

**AROBS TRANSILVANIA SOFTWARE S.A.**

**CONSOLIDATED FINANCIAL STATEMENTS**

Prepared in accordance with the Ministry of Finance Order no. 2844/2016 for the approval of accounting regulations compliant with the International Financial Reporting Standards

**AROBS TRANSILVANIA SOFTWARE S.A.**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31 2024**  
*(All amounts are in RON, unless otherwise mentioned)*

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**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31 2024**  
*(All amounts are in RON, unless otherwise mentioned)*

<b>STATEMENT OF CONSOLIDATED INCOME</b>	<b>Note</b>	<b>FY 2024</b>	<b>FY 2023</b>
<b>Turnover:</b>	5	<b>414,667,612</b>	<b>427,294,137</b>
Software services		327,574,127	344,775,332
Software products		79,823,305	70,537,191
Integrated systems		7,270,180	11,981,614
<b>Total cost of sales:</b>		<b>301,894,814</b>	<b>295,755,657</b>
Cost of sales of software services	76.1	256,626,233	254,215,350
Cost of sales of software products	76.2	38,855,377	31,653,344
Cost of sales of integrated systems	76.3	6,413,204	9,886,963
<b>Gross profit</b>		<b>112,772,798</b>	<b>131,538,480</b>
Other income	7	1,647,892	1,131,751
Sales and marketing	8	(21,098,009)	(18,370,931)
General and administration	9	(69,633,618)	(70,739,928)
<b>Profit before tax</b>		<b>23,689,063</b>	<b>43,559,372</b>
Interest income	12	6,950,694	3,300,289
Interest expense	12	(4,396,061)	(2,595,577)
Net Forex Income/(Expenses)	12	1,379,995	(1,222,348)
<b>Profit before tax</b>		<b>27,623,691</b>	<b>43,041,736</b>
Income tax	14	(6,391,433)	(11,125,850)
<b>Net profit</b>		<b>21,232,258</b>	<b>31,915,886</b>
<b>Other Comprehensive Income</b>		<b>(52,768)</b>	<b>(251,459)</b>
<b>Overall result</b>		<b>21,179,490</b>	<b>31,664,427</b>
related to parent company		20,937,674	31,585,137
related to NCI		241,816	79,290
<b>Basic earnings per share</b>		<b>0.0229</b>	<b>0.0385</b>
<b>Diluted earnings per share</b>		<b>0.0202</b>	<b>0.0372</b>

These financial statements were signed and approved on March 28, 2025, by:

**Voicu Oprean**  
Administrator

**Bogdan Ciungradi**  
Chief Financial Officer

**AROBS TRANSILVANIA SOFTWARE S.A.**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31 2024**  
*(All amounts are in RON, unless otherwise mentioned)*

STATEMENT OF FINANCIAL POSITION	Note	FY 2024	FY 2023
Property, plant and equipment	17	13,679,736	35,556,876
Assets related to rights of use of leased assets	32	25,396,600	17,236,489
Investment Properties	18	21,008,039	-
Goodwill	19	111,230,318	104,761,369
Customer relationship	20	74,155,381	76,561,802
Other intangible assets	21	27,031,719	23,044,459
Loans granted to related parties and other loans	22,36	7,294,119	15,555,506
Other financial fixed assets	22,	3,687,246	3,700,985
Deferred income tax assets	14	1,974,769	2,129,265
<b>Total fixed assets</b>		<b>285,457,927</b>	<b>278,546,751</b>
Work in progress services and inventories	23	8,799,106	6,975,925
Trade receivables	24	73,202,668	97,908,883
Prepaid expenses	25	2,316,462	2,015,826
Corporate income tax	14	1,470,248	1,758,512
Other trade receivables	26	6,858,931	5,106,152
Related parties loans	36	5,847,550	1,413,707
Cash and cash equivalents	27	259,604,189	88,075,920
<b>Total current assets</b>		<b>358,099,154</b>	<b>203,254,925</b>
<b>Total assets</b>		<b>643,557,081</b>	<b>481,801,676</b>
Share capital	28	104,555,233	87,129,361
Adjustments of equity capital to hyperinflation		263,971	263,971
Share premium		146,472,470	23,185,001
Reserves	28	11,405,199	9,680,545
Own shares		(12,885,372)	(5,689,379)
Other equity items		12,693,649	12,574,918
Retained earnings		158,433,437	139,037,199
Gains on equity instruments		19,684,169	8,352,878
Conversion differences from consolidation		(218,041)	(163,971)
<b>Total capital</b>		<b>440,404,715</b>	<b>274,370,522</b>
Non controlling interest		(547,698)	(683,364)
<b>Total equity</b>		<b>439,857,017</b>	<b>273,687,158</b>
<b>Non-current liabilities</b>			
Advance income	5	3,232,865	3,523,269
Grants	5	768,378	301,940
Equity liabilities	30	14,686,659	14,686,660
Bank loans	31	42,435,001	62,629,398
Leasing liabilities	32	17,267,490	11,309,563
Other payables	33	559,757	49,746
Provisions	0	13,102,084	12,823,043
Deferred income tax liabilities	14	11,701,946	12,200,152
<b>Total non-current liabilities</b>		<b>103,754,180</b>	<b>117,523,771</b>
<b>Current liabilities</b>			
Trade payables	29	22,327,278	18,391,002
Income in advance	5	13,346,834	8,796,705
Grants	5	143,121	158,741
Equity liabilities	30	3,977,961	3,763,224
Bank loans	31	24,677,989	24,184,008
Leasing liabilities	32	8,206,905	7,919,498
Personnel liabilities	35	14,630,156	15,072,690
Corporate income tax liabilities	14	813,583	1,435,243
Other payables	33	11,822,057	10,869,637
<b>Total current liabilities</b>		<b>99,945,884</b>	<b>90,590,748</b>
<b>Total liabilities</b>		<b>203,700,064</b>	<b>208,114,518</b>
<b>Total equity and liabilities</b>		<b>643,557,081</b>	<b>481,801,676</b>

These financial statements were signed and approved on March 28, 2025, by :

**Voicu Oprean**  
Administrator

**Bogdan Ciungrad**  
Chief Financial Officer

**AROBS TRANSILVANIA SOFTWARE S.A.**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31 2024**  
*(All amounts are in RON, unless otherwise mentioned)*

**STATEMENT OF CHANGES IN EQUITY**

	Equity	Equity adjustments for hyperinflation	Share premiums	Legal and other reserves	Own shares	Gains on own held equity instruments	Other equity elements	Retained earnings	Conversio n reserves	Total equity	Non- controlling interests	Total equity
<b>Closing balance 31.12.2022</b>	<b>91,139,499</b>	<b>263,971</b>	<b>23,185,001</b>	<b>6,367,437</b>	<b>(7,535,897)</b>	<b>1,805,558</b>	<b>4,206,340</b>	<b>110,215,599</b>	<b>151,199</b>	<b>229,798,707</b>	<b>(75,767)</b>	<b>229,722,939</b>
Result of the exercise	-	-	-	-	-	-	-	31,851,026	-	31,851,026	64,860	31,915,886
Conversion difference	-	-	-	-	-	-	-	-	(265,889)	(265,889)	14,430	(251,459)
<b>Overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,851,026</b>	<b>(265,889)</b>	<b>31,585,137</b>	<b>79,290</b>	<b>31,664,427</b>
Profit sharing	-	-	-	3,362,572	-	-	-	(3,362,572)	-	-	-	-
Retained earnings	-	-	-	(49,464)	-	-	-	49,465	(49,281)	(49,280)	-	(49,280)
Employee benefits in the form of equity instruments	-	-	-	-	-	-	19,131,306	-	-	19,131,306	-	19,131,306
Repurchase of own shares	-	-	-	-	(6,379,028)	-	-	-	-	(6,379,028)	-	(6,379,028)
Sale of own shares	-	-	-	-	8,225,546	-	(8,225,546)	-	-	-	-	-
Cancellation of shares	(4,010,138)	-	-	-	-	-	4,010,138	-	-	-	-	-
Gains on equity instruments	-	-	-	-	-	8,772,946	(8,772,947)	-	-	-	-	-
Adjustments for non- controlling interests	-	-	-	-	-	-	-	283,682	-	283,682	(283,682)	1
Expense related to the distribution, repurchase, sale, free distribution or cancellation of shares	-	-	-	-	-	(2,225,627)	2,225,627	-	-	-	-	-
Non controlling interests	-	-	-	-	-	-	-	-	-	-	(403,207)	(403,207)
<b>Closing balance 31.12.2023</b>	<b>87,129,361</b>	<b>263,971</b>	<b>23,185,001</b>	<b>9,680,545</b>	<b>(5,689,379)</b>	<b>8,352,878</b>	<b>12,574,918</b>	<b>139,037,200</b>	<b>(163,971)</b>	<b>274,370,524</b>	<b>(683,366)</b>	<b>273,687,158</b>

**AROBS TRANSILVANIA SOFTWARE S.A.**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31 2024**  
*(All amounts are in RON, unless otherwise mentioned)*

