



**2024 CONSOLIDATED
PRELIMINARY
FINANCIAL RESULTS**

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Disclaimer: The individual and consolidated interim financial statements presented on the following pages have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS").

The interim individual and consolidated simplified financial statements as of December 31, 2024 are unaudited.

The financial figures presented in the descriptive part of the report, expressed in millions of lei, are rounded to the nearest whole number and may lead to small differences in regularization.

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	2024 Preliminary Financial Results
Date of publication of the report	27.02.2025
For the financial period	01.01.2024 – 31.12.2024

ISSUER INFORMATION

Name	AROBS Transilvania Software S.A.
Fiscal code	RO 11291045
Trade Register registration number	J12/1845/1998
Headquarters	11 Donath St., bl. M4, sc. 2, 3 rd Floor, ap. 28, Cluj-Napoca, Cluj, Romania

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	104,555,233,00 lei
The market on which securities are traded	Main Segment, Premium Category
Total number of shares	1,045,552,330
Symbol	AROBS

CONTACT DETAILS FOR INVESTORS

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MESSAGE FROM THE CEO

In 2024, we celebrated three years since our listing on the Bucharest Stock Exchange, a milestone that has significantly accelerated the company's development both financially and strategically. The period from our debut on the AeRO market on December 6, 2021, to the present has been marked by major achievements, culminating in our transfer to the Main Market of the Exchange in 2023 and the completion of the largest share capital increase operation for a technology company listed on the BVB in July 2024.

The capital increase in July 2024 was a defining moment in our journey on the BVB. We raised 143 million lei from local and international investors to support the continued development of the group. In total, 96% of the offered shares were subscribed by institutional investors, including the EBRD, whose support we are pleased to have. This transaction became the first capital increase in the technology sector in which the vast majority of capital was subscribed by institutional investors.

On the financial side, we revised our budget in November 2024 due to changing market conditions. We focused on cost optimizations, improving operational efficiency, and exploring new business opportunities and markets with high growth potential.

In Q4, we achieved our best results of the year, recording the highest quarterly turnover in 2024 and surpassing the Q4 2023 turnover. EBITDA also increased in Q4 by 12% compared to Q3 2024 and by 4% compared to Q4 2023.

Regarding M&A activity, in Q3 and Q4, we evaluated several significant opportunities, with evaluation processes extending into 2025.

The year 2024 was one of the most challenging in the recent history of the technology industry, marking a turning point in the evolution of tech companies worldwide. It was a year of economic challenges, strategic shifts, and the need for rapid adaptation to an ever-changing environment, with a massive impact on AI and Cybersecurity. For AROBS, this period brought both obstacles to overcome and opportunities for consolidation and strategic growth in areas where we previously had a limited presence.

On a macroeconomic level, many industries went through a year of recalibration, and the technology sector was no exception. The global tech market's growth slowed, affected by declining investments, macroeconomic uncertainty, and tighter monetary policies that led to higher financing costs. High inflation and capital market volatility required significant adjustments in companies' financial strategies, resulting in increased caution regarding new hiring and investments across all economic sectors.

Uncertainty in the automotive industry remains a major question mark, but experience teaches us that times of crisis can bring significant advantages to companies that maintain agility and a positive outlook for accelerated growth.

On the other hand, the demand for software services in automation, artificial intelligence, and business process optimization continued to grow, driven by the pressure on companies to reduce costs and improve operational efficiency.

Faced with these challenges and opportunities, we adopted a strategic approach that was both prudent and agile, focusing on operational efficiency, cost control, and maintaining sustainable profitability. We implemented optimization measures at the group level, adjusting our cost structure and streamlining internal processes to remain competitive. Strict measures were taken to optimize human resources, including rigorous control over recruitment and adjustments to salary structures, ensuring a balance between business growth and long-term financial prudence.



Thus, general and administrative expenses decreased significantly at the end of 2024 by 4.2 million lei compared to 2023. At the same time, costs related to the Stock Option Plan (ESOP) programs were substantially reduced in 2024, decreasing by 5.4 million lei compared to 2023 due to the completion of ESOP 1, 2, and the first phase of ESOP 3, as well as lower expenses related to the ESOP 4 program.

Throughout the past year, balancing organic growth with expansion through M&A was a key priority. In 2024, we initiated a merger by absorption process aimed at consolidating operations and optimizing our organizational structure by integrating several entities within the group - AROBS Engineering, Berg Computers, and Nordlogic Software. However, we decided to halt this process due to ongoing legislative changes and also because we have identified more efficient solutions to execute a single merger operation involving a larger group of companies.

Despite all the challenges encountered, AROBS maintained a solid level of financial performance. Our turnover reached 412,5 million lei, exceeding the revised budget published with the Q3 2024 results by 2%. The turnover for 2024 remained approximately at the same level as in 2023.

At the same time, our strategy of having multiple growth pillars, which has been well received by investors, helped offset the decrease in turnover from the "Software Services" segment (324,7 million lei, -6% compared to 2023) through the growth of the "Software Products" segment (80,6 million lei, +14% compared to 2023).

The digitalization projects involving AROBS Systems, "Integrated Systems" segment have an extraordinary growth potential in 2025. We anticipate that contract award decisions for the remaining projects where we have been selected will take place in the first half of 2025.

The largest contract was secured in December 2024, with the signing of an agreement with the National House of Public Pensions as part of a consortium between AROBS Systems and Wing Leading Edge. The total value of this contract is approximately 110 million lei, excluding VAT, of which approximately 44 million lei, excluding VAT, is allocated to AROBS Systems.

In terms of profitability, we closed 2024 with an EBITDA of 60 million lei (+11% vs. the budget) and with a net profit of 22 million lei, a solid result in a year marked by economic and market challenges for technology companies. This net result exceeded the revised budget by 21% and reflects the continued implementation of cost optimization measures and the agile adaptation of our operational strategy. Moreover, it underscores the resilience of our business model and our ability to generate value even in a challenging environment.

Alongside our efforts in consolidation and operational optimization, we have maintained our strategic focus on innovation and technological development through various projects implemented across the AROBS Group companies. We aim to be innovators and early adopters in the lifecycle of new technologies - ML, AI, Big Data, and more.

In this context, we aim to capitalize on the opportunities generated by this initiative and continue developing products and technological solutions relevant to the European market and beyond. Additionally, we will focus on expanding our international presence through acquisitions, the establishment of new sales offices and delivery centers, and, most importantly, by strengthening our partnerships and exploring new growth opportunities in Europe and the U.S.

As artificial intelligence and automation become increasingly integrated into business processes, we will continue to invest in these areas, recognizing their impact on the efficiency and expansion of our solutions. At the same time, we remain committed to optimizing resources and improving operational efficiency to ensure our competitiveness in an ever-evolving economic landscape.

In conclusion, I would like to thank my colleagues for their professionalism and dedication during this challenging year, our partners for their strong collaboration, and our shareholders for their trust. With a clear strategy and a strong team, we are ready for the new opportunities and potential challenges that 2025 may bring.

I invite you to review the 2024 Preliminary Financial Report, which provides further details on the performance of the AROBS Group. We also look forward to welcoming you to our 2024 preliminary

results earnings call on March 3, 2025, at 15:00 (Romanian time), where we will address your questions. For any inquiries regarding our business activities or the capital markets, please feel free to contact us at ir@arobsgroup.com.

Voicu Oprean

CONSOLIDATED PRELIMINARY FINANCIAL RESULTS AS OF DECEMBER 31, 2024



RON 412 milion

TURNOVER

+2% vs. Budget



RON 67 million

NORMALIZED EBITDA*

16% NORMALIZED EBITDA MARGIN

**without non-cash impact of ESOP 2 and 3*

+9% vs. Budget



RON 28 million

GROSS PROFIT

7% GROSS PROFIT MARGIN

+11% vs. Budget



RON 22 million

NET PROFIT

5% NET PROFIT MARGIN

+21% vs. Budget



RON 29 million

NORMALIZED NET PROFIT*

7% NET NORMALIZED PROFIT MARGIN

+15% vs Budget

**without non-cash impact of ESOP 2 and 3*



2024 PRELIMINARY FINANCIAL RESULTS CALL

03.03.2025 | 15:00

We invite you to join the quarterly conference call alongside the AROBS leadership team to discuss the 2024 performance as well as the outlook for the current year.

The call will be hosted by:

- Voicu Oprean (Founder & CEO)
- Bogdan Ciungradi (CFO)
- Zuzanna Kurek (IR Manager).

The call will be held in English and will take place on March 3, 2025, at 15:00 Romanian time (14:00 CET | 13:00 UK).

To participate in the conference call, interested parties are invited to register [HERE](#).

