

2024 Annual Remuneration Report of the Company's Directors

AROBS TRANSILVANIA SOFTWARE S.A.

Annual remuneration report of the directors of AROBS TRANSILVANIA SOFTWARE SA (the "Company")

According to the provisions of Article 107 of the Law no. 24/2017 on issuers of financial instruments and market operations, as amended, the Remuneration and Nomination Committee of the Company has prepared, in accordance with the remuneration policy of the directors of the Company, this annual remuneration report ("Remuneration Report") which includes the remuneration and other benefits granted to the directors of the Company during the financial year ended 31 December 2024.

Name of the company	AROBS Transilvania Software S.A.
Registered office	11 Donath St., bl. M4, entrance 2, 3rd floor, ap. 28, Cluj-Napoca, Cluj, Romania
Email	<u>ir@arobsgroup.com</u>
Phone	+40 364 143 201
Website	<u>www.arobsgroup.ro</u>
Registration no. at ONRC	J1998001845122
Unique registration code	RO 11291045
Subscribed and paid-up share capital	104.555.233lei
Shares	1,045,552,330
Symbol	AROBS
Trading market	Bucharest Stock Exchange, Main Segment, Premium Category

The Remuneration Report will be subject to the advisory vote of the Company's Ordinary General Meeting of Shareholders ("OGMS") scheduled for April 28/29, 2025. It will be published on the Company's website at <https://arobs.com/arobs-for-investors/> and will remain publicly available for 10 (ten) years from the date of publication, in accordance with the applicable legal provisions.

The Remuneration Report provides an overview of the remunerations, including all benefits, regardless of form, granted or due during the last financial year to the individual executive and non-executive directors.

The Company applies its remuneration policy, duly adopted by the Resolution of the Ordinary General Meeting of Shareholders No. 2 dated April 28, 2023, published on the Company's website at https://arobs.com/wp-content/uploads/2023/05/AROBS_OGSM-Resolution_28.04.2023.pdf which sets out the principles of remuneration, the main characteristics of the remuneration policy, as well as the specific remuneration criteria applicable within the Company.

The remuneration policy is based on the following key principles:

- To contribute to the successful implementation of the Company's strategy;
- To create an appropriate framework for fostering the skills necessary for the sustainable development of AROBS TRANSILVANIA SOFTWARE S.A.;
- To ensure adequate shareholder involvement in setting and monitoring the implementation of the remuneration policy;
- To contribute to promoting the mission and values of AROBS TRANSILVANIA SOFTWARE S.A.;
- To prevent conflicts of interest;
- To provide the necessary and flexible tools to appropriately remunerate the directors according to their responsibilities, competencies, and performance;
- To ensure compliance with the applicable legal requirements.

I. Structure of the Company's Executive Remuneration for the 2024 Financial Year

A. The members of the Company's Board of Directors as well as the Executive Directors appointed in accordance with the provisions of Article 143 of Law no. 31/1990 on commercial companies receive both fixed and variable remuneration, including a cash component and a performance- and benefit-based share component. While the fixed remuneration is based on the market-competitive level for positions with similar responsibilities and competencies within the relevant industry, the variable remuneration is determined based on individual and team performance in the context of the macroeconomic environment during the respective period. It is granted following procedures directly related to the Company's

economic and financial performance, the requirements for continuity and sustainability of the Company's operations, as well as the Company's resources at that time.

The members of the Company's Board of Directors receive both a fixed and a variable allowance, the levels of which are approved by the Ordinary General Meeting of Shareholders. The variable allowance is to be determined in a manner deemed reasonable and necessary to attract and retain qualified individuals suitable for the market in which the Company operates. The financial and non-financial performance criteria for variable remuneration in cash and/or shares, in accordance with the Remuneration Policy

(https://arobs.com/wp-content/uploads/2025/03/AROBS_REMUNERATION-POLICY_en.pdf), are as follows:

- **Financial criteria:**

- Company EBITDA;
- Company NET PROFIT;
- Company TURNOVER;

- **Non-financial criteria:**

- The social impact and sustainability of the Group's operations – e.g., environment, safety, and employee engagement;
- Strategic project management: business development projects, turnaround management and profitability growth, significant process improvements, new markets and products, etc.

Members of the Board of Directors benefit from professional liability insurance, in accordance with applicable legal provisions, and the Company may also provide them with the necessary tools and means to carry out their activity, such as a laptop, phone, car, or health-related services.