	Equity	Equity adjustments for hyperinflation	Share premiums	Legal and other reserves	Own shares	Gains on own held equity instruments	Other equity elements	Retained earnings	Conversion reserves	Total equity	Non- controlling interests	Total equity
<b>Closing balance 31.12.2023</b>	<b>87,129,361</b>	<b>263,971</b>	<b>23,185,001</b>	<b>9,680,545</b>	<b>(5,689,379)</b>	<b>8,352,878</b>	<b>12,574,918</b>	<b>139,037,200</b>	<b>(163,971)</b>	<b>274,370,524</b>	<b>(683,366)</b>	<b>273,687,158</b>
Result of the exercise	-	-	-	-	-	-	-	20,992,052	-	20,992,052	240,206	21,232,258
Conversion differences	-	-	-	-	-	-	-	-	(54,378)	(54,378)	1,610	(52,768)
<b>Overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,992,052</b>	<b>(54,378)</b>	<b>20,937,674</b>	<b>241,816</b>	<b>21,179,490</b>
Profit sharing	-	-	-	1,724,159	-	-	-	(1,768,931)	-	(44,772)	-	(44,772)
Retained earnings	-	-	-	-	-	-	-	44,373	-	44,373	-	44,373
Increase of share capital	17,425,872	-	123,287,469	-	-	-	-	-	-	140,713,341	-	140,713,341
Employee benefits in the form of equity instruments	-	-	-	-	-	-	13,763,047	-	-	13,763,047	-	13,763,047
Repurchase of own shares	-	-	-	-	(9,509,018)	-	-	-	-	(9,509,018)	-	(9,509,018)
Sale of own shares	-	-	-	-	2,313,025	-	(2,313,025)	-	-	-	-	-
Shares cancelation	-	-	-	-	-	-	-	-	-	-	-	-
Gains on equity instruments	-	-	-	-	-	11,331,291	(11,331,291)	-	-	-	-	-
Correction of minority interests	-	-	-	495	-	-	-	128,743	308	129,546	(106,148)	23,398
<b>Closing balance 31.12.2024</b>	<b>104,555,233</b>	<b>263,971</b>	<b>146,472,470</b>	<b>11,405,199</b>	<b>(12,885,372)</b>	<b>19,684,169</b>	<b>12,693,649</b>	<b>158,433,437</b>	<b>(218,041)</b>	<b>440,404,715</b>	<b>(547,698)</b>	<b>439,857,017</b>

These financial statements were signed and approved on March 28, 2025, by :

**Voicu Oprean**

Administrator

**Bogdan Ciungradi**

Chief Financial Officer

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**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31 2024**  
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<b>CASH FLOW STATEMENT</b>	<b>Note</b>	<b>FY 2024</b>	<b>FY 2023</b>
<b>Cash flows from operating activities:</b>			
<b>Gross profit</b>		<b>27,623,691</b>	<b>43,041,736</b>
<b>Adjustments for:</b>			
Depreciation of Goodwill		4,424,306	
Amortization expenses	6	21,859,061	20,711,679
Expenses / (Income) related to disposed tangible and intangible assets		791,367	(503,221)
(Income) from the sale of tangible and intangible assets		(1,042,437)	(835,138)
Expenses related to employee benefits – SOP	10	13,763,047	19,131,306
Expenses/(Income) related to adjustments for inventory write-downs		(168,847)	(30,041)
Expenses/(Income) related to adjustments for receivables depreciation		(391,252)	2,196,790
Expenses/(Income) on provisions for risks and charges	0	(742,203)	923,727
(Income) from subsidies and grants		450,818	(148,353)
Expenses with interest and other financial expenses	12	4,217,537	2,629,077
(Income) from interest and other financial income	12	(6,706,085)	(3,126,355)
Expenses/(Income) relating to value adjustments on tangible and intangible fixed assets		-	127,551
Other adjustments		(54,378)	(265,889)
<b>Operating profit before changes in working capital</b>		<b>64,024,625</b>	<b>83,852,869</b>
Change in trade and other receivables balances	24,26	26,851,314	(29,934,716)
Change in inventories balances	23	(1,654,334)	1,976,834
Change in trade payable and other debt balances	29,33	3,017,223	8,345,990
Changes in prepaid expenses	25	(300,636)	(69,212)
Change in advance income balances	5	4,259,726	720,828
Interest paid		(4,217,537)	(2,629,077)
Interest earned		4,371,911	2,859,430
<b>Cash generated from operating activities</b>		<b>96,352,292</b>	<b>65,122,946</b>
Income tax paid	14	(6,058,038)	(10,567,650)
<b>Net cash from operating activities</b>		<b>90,294,254</b>	<b>54,555,296</b>
<b>Cash flow from investing activities::</b>			
Loans (granted) to/repayments from affiliated entities		3,745,065	3,017,606
(Payments) for acquisitions of subsidiaries		(20,492,835)	(45,775,454)
(Payments) for acquisitions of tangible and intangible assets	17,21	(14,822,788)	(31,087,866)
Own Share buybacks		(9,509,018)	(6,379,028)
(Payments)/Cash in from other investments in financial assets	22	302,033	221,342
<b>Net cash from investing activities</b>		<b>(40,777,543)</b>	<b>(80,003,400)</b>
<b>Cash flow from financing activities::</b>			
Collection of bank loans	31	2,624,127	12,961,428
Repayments of bank loans	31	(22,137,931)	-
Credit lines variation		(187,912)	-
(Payments) of finance lease liabilities	32	(876,846)	(1,113,067)
Capital increase		142,892,151	-
<b>Net cash from financing activities</b>		<b>122,313,589</b>	<b>11,848,361</b>
<b>Net increase in cash and cash equivalents</b>		<b>171,830,301</b>	<b>(13,599,743)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>87,773,888</b>	<b>101,373,631</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>259,604,189</b>	<b>87,773,888</b>

These financial statements were signed and approved on March 28, 2025, by :

**Voicu Oprean**  
Administrator

**Bogdan Ciungradi**  
Chief Financial Officer

**AROBS TRANSILVANIA SOFTWARE SA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31 2024**  
*(All amounts are in RON, unless otherwise mentioned)*

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## **1. FINANCIAL REPORTING PRESENTATION**

AROBS Transilvania Software is listed on the main market of the Bucharest Stock Exchange starting September 25 2023, under the symbol AROBS.

These are the consolidated financial statements of AROBS Transilvania Software S.A („Company” sau „AROBS” sau „the Parent Company”) and its subsidiaries together AROBS Group (“Group”).

These consolidated financial statements of the AROBS Group are prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed by the European Union. Accordance with the Ministry of Finance Order no. 2844/2016, the companies listed on the main market of the Bucharest Stock Exchange prepares financial statements in accordance with IFRS, as endorsed by European Union. These financial statements are the responsibility of the Parent Company Arobs Transilvania Software S.A.

## **INFORMATION ABOUT AROBS**

### **INFORMATION ABOUT THE PARENT COMPANY**

The parent company, AROBS TRANSILVANIA SOFTWARE S.A. was incorporated on 18.12.1998, under Law no. 31/1990, with tax code RO 11291045, registered at the Trade Register under no. J12/1845/1998. The company’s main field of activity is custom software with high expertise in software services: software engineering for automotive, aerospace, medical, maritime and more but also software development in IoT, hospitality and tourism, clinical trials, enterprise and FinTech solutions. Arobs added also expertise in Intelligent Automation for processes optimisation in banking, health and logistics.

AROBS creates software solutions and products – for which AROBS owns the intellectual property – such as fleet management and GPS tracking solution, business optimization solution (WMS, CRM and others), human resources management and payroll solution, channel management for the hotel industry and much more.

Since its establishment, AROBS Transilvania Software has relied on excellent specialists and well-adjusted yet flexible processes to consistently deliver high quality custom software, products and software applications, that the company has retained ownership of.

The excellence of the services and the commitment of the company's specialists have helped to establish strong, long-term partnerships with over 10,000 companies in Romania and Central and Eastern Europe, and hundreds of international companies.

## **EXECUTIVE MANAGEMENT**

The issuer’s management for the 2024 Financial Year has been carried out by the Board of Directors, which was comprised of 5 members: 2 executive members, 3 non executive members of which 2 independent..

In accordance with the law no. 31/1990, a part of the attributions of the Board of Directors have been delegated to the Chief Executive Officer and the 2 Executive Directors.

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 Nominalization 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 Nominalization and Remuneration Committee;



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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 Nominalization and Remuneration Committee;

Mr. Nistor Alin 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 Nominalization and Remuneration Committee;

Mr. Aurelian Deaconu holds the following positions within the company: executive member of the Board of Directors and Executive Director of Software Services Divisions;

Mr. Bojan Ovidiu hold the position of Executive Director of the Track GPS Divisions.

The Company is headquartered in Cluj Napoca, Street Donath No.11, Apt. 28 and has the following regional operational offices:

In Cluj-Napoca:

Str. Minerilor, No. 63;

P-ța Cipariu, No. 9; Ap. 69;

Str. Săpătorilor, No.5;

Str. Henri Barbusse, No. 44-46, in office building Cluj Business Center, 2nd and 3rd floor;

Str. Trifoiului; No. 22;

Str. Constantin Brâncuși no. 55-59, office building ABC Incubator, 6th floor;

Str. Constantin Brâncuși no. 78-78A, 2nd floor;

In Iași – Str. Palat, No. 3E, Building United Business Center 1, ground floor;

In Tg. Mureș – Str. Georghe Doja, No. 64-68, Building Multinvest Business Center 2 (MBC2);

In Suceava – Str. Universității, No. 15A, 1st floor;

In București – Sector 4, Calea Șerban Vodă, No. 133, Central Business Park, Building A, 1st floor;

In Baia Mare – B-dul. Unirii, No. 18, Building Centrul de Afaceri Baia Mare, 1st floor;

In Arad – B-dul. Revoluției, No. 52-54, Building Arad Plaza, Sc. C, 3rd floor, ap. 12.