KEY EVENTS IN Q4 2024 AND AFTER THE CLOSING OF THE REPORTING PERIOD

KEY EVENTS RELATED TO BUSINESS DEVELOPMENT

AROBS POLSKA AND AROBS ENGINEERING SELECTED BY ESA FOR THE CRIMSON PROJECT

On **October 21, 2024**, AROBS Polska and AROBS Engineering began the “Close Proximity Operations Control Unit Development and Qualification” (CRIMSON) project. The project, approved in September 2024, is funded by the European Space Agency (ESA) as part of its Core Activities for Clean Space under the COSMIC initiative within the Agency’s Space Safety Program, Period 2.

The project addresses a specific need identified for future Active Debris Removal (ADR) and In-Orbit Servicing (IOS) missions, aiming to develop and qualify an integrated control system for space missions. This system is designed to interact with multiple sensors and image data while providing sufficient processing power and memory capacity to perform a wide range of real-time data processing tasks. These operations will include complex image and sensor data processing, control data generation for navigation modules and robotic systems, as well as support functions such as image compression and data encryption.

More details are available [HERE](#).

KEBORMED AND BERG SOFTWARE ANNOUNCE STRATEGIC PARTNERSHIP TO DRIVE CONNECTED HEALTH INNOVATION

On **November 12, 2024**, KeborMed, the leading connected care platform, and Berg Software, part of the AROBS Group, announced a strategic partnership to deliver compliant connectivity solutions tailored to the needs of the medical and life sciences industries. Through this collaboration, Berg Software joins as an official implementation partner for KeborMed’s plug-and-play platform, supporting MedTech and Digital Pharma companies in bringing connected devices to market efficiently and securely.

More details are available [HERE](#).

AROBS ENGINEERING LAUNCHES INTO TESTING THE ALERTBOX PROTOTYPE

On **November 22, 2024**, AROBS Engineering, part of AROBS Group, announced the deployment of the testing phase for the AlertBox prototype devices created during their latest Research and Development (R&D) project, funded by the European Space Agency (ESA) as part of the Business Applications and Space Solutions (BASS) programme. AlertBox by AROBS prototype connects two global satellite constellation systems (Starlink and Iridium) to the national emergency response systems.

The AROBS AlertBox prototype tackles a societal pain point by addressing emergency communication challenges in the event of GSM coverage failure during a catastrophic event in isolated, remote, or busy urban areas. The product is a stand-alone unit connected via satellite with a centralized, secure server. The server, in turn, will communicate with local and national entities providing 112 and E-alert services.

More details are available [HERE](#).

SIGNING OF A SIGNIFICANT CONTRACT

On **December 9, 2024**, the Company informed the market about the signing of a significant contract by AROBS SYSTEMS SRL, a wholly owned subsidiary of AROBS Transilvania Software S.A., with the National Public Pension House. The contract is a partnership between AROBS Systems SRL and Wing Leading Edge SRL, in which AROBS Systems SRL holds a 40% share. The total contract value amounts to 109,931,387.31 lei (excluding VAT), of which 43,972,554.24 lei (excluding VAT) is allocated to AROBS SYSTEMS SRL. The contract duration is 17 months from the signing date.

More details are available [HERE](#).

MERGER PROJECT

On **December 19, 2024**, the Company informed investors about the publication of the Merger Project through absorption, involving AROBS TRANSILVANIA SOFTWARE S.A. (absorbing entity) and AROBS DEVELOPMENT & ENGINEERING S.R.L., BERG COMPUTERS S.R.L., and NORDLOGIC SOFTWARE S.R.L. (absorbed entities).

On **February 7, 2025**, the Company announced the market that the Board of Directors had decided to revise its approach to the organizational consolidation process within the Group. Following an internal assessment, the Group's management determined that the companies initially proposed for the second phase had either completed or were nearing the completion of their integration process. As a result, they are now considered suitable to be included in a single, extended merger operation.

More details are available [HERE](#) and [HERE](#).

KEY EVENTS RELATED TO GOVERNANCE

FINALIZARE PROGRAM DE RĂSCUMPĂRARE ACȚIUNI

On **January 8, 2025**, the Company informed the market about the completion of its share buyback program, which was initiated on April 18, 2024, and subsequently supplemented on June 13, 2024, August 7, 2024, and October 9, 2024. The purchasing of up to 11,000,000 shares was carried out in accordance with EGMS Resolution No. 1 dated March 4, 2024, published in the Official Gazette, Part IV, No. 1877/April 16, 2024, at a minimum price of 0.1 lei per share and a maximum price of 1.4 lei per share. The buyback program was managed by BRD - GROUPE SOCIETE GENERALE S.A., acting as an investment services firm, making independent trading decisions regarding the timing of the Company's share acquisitions, without influence from the Company.

More details are available [HERE](#).

KEY EVENTS RELATED TO THE CAPITAL MARKET

NOTIFICATION OF MAJOR HOLDINGS < 50% and > 10%

On **October 15, 2024**, the Company informed the market about the receipt, on October 15, 2024, from Mr. Voicu Oprean and CABRIO INVESTMENT SRL, of the notification regarding the reduction of the major holdings of Mr. Voicu Oprean below the 50% threshold, respectively the increase of major holdings of CABRIO INVESTMENT SRL above the 10% threshold.

More details are available [HERE](#).

MARKET MAKER SERVICE AGREEMENTS WITH RAIFFEISEN BANK INTERNATIONAL AND INTERCAPITAL SECURITIES

On **January 3, 2025**, the Company informed the market about the signing of two Market Maker service agreements with Raiffeisen Bank International and InterCapital Securities.

More details are available [HERE](#).

ANALYSIS OF THE CONSOLIDATED FINANCIAL RESULTS

At the end of January 2023, AROBS acquired Syderal Polska. The financial performance (revenues and expenses) of this subsidiary has been reflected in the group's financials starting from February 2023.

In early February 2023, AROBS acquired the entire share capital of AROBS Software SRL and AROBS Trackgps SRL, both based in the Republic of Moldova, with their financial performance (revenues and expenses) reflected in the group's financials starting from February 2023.

In April 2023, AROBS acquired the Future WorkForce Global (FWF) group, with its financial performance (revenues and expenses) incorporated into the group's financials from May 2023.

In July 2023, AROBS acquired full ownership of AROBS Pannonia Software Kft and its subsidiary, Skyshield Magyarorszag Kft. The financial performance (revenues and expenses) of these subsidiaries has been included in the group's financials starting from July 2023.

In 2024, at the end of May, AROBS completed the acquisition of the Infobest group (Infobest Romania SRL, Infobest Romania SRL Niederlassung, Infobest Systemhaus GmbH), with its financial performance (revenues and expenses) reflected in the group's financials starting from June 2024.

CONSOLIDATED P&L ANALYSIS

Profit and Loss account indicators

INCOME SITUATION (LEI)	2024 AROBS Group Preliminary	2023 AROBS Group Audited	Variation % 2024 vs. 2023	2024 AROBS Group Budget	Variation % 2024 vs. Budget
Turnover:	412,483,368	427,294,137	-3%	404,866,000	2%
Revenue from software services	324,656,466	344,775,332	-6%	322,000,000	1%
Revenue from software products	80,556,722	70,537,191	14%	78,770,000	2%
Revenue from integrated systems	7,270,180	11,981,615	-39%	4,096,000	77%
TOTAL – Cost of sales	297,137,058	295,755,657	0%	294,803,000	1%
Cost of sales of software services	252,191,088	254,215,350	-1%	253,485,000	-1%
Cost of sales of software products	38,532,766	31,653,344	22%	37,950,000	2%
Cost of sales of integrated systems	6,413,204	9,886,963	-35%	3,368,000	90%
Gross result	115,346,310	131,538,480	-12%	110,063,000	5%
<i>Software Services - Gross margin</i>	22%	26%	-4%	21%	1%
<i>Software products - Gross margin</i>	52%	55%	-3%	52%	0%
<i>Integrated Systems - Gross margin</i>	12%	17%	-6%	18%	-6%
Other operating revenues	914,474	1,131,751	-19%	922,000	-1%
Sales and marketing expenses	(21,092,147)	(18,370,931)	15%	(19,892,000)	6%
General and administrative expenses	(71,092,116)	(70,739,928)	0%	(67,392,000)	5%
Operating profit	24,076,521	43,559,373	-45%	23,701,000	2%
EBITDA	59,718,776	73,489,365	-19%	53,973,000	11%
EBITDA margin	14%	17%	-3%	13%	1%
Normalized EBITDA*	66,555,910	92,618,775	-28%	60,907,000	9%
Normalized EBITDA margin*	16%	22%	-6%	15%	1%
Financial revenue/ (financial expenses), net	3,929,277	(517,637)	-859%	1,563,000	151%
Profit before tax	28,005,798	43,041,736	-35%	25,264,000	11%
Profit tax	(6,116,355)	(11,125,850)	-45%	(7,220,000)	-15%
Net profit	21,889,443	31,915,886	-31%	18,044,000	21%
Net profit margin	5%	7%	-2%	4%	1%
Normalized net profit**	28,726,581	51,045,297	-44%	24,978,000	15%
Normalized net profit margin**	7%	12%	-5%	6%	1%