The Board of Directors meets monthly or whenever necessary. During 2024, 29 meetings of the Board of Directors took place, and other online consultations were also organized as needed.

The Executive Directors of AROBS TRANSILVANIA SOFTWARE S.A., individuals to whom the management of the Company has been delegated by the Board of Directors in accordance with the provisions of Article 143 of Law no. 31/1990 on commercial companies, benefit from both a fixed monthly remuneration and a variable remuneration in cash and/or shares, based on the fulfillment of performance criteria set by the Board of Directors.

The individual performance evaluation takes into account both financial and non-financial aspects, such as:

- Achievement of overall objectives/performance of the Company;
- Establishment/involvement in executing the business strategy;
- Attainment of the net profit target and the budget achieved during the relevant fiscal year;
- Setting long-term objectives;
- Ensuring business continuity;
- Implementation and continuous improvement of the policies applicable within the Company;
- Contribution to company performance through decisions made;
- Improvement of industry-specific indicators/scores related to: corporate governance, investor relations, and/or other indicators measuring compliance with standards and best practices in the business environment.

The purpose of the variable remuneration is to encourage the Executive Directors to focus on long-term value creation for the Company and to align their interests with those of the Company and its shareholders.

The Executive Directors benefit from professional liability insurance, in accordance with applicable legal provisions. The Company has also provided them with the necessary tools and means to perform their duties, such as a laptop, phone, car, or health-related services.

The Issuer's management during the 2024 financial year was carried out by the Board of Directors which, in accordance with the BVB Corporate Governance Code applicable to issuers listed on the Main Market, is composed of 5 members: 2 executive members and 3 non-executive members, of whom 2 are also independent. Based on Law no. 31/1990, part of the responsibilities of the Board of Directors have been delegated to the Chief Executive Officer and the two Executive Directors. Accordingly:

- Mr. Voicu Oprean holds the following positions within the Company: executive member and Chairman of the Board of Directors, Chief Executive Officer, and Chairman of the Nomination and Remuneration Committee;

- Ms. Cleja Mihaela-Stela holds the following positions within the Company: non-executive member of the Board of Directors, member of the Audit Committee, and member of the Nomination and Remuneration Committee;
- Mr. Gârbacea Răzvan-Dimitrie holds the following positions within the Company: non-executive and independent member of the Board of Directors, member of the Audit Committee, and member of the Nomination and Remuneration Committee;
- Mr. Nistor Ioan Alin holds the following positions within the Company: non-executive and independent member of the Board of Directors, Chairman of the Audit Committee, and member of the Nomination and Remuneration Committee;
- Mr. Deaconu Aurelian Călin holds the following positions within the Company: executive member of the Board of Directors and Executive Director for the Software Services Divisions;
- Mr. Bojan Ovidiu holds the position of Executive Director for the TrackGPS Divisions.

The remunerations, as presented in the table below, include the compensation for all roles held within the Company by each member, on a cumulative basis.

No.	Surname and Name / Position	Start date	Period	Gross Fixed Remuneration 2024	Gross Remuneration in Shares (at allocation date value)	Remuneration Received from Any Group Entity (gross)	Other benefits *	Total Annual Remuneration (gross)	Information on Use of Clawback Option for Variable Remuneration	Fixed/Variable Remuneration Ratio	Information on Any Deviation/Derogation from the Exceptional Remuneration Policy
1	OPREAN VOICU Executive Member and Chairman of the Board of Directors, CEO	01.10.2021	ian.-dec. 2024	799,781.00	1,494,056.30	0.00	14,503.00	2,308,340.30	N/A	35%/65%	-
2	CLEJA MIHAELA-STELA Non-executive Member of the Board of Directors	01.10.2021	ian.-dec. 2024	445,537.00	0.00	0.00	12,268.00	457,805.00	N/A	100%/0%	-
3	GÂRBACEA RĂZVAN-DIMITRIE Non-executive Member of the Board of Directors	01.10.2021	ian.-dec. 2024	153,870.00	0.00	0.00	8,668.00	162,538.00	N/A	100%/0%	-
4	DEACONU AURELIAN CALIN Executive Member of the Board of Directors and Executive Director Software Services Divisions	29.09.2023	ian.-dec.2024	673,171.00	1,401,282.50	0.00	10,120.00	2,084,573.50	N/A	33%/67%	-
5	NISTOR IOAN ALIN Non-executive Member of the Board of Directors	29.09.2023	ian.-dec.2024	154,133.00	0.00	0.00	8,668.00	162,801.00	N/A	100%/0%	-
6	BOJAN OVIDIU Executive Director TrackGPS Divisions	11.10.2023	ian.-dec. 2024	412,349.00	0.00	0.00	16,279.78	428,628.78	N/A	100%/0%	-

**Other benefits include professional liability insurance, health insurance, and training courses.*

Starting in August 2024, due to the financial performance recorded in the first half of 2024, a series of strategic measures were implemented to optimize costs and streamline the organizational structure in order to ensure the Company's long-term financial stability and continuity.