Shareholding structure as of 31.12.2024:

2024				2023		
Shareholder	Number of Shares	Value	Percent	Number of Shares	Value	Percent
Oprean Voicu	494,232,967	49,423,297	47.2700%	578,278,772	57,827,877	66.3701%
Persoane Juridice	275,441,628	27,544,163	26.3441%	52,849,048	5,284,905	6.0656%
Persoane Fizice	171,320,977	17,132,098	16.3857%	164,963,031	16,496,303	18.9331%
Cabrio Investment SRL	104,556,758	10,455,676	10.0001%	75,202,758	7,520,276	8.6312%
<b>Total</b>	<b>1,045,552,330</b>	<b>104,555,233</b>	<b>100%</b>	<b>871,293,609</b>	<b>87,129,361</b>	<b>100%</b>

AROBS Transilvania Software S.A. has 26 years of experience in developing custom software solutions for customers in 14 countries in Europe, Asia, and America. Excellence in services delivery together with the engagement from the Company specialists have led to strong partnerships with more than 10,000 companies in România and Central Eastern Europe and hundred of international companies.

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Since 2003, the Company has been developing its own solutions and products, the most important of which are:

- **TrackGPS** – Solution for managing and monitoring car fleets;
- **Optimall** – Sales force automation solution;
- **RateWizz** – Channel manager for the hotel industry;
- **School textbook digitization solution;**

AROBS Transilvania Software is a member of ARIES - Romanian Association for Electronics and Software Industry and ANIS - Employers' Association of Software and Services Industry and holds numerous certifications, among which we mention:

- TISAX – Trusted Information Security Assessment Exchange
- ORDA Certificate – Certificate issued by the Romanian Copyright Office– anual renewal
- HU-GO Certificate - National Toll Payment Services Plc. 2020 - Hungary, anual audit
- ISO 9001:2015 Quality Management System
- ISO/IEC 27001:2013 (SR EN ISO/IEC 27001:2018) Information Security Management System
- ISO 14001:2015 Environmental Management system
- ISO 45001:2018 Occupational Health and Safety Management System

The Company's activity is mainly structured on services and software products. Since its establishment, AROBS Transilvania Software has relied on excellent specialists and well-adjusted yet flexible processes to consistently deliver high quality custom software services, products and software applications.

The excellence of the services and the commitment of the company's specialists have helped to establish strong, long-term partnerships with over 10,000 companies in Romania and all over the world, becoming an international software development company with European and Romanian roots.

Our passion for technology, combined with intense efforts to acquire new skills and aligning with market trends, has made AROBS one of the leading Romanian software development companies. The company's software services division is the largest within the Group and is structured around two pillars: Automotive and High-Level Industries. The High-Level Industries specialization consists of the Travel & Hospitality, IoT, Life Sciences, Enterprise Solutions and Fintech divisions.

- **Automotive** - the Issuer's Software and Engineering solutions are an integral part of its DNA and are based on extensive expertise in the field gained through long-term projects with leading global companies.
- **Travel Technology** - Combining niche know-how and technical skills has helped the company to build long-lasting and strong partnerships with customers. To date, end-to-end solutions have been created and delivered for companies in the US, France, Spain, Germany and the Netherlands.
- **Life Sciences** – The Issuer has built a solid expertise over the past years in working with large US companies in the pharmaceutical industry. During this time, medical software solutions have been developed that simplify the clinical trial process for new medicines launched in the niche market.
- **IoT** - The IoT systems that the Issuer develops define the 10+ years of expertise in finding the perfect solutions for its customers.
- **Enterprise Solutions** - High competence in developing cloud-based applications, real-time or reactive applications, Big Data, and more. The portfolio is built around projects for clients in countries such as US, UK, Germany, Finland, Norway and the Netherlands.
- **Fintech** - Built on knowledge and experience, in partnership with leading banks and financial institutions.

The most important software products offered by the Company are:

- **Track GPS** – *Solution for managing and monitoring car fleets*

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AROBS Transilvania Software S.A. is the market leader in Romania in this sector. Track GPS is a complete car fleet monitoring and management solution, offering real-time GPS tracking, special devices and customized services.

With a high-performance GPS tracking system of special devices and a web and mobile application, Track GPS offers personalized services at the highest level, services such as driver behavior analysis, fuel consumption, driver communication, automatic toll payment in Hungary, controlled temperature and humidity, secure transport and much more.

The platform provided by TrackGPS can be accessed from anywhere, anytime with just an internet connection and is designed to easily manage fleet activity. It hosts the units' information in its own cloud and is available in 6 languages: Romanian, English, Russian, French, Hungarian and Indonesian.

Track GPS has over 11 years of experience in the telematics solutions market. The solutions they offer are aimed at small, medium and large companies operating in areas such as Public Services, Banking & Insurance, Courier, Transport & Logistics, Healthcare, Distribution and other areas that want to reduce their costs and optimise their business.

- ***Innovative Projects Division***

This division was created in 2014 with dedicated resources to research and develop new ideas and technologies. The areas of product development include Real Estate & Construction, Education, Cluster Management Platforms, Learning Management Systems, Telematics & Fleet Management Platform Add-Ons, Map Management Portal. Among the products of this business line we mention:

- School textbook digitization solution;
- RateWizz Channel Management - an innovative property management product used by hoteliers in Finland;

The AROBS solution for textbook digitisation involves the continuous development of educational software products and contributes to the performance of the Romanian education system.

RateWizz is a stable product, connected with the main OTAs. Offering premium support, a differentiating factor in the market, RateWizz has stable partnerships. There is growing interest from the small hotel segment. RateWizz has also identified new partnerships in the Romanian market, where there is a real need for customised solutions. In addition to the stability of the product and the superior support services we offer, the existing connectivity with the major sales channels makes this product comparable to the major Channel Managers systems on the market.

- ***Optimall – Solution for Business Optimization***

In 2023, Optimall by AROBS celebrated its 20th anniversary, which it marked with the launch of the new Optimall SFA Android mobile app. By refactoring the app, innovative functionalities were proposed to customers to support the automation of sales processes in the distribution and production business.

AROBS Transilvania Software debuted in December 2021 on the AeRO market of the Bucharest Stock Exchange, the shares being traded under the stock symbol AROBS. The AROBS listing comes after the completion of a private placement of shares in the second half of October 2021 through which AROBS raised a record 74 million lei in a share capital increase. This placement attracted huge interest from both retail and professional investors, so that it was closed early from the first day of the placement, showing once again the high investor appetite for Romanian entrepreneurial companies. The funds attracted supported the company's expansion strategy through the acquisition of IT companies, both nationally and internationally, the opening of new subsidiaries in important markets in Europe and the United States, as well as the development of the company's expertise and specialisations. On 25 September 2023, AROBS made its debut on the main market of the Bucharest Stock Exchange.

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## **2. GROUP STRUCTURE**

The consolidation perimeter includes subsidiaries in which the parent company (AROBS Transilvania Software S.A.) holds at least 50% of the share capital. Also, the criteria for exclusion from the consolidation perimeter were analyzed, according to the accounting regulations in force. The holding percentages taken into account aggregate the participations held by the parent company, directly or indirectly, through other companies owned by it.

As of 31.12.2024, , the AROBS Group is composed of the parent company and 30 subsidiary companies in 10 countries on 3 continents, with software development services and software products such as GPS fleet monitoring and HR solutions as its core business.

The objective at group level is the continuous development of technological solutions and products for the most complex industries globally. Further, we develop new areas with great demand on the global software services market, through acquisitions, but also organically, while continuously diversifying knowledge internally within AROBS teams, to cover a wider range of projects. In terms of research and innovation, within AROBS we constantly aim to improve our exposure to various projects, in line with market demands, as well as to increase our existing product portfolio.

At the same time, AROBS aims to strengthen the group's business in the North American and European markets by increasing the number of customers and strengthening partnerships with existing customers. Globally, demand for software products and services continues to be on an upward trend, even though there is pressure on rates and a prospect of stagnating demand. Companies and organisations continue to need to digitise their processes and AROBS is very well positioned in the market.

In the area of software products specifically addressed to the Romanian market, such as fleet management, business optimization, HR solutions, or implementation of digitalization projects in the public sector, the market is also experiencing moderate growth due to the challenges and the economic and social context. In fleet management, AROBS is continuing its campaign to acquire companies in Romania and Eastern Europe with a view to consolidating in this market and expanding into other markets with the TrackGPS solution.