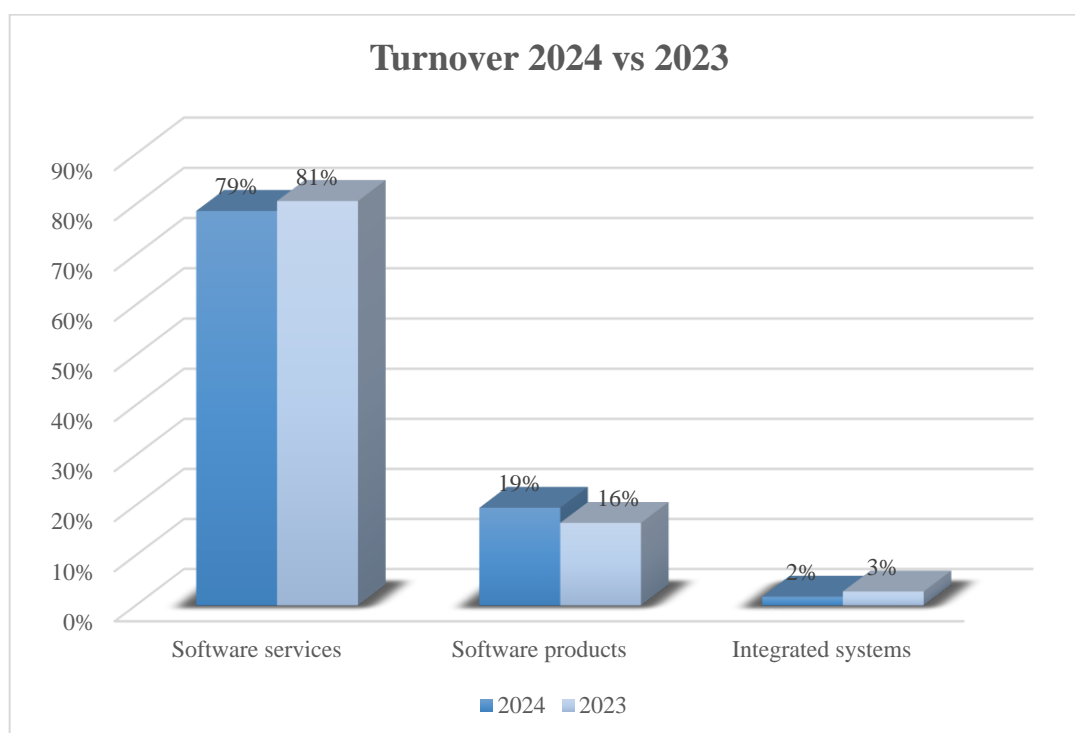
*Normalized EBITDA = EBITDA without the non-cash impact of ESOP 1,2 and 3.

** Normalized net profit excludes the non-cash effect generated by the Stock programs Option Plan (ESOP) 1,2 and 3

Turnover analysis

The contribution of the group's business segments to the total turnover is presented below:

Business lines (LEI)	2024 Turnover (Preliminary)	2023 Turnover (Audited)	Variation %
Software services	324,656,466	344,775,332	-6%
Software products	80,556,722	70,537,191	14%
Integrated systems	7,270,180	11,981,615	-39%
Total	412,483,368	427,294,137	-3%



The Group's strategy of maintaining multiple growth pillars has helped balance the temporary decline in revenue from the "Software Services" segment through the growth of the "Software Products" segment, despite the latter contributing 19% to the Group's total revenue. Revenue from the "Integrated Systems" segment, which was lower compared to the same period of the previous year, was influenced by the type of contracts won and their signing timeline. In December 2024, the largest integrated systems services contract since the subsidiary's establishment was signed with the National Public Pension House. The results of the tenders submitted throughout 2024 are expected to be announced in the first half of 2025.

Organic vs. M&A

	2024 (Preliminary)			2023 (Audited)		
	Organic	M&A*	Total	Organic	M&A*	Total
Turnover:	260,886,326	151,597,043	412,483,369	300,503,384	126,790,753	427,294,137
Software services	181,545,276	143,111,190	324,656,466	224,258,668	120,516,664	344,775,332
Software products	72,070,869	8,485,853	80,556,722	64,263,102	6,274,089	70,537,191
Integrated systems	7,270,181	-	7,270,181	11,981,615	-	11,981,615
Cost of sales:	188,976,706	108,160,352	297,137,058	206,629,403	89,126,253	295,755,657
Software services	147,991,846	104,199,242	252,191,088	168,262,930	85,952,420	254,215,350
Software products	34,571,656	3,961,110	38,532,766	28,479,511	3,173,834	31,653,344
Integrated systems	6,413,204	-	6,413,204	9,886,963	-	9,886,963
Gross margin	71,909,620	43,436,691	115,346,311	93,873,981	37,664,500	131,538,480
Gross Margin %	28%	29%	28%	31%	30%	31%

* Companies acquired as of 2021

Revenues from the "Software Services" segment recorded in 2024 at the consolidated level decreased by 6% compared to the previous year. The M&A category companies contributed 143.1 million lei to the segment's revenue as of December 31, 2024, marking an increase of 22.6 million lei (+19%) compared to the previous year, while the Organic business experienced a 19% decline, primarily due to delays in new projects and reductions in projects within the Automotive sector, particularly in electrification, as well as in the medical sector.

Revenues from the "Software Products" segment increased by 10 million lei (+14%) in 2024 at the consolidated level compared to the previous year. As of December 31, 2024, the acquired companies contributed 8.5 million lei to the segment's revenue, while the overall segment activity increased by 2.2 million lei.

In the software products area, including fleet management, business optimization, and HR solutions, the market continues to grow, following the trend observed in recent years.

The "Integrated Systems" segment is developed by one of the Group's subsidiaries, AROBS Systems, which is responsible for implementing hardware and software solutions, as well as software products for public sector contracting authorities. This company has a team of professionals specialized in the public sector and possesses technical expertise in integrating complex systems and technologies such as ORACLE, HP, DELL, and Microsoft. Revenues and expenses recorded in this segment were restated following the application of accounting policies in accordance with IFRS, specifically adjusting revenues and expenses related to partners within joint contracts, as well as those where AROBS Systems acted as an agent. As of December 31, 2024, the impact of this adjustment on both revenues and related expenses amounted to 31.4 million lei, compared to 21.8 million lei as of December 31, 2023, with zero effect on both EBITDA and net profit.

Gross margins achieved by both the Organic business and the acquired companies remained similar in 2023 and 2024, indicating efficient operational integration.

Quarterly evolution – Revenue and expenses

	Q1 2024	Q2 2024	Q3 2024	Q4 2024		Q1 2023	Q2 2023	Q3 2023	Q4 2023
Turnover:	105,045,331	101,221,104	99,892,577	106,324,356		110,659,907	108,165,419	103,124,295	105,344,515
Software services	86,434,636	79,952,460	79,185,447	79,083,923		87,355,217	88,582,836	85,643,235	83,194,043
Software products	18,195,750	19,564,287	19,763,828	23,032,857		15,974,209	17,666,270	16,649,835	20,246,877
Integrated systems	414,945	1,704,357	943,302	4,207,576		7,330,482	1,916,312	831,225	1,903,595
Cost of sales:	75,159,115	74,844,381	72,158,800	74,974,761		75,125,101	75,773,062	71,967,775	72,889,721
Software services	66,480,843	63,226,711	61,606,385	60,877,149		62,325,798	66,253,620	64,358,745	61,277,187
Software products	8,365,992	10,064,288	9,452,452	10,650,033		7,154,406	7,303,727	7,060,541	10,134,672
Integrated systems	312,280	1,553,382	1,099,963	3,447,579		5,644,898	2,215,714	548,489	1,477,862
Gross margin	29,886,216	26,376,723	27,733,777	31,349,595		35,534,806	32,392,357	31,156,520	32,454,794
Gross Margin %	28%	26%	28%	29%		32%	30%	30%	31%
Software services	23%	21%	22%	23%		29%	25%	25%	26%
Software products	54%	49%	52%	54%		55%	59%	58%	50%
Integrated systems	25%	9%	-17%	18%		23%	-16%	34%	22%
Sales and marketing expenses	4,719,989	5,288,752	4,968,220	6,115,186		3,324,030	4,802,858	5,570,651	4,673,391
General and administrative expenses	16,031,876	17,066,016	16,202,240	21,791,984		14,576,714	17,159,479	18,155,767	20,847,973
EBITDA	16,803,438	12,038,197	14,560,282	16,316,858		23,886,558	17,978,154	15,872,149	15,752,497
EBITDA %	16%	12%	15%	15%		22%	17%	15%	15%

The turnover recorded in both the software services and software products segments followed a different trajectory in 2024 compared to the previous year. In Q4 2024, revenue rebounded, reaching its highest level of the year compared to previous quarters, surpassing even the revenue recorded in Q4 2023 by 1%. This growth in the last quarter was driven by new contracts in the software products segment and the launch of new projects in the integrated systems segment.