Following the analysis of the Company’s financial results for the first half of 2024, which showed a significant decrease in the main financial performance indicators on an individual basis compared to the first half of 2023 and the approved Budget, the Nomination and Remuneration Committee submitted, on July 29, 2024, to the Board of Directors, the proposal to reduce the fixed remuneration of the Chief Executive Officer by 6,836 lei and the fixed remuneration of the Executive Director of the Software Services Division by 10,290 lei, starting August 1, 2024.

This remuneration reduction is a necessary measure in the current economic context, aimed at optimizing the Company’s costs and ensuring medium- and long-term financial sustainability. Furthermore, this adjustment reflects the need to align compensation with the Company’s financial performance and with the evolution of the software market during this period.

Through the implementation of these measures, the Company aimed to adjust its cost structure to help reduce general expenses and better adapt to current market conditions. These measures will allow for improved financial resource management and will support the Company in navigating the challenging economic environment in the software industry.

II. The number of shares granted to the members of the Board of Directors and Executive Directors

Surname and name	Position	Year	Number of Shares Granted (Transferred)	Number of Share Options Granted (Promised)	Share Price at Allocation Date (RON/share)	Share Value at Allocation Date (RON)
OPREAN VOICU	Board Member and CEO	2024	1.615.196		0,9250	1.494.056,3
		2024		1.622.470*	-	-
CLEJA MIHAELA-STELA	Board Member	2024		150.000*	-	-
GĂRBACEA RĂZVAN-DIMITRIE	Board Member	2024				
DEACONU AURELIAN CALIN	Board Member and Executive	2024	1.514.900		0,9250	1.401.282,5
		2024		1.359.409*	-	-
BOJAN OVIDIU	Executive Director	2024		253.974*		

awarded shares = shares that have vested and been transferred

granted shares = shares promised but not yet exercised

The awarded shares were transferred free of charge, the transfer price representing the amount recognized as an expense in accordance with IFRS.

*The share options granted in 2024 under the ESOP 4 program, approved by OGMS Resolution no. 2 dated April 29, 2024, will be transferred to the beneficiaries' accounts in 2025, 2026, and 2027. As of now, the share options under ESOP 4 have not yet been exercised but are recognized as an expense in accordance with international financial reporting standards (IFRS).

During 2024, the first tranche of ESOP 3 reached maturity. This program was approved by the EGMS Resolution no. 6 dated August 1, 2022, and subsequently amended by EGMS Resolution no. 7 dated December 22, 2022. ESOP 3 was adopted for the purpose of remunerating and retaining employees and members of the Company's management bodies, as well as individuals holding such positions within affiliated companies.

(https://bvb.ro/infocont/infocont24/AROBS_20240416145838_AROBS-Current-Report-19-2024-EN.pdf)

III. Variation of the main financial performance indicators of Arobs Transilvania Software SA for the period 2020–2024.

ATS - RON	2024	% 2024 vs. 2023	2023	% 2023 vs. 2022	2022	% 2022 vs. 2021	2021	% 2021 vs. 2020	2020	% 2020 vs 2019	2019	% 2019 vs 2018	2018
Turnover	232,872,943	-11.88%	264,275,656	15.64%	228,531,259	34.96%	169,336,118	9.57%	154,546,310	9.31%	141,387,197	29.56%	109,131,604
EBITDA	24,764,768	-40.20%	41,414,618	-20.90%	52,358,888	9.67%	47,741,672	2.40%	46,621,340	30.01%	35,859,827	53.37%	23,380,883
Normalized EBITDA	30,342,565	-46.87%	57,105,896	0.42%	56,869,707	18.59%	47,954,776	2.86%	46,621,340	30.01%	35,859,827	53.37%	23,380,883
Net profit	30,516,880	-34.36%	46,488,533	10.96%	41,898,453	-3.01%	43,199,268	6.95%	40,391,242	27.53%	31,670,892	72.39%	18,371,800
Normalized net profit	36,094,677	-41.95%	62,179,812	33.98%	46,409,273	6.90%	43,412,372	7.48%	40,391,242	27.53%	31,670,892	72.39%	18,371,800

2023 is the first reporting year in accordance with the International Financial Reporting Standards (IFRS).