The companies included in the consolidation, as at 31.12.2024, are as follows:

- AROBS TRANSILVANIA SOFTWARE SA, Romania, Cluj-Napoca, Donath Str, no. 11/28, Cluj county
- AROBS DEVELOPMENT & ENGINEERING SRL (previous ENEA Services Romania), Romania, Bucuresti, sect. 6, Splaiul Independentei, no. 319
- AROBS ETOLL SOLUTIONS SRL, Romania, Cluj-Napoca, Minerilor Str., no 63C, Cluj county
- AROBS PANNONIA SOFTWARE Kft, Hungary, 1191 Budapest, Üllői str., no.206
- AROBS POLSKA (SYDERAL POLSKA), Poland, Gdansk, ul. Trzy Lipy 3B/ 3.11.5
- AROBS SOFTWARE SOLUTIONS GmbH, Germany, Leopold Strasse 23, 80801, Munchen
- AROBS SOFTWARE SRL, Moldova, Renașterii Naționale Str. no. 12, of. 401-405
- AROBS SYSTEMS SRL, Romania, Cluj-Napoca, Minerilor Str, no 63, Cluj county
- AROBS TRACKGPS SRL, Moldova, str. Puskin no. 26A, of. 301
- ATS ENGINEERING LLC, SUA, 1200 South Pine Island Road, Plantation, Florida, 33324
- BERG COMPUTERS SRL, Romania, Com.Ghiroda, Lugoj Str., no.4, Timis county
- CABRIO INVEST B.V., The Netherlands, Tolweg 7, 4851SJ, Ulvenhout
- CENTRUL DE SOFT GPS SRL, Romania, Bucuresti Sectorul 4, SERBAN VODA Str., No. 133, Building A, CENTRAL BUSINESS PARK , Et 1
- COSO TEAM UK LTD, United Kingdom, 10 Bridge Street Christchurch Dorset BH23 1EF, UK
- COSO BY AROBS BVBA, Belgium, De Vis 20, cod 2930, Brasschaat
- COSO BY AROBS B.V., The Netherlands, Tolweg 7, 4851SJ, Ulvenhout
- FUTURE WORKFORCE SA, Romania, Cluj-Napoca, Serpuitoare Str. No. 53A, Ap. 1, Cluj County
- FUTURE WORKFORCE SRL, Romania, Cluj-Napoca, Strada Serpuitoare, Nr. 53A, Ap. 1, Cluj County
- FUTURE WORKFORCE GmbH – Germany, Münchner Str. 191 85757 Karlsfeld
- FUTURE WORKFORCE Limited, United Kingdom, 45 Fitzroy St, London, W1T 6EB
- INFOBEST ROMÂNIA SRL - România, Str. Simion Barnutiu, nr. 13, etaj 1 si 2, Timișoara, Jud. Timiș
- INFOBEST ROMÂNIA SRL NL DEUTSCHLAND, Max-Delbrück-Straße 20, 51377 Leverkusen, Germany

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- INFOBEST SYSTEMHAUS GmbH, Humboldtstraße 38, 51379 Leverkusen, Germany
- NORDLOGIC SOFTWARE, Romania, Cluj-Napoca, Descartes Rene Str. no 10-12 C, Cluj County
- NORDLOGIC USA, Inc., SUA, 137 NW 145th Street, Seattle, Washington 98177
- PT AROBS SOLUTIONS, Indonezia, Puri Indah Financial Tower, et. 8 809-810, Jalan Puri Lingkar Dalam Blok T8, Jakarta Barat
- SAS FLEET TRACKING SRL (SAS GRUP), Romania, Bucuresti, sect. 6, Bld. Ghencea, no. 43B, Ghencea Business Center, et. 5
- SILVER BULLET SRL, Romania, Cluj-Napoca, Descartes Rene Str. 10-12, Cluj county
- SKYSHIELD Kft, Hungary, 1191 Budapest, Üllői Str. no.206
- SOFTMANAGER S.R.L, Romania, Ploiesti, Zmeului Str, no. 21, Prahova County
- UCMS GROUP ROMANIA S.R.L., Romania, Cluj-Napoca, Constantin Brâncuși Str. No. 78-78A Cluj County

Group's structure as of 31.12.2024 is presented in the following table:

No.	Company	Percent of control (AROBS)	Percent held by minority interests	Acquisition/establishment date
1	AROBS DEVELOPMENT & ENGINEERING SRL (ENEA)	100%	0%	30 June 2022
2	AROBS ETOLL SOLUTIONS SRL	100%	0%	3 March 2022
3	AROBS PANNONIA SOFTWARE KFT	100%	0%	1 July 2023
4	AROBS POLSKA (SYDERAL POLSKA)	94%	6%	1 February 2023
5	AROBS SOFTWARE SOLUTIONS GMBH	60%	40%	6 August 2020
6	AROBS SOFTWARE SRL	100%	0%	1 February 2023
7	AROBS SYSTEMS SRL	100%	0%	2 May 2022
8	AROBS TRACKGPS SRL	100%	0%	1 February 2023
9	ATS ENGINEERING LLC	100%	0%	30 June 2022
10	BERG COMPUTERS S.R.L.	100%	0%	31 December 2021
11	CABRIO INVEST B.V.	90%	10%	28 February 2018
12	CENTRUL DE SOFT GPS SRL	100%	0%	31 December 2022
13	COSO TEAM UK LTD	90%	10%	31 March 2018
14	COSO BY AROBS BVBA	90%	10%	30 June 2018
15	COSO BY AROBS B.V.	90%	10%	28 February 2018
16	FUTURE WORKFORCE S.A.	100%	0%	1 May 2023
17	FUTURE WORKFORCE SRL	100%	0%	1 May 2023
18	FUTURE WORKFORCE GmbH	65%	35%	1 May 2023
19	FUTURE WORKFORCE Limited	80%	20%	1 May 2023
20	INFOBEST ROMANIA SRL	100%	0%	31 May 2024
21	INFOBEST SYSTEMHAUS GmbH	100%	0%	31 May 2024
22	INFOBEST ROMANIA SRL Branch	100%	0%	31 May 2024
23	NORDLOGIC SOFTWARE S.R.L	100%	0%	31 July 2022
24	NORDLOGIC USA, Inc.	100%	0%	31 July 2022
25	PT AROBS SOLUTIONS INDONESIA	70%	30%	13 March 2017
26	SAS FLEET TRACKING SRL	100%	0%	11 November 2019
27	SILVER BULLET SRL	100%	0%	31 July 2022
28	SOFTMANAGER S.R.L.	70%	30%	01 July 2019
29	SKYSHIELD MAGYARORSZAG KFT	100%	0%	01 July 2023
30	UCMS GROUP ROMANIA S.R.L.	97,67%	2,33%	31 May 2019

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**Changes in Group structure in 2023**

AROBS acquired Syderal Polska at the end of January 2023. The financial performance (income and expenses) of this subsidiary is reflected, within the Group, from February 2023.

At the beginning of February 2023, AROBS acquired the entire share capital of AROBS Software SRL and AROBS Trackgps SRL, both in the Republic of Moldova, whose financial performance (income and expenses) is reflected, within the group, from February 2023.

At the end of April 2023, AROBS acquired the Future WorkForce Global (FWF) group, whose financial performance (revenues and expenses) is reflected, within the group, from May 2023.

At the beginning of July 2023, AROBS acquired in full AROBS Pannonia Software Kft and its subsidiary Skyshield Magyarország Kft. The financial performance (income and expenses) of these subsidiaries is reflected, within the Group, from July 2023.

**Changes in the group structure in 2024**

In 2024, at the end of May, AROBS completed the acquisition transaction of the Infobest group (Infobest Romania SRL, Infobest Romania SRL Niederlassung, Infobest Systemhaus GmbH), whose financial performance (revenues and expenses) is reflected within the group, starting with June 2024.

**3. BASIS OF PREPARATION**

**3.1. Statement of compliance**

These consolidated financial statements of the Group are the responsibility of the management of the Parent Company and have been prepared in accordance with the applicable International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and in accordance with OMFP 2844/2016, which are applicable to companies whose shares are admitted to trading on a regulated market.

The consolidated financial statements have been prepared on a historical cost basis, except for situations in which fair value replaces the historical cost for assets and liabilities acquired in business combinations. The consolidated financial statements prepared in accordance with IFRS are presented in Romanian Leu (RON), the amounts being presented at the nearest whole number.

Significant accounting policies used by the Group in consolidated financial statements preparation are presented in Note 39.

**3.2. The going concern principle**

The consolidated financial statements have been prepared based on the going concern principle, which assumes that the Group will be able to continue its activity in the foreseeable future.

The budget prepared by the Group's management for the year 2025 and approved by the Board of Directors indicates positive cash flows from operating activities, an increase in sales and a net profitability of RON 37,000,000.

The management believes that the Group will be able to continue its activity in the foreseeable future, therefore, application of the going concern principle in preparation of the financial statements is justified.

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### **3.3. Basis of consolidation**

#### ***Control***

The consolidated financial statements comprise the financial statements of the mother Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that most voting rights results in control. To support this presumption even when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

These consolidated financial statements are the responsibility of the management of the Parent Company and have been prepared in accordance with the consolidation requirements provided by IFRS-EU.

#### ***Non-controlling interests***

The Group determines any non-controlling interests held in an entity at its proportionate share of the identifiable net assets of the acquired entity at the acquisition date. Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as transactions with shareholders. Adjustments to non-controlling interests are based on the subsidiary's share of net assets.