The turnover recorded an increase of 2% compared to the budgeted turnover for the year 2024.

The cost of sales for software services decreased by 2 million lei in 2024 compared to the previous year. This variation was driven by a significant reduction of 20 million lei in costs within the Organic business, compared to the same period of the previous year, while costs increased by 18 million lei due to the companies that joined the Group in 2023 and 2024. Cost evolution in both Organic and M&A was adjusted based on revenue dynamics and the projects carried out throughout 2024.

Although the beginning of the year saw salary increases, also influenced by the partial removal of fiscal incentives on income tax, costs related to directly productive resources, including both employees and third parties (including ESOP), were effectively managed throughout 2024. As a result, the cost of sales for software services declined over the year, recording an 8% decrease in Q4 2024 compared to Q1 2024 (-5.6 million lei) and 1% decrease compared to the same period of the previous year. Against the backdrop of lower direct costs in the software services segment, the gross margin for this segment in Q4 2024 (23%) improved compared to Q3 2024 (22%).

The cost of sales for software products increased by 6.9 million lei compared to 2023, driven by higher salary expenses and third-party services, following the internalization of certain software development and maintenance processes. The third-party services contracted during this period primarily included device installation for monitoring and software development services. The evolution of these costs aligns with the expansion of the segment's activities and the development of internal products.

Sales and marketing expenses increased by 2.7 million lei in 2024 compared to 2023. The main cause of this variation was the impact of newly acquired companies and the sales efforts undertaken to identify new commercial opportunities.

General and administrative expenses varied by 0.4 million lei as of December 31, 2024, compared to the previous year. This evolution was mainly driven by a 4.9 million lei decrease in general and administrative costs (except for the costs mentioned below) compared to the previous year, a 0.9 million lei increase in customer relationship amortization, and a 4.4 million lei impairment adjustment for goodwill.

The increase in customer relationship amortization resulted from the 2024 acquisition of the Infobest Group and includes costs related to the 7 months following its integration into the Group. In 2024, following impairment tests conducted for the Group's Goodwill arising from acquisitions, a 4.4 million lei expense was recorded for two subsidiaries, where indications of a decrease in its value were identified based on discounted cash flow analysis.

EBITDA as of December 31, 2024, amounted to 59.7 million lei, while net profit for the same period was 22 million lei. Cost reduction measures, including adjustments in personnel expenses and ESOP programs, along with revenue growth in Q4 2024, contributed to EBITDA growth for the second consecutive quarter, surpassing the EBITDA recorded in the same period of the previous year. The stabilization of the EBITDA margin at 15% in Q4 2024 reflects careful financial performance management. Additionally, the **EBITDA** recorded as of December 31, 2024, exceeded the 2024 budgeted **EBITDA** by 11%.

Personnel expenses amounted to 55 million lei (50 million lei on a comparable basis – excluding companies acquired in 2024) in Q4 2024, recorded a 10% decrease compared to Q4 2023, as well as a 15% decrease on a comparable basis, compared to Q1 2024, when these costs stood at 59.2 million lei.

ESOP-related costs as of December 31, 2024, were 5.4 million lei lower than in the same period of the previous year, following the completion of ESOP 1, ESOP 2, and the first stage of ESOP 3, as well as reduced expenses related to ESOP 4. Additionally, expenses for these programs decreased from 3.9 million lei in Q4 2023 to 3.3 million lei in Q4 2024. The shares allocated under ESOP 1, 2, and 3 were those acquired at nominal value from Voicu Oprean prior to the company's listing on the Bucharest Stock Exchange. The shares allocated under ESOP 4 were purchased through the implementation of a buyback program.

Normalized consolidated EBITDA amounted to 66.5 million lei as of December 31, 2024, while normalized net profit reached 28.7 million lei on the same date. These indicators were normalized by eliminating the impact of expenses related to ESOP 2 and ESOP 3. The expense associated with ESOP 4, which began in May 2024, was not considered in the normalization process, as the shares required for the program were acquired through buyback programs, generating a monetary effect. Compared to the 2024 budget, **normalized EBITDA** increased by 9%.

CONSOLIDATED BALANCE SHEET ANALYSIS

BALANCE SHEET INDICATORS

Balance sheet indicators (LEI)	31.12.2024 AROBS Group Preliminary	31.12.2023 AROBS Group Audited	Variation %
Total fixed assets, out of which:	285,118,143	278,546,751	2%
Tangible assets	36,552,829	35,556,876	3%
Right-of-use assets	23,537,466	17,236,489	37%
Goodwill	109,923,245	104,761,369	5%
Customer relationship	74,914,753	76,561,802	-2%
Other intangible assets	27,316,629	23,044,459	19%
Loans granted to related parties	7,294,119	15,555,506	-53%
Other financial assets	3,550,937	3,700,985	-4%
Deferred tax asset	2,028,165	2,129,265	-5%
Total current assets, out of which:	358,368,233	201,819,682	78%
Trade and other receivables	82,188,661	103,338,304	-20%
Loans granted to related parties	5,847,550	1,413,707	314%
Cash and cash equivalents	259,599,586	87,773,888	196%
Total assets	643,486,376	480,366,433	34%
Current liabilities, out of which	99,102,735	90,189,175	10%
Bank loans	24,660,268	24,184,008	2%
Leasing liabilities	8,206,905	7,919,498	4%
Total non-current liabilities, out of which:	103,867,562	116,490,101	-11%
Bank loans	42,435,001	62,629,398	-32%
Leasing liabilities	17,267,490	11,309,563	53%
Total liabilities	202,970,297	206,679,276	-2%
Total Equity	440,516,079	273,687,158	61%
Total equity and liabilities	643,486,376	480,366,434	34%
Net assets	440,516,079	273,687,158	61%

As of December 31, 2024, total assets reached 643.5 million lei, recording a 34% increase compared to the end of 2023, primarily driven by the variations explained below.

In July 2024, the capital increase operation was successfully completed, raising 142.9 million lei from institutional investors. The funds received by the Company are reflected as of December 31, 2024, in cash balances. AROBS aims to leverage the capital raised for investments in newly acquired companies, expansion of commercial activities in key markets, and further development of its software product portfolio.

Cash flow generated from operational activity increased by 68% compared to the previous year, strengthening the Group's financial position.

Fixed assets recorded a net increase of 6.6 million lei, driven by the recognition of goodwill following the acquisition of the Infobest Group at the end of May 2024, the ongoing development of internal products, and the completion of a new office investment in March 2024. Additionally, the value of right-of-use assets increased due to lease term extensions for certain office spaces and rent indexation during the year.

For the acquired companies, customer relationships were identified during the purchase price allocation process, as assessed by independent evaluators, and were recognized at fair value as intangible assets in the financial statements at the date of each acquisition. The net book value of customer relationships as of December 31, 2024, amounted to 74.9 million lei, with amortization applied on a straight-line basis over 10 years.

The net value of goodwill as of December 31, 2024, amounted to 109.9 million lei, reflecting an increase of 9.5 million lei in 2024 following the acquisition of the Infobest Group. As of the same date, an impairment test was conducted on the goodwill associated with acquired companies. Based on discounted cash flow calculations, the test resulted in a 4.4 million lei impairment for two subsidiaries.

As of December 31, 2024, the Debt ratio on bank financing, calculated as the ratio of total bank debt to normalized EBITDA, stood at 1, indicating a strong financial position that allows for potential future financing to support the Group's strategic objectives.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2024 AROBS Group Preliminary	2023 AROBS Group Audited	Variation %
TURNOVER:	412,483,368	427,294,137	-3%
Revenue from software services	324,656,466	344,775,332	-6%
Revenue from software products	80,556,722	70,537,191	14%
Revenue from integrated systems	7,270,180	11,981,615	-39%
TOTAL COST OF SALES:	297,137,058	295,755,657	0%
Cost of sales of software services	252,191,088	254,215,350	-1%
Cost of sales of software products	38,532,766	31,653,344	22%
Cost of sales of integrated systems	6,413,204	9,886,963	-35%
GROSS MARGIN	115,346,310	131,538,480	-12%
Other operating revenues	914,474	1,131,751	-19%
Sales and marketing expenses	(21,092,147)	(18,370,931)	15%
General and administrative expenses	(71,092,116)	(70,739,928)	0%
OPERATING PROFIT	24,076,521	43,559,373	-45%
Financial revenue / (expenses), net	3,929,277	(517,637)	-859%
GROSS PROFIT – BEFORE TAX	28,005,798	43,041,736	-35%
Profit Tax	(6,116,355)	(11,125,850)	-45%
NET PROFIT	21,889,443	31,915,886	-31%
Other comprehensive income items	(50,941)	(251,459)	-80%
TOTAL COMPREHENSIVE INCOME	21,838,502	31,664,427	-31%
Attributable to the parent company	21,593,045	31,585,137	-32%
Attributable to non-controlling interests	245,456	79,290	210%

