduction in expenses**, reaching 5 million lei in Q3 2024, compared to 5.6 million lei in Q3 2023.
- **A 10% decrease in general and administrative expenses**, reaching 16.3 million lei in Q3 2024, compared to 18.2 million lei in Q3 2023.
- **The optimization of personnel costs by 18% like-for-like decrease** compared to Q3 2023 (excluding companies acquired in 2024) led to a total of 55.6 million lei in Q3 2024, along with a **13% like-for-like decrease** compared to Q1 2024.
- **A substantial reduction in Stock Option Plan (SOP) expenses**, from 6.5 million lei in Q3 2023 to 3.4 million lei in Q3 2024.

Achieving these notable optimizations was a key part of the Company's strategy, implemented in response to market decline signals. AROBS's ability to achieve significant cost-saving results as early as Q3 2024 confirms the Company's agility and financial discipline.

Report Availability

The results are available on the website of the company, <https://arobs.com/>, in the dedicated section "AROBS for Investors" / "Financial Results" and on the website of the Bucharest Stock Exchange, www.bvb.ro, symbol: AROBS, as well as are attached to this current report.

Investor Call

The management will organize a conference call in English to present the financial results of the Q3 2024. The conference call, organized for analysts and individual and institutional investors, will take place on **November 18th, 2024, at 15:00, Bucharest time (14:00 CET | 13:00 UK)**. To participate in the Q3 2024 results call, the interested parties are invited to register [HERE](#).

Voicu OPREAN

Chairman of the Board of Directors

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