### **3.4. Business combinations and goodwill**

#### ***Acquisition method***

Business combinations are accounted for using the acquisition method when control over the acquired business is transferred to the Group. Purchase consideration on acquisition is measured at fair value, same as net assets acquired. Any goodwill is tested for impairment. Any gain from a bargain purchase is recognized in the profit or loss.

Transaction value is measured as the sum of the consideration transferred at the fair and non-controlling interests value.

When the Group acquires a business, it evaluates the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and conditions pertinent at the acquisition date.

Goodwill is initially measured at cost (being the excess of the total consideration transferred over the amount recognised for non-controlling interests and any previously held interest in the identifiable net assets acquired and liabilities assumed). If the fair value of the net assets acquired exceeds the aggregate consideration transferred, the Group reassesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the revaluation results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

When the Group lost the control in a subsidiary, it derecognises subsidiary's assets and liabilities together with non-controlling interest. Any gain or loss as a result of lost control is recognised in profit and loss except for the elements previously recognised in other comprehensive income which are accounted as the Company had sold directly these assets and liabilities. Any interest kept is measured at fair value when control is lost.

### **3.5. Fair value measurement**

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the relevant notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

### **3.6. Transactions in foreign currencies**

#### ***Foreign exchange transactions***

Foreign exchange transactions are converted into the functional currency at the exchange rate on the date of each transaction.

Monetary assets and liabilities denominated in foreign currency are converted into the functional currency at the exchange rate on the reporting date communicated by the National Bank of Romania.

Non-monetary assets and liabilities, measured at fair value in a foreign currency, are translated into the functional currency at the exchange rate at the date the fair value was determined. Exchange differences are recognised in the statement of profit or loss. Non-monetary items denominated in a foreign currency and measured on a historical cost basis are not translated.

#### ***Transactions and balances in foreign currency***

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.



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Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

On consolidation, the assets and liabilities of foreign operations are translated into RON at the rate of exchange prevailing at the reporting date. For practical reasons, the Group considers the average rate for the period in translating income and expense items of its foreign operations, since exchange rates used have not fluctuated significantly within a reporting period. The exchange differences arising on translation for consolidation are recognised in OCI.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The exchange rates as of 31 December 2024 and 31 December 2023 were:

	<b>31 December 2024</b>	<b>31 December 2023</b>
RON – EUR	4.9741	4.9746
RON – USD	4.7768	4.4958
RON – GBP	5.9951	5.7225

The average exchange rates for the periods ended December 31, 2024 and December 31, 2023 were:

	<b>FY 2024</b>	<b>FY 2023</b>
RON – EUR	4.9746	4.9464
RON – USD	4.5975	4.5758
RON – GBP	5.8775	5.6871

### ***Operations abroad***

Assets and liabilities of foreign operations, including goodwill and fair value adjustments resulting from the acquisition of subsidiaries, are translated into LEI at the exchange rate on the reporting date.

Income and expenses from foreign operations are converted into LEI at the exchange rate on the date of the transactions.

Foreign exchange differences are recognised as 'Other comprehensive income' and accumulated in 'Foreign exchange translation differences'. If a foreign operation is disposed of in whole or in part so that control, significant influence or joint control is lost, the cumulative amount of 'Foreign exchange translation differences' is reclassified to the statement of profit or loss as part of the gain or loss on disposal.

### **3.7. Operating segments (IFRS 8)**

The Management Board monitors separately the operational results of the operating segments to be able to take decisions on the resource allocation and performance assessment. Segment performance is measured in terms of Gross Profit.

An operating segment is a component of an entity:

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- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

AROBS Group reports separately information about an operating segment that meets any of the following quantitative thresholds:

- Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments.
- The absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.
- Its assets are 10 per cent or more of the combined assets of all operating segments.

AROBS Group's operational segments are: Software Services, Software Products and Integrated Systems.

The amount of each segment item reported shall be the measure to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing an entity's financial statements and allocations of revenues, expenses, and gains or losses shall be included in determining reported segment profit or loss only if they are included in the measure of the segment's profit or loss that is used by the chief operating decision maker. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by the chief operating decision maker shall be reported for that segment. If an entity changes the structure of its internal organisation in a manner that causes the composition of its reportable segments to change, the corresponding information for earlier periods, including interim periods, shall be restated unless the information is not available and the cost to develop it would be excessive. Following a change in the composition of its reportable segments, the entity discloses whether it has restated the corresponding items of segment information for previous periods.

If the entity has changed the structure of its internal organisation in a manner that causes the composition of its reportable segments to change and if segment information for earlier periods, including interim periods, is not restated to reflect the change, the entity shall disclose in the year in which the change occurs segment information for the current period on both the old basis and the new basis of segmentation, unless the necessary information is not available and the cost to develop it would be excessive.

Segmentation was performed for the income statement down to the gross profit level by presenting revenue and cost of sales for the following relevant segments: software services, software products and integrated systems. Expenses related to the sale of products and services as well as marketing expenses have been considered as overheads. The segmentation of assets and liabilities into the same segment categories was also carried out.

### **3.8. New IFRS standards and amendments**

#### **a) Initial application of new amendments to existing standards for current reporting period**

The following amendments to existing standards issued by International Accounting Standards Board (IASB) and adopted by EU are effective for reporting periods beginning on or after January 1, 2024:

- **Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)** - On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements

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- **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);** - On 22 September 2022, the IASB issued amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (the Amendments). Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.
- **Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)** - The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

**b) Standards and amendments to existing standards issued by IASB and adopted by the EU, but which are not yet effective**

- **Lack of Exchangeability (Amendment to IAS 21 - The Effects of Changes in Foreign Exchange Rates)** - This amendment to IAS 21 clarifies how entities should assess and account for transactions in currencies that are not freely exchangeable on foreign exchange markets. The standard introduces new requirements for identifying and measuring the applicable exchange rate when exchangeability is restricted. The objective of this amendment is to enhance consistency and comparability in financial reporting for economies with significant foreign exchange restrictions. Effective for the annual reporting period beginning 1 January 2025.
- **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)** - These amendments clarify and improve the rules for classifying and measuring financial instruments, ensuring more consistent application of IFRS 9 and IFRS 7 principles. The key changes include:
  - Clarification of the criteria for classifying financial assets based on the business model and cash flow characteristics.
  - Enhancements to the recognition and measurement of financial liabilities, including aspects related to contractual term modifications.
  - New disclosure requirements for entities using complex financial instruments, aiming to increase transparency and comparability in financial reporting.

Effective for the annual reporting period beginning 1 January 2026.

- **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)** - These amendments clarify the accounting treatment for electricity purchase agreements where supply is dependent on natural factors such as wind, solar, or hydroelectric power.
  - Clarification of IFRS 9 applicability in determining whether electricity purchase agreements should be accounted for as financial instruments or executory contracts.
  - Modifications to IFRS 7 disclosure requirements to improve transparency regarding risks associated with such contracts and their impact on financial statements.

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- Impact on revenue recognition and financial risk assessment, particularly for entities entering long-term renewable energy contracts.

Effective for the annual reporting period beginning 1 January 2026

- **IFRS 18 *Presentation and Disclosure in Financial Statements*** - IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. Effective for the annual reporting period beginning 1 January 2027.
- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures*** - Published by the IASB in May 2024, IFRS 19 introduces a simplified reporting framework for subsidiaries that do not have a public accountability obligation but apply IFRS in their financial reporting. This standard reduces disclosure requirements for such entities while maintaining transparency and comparability of financial information. The main benefit of IFRS 19 is the reduction of administrative and reporting costs without compromising the usefulness of financial statements for users. Effective for the annual reporting period beginning 1 January 2027

#### **4. APPLYING PROFESSIONAL JUDGEMENT, ESTIMATES AND ASSUMPTIONS**

In preparing the Group's consolidated financial statements, management made professional judgements, estimates and assumptions that affect the application of the accounting policies and the reported value of revenues, expenses, assets, and liabilities. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The Group based its assumptions and estimates on information available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Main judgements on financial statements preparation are:

- **Revenue recognition from selling Track GPS monitoring solution** – presented in Note 39 and Note 5
- **Revenue recognition from HR application license selling** - presented in Note 39
- **Revenue recognition on a gross/net basis, based on the Group method of selling as Principal or Agent** – presented in Note 39

Significant estimates on financial statements preparation are:

- **Fair value measurement on business combinations** – presented in Note 20 „Mergers & Acquisitions”;
- **Fair value measurement on goodwill** - presented in Note 19 „Goodwill”
- **Leasing contract duration and discount rate** – presented in Note 32 „Leasing”;
- **Loss on financial assets measurements** – presented in Note 38
- **Recognition and measurement on share options programs** – presented in Note 10

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**5. TURNOVER**

	FY 2024	FY 2023
<b>Turnover</b>		
Revenues from software services	327,574,127	344,775,332
Revenues from software products	79,823,305	70,537,191
Revenues from integrated systems	7,270,180	11,981,615
<b>Total turnover</b>	<b>414,667,612</b>	<b>427,294,137</b>
<b>Turnover – geographic regions</b>	<b>FY 2024</b>	<b>FY 2023</b>
Romania*	202,857,908	243,152,981
Europe (excluding Romania)	130,803,077	105,024,477
USA	78,244,341	76,687,606
Asia & The Middle East	2,762,286	2,429,074
<b>Total cifră de afaceri</b>	<b>414,667,612</b>	<b>427,294,137</b>

\*Software revenues billed in Romania represent services provided to customers in Europe but for tax reasons are billed in Romania because these customers have a local subsidiary.