CONSOLIDATED BALANCE SHEET

Balance sheet indicators (LEI)	31.12.2024 AROBS Group Preliminary	31.12.2023 AROBS Group Audited	Variation %
Tangible assets	36,552,829	35,556,876	3%
Right-of-use assets	23,537,466	17,236,489	37%
Goodwill	109,923,245	104,761,369	5%
Customer relationship	74,914,753	76,561,802	-2%
Other intangible assets	27,316,629	23,044,459	19%
Loans granted to related parties	7,294,119	15,555,506	-53%
Other financial assets	3,550,937	3,700,985	-4%
Deferred tax assets	2,028,165	2,129,265	-5%
Total fixed assets	285,118,143	278,546,751	2%
Inventories and work in progress	8,221,437	6,975,925	18%
Trade and other receivables	82,188,661	103,338,304	-20%
Loans granted to related parties	5,847,550	1,413,707	314%
Prepaid expenses	2,510,999	2,015,826	25%
Short term investments	-	302,033	-100%
Cash and cash equivalents	259,599,586	87,773,888	196%
Total current assets	358,368,233	201,819,682	78%
Total assets	643,486,376	480,366,433	34%
Share capital	104,555,233	87,129,361	20%
Adjustments of equity capital to hyperinflation	263,971	263,971	0%
Share premium	146,472,470	23,185,001	532%
Reserves	11,614,144	9,680,545	20%
Own shares	(12,885,372)	(5,689,379)	126%
Other components of equity	12,693,649	12,574,918	1%
Retained earnings	158,878,013	139,037,199	14%
Gains/Losses from own equity instruments	19,684,169	8,352,878	136%
Conversion differences from consolidation	(216,190)	(163,971)	32%
Total capital	441,060,087	274,370,522	61%
Non-controlling interest	(544,008)	(683,364)	-20%
Total equity	440,516,079	273,687,158	61%
Non-current liabilities:			
Trade and other payables	574,281	49,746	1054%
Advance income	3,232,865	3,523,269	-8%
Equity liabilities	14,686,659	14,686,659	0%
Bank loans	42,435,001	62,629,398	-32%
Lease liabilities	17,267,490	11,309,563	53%
Government Grants	768,378	301,940	154%
Provisions	13,102,083	11,789,374	11%
Deferred tax liabilities	11,800,805	12,200,152	-3%
Total non-current liabilities	103,867,562	116,490,101	-11%
Current liabilities:			
Trade and other payables	44,959,778	39,059,658	15%
Advance income	13,346,834	8,796,705	52%
Equity liabilities	3,356,337	3,763,224	-11%
Bank loans	24,660,268	24,184,008	2%
Lease liabilities	8,206,905	7,919,498	4%
Government Grants	94,671	158,741	-40%
Provisions	4,477,942	6,307,341	-29%
Total current liabilities	99,102,735	90,189,175	10%
Total liabilities	202,970,297	206,679,276	-2%
Total equity and liabilities	643,486,376	480,366,434	34%

CONSOLIDATED CASH-FLOW

	31.12.2024 AROBS Group	31.12.2023 AROBS Group	Variation %
Profit before tax	28,005,798	43,041,736	-35%
Adjustments for:			
Depreciation of Goodwill	4,424,306	-	100%
Depreciation expenses	21,474,977	20,711,679	4%
Expenses related to disposed tangible and intangible assets	791,367	(503,221)	-257%
(Income) from the sale of tangible and intangible assets	(1,042,437)	(835,138)	25%
Expenses related to employee benefits – SOP	13,763,047	19,131,306	-28%
Expenses / (Income) related to adjustments for inventory write-downs	(168,847)	(30,041)	462%
Expenses / (Income) related to adjustments for receivables depreciation	515,758	2,196,790	-77%
Expenses / (Income) related to provisions for risks and charges	(703,031)	923,727	-176%
(Income) from subsidies	402,368	(148,353)	-371%
Expenses with interest and other financial expenses	4,217,537	2,629,077	60%
(Income) from interest and other financial income	(6,706,085)	(3,126,355)	115%
Expenses / (Incomes) related to value adjustments for tangible and intangible assets	-	127,551	-100%
Other adjustments	(52,527)	(265,889)	-80%
Operating profit before change in working capital	64,922,231	83,852,869	-23%
Change in trade and other receivables balances	27,222,339	(29,934,716)	-191%
Change in inventory balances	(1,076,665)	1,976,834	-154%
Change in trade and other payables balances	2,408,248	8,345,988	-71%
Change in prepaid expenses balances	(485,715)	(69,212)	602%
Change in deferred income balances	4,259,726	720,828	491%
Interest paid	(4,217,537)	(2,629,077)	60%
Interest received	4,371,911	2,859,430	53%
Cash generated from operating activities	97,404,539	65,122,944	50%
Income tax paid	(5,583,252)	(10,567,650)	-47%
Net cash from operating activities	91,821,287	54,555,294	68%
Cash flows from investing activities			
Loans (granted) to / repaid by affiliated entities and change in guarantees provided	3,098,120	3,017,607	3%
(Payments) for acquisitions of subsidiaries	(19,640,963)	(45,775,455)	-57%
(Payments) for acquisitions of tangible and intangible assets	(16,541,628)	(31,087,866)	-47%
Own Share buybacks	(9,509,018)	(6,379,028)	49%
(Payments) / Receipts from other investments in financial assets	302,033	221,342	36%
Net cash from investing activities	(42,291,456)	(80,003,402)	-47%
Cash flows from financing activities			
Collection of bank loans	2,609,603	-	100%
Repayment of bank loans	(22,137,932)	12,961,428	-271%
Short term loan variation	(191,110)	-	-100%
Payment of debts related to financial leasing	(876,846)	(1,113,067)	-21%
Capital increase	142,892,151	-	100%
Net cash from financing activities	122,295,867	11,848,362	932%
(Decrease) / Net increase in cash and cash equivalents	171,825,698	(13,599,744)	-1363%
Cash and cash equivalents at the beginning of the financial period	87,773,888	101,373,631	-13%
Cash and cash equivalents at the end of the financial period	259,599,586	87,773,887	196%

INDIVIDUAL PROFIT AND LOSS ACCOUNT

	2024 AROBS Individual Preliminary	2023 AROBS Individual Audited	Variation %
TURNOVER:	235,006,050	266,685,347	-12%
Revenue from software services	184,241,443	224,677,840	-18%
Revenue from software products	48,631,500	42,007,506	16%
Other services	2,133,107	-	100%
TOTAL COST OF SALES:	178,748,261	188,383,142	-5%
Cost of sales of software services	153,644,326	170,388,519	-10%
Cost of sales of software products	25,103,935	17,994,623	40%
GROSS PROFIT	56,257,789	78,302,205	-28%
Other revenues	1,421,590	451,959	215%
Sales and marketing expenses	(9,106,735)	(7,943,270)	15%
General and administrative expenses	(36,767,406)	(41,989,623)	-12%
OPERATING PROFIT	11,805,238	28,821,272	-59%
Income from shares held in affiliated entities	20,472,861	23,300,756	-12%
Financial revenues	6,891,611	3,262,373	111%
Financial expenses	(7,125,830)	(2,270,357)	214%
Revenue / (expenses) from exchange rate differences, net	1,009,811	(377,291)	-368%
GROSS PROFIT - BEFORE TAX	33,053,691	52,736,754	-37%
Profit tax	(2,741,687)	(6,248,221)	-56%
NET PROFIT	30,312,004	46,488,533	-35%