Normalized EBITDA represents EBITDA excluding the impact of ESOP 1, 2, and 3. Normalized Net Profit represents Net Profit excluding the impact of ESOP 1, 2, and 3. The financial performance indicators in the table above are presented on an individual basis. The turnover for the year 2023 was adjusted by 2,409,691 lei following the reclassification of certain revenues under the “Other income” category, as they related to transactions outside the Company's core business activity.

IV. Annual change in remuneration, issuer performance, and average remuneration based on full-time equivalent of the Company's employees who are not directors, over the past five financial years.

Remuneration of Directors

Surname and Name / Position	FY 2020 vs. FY 2019	FY 2021 vs. FY 2020	FY 2022 vs. FY 2021	FY 2023 vs. FY 2022	FY 2024 vs. FY 2023
OPREAN VOICU Member and Chairman of the Board of Directors, CEO	44,14%	101,44%	154,98%	14,91%	10.96%
CLEJA MIHAELA-STELA Non-executive Member of the Board of Directors	N/A	N/A*	1,24%	0,33%	1.17%
GÂRBACEA RĂZVAN-DIMITRIE Non-executive Member of the Board of Directors	N/A	N/A**	1,76%	2,03%	1.77%
DEACONU AURELIAN CALIN Executive Member of the Board of Directors and Executive Director	N/A	N/A	N/A	N/A***	305.09%
NISTOR IOAN ALIN Non-executive Member of the Board of Directors	N/A	N/A	N/A	N/A****	309.44%
BOJAN OVIDIU Executive Director TrackGPS Divisions	N/A	N/A	N/A	N/A****	353.50%

*Ms. Cleja Mihaela Stela began her mandate on October 1, 2021;

**Mr. Răzvan Dimitrie Gârbacea began his mandate on October 1, 2021;

***Mr. Aurelian Călin Deaconu and Mr. Ioan Alin Nistor began their mandates on September 29, 2023;

****Mr. Ioan Alin Nistor began his mandate on September 29, 2023;

*****Mr. Ovidiu Bojan began his mandate on October 11, 2023.

For executive members who started their mandates in 2023, the remuneration taken into account reflects only the last months of the year, depending on the start date of each mandate.

In line with both labor market conditions and the Company’s financial performance, the average gross remuneration of employees who are not directors has evolved over the past five years as shown in the table below:

Average remuneration based on full-time equivalent of the Company’s employees					
Annual change	variation 2020 vs. 2019	variation 2021 vs. 2020	variation 2022 vs. 2021	variation 2023 vs. 2022	variation 2024 vs. 2023
	7.18%	13.88%	44.97%	36.64%	14.89%

During the 2024 financial year, there were no cases requiring the clawback of variable remuneration, and there were no deviations or derogations from the rules set out in the Remuneration Policy.

V. ADVISORY VOTE ON THE 2023 REMUNERATION REPORT

At the Ordinary General Meeting of Shareholders held on April 29, 2024, the agenda item regarding the approval of the 2023 Remuneration Report received 95.2% “for” votes out of the total votes cast by the shareholders present at the meeting, and 4.8% “against” votes out of the total votes cast by the shareholders present at the meeting.

The Company has taken into account and will continue to consider the shareholders' opinions expressed regarding the Remuneration Report, with the ongoing objective of improving the corporate governance framework and valuing the suggestions and views provided by shareholders.

This report was prepared by the Nomination and Remuneration Committee in its meeting held on March 3, 2025, in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished, and was approved by the Company’s Board of Directors on March 26, 2025. It will be subject to an advisory vote at the Annual Ordinary General Meeting of Shareholders of the Company convened for April 28/29, 2025.

The shareholders’ opinion expressed in the General Meeting regarding the Remuneration Report, as resulting from the vote, is of an advisory nature.

This Remuneration Report was reviewed by the statutory auditor, BDO AUDITORS & ACCOUNTANTS SRL, who presented its opinion in the Audit Report.

Chairman of the Board of Directors

Voicu Oprean