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.

Revenues from the "Software Services" segment recorded in 2024 at the consolidated level decreased by 5% compared to the previous year. The M&A category companies contributed 146 million lei to the segment's revenue as of December 31, 2024, marking an increase of 25.5 million lei (+21%) 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 9.3 million lei (+13%) 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.

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The following table shows the structure of significant customers by business segment:

Business segments	Top clients 2024	% of turnover	Top clients 2023	% of turnover
<b>Software Services</b>	Client 1	17.56%	Client 1	25.82%
	Client 2	3.82%	Client 2	4.21%
	Client 3	3.63%	Client 3	5.93%
	Client 4	3.48%	Client 4	0.00%
	Client 5	2.57%	Client 5	4.35%
<b>Software products</b>	Client 6	0.81%	Client 6	0.41%
	Client 7	0.52%	Client 7	0.37%
	Client 8	0.19%	Client 8	0.15%
	Client 9	0.10%	Client 9	0.14%
	Client 10	0.10%	Client 10	0.16%
<b>Integrated Systems</b>	Client 11	0.91%	Client 11	0.00%
	Client 12	0.30%	Client 12	0.08%
	Client 13	0.18%	Client 13	0.00%

**Cost of carrying out contracts with customers**

Cost of carrying out contracts with customers – HR licensing

	OB 2024	CAPITALISATION 2024	DEPRECIATION 2024	CB 2024
HR Licences	403,650	609,630	260,265	753,015

Cost of carrying out contracts with customers – GPS monitoring services

	OB 2024	CAPITALISATION 2024	DEPRECIATION 2024	CB 2024
GPS Monitoring services	1,440,193	2,387,912	2,164,869	1,663,236

**Deferred revenue – contract performance obligations**

	FY 2023	Entries	Disposals (Returns on income)	FY 2024
<b>Deferred revenue</b>	12,319,973	29,610,196	25,350,470	16,579,699
		<b>Sold la 31 Decembrie 2024</b>	<b>Sold la 31 Decembrie 2023</b>	
<b>Deferred revenue, out of which:</b>		<b>16,579,699</b>	<b>12,319,973</b>	
Long term		3,232,865	3,523,269	
Short term		13,346,834	8,796,705	

Deferred revenue was recorded on the basis of medium and long term customer contract agreements and mainly relates to fleet monitoring services and HR licensing.

The revenue from subsidies is presented in the table below. In 2024, the majority of these revenues were recorded by the parent company – in the amount of 0.3 million lei for the SMIS Project and by Arobs Development & Engineering

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company in the amount of 0.5 million lei for the AROBS AlertBox solution that addresses a critical need of society: ensuring communication in emergency situations, when GSM networks are unavailable, regardless of whether catastrophic events occur in isolated, rural areas or urban agglomerations. The product is an independent unit connected via satellite to a centralized and secure server, which further communicates with local and national authorities providing 112 and E-alert services.

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
<b>Subsidies, out of which:</b>	<b>911,499</b>	<b>571,716</b>
Long term	768,378	301,940
Short term	143,121	269,776

## **6. COST OF SALES**

### **6.1 Cost of sales of software services**

	<b>FY 2024</b>	<b>FY 2023</b>
Salary Expenses	163,173,065	158,211,644
Employee stock ownership plan costs	6,628,064	10,002,179
Third party expenses	73,293,596	74,077,853
Expenses related to equipment sold	29,452	535,730
Property plant and equipment depreciation expenses	8,646,327	7,494,359
Rental expenses	1,169,130	1,226,279
Telecommunications expenses	30,903	8,949
Fuel expenses	974,122	1,263,373
Transport of goods and personnel	1,376,340	1,712,337
Electricity, heating and water	619,499	554,824
Insurance premiums	241,451	225,566
Maintenance and repair expenses	494	-
Revenues from subsidies	(6,643)	(1,371,315)
Other operating expenses	450,433	273,572
<b>Cost of sales of software services</b>	<b>256,626,233</b>	<b>254,215,350</b>

The cost of sales of software services consists of salaries and benefits (including remuneration in equity instruments) of directly productive staff involved in the delivery of these services, the cost of services performed by third parties related to software services projects, depreciation of equipment used and other operating expenses necessary for the delivery of software services: rent and energy and water costs, travel expenses, insurance and commissions and fees.

*The cost of sales for software services* increased by 2.4 million lei in 2024 compared to the previous year. This variation was driven by a significant reduction of 20.3 million lei in costs within the Organic business, compared to the same period of the previous year, while costs increased by 22.7 million lei due to the companies that joined the Group in 2023 and 2024. The evolution of costs on both Organic and M&A was adjusted according to the dynamics of revenues and projects carried out during 2024, through their prudent management.

Although the beginning of the year saw salary increases, also influenced by the partial removal of fiscal incentives on income tax, costs (including ESOP) related to directly productive resources, including both employees and third parties, were effectively managed throughout 2024.

Expenses on services contracted from third parties decreased in 2024 compared to the previous year by 0.8 million lei. Services contracted from third parties represented, during 2024, mainly expenses on software services and IT consultancy, recruitment services, participation in fairs and conferences.

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**6.2 Cost of sales of software products**

	<b>FY 2024</b>	<b>FY 2023</b>
Salary Expenses	15,681,277	11,951,806
Employee stock ownership plan costs	351,152	688,342
Third party expenses	7,486,367	6,139,601
Expenses related to equipment sold	2,201,124	1,993,038
Property plant and equipment depreciation expenses	7,420,424	6,605,960
Rental expenses	115,898	225,165
Telecommunications expenses	3,527,430	2,469,237
Fuel expenses	981,920	788,441
Transport of goods and personnel	347,048	339,242
Electricity, heating and water	277,438	242,685
Raw materials expenses	52,703	6,523
Insurance premiums	107,008	48,239
Maintenance and repair expenses	178,877	149,562
Other operating expenses	126,711	5,503
<b>Cost of sales of software products</b>	<b>38,855,377</b>	<b>31,653,344</b>

The cost of sales of software products consists of salaries and benefits (including remuneration in equity instruments) of directly productive personnel involved in the delivery of these products and the provision of related services, the cost of equipment sold, depreciation of equipment used and other operating expenses necessary for the delivery of software products and the provision of related services: telecommunication services, rent and energy and water costs, travel expenses, fuel, maintenance and repairs. Services contracted from third parties during 2024 mainly represented services with installations of monitoring devices and software services.

*The cost of sales of software products* increased by 7,2 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.

**6.3 Cost of sales of integrated systems**

	<b>FY 2024</b>	<b>FY 2023</b>
Salary Expenses	1,722,101	446,579
Third party expenses	972,496	2,462,299
Expenses related to equipment sold	1,800,558	6,181,185
Property plant and equipment depreciation expenses	57,074	17,706
Rental expenses	1,746	-
Electricity, heating and water	1,103	-
Raw materials expenses	1,858,126	779,194
<b>Cost of sales of integrated systems</b>	<b>6,413,204</b>	<b>9,886,963</b>

**7. OTHER INCOME**

	<b>FY 2024</b>	<b>FY 2023</b>
Other operating revenue	663,404	799,834
Rental income from investment property	733,418	-
Net revenue from the sale of Fixed Assets	251,070	331,917



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<b>Total</b>	<b>1,647,892</b>	<b>1,131,751</b>
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**8. SALES AND MARKETING EXPENSES**

	<b>FY 2024</b>	<b>FY 2023</b>
Salary Expenses	15,227,489	11,599,150
Employee stock ownership plan costs	671,528	542,918
Third party expenses	1,453,208	1,028,605
Property plant and equipment depreciation expenses	664,157	736,556
Telecommunications expenses	9,674	-
Transport of goods and personnel	163,065	106,293
Entertaining, promotion and advertising	2,626,001	4,129,722
Fuel expenses	83,895	-
Rental expenses	65,111	131,486
Electricity, heating and water	93,970	90,775
Insurance premiums	16,863	5,426
Maintenance and repair expenses	1,058	-
Other operating expenses	21,990	-
<b>Sales and marketing expenses</b>	<b>21,098,009</b>	<b>18,370,931</b>

Sales and marketing expenses consist of salaries and benefits (including remuneration in equity instruments) of sales and marketing staff, protocol, advertising and publicity expenses and services performed by third parties generated by the Group's promotional activities. Sales and marketing expenses increased by 2.7 million lei in 2024 compared to 2023. The largest increase of 3.6 million lei comes from salary expenses. This increase is balanced by the decrease in advertising and protocol expenses by 1.5 million lei 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.