INDIVIDUAL BALANCE SHEET

Balance sheet indicators (LEI)	31.12.2024 AROBS Individual Preliminary	31.12.2023 AROBS Individual Audited	Variation %
Tangible fixed assets	6,510,366	8,266,950	-21%
Rights of use assets	17,329,592	9,458,236	83%
Intangible assets	15,284,113	13,695,274	12%
Shares held in affiliated entities	233,732,069	212,955,994	10%
Loans to related and affiliated parties	18,258,854	18,685,471	-2%
Other financial assets	2,895,021	2,968,851	-2%
Deferred tax assets	240,372	613,356	-61%
Total fixed assets	294,250,387	266,644,131	10%
Inventories and work in progress	1,990,082	1,493,635	33%
Trade receivables and other receivables	39,726,041	68,521,017	-42%
Loans to related and affiliated entities	12,537,498	9,192,978	36%
Prepaid expenses	1,726,784	1,323,501	30%
Short term investments	-	302,033	-100%
Cash and cash equivalents	218,899,865	58,263,292	276%
Total current assets	274,880,270	139,096,456	98%
Total assets	569,130,657	405,740,587	40%
Share capital	104,555,233	87,129,361	20%
Share capital adjustments to hyperinflation	263,971	263,971	0%
Share premium	146,472,470	23,185,001	532%
Legal reserves	9,525,470	7,664,524	24%
Other reserves	1,861,308	1,749,420	6%
Own shares	(12,885,372)	(5,689,379)	126%
Other components of equity	12,782,685	12,628,497	1%
Retained earnings	152,871,071	109,703,611	39%
Current result	30,312,005	46,488,532	-35%
Profit appropriation	(1,972,833)	(3,321,072)	-41%
Retained earnings due to the adoption of IAS29 for the first time	(263,971)	(263,971)	0%
Retained earnings due to the adoption of IFRS, without IAS29	(7,055,641)	(7,055,641)	0%
Gains on equity instruments	19,684,169	8,352,878	136%
Total equity	456,150,565	280,835,730	62%
Total equity	456,150,565	280,835,730	62%
Non-current liabilities:			
Advance income	234,184	273,503	-14%
Equity liabilities	14,686,659	14,686,659	0%
Bank loans	29,716,103	49,841,347	-40%
Lease liabilities	13,670,184	6,708,754	104%
Subsidies	216,510	301,940	-28%
Provisions	4,050,449	2,728,395	48%
Total non-current liabilities	62,574,089	74,540,599	-16%
Current liabilities:			
Trade and other liabilities	17,018,262	17,747,995	-4%
Advance income	3,682,621	3,262,205	13%
Equity liabilities	3,354,858	3,761,760	-11%
Bank loans	20,122,370	20,122,257	0%
Lease liabilities	4,950,253	3,939,382	26%
Subsidies	94,671	158,741	-40%
Provisions	1,182,968	1,371,918	-14%
Total current liabilities	50,406,003	50,364,259	0%
Total liabilities	112,980,092	124,904,857	-10%
Total equity and liabilities	569,130,657	405,740,587	40%

KEY FINANCIAL RATIOS

AROBS AT GROUP LEVEL

Current ratio as of 31.12.2024

$$\frac{\text{Current assets } 358,368,233}{\text{Current liabilities } 99,102,734} = 3.62$$

Quick ratio as of 31.12.2024

$$\frac{\text{Current assets-inventories } 350,146,796}{\text{Current liabilities } 99,102,734} = 3.53$$

Debt to equity ratio as of 31.12.2024

$$\frac{\text{Borrowed capital } 82,501,099}{\text{Equity } 440,516,079} \times 100 = 18.73\%$$

$$\frac{\text{Borrowed capital } 82,501,099}{\text{Employed capital } 523,017,178} \times 100 = 15.77\%$$

Borrowed capital = Loans over 1 year

Employed capital = Borrowed capital + Equity

Debt turnover ratio - clients (days) as of 31.12.2024

$$\frac{\text{Average client balance } 88,703,375}{\text{Turnover } 412,483,368} \times 365 = 78.49$$

Fixed assets turnover as of 31.12.2024

$$\frac{\text{Turnover } 412,483,368}{\text{Fixed assets } 285,118,143} = 1.45$$

Bank financing debt ratio as of 31.12.2024

$$\frac{\text{Total bank liabilities } 67,095,268}{\text{Normalized EBITDA } 66,555,910} = 1.01$$

Earnings per share as of 31.12.2024

$$\frac{\text{Profit } 21,645,571}{\text{Basic shares outstanding } 917,313,056} = 0.0236$$

Diluted earnings per share as of 31.12.2024

$$\frac{\text{Profit } 21,645,571}{\text{Diluted regular shares outstanding } 1,040,116,936} = 0.0208$$

2024 CONSOLIDATED REVENUE AND EXPENSE BUDGET

PROFIT AND LOSS ACCOUNT	2024 Reported	2024 Revised Budget	2024 Reported vs. Budget	2024 Reported vs. Budget %
Turnover:	412,483,368	404,866,000	7,617,368	2%
Revenue from software services	324,656,466	322,000,000	2,656,466	1%
Revenue from software products	80,556,722	78,770,000	1,786,722	2%
Revenue from integrated systems	7,270,180	4,096,000	3,174,180	77%
Total cost of sale:	297,137,058	294,803,000	2,334,058	1%
Cost of sales of software services	252,191,088	253,485,000	(1,293,912)	-1%
Cost of sales of software products	38,532,766	37,950,000	582,766	2%
Cost of sales of integrated systems	6,413,204	3,368,000	3,045,204	90%
Gross result	115,346,310	110,063,000	5,283,310	5%
Sales and marketing expenses	21,092,147	19,892,000	1,200,147	6%
General and administrative expenses	71,092,116	67,392,000	3,700,116	5%
Other net operating revenues (expenses)	914,474	922,000	(7,526)	-1%
Operating profit	24,076,521	23,701,000	375,521	2%
EBITDA	59,718,774	53,973,000	5,745,774	11%
EBITDA margin	14%	13%	1%	1%
Normalized EBITDA*	66,555,908	60,907,000	5,648,908	9%
Normalized EBITDA margin*	16%	15%	1%	1%
Profit before tax	28,005,798	25,264,000	2,741,798	11%
Profit tax	6,116,355	7,220,000	(1,103,645)	-15%
Net profit	21,889,443	18,044,000	3,845,443	21%
Net profit margin	5%	4%	1%	1%
Normalized net profit**	28,726,581	24,978,000	3,748,581	15%
Normalized net profit margin**	7%	6%	1%	1%

* Normalized EBITDA = EBITDA without the impact of ESOP 1, 2 and 3. The effect of the ESOP program that was implemented starting in 2024 has not been normalized.

** Normalized net profit excludes the non-cash effect generated by the Stock programs Option Plan (ESOP) 1, 2 and 3

The challenges of 2024 in the Software Services segment, the new opportunities identified in the Software Products and Integrated Systems segments, as well as the actions implemented at the cost level, determined the revision of the annual budget, at the end of Q3 2024.

The results obtained in the last quarter of the year marked an **exceeding** in turnover by 2% compared to the budget, the increasing evolution being identified at the level of all the Company's business segments. This fact was mainly due to the start of new collaborations for Software Products and Integrated Systems services.

Cost of sales remained in line with the budget continuing the objectives of effective cost management.

The **increase in sales and marketing costs** are the effect of consolidating sales teams to identify new business opportunities.

The **increase in general costs** compared to the budget was determined by the recording of expenses with the depreciation of goodwill in the of lei 4.4 million, because of the impairment tests performed on the value of the goodwill of the acquired companies.

EBITDA recorded in 2024 in the amount of **59.7 million lei** increased compared to the budget by **11%**, so the gross profit in the amount of 28 million lei follows the same growth trend by **11%** compared to the budget. Also, net profit increased by **21%** compared to the 2024 budget.

ABOUT AROBS TRANSILVANIA SOFTWARE

AROBS Transilvania Software SA is an IT company established in 1998, and currently, it is the largest and most liquid technology company listed on the Bucharest Stock Exchange.

The company's principal activity is developing custom software with high expertise in software engineering and embedded for the automotive, aerospace, medical, maritime, and others, but it also develops software for IoT, travel, clinical studies, enterprise solutions, Fintech and Intelligent Automation projects. AROBS has over 25 years of experience in developing customized software solutions for clients in 14 countries in Europe, Asia, and America.



Since its establishment, AROBS Transilvania Software has relied on excellent specialists and well-adjusted but flexible processes to consistently deliver the best quality customized software, products, and software applications, where the company has retained ownership.

The excellence of the software services and the dedication shown by the company's specialists have helped establish strong, long-term partnerships with over 11,000 companies in Romania, Central and Eastern Europe, and hundreds of international companies.

Since 2003, AROBS Transilvania Software has been creating its own solutions and products, the most important of which are **TrackGPS**, a solution for managing and monitoring car fleets, **Optimall** – a sales force automation solution, **RateWizz** – channel manager for the hotel industry, The **solution for digitizing school textbooks**.

The company has its headquarters in Cluj-Napoca and operational regional offices in Bucharest, Iasi, Targu Mures, Baia Mare, Suceava, and Arad.

As of December 2021, new premises were added to the AROBS map in Romania by acquiring Berg Computers, a company with offices in Timisoara, Oradea, and Lugoj.



In the period following the listing on the Bucharest Stock Exchange, AROBS completed 10 acquisitions, the most recent of which was InfoBest. AROBS has consolidated its presence in Romania, as well as on the DACH market, by taking over Infobest, a company specialized in the development of customized software solutions, with offices in Timisoara and Leverkusen, Germany. The transaction was completed on May 31, 2024.