**9. GENERAL & ADMINISTRATION EXPENSES**

	<b>FY 2024</b>	<b>FY 2023</b>
Salary Expenses	28,069,635	23,878,623
Employee stock ownership plan costs	6,109,098	7,895,972
Third party expenses	7,817,335	11,911,958
Property plant and equipment depreciation expenses	18,372,195	13,692,801
Expenses related to equipment sold	290,455	(3,350)
Telecommunications expenses	538,027	615,101
Transport of goods and personnel	880,592	2,462,561
Entertaining, promotion and advertising	51	-
Fuel expenses	494,914	985,868
Raw materials expenses	568	6,344
Other taxes, duties and similar expenses	1,809,574	1,189,510
Rental expenses	207,943	335,666
Depreciation of investment property	236,193	-
Electricity, heating and water	187,326	268,570
Insurance premiums	762,260	746,240
Maintenance and repair expenses	502,800	758,615
The cost related to the acquisition of the subsidiaries	551,326	1,382,611
Impairment losses/revenue on non current assets	(391,252)	2,196,790
Other operating expenses	3,194,578	2,416,048
<b>General &amp; Administration expenses</b>	<b>69,633,618</b>	<b>70,739,928</b>

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General and administrative expenses comprise salaries and benefits (including remuneration in equity instruments) of staff in the management, administrative, procurement, finance, legal, management, labour protection, human resources and IT support departments and of expenses for services performed by third parties, consultancy expenses, rental expenses and other expenses incurred in the administration of the Group. General and administrative expenses decreased in 2024 by 1.1 million lei compared to the previous year, with the Group's management applying measures to reduce these costs, in line with the dynamics of the Group's activity.

This evolution is due to the effect of the decrease in general and administrative costs (except for those mentioned below), compared to the previous year by 6.3 million lei, as well as the increase in amortization of customer relationships by 0.8 million lei and the adjustment for goodwill impairment, amounting to 4.4 million lei.

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.

Customer relationships were recognized as intangible assets with a useful life of 10 years, for which period the amortization expense is calculated on a straight-line basis.

#### **10. EMPLOYEE BENEFITS EXPENSES**

	<b>FY 2024</b>	<b>FY 2023</b>
Salary Expenses	216,657,536	200,296,347
Social security contributions	7,638,268	6,756,839
Meal ticket expenses	5,039,794	4,955,328
Capitalization	(4,719,829)	(6,844,440)
Untaken holidays provision	(742,202)	923,727
<b>Subtotal personnel expenses</b>	<b>223,873,567</b>	<b>206,087,802</b>
Employee stock ownership plan costs	<b>13,759,842</b>	19,129,411
<b>Total personnel expenses</b>	<b>237,633,409</b>	<b>225,217,213</b>

The average number of employees during the financial year ended 31 December 2024 and 31 December 2023 was as follows:

	<b>FY 2024</b>	<b>FY 2023</b>
Management personnel	27	31
Administrative personnel	35	40
Acquisition personnel	3	3
Financial personnel	42	44
Legal personnel	4	4
Warehouse administration personnel	2	6
Marketing personnel	22	19
Research & Development personnel	886	935
Occupational safety and health personnel	3	3
Human Resources personnel	26	36
Installation - Services personnel	44	40
IT Support personnel	26	27
Sales personnel	67	66
<b>Total</b>	<b>1,187</b>	<b>1,254</b>

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Salary expenditure during the financial year ended 31 December 2024 and 31 December 2023 was as follows:

	<b>FY 2024</b>	<b>FY 2023</b>
Management personnel	9,357,347	8,056,610
Administrative personnel	3,218,838	3,325,174
Acquisition personnel	467,099	388,616
Financial personnel	5,702,329	5,089,290
Legal personnel	767,701	638,085
Warehouse administration personnel	149,707	457,342
Marketing personnel	2,421,088	1,896,677
Research & Development personnel	169,902,057	160,807,980
Occupational safety and health personnel	145,287	140,745
Human Resources personnel	2,992,327	3,575,022
Installation - Services personnel	4,630,569	2,917,612
IT Support personnel	4,027,787	4,171,349
Sales personnel	12,875,400	8,831,845
<b>Total salary expenses</b>	<b>216,657,536</b>	<b>200,296,347</b>

Expenses with benefits in the form of the entity's own shares (or other equity instruments), ESOP programs 1-4, recorded during the financial year ended December 31, 2024, respectively December 31, 2023, were as follows:

	<b>FY 2024</b>	<b>FY 2023</b>
Management personnel	5,805,809	12,249,871
Administrative personnel	31,780	93,522
Acquisition personnel	10,532	14,822
Financial personnel	103,804	135,649
Legal personnel	51,920	50,437
Warehouse administration personnel	202	18,792
Marketing personnel	34,506	68,313
Research & Development personnel	6,931,365	5,856,849
Occupational safety and health personnel	-	1,146
Human Resources personnel	13,524	117,801
Installation - Services personnel	47,852	52,958
IT Support personnel	91,526	72,895
Sales personnel	637,023	396,356
<b>Total expenses with benefits in equity instruments</b>	<b>13,759,843</b>	<b>19,129,411</b>

Salary expenses increased compared to the previous year, partly as a result of the elimination of tax incentives regarding the payment of income tax for the category of employees directly productive in the provision of software services. Also, salary expenses increased with the aim of maintaining competitiveness in the market and ensuring the necessary resources for ongoing projects, through salary increases and the addition of resources from newly acquired companies. Personnel rights are recorded in the accounting with the retention of related contributions and taxes established according to the legislation in force. Settlements with personnel include salary rights, bonuses, supplements, allowances for vacation leaves, as well as those for temporary incapacity for work, paid from the payroll fund, and other rights in money and/or in kind owed by the company to the personnel for the work performed.

ESOP-related costs as of December 31, 2024, were 5.4 million lei (-28%) 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.

The management of AROBS is ensured by the Board of Directors, the General Manager and 2 Executive Directors. The Board of Directors is composed of 5 members, of which 2 are executives and 3 are non-executive. The gross annual remuneration includes fixed remuneration, share-based remuneration and other benefits. The total gross annual remuneration for the Management of AROBS is 5,604,686 lei.

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**ESOP – Employee Stock Option Plan**

ESOP value is established on the date the stock option is granted. The expense recorded is based on the market price from the date of granting the stock option and is recognized systematically as the services are rendered and until the vesting criteria are met. The vesting criteria for ESOPs are seniority within the company and employee status.

Benefits in the form of the entity's own shares (or other equity instruments) granted to employees are recognized separately in the equity accounts at the fair value of those equity instruments at the date those benefits are granted. Recognition of expenses relating to employees' work occurs when the work is performed. The grant date is the date on which the entity and the employee beneficiaries of those instruments understand and accept the terms and conditions of the transaction, except that if the arrangement is subject to a subsequent approval process (for example, by shareholders), the grant date is the date on which that approval is obtained. For equity instruments granted that vest immediately on the grant date, employees are not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments and, in the absence of evidence to the contrary, the entity shall treat the services rendered in exchange for the equity instruments as already having been received. In this case, the related expenses shall be recorded in full against the equity accounts at that time. For equity instruments granted that vest only after employees have completed a specified period of service, the related expenses are recognised as the services are rendered, over the vesting period, against the equity accounts. The amount recognised as an expense shall be based on an estimate of the number of equity instruments that will vest, and this estimate shall be revised if subsequent information indicates that the number of equity instruments expected to vest is different from previous estimates so that, at vesting date, that estimate equals the number of equity instruments that vest.

In the steps regarding the repurchase of own shares for the purpose of implementing the Stock Option Plan program, the provisions of Law 31/1990 were taken into account.

**11. CATEGORIES OF EXPENSES**

	<b>FY 2024</b>	<b>FY 2023</b>
Salary Expenses	223,873,567	206,087,802
Employee stock ownership plan costs	13,759,842	19,129,411
Third party expenses	91,023,002	95,620,316
Property plant and equipment depreciation expenses	35,160,177	28,547,381
Expenses related to equipment sold	4,321,589	8,953,417
Telecommunications expenses	4,106,034	3,093,287
Transport of goods and personnel	2,767,045	2,462,561
Entertaining, promotion and advertising	2,626,052	4,129,722
Fuel expenses	2,534,851	3,037,682
Raw materials expenses	1,911,397	792,061
Other taxes, duties and similar expenses	1,809,574	1,189,510
Rental expenses	1,559,828	1,918,596
Depreciation of investment property	236,193	
Electricity, heating and water	1,179,336	1,156,854
Insurance premiums	1,127,582	1,025,470
Maintenance and repair expenses	683,229	908,177
The cost related to the acquisition of the subsidiaries	551,326	1,382,611
Impairment losses/revenue on non current assets	(391,252)	2,196,790
Revenues from subsidies	(6,643)	(1,371,315)
Other operating expenses	3,793,712	4,606,183
<b>Total</b>	<b>392,626,441</b>	<b>384,866,516</b>

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**12. FINANCIAL RESULT**

	<b>2024</b>	<b>2023</b>
Revenues from shares in affiliated entities	5,617	5,127
Net income/(expense) from exchange rate differences	1,379,995	(1,480,143)
Interest income	6,706,085	3,126,355
Financial income from impairment adjustments	249,041	-
Other financial income	(10,049)	426,601
Interest expense	(4,217,537)	(2,629,077)
Financial expenses regarding impairment adjustments	(13,843)	-
Other financial expenses	(164,681)	33,500
<b>Financial result</b>	<b>3,934,628</b>	<b>(517,637)</b>

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**13. SEGMENTS RECONCILIATION**