GROUP STRUCTURE

As of December 31, 2024. The AROBS Group consisted of AROBS Transilvania Software SA (the "Company" or "AROBS" or "Parent Company") and 30 subsidiaries:

1	AROBS DEVELOPMENT & ENGINEERING SRL	100%
2	AROBS ETOLL SOLUTIONS SRL	100%
3	AROBS PANNONIA SOFTWARE KFT	100%
4	AROBS POLSKA (SYDERAL POLSKA)	94%
5	AROBS SOFTWARE SOLUTIONS GMBH	60%
6	AROBS SOFTWARE SRL	100%
7	AROBS SYSTEMS SRL	100%
8	AROBS TRACKGPS SRL	100%
9	ATS ENGINEERING LLC	100%
10	BERG COMPUTERS SRL	100%
11	CABRIO INVEST B.V.	90%
12	CENTRUL DE SOFT GPS SRL	100%
13	COSO BY AROBS B.V. NL	90%
14	COSO BY AROBS B.V. BE	90%
15	COSO TEAM UK LTD	90%
16	FUTURE WORKFORCE S.A.	100%
17	FUTURE WORKFORCE SRL	100%
18	FUTURE WORKFORCE GmbH	65%
19	FUTURE WORKFORCE Limited	80%
20	INFOBEST ROMANIA SRL	100%
21	INFOBEST SYSTEMHAUS GmbH	100%
22	INFOBEST ROMANIA SRL Branch	100%
23	NORDLOGIC SOFTWARE SRL	100%
24	NORDLOGIC USA. INC	100%
25	PT AROBS SOLUTIONS INDONESIA.	70%
26	SAS FLEET TRACKING SRL (SAS GRUP)	100%
27	SILVER BULLET SRL	100%
28	SOFTMANAGER SRL	70%
29	SKYSHIELD MAGYARORSZAG KFT	100%
30	UCMS GROUP ROMANIA SRL	97,67%

EMPLOYEES

As of 31.12.2024, the AROBS Group had an average number of 1,187 employees compared to 1,254 employees on 31.12.2023.

AROBS GROUP'S EVOLUTION IN 2024

Software Services Division – AROBS Transilvania Software

The Software Services division continued its stabilization efforts in existing specialized markets while developing new capabilities in response to both global industry trends and client demands. A key focus area for the division remains the ongoing integration of acquired companies and the consolidation of synergies, particularly in Medical, Embedded, and Cybersecurity technologies across the Group.

Amid a rapidly evolving global landscape marked by continuous transformation, R&D budget reductions from global clients, and increasing competition, particularly from outside Europe, the **Automotive business unit** focused on maintaining relationships with existing clients, expanding partnerships in the U.S. and the U.K., refining sales strategies, securing new collaborations, and optimizing costs.

Key ongoing projects include technological integration in software-defined vehicles, embedded systems for smart devices, cameras, infotainment, navigation, connectivity, autonomous driving, and cybersecurity. Due to the decline in demand from traditional, primarily European partners, coupled with general industry stagnation, new EU automotive regulations, and reduced subsidies for electric vehicle purchases, the team has seen growing interest in similar embedded technology applications beyond the automotive sector.

In 2024, **the Travel and Cybersecurity team** strengthened its position in the travel sector by expanding its client portfolio. A top 10 global player in the travel industry selected AROBS as a software services provider for the development of several key applications. Within the travel industry, demand has shifted towards solutions that optimize operational workflows for distributors and enhance the end-customer experience. A concrete example is the implementation and integration of the NDC (New Distribution Capability) standard for one of the industry's largest players. By adopting this standard, the end-customer benefits from more competitive pricing, personalized offers, cost transparency, greater booking control, and improved travel experience. Another key initiative was the team's contribution to the development of a new hotel management system, designed to streamline operational processes and increase the volume of direct bookings.

In the cybersecurity sector, the division focused on expanding the team and developing competencies through training and certifications, further strengthening its ability to deliver advanced cybersecurity services. Currently, AROBS offers a wide range of services, including consulting for the implementation of the NIS2 directive, with AROBS being a certified auditor by the National Cybersecurity Directorate (DNSC). Additionally, in 2024, new collaborations were initiated with clients in the financial and industrial sectors, providing services such as Penetration Testing, Vulnerability Assessment, Risk Assessment, and Incident Response.

The global trend of internalization in Clinical Trials and Health Insurance has impacted growth in **Life Sciences expertise**. At the same time, stability has been observed in forestry management and IoT applications, with a slight increase in legal tech and document management solutions. **The Enterprise Solutions team** further strengthened its market position in customized solutions for enterprise and financial-banking clients, supporting their digital transformation. Efforts continued to enhance relationships with existing clients by implementing innovative and tailored solutions.

The Software Services division has taken a proactive approach toward exponential technologies, consistently proposing the adoption and integration of AI into existing solutions and new products through collaborative exploration sessions with clients.

Companies within the Software Services Division



In 2024, **BERG Software** focused on expanding into the U.S. market through a strategic partnership with KeborMed for cloud-connected medical devices. At the same time, it strengthened its presence in Europe, particularly in automation through the transition to SAP Cloud, as well as in the biomedical sector. The maturation of AI technologies has facilitated the development of AI-driven solutions (including generative AI) and the integration of AI functionalities into existing market solutions.

For 2025, BERG Software aims to further consolidate its position in the DACH region (Germany, Austria, Switzerland) and expand its presence in the U.S. market, with a particular focus on SAP, biomedical, and cybersecurity solutions.



AROBS Engineering continued to focus on the Medical, Aerospace, Marine, and Automotive industries, further strengthening its position as an expert in embedded software for real-time and safety-critical devices. The company concentrated its efforts on software platforms for autonomous vehicles, including autonomous driving, assisted parking, and driver monitoring systems. Additionally, the teams expanded their collaboration with off-highway vehicle solution providers, particularly in functional safety and software security for electronic control units (ECUs) and control panels

used in cranes, agricultural machinery, and emergency vehicles such as fire trucks. A growing trend has been observed in the adoption of modern software processes and environments, such as Adaptive AUTOSAR and POSIX, alongside existing systems.

In the Aerospace sector, AROBS Engineering secured a new project with ESA to develop software platforms (Linux and RTOS) for next-generation RISC-V architecture, as well as its first joint project with AROBS Polska, involving the development of a fully integrated hardware and software solution for satellite navigation systems. The company has maintained steady growth, expanding its embedded software expertise for new ESA missions, leveraging RISC-V architecture.

In the medical devices and marine tech sectors, large-scale projects for globally renowned clients remained stable, focusing on the development of new modules and maintenance of previously delivered solutions.

A strong industry-wide shift has been observed across Automotive, Aerospace, and IoT, with increasing demand for security services in embedded systems. Key focus areas include firmware update security, encryption of stored data, secure communication protocols (CAN, Ethernet, RF, etc.), integration of dedicated security modules such as HSM (Hardware Security Module), as well as Penetration Testing and vulnerability assessments.

According to Lancet (2023), the number of people diagnosed with diabetes could rise from 537 million in 2021 to over 1.3 billion by 2050, driving accelerated growth in the medical device market for diabetes management. AROBS Engineering contributes to the development of personalized patient care technologies for one of the world's leading companies in this segment. Additionally, the company continued its collaboration with a developer of a rapid disease detection platform, including COVID-19. AROBS Engineering's end-to-end Verification and Validation expertise remains a key differentiator in the medical devices market.

In 2024, the company expanded its support for hybrid collaboration solutions, including video conferencing and presentation tools, ensuring end-to-end verification and validation of these technologies. In the maritime embedded technology segment, AE teams continued delivering robust software for multifunctional displays, despite a slight decline in activity within this sector.



The Nordlogic Group expanded its client portfolio by signing its first software development service contracts with two new United Nations agencies.

An exciting new project is the digitalization of Cluj County Council's operations, which entered a new, accelerated, and expanded implementation phase starting in fall 2024.



A key driver of AROBS Polska's growth in 2024 was its expansion into new market segments and technological domains.

The selection by the European Space Agency (ESA) for the implementation of post-quantum cryptography algorithms (PQC ASTRAL) marks a major advancement in satellite telecommunications security.

This progress is highlighted by the company's involvement in several high-profile projects:

- **CRIMSON** – Development and qualification of the proximity operations control unit: This project represents a significant milestone for the company in the aerospace and defense sectors. By developing and qualifying a proximity operations control unit, AROBS Polska contributes to cutting-edge technologies with critical applications.
- **RASCOSA Project**: The company is developing electronic control components for infrared sensor cooling systems, showcasing its ability to collaborate internationally and tackle complex thermal management challenges.
- The successful commercialization of the IP Core Time-to-Digital Converter demonstrates the company's expertise in developing IP Cores and its ability to turn research into profitable products.



Future WorkForce Global (FWF) strengthened its position as a multi-technology digital transformation provider, expanding its client portfolio by 15% through new partnerships. A dedicated support and maintenance team was established, becoming a strategic pillar for growth in 2025.

The company gained international recognition, ranking in the top 10 in the AI competition organized by UiPath, and invested in emerging technologies such as Intelligent Document Understanding (IDU) and Communications

Mining.

For 2025, FWF focuses on Agentic Automation, developing solutions for automating complex processes, diversifying revenue streams through support and maintenance services, and expanding international partnerships. The company aims to maintain its position as a global leader in digital transformation and automation innovation.



During 2024, the **CoSo** teams, specialized in Robotic Process Automation (RPA) and fully integrated both operationally and as a brand under the Future WorkForce name, remained focused on expanding and consolidating their Benelux market position.



In 2024, Infobest by AROBS successfully maintained and strengthened partnerships with all major clients despite a challenging economic environment. This achievement, along with the initiation of smaller-scale projects with both existing and new clients, led to a slight increase in the number of employees.

The goal of entering the Scandinavian markets proved more challenging than initially anticipated, leading to the decision to explore other geographic markets in the near future.



TRACKGPS – Fleet Management Solutions

AROBS TrackGPS is a flagship brand of AROBS Transilvania Software. Launched nearly two decades ago, TrackGPS has continuously evolved, integrating cutting-edge technologies to deliver highly efficient fleet management solutions. Today, the TrackGPS brand is one of the market leaders in its sector, offering intelligent platforms that go beyond basic GPS tracking. Its extensive portfolio includes advanced services designed to increase productivity, optimize costs, ensure regulatory compliance, and

enhance fleet safety.

In 2024, over 850 new companies, managing approximately 11,000 new vehicles, chose the TrackGPS platform. AROBS TrackGPS continued to strengthen its position as a key player in the fleet management market in Central and Eastern Europe.

Investing in international transport solutions, AROBS TrackGPS launched TachoAnalytics in early 2024, one of the most advanced tachograph data analytics solutions available. TachoAnalytics enables real-time downloading of .DDD files from tachographs, providing detailed insights into driver activity, vehicle performance, and regulatory compliance. This innovation significantly strengthened the TrackGPS division’s position in the "heavy truck" segment.

In compliance with current regulations, the company also continued to develop and optimize the e-Transport module, facilitating vehicle association with UIT codes and ensuring automated data transmission to the ANAF platform.

AROBS TrackGPS maintained its top position in fleet management by developing and promoting advanced solutions tailored to the industry's evolving needs. Key features that supported this growth include fuel consumption monitoring, CAN data tracking, safety driving solutions, a GDPR module for private mode activation during personal trips, video telematics solutions, and TrackGPS integration with payment platforms for direct vignette and RCA insurance purchases.

In 2024, Orange Romania SA became AROBS TrackGPS's most important strategic partner, strengthening collaboration in promoting fleet management solutions. Through this partnership, TrackGPS solutions are now

integrated and distributed via Orange's service and product portfolio, ensuring greater accessibility and efficiency for customers.

To enhance customer experience and communication transparency, AROBS TrackGPS continued investing in the TrackGPS Customer Support portal. This platform provides real-time access to service request statuses, ensuring efficient and fast interaction. Additionally, customers benefit from a digital library with detailed guides and video materials, facilitating an intuitive and seamless user experience.

The TrackGPS Fleet Management mobile app remains an essential tool for fleet managers, recognized as the most advanced fleet management solution available in Romania, Moldova, and Hungary.

The growing demand for compliance solutions and operational performance optimization has driven increasing interest from transport service providers and companies managing their own fleets. These technologies play a key role in accelerating the digitalization of transport and fleet management, delivering efficiency, transparency, and enhanced control.

AROBS TrackGPS continues to reinforce its leadership in advanced fleet management solutions, remaining a trusted partner in the digital transformation of the industry.



SASFleet Tracking, better known on the market as [alarma.ro](http://www.alarma.ro) - is the second fleet management brand owned by AROBS.

SASFleet Tracking continued to strengthen its position in both the enterprise and SME segments, addressing the growing interest from customers in cost optimization, route planning, and predictive maintenance modules. The company also advanced the development of the E-Transport module, designed to support freight carriers in communicating vehicle positioning data to ANAF.

The company experienced significant growth in portfolio, securing new partnerships, the most notable being a major service provider in the energy sector, managing a fleet of over 500 vehicles.

Market trends indicate an increasing demand for fleet cost control tools, particularly regarding fuel consumption monitoring. As a result, the FleetCare solution has been well received by new partners, especially its fuel consumption vs. budget module, document expiration alerts, driver behavior tracking, and specialized products like the FMB 140 device, which provides valuable data such as idling with the engine running, fuel level readings via the vehicle's native fuel probe, and engine RPM monitoring.

Additionally, 2024 saw a rise in customer demand for "Private Interest" solutions, which protect privacy during personal trips while still tracking mileage. SASFleet offers a comprehensive solution addressing this need with both hardware (Inhibit/Activate Position Button) and reporting features (Private Mileage Tracking).

To address connectivity challenges in regions where GPRS (2G) services have been discontinued (such as Switzerland, the Netherlands, and Belgium), SASFleet introduced LTE (4G) devices like FMC 130 into its portfolio, ensuring seamless communication with servers.

Fuel efficiency remains a top priority for customers, leading to a significant increase in hardware sales that directly query the vehicle's engine computer, enabling precise fuel consumption reporting.



AROBS E-toll Solutions continued its efforts to increase market share, recording growth in new customer acquisitions and successfully integrating these clients with the Group's fleet management platforms.



The **Centrul de Soft GPS** client portfolio includes over 1,000 companies, with approximately 9,000 monitored vehicles. The company's 2024 objective was the migration of clients to the TrackGPS platform.



UCMS by AROBS continues to strengthen its position in the human resource management solutions segment. New partnerships have been established in target industries such as Banking, Retail, Manufacturing, Automotive, and IT.

The company has been attracting new partners primarily through key automation and digitalization features that have gained significant client interest. These include automated timekeeping, digitalized internal and regulatory reporting, employee evaluation, delegation and reimbursement

management, and electronic document signing for employees.

Main Categories of Products Sold and/or Services Provided in Business Optimization



AROBS Optimall SFA expanded its partnership network throughout 2024. Among the promoted solutions, Optimall SFA has gained the strongest traction in the Romanian market. Market evolution has challenged the team to innovate, leading to the launch of new modules—Merchandising and Prospecting—while also enhancing service quality.

Optimall clients are increasingly focused on digitalization and process improvement within their companies through various automation solutions.

Within SFA, the most in-demand modules, aside from customer and order

management, have been Supervisor, Flexible Promotions, Merchandising, and Sell Sheet.

The WMS (Warehouse Management System) solution has seen strong demand among clients looking to digitalize warehouse operations. In 2024, the solution benefited from new functionality investments and process redesign efforts to further enhance efficiency.



In 2024, **SoftManager CRM+** continued to develop solutions for the tourism and agriculture sectors. The company completed the integration with TINA Travel IntraNet, an ERP system designed for tourism professionals, and launched a new interface for grain purchase contracts, which automates distance calculations, pricing, and transport type selection.

Additionally, new functionalities were implemented, including E-Transport for reporting goods transport with fiscal risk, E-Factura for individual customers, and Import invoices from SPV, which streamlines XML document archiving.



MANUALE EDUCAȚIONALE

Solution for digitalizing school textbooks: In 2024, the Digital Textbooks project celebrates 10 years since its launch. The modern platform effectively complements traditional classroom learning, providing students with access to interactive resources.

Following successful tender bids in 2024, the executed print runs amounted to 80,000 copies for new textbooks and 170,000 copies for reprints. In 2025, the team, in partnership with Aramis, will participate in a new tender for 8th-grade textbooks in Technological Education and Practical Applications,

Romanian Language and Literature, and Biology, with expected delivery to the Ministry by the end of March.

Looking ahead to 2025, key educational trends include Augmented Reality (AR) and Virtual Reality (VR), which provide immersive and interactive learning experiences. While implementation may present challenges, E-learning continues to be an essential part of modern education.



For 2025, RateWizz will focus on optimizing operations and enhancing the efficiency of existing partnerships. Key priorities include maintaining the relationship with its main client, advancing integration with PMS systems in Romania, and exploring opportunities for new sales channel connections based on market demand.

In a competitive and uncertain landscape, the RateWizz team successfully delivered a stable and efficient solution in 2024, tailored to the needs of hoteliers.



AROBS Systems continued to strengthen its position in the digitalization of the public sector, providing hardware and software implementation services. The company is currently involved in several major projects, including the development and implementation of the new Integrated Information System for the National Public Pension House (CNPP), where it is part of a consortium delivering partial implementations. Additionally, it provides technical assistance services on demand for Nuclearelectrica and the National Bank of Romania (BNR).

The team successfully participated in the public tender for the "Automation of Workflow Processes in Public Administration," organized by the Authority for the Digitalization of Romania, a project with a budget of 106.8 million lei, in partnership with EY. Other tenders in which AROBS Systems took part include projects for the Romanian Air Traffic Services Administration (ROMATSA) and the implementation of intelligent local management systems in Mosoaia.

Beyond its work with government institutions, the company has expanded its client base in the private sector, securing new partnerships for IT infrastructure solutions.

DECLARATION OF THE MANAGEMENT

Cluj-Napoca, February 27, 2025

I confirm, according to the best information available, that the consolidated and individual interim simplified financial results for the period between 01.01.2024 and 31.12.2024 give a true and fair view of the assets, liabilities, financial position and revenue and expense statements of AROBS Transilvania Software SA and that the management report provides a true and fair view of the important events that took place in 2024 and their impact on the company's financial statements.

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