REVENUE AND EXPENSES RECONCILIATION BY BUSINESS SEGMENTS	SOFTWARE SERVICES		SOFTWARE PRODUCTS		INTEGRATED SYSTEMS		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from software services	327,574,127	344,775,332	-	-	-	-	327,574,127	344,775,332
Revenue from software products	-	-	79,823,305	70,537,191	-	-	79,823,305	70,537,191
Revenue from integrated systems	-	-	-	-	7,270,180	11,981,615	7,270,180	11,981,615
<b>Total turnover</b>	<b>327,574,127</b>	<b>344,775,332</b>	<b>79,823,305</b>	<b>70,537,191</b>	<b>7,270,180</b>	<b>11,981,615</b>	<b>414,667,612</b>	<b>427,294,137</b>
Salary Expenses	163,173,065	158,211,644	15,681,277	11,951,806	1,722,101	446,579	180,576,443	170,610,029
Employee stock ownership plan costs	6,628,064	10,002,179	351,152	688,342	-	-	6,979,216	10,690,520
Third party expenses	73,293,596	74,077,853	7,486,367	6,139,601	972,496	2,462,299	81,752,459	82,679,753
Expenses related to equipment sold	29,452	-	2,201,124	1,993,038	1,800,558	6,960,379	4,031,134	8,953,417
Property plant and equipment depreciation expenses	8,646,327	7,494,359	7,420,424	6,605,960	57,074	17,706	16,123,825	14,118,024
Rental expenses	1,169,130	1,226,279	115,898	225,165	1,746	-	1,286,774	1,451,444
Other operating expenses	3,686,599	3,203,036	5,599,135	4,049,432	1,859,229	-	11,144,963	7,252,470
<b>Total cost of sales</b>	<b>256,626,233</b>	<b>254,215,350</b>	<b>38,855,377</b>	<b>31,653,344</b>	<b>6,413,204</b>	<b>9,886,963</b>	<b>301,894,814</b>	<b>295,755,657</b>
<b>Gross margin</b>	<b>70,947,894</b>	<b>90,559,982</b>	<b>40,967,928</b>	<b>38,883,847</b>	<b>856,976</b>	<b>2,094,652</b>	<b>112,772,798</b>	<b>131,538,480</b>
<b>Margin %</b>	<b>22%</b>	<b>26%</b>	<b>51%</b>	<b>55%</b>	<b>12%</b>	<b>17%</b>	<b>27%</b>	<b>31%</b>
Interest Expenses	3,642,475	2,493,270	502,028	115,806	73,034	20,000	4,217,537	2,629,077

Sales and marketing and general administration expenses are unallocated costs.

FINANCIAL POSITION BY BUSINESS SEGMENTS	SOFTWARE SERVICES		SOFTWARE PRODUCTS		INTEGRATED SYSTEMS		UNALLOCATED		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Additions to non-current assets	17,869,263	-	7,856,334	-	-	-	14,536,012	-	40,261,608	-
Allocated assets	267,421,014	285,997,247	83,600,047	75,279,640	3,590,021	3,035,639	6,751,415	2,839,430	361,362,498	367,151,956
Unallocated assets	-	-	-	-	-	-	282,194,583	114,649,720	282,194,583	114,649,720
<b>Total assets</b>	<b>267,421,014</b>	<b>285,997,247</b>	<b>83,600,047</b>	<b>75,279,640</b>	<b>3,590,021</b>	<b>3,035,639</b>	<b>288,945,999</b>	<b>117,489,150</b>	<b>643,557,081</b>	<b>481,801,676</b>
Allocated liabilities	134,064,378	144,095,091	40,884,568	39,835,302	3,731,426	4,215,043	10,912,795	7,153,776	189,593,168	195,299,211
Unallocated liabilities	-	-	-	-	-	-	14,106,896	12,815,307	14,106,896	12,815,307
<b>Total liabilities</b>	<b>134,064,378</b>	<b>144,095,091</b>	<b>40,884,568</b>	<b>39,835,302</b>	<b>3,731,426</b>	<b>4,215,043</b>	<b>25,019,692</b>	<b>19,969,083</b>	<b>203,700,064</b>	<b>208,114,518</b>

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**14. INCOME TAX AND DEFERRED TAX**

	2024	2023
Current profit tax expense	5,932,493	11,040,173
Micro enterprise profit tax expense - Current	1,690,943	1,449,439
<b>Subtotal – current tax</b>	<b>7,623,436</b>	<b>12,489,612</b>
Deferred profit tax	(1,232,003)	(1,363,762)
<b>Total</b>	<b>6,391,433</b>	<b>11,125,850</b>

The amounts presented relate to revenue and expenditure for each financial year.

	2024	2023
<b>Gross profit</b>	<b>27,623,691</b>	<b>43,041,736</b>
Current profit tax expense	(5,932,493)	(11,040,173)
Micro enterprise profit tax expense - Current	(1,690,943)	(1,449,439)
<b>Current tax</b>	<b>(7,623,436)</b>	<b>(12,489,612)</b>
Deferred profit tax	1,232,003	1,363,762
<b>Recalculated net profit</b>	<b>21,232,258</b>	<b>31,915,886</b>

	31 December 2024	31 December 2023
<b>Income tax</b>		
Income tax - receivable	1,470,248	1,758,512
<b>Total</b>	<b>1,470,248</b>	<b>1,758,512</b>

	31 December 2024	31 December 2023
<b>Income tax</b>		
Income tax - payable	813,583	1,435,243
<b>Total</b>	<b>813,583</b>	<b>1,435,243</b>

<b>Theoretical rate and effective rate reconciliation</b>	<b>FY 2024</b>	<b>FY 2023</b>
<b>Result before tax</b>	<b>42,371,267</b>	<b>54,927,016</b>
Restated or adjusted income	(116,996,441)	(90,156,977)
Restated or adjusted expenses	94,187,616	65,803,133
<b>Profit or loss before tax</b>	<b>65,180,092</b>	<b>79,280,859</b>
<b>Profit or loss microenterprise</b>	<b>3,183,010</b>	<b>2,495,792</b>
Non taxable income	(44,417,857)	(21,600,070)
Non taxable expenses for tax calculation	35,869,772	20,048,409
Legal reserves	(1,640,224)	(2,760,718)
<b>Fiscal loss carried forward</b>	<b>51,808,773</b>	<b>72,472,688</b>
<b>Fiscal loss carried forward/Taxable income</b>	<b>51,808,773</b>	<b>72,472,688</b>
<b>Profit tax</b>	<b>10,177,435</b>	<b>14,068,703</b>
<b>Income tax deductions for sponsorships</b>	<b>2,075,221</b>	<b>2,198,594</b>
<b>Income tax deduction 15%, 16%, 20%</b>	<b>(478,778)</b>	<b>619,503</b>
<b>Income tax correction for previous year</b>	<b>7,623,436</b>	<b>12,489,612</b>

\* Tax rates applicable to profit generated in the USA are 21% and 25%, and in Germany is 15%.

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**Deferred income tax**

	<b>FY 2024</b>	<b>FY 2023</b>
Deferred income tax assets	1,974,769	2,129,265
<b>Total</b>	<b>1,974,769</b>	<b>2,129,265</b>

Deferred income tax assets are generated by temporary tax differences related to trade and other receivables, inventories, lease liabilities recognized following restatements according to IFRS 16 and provisions for untaken holiday.

The deferred income tax receivable will be recovered based on future profits earned by the Group.

	<b>Sold la 31 Decembrie 2024</b>	<b>Sold la 31 Decembrie 2023</b>
Deferred income tax liabilities	11,701,946	12,200,152
<b>Total</b>	<b>11,701,946</b>	<b>12,200,152</b>

Deferred tax liabilities are mainly generated by the difference in fair value of assets recorded upon acquisition of subsidiaries and the recognition of assets related to rights of use of leased assets following restatements in accordance with IFRS16.

<b>Source of temporary differences</b>	<b>2024</b>	<b>2023</b>
Customer relationship	(11,682,283)	(12,200,153)
Other intangible assets	(775,471)	(295,064)
Assets related to rights of use of leased assets	(1,133,021)	(2,753,777)
Work in progress services and inventories	140,328	171,858
Trade receivables	287,727	364,991
Personnel liabilities	612,727	704,163
Advance income	708,203	828,084
Leasing liabilities	1,114,778	2,831,603
Provisions	681,270	543,924
Current result	(1,162)	14,477
ESOP	319,725	(280,994)
<b>Total</b>	<b>(9,727,177)</b>	<b>(10,070,887)</b>

**15. EBITDA**

EBITDA (Earning Before Interest, Taxes, Depreciation and Amortization) is one of the most widely used indicators of corporate profitability. This indicator helps to show the cash profit generated by the company before depreciation, amortisation, taxes and debt related to the capital structure.

EBITDA is one of the main performance indicators monitored by the Group's management. Consolidated EBITDA is reconciled to the Group's consolidated income statement as follows:



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	<b>2024</b>	<b>2023</b>
Operating revenues	416,319,926	430,399,492
Operating expenses	356,683,166	356,910,127
<b>EBITDA</b>	<b>59,636,761</b>	<b>73,489,365</b>
<b>EBITDA Margin</b>	<b>14%</b>	<b>17%</b>
ESOP 1-3	6,837,134	19,129,411
<b>Normalized EBITDA*</b>	<b>66,473,895</b>	<b>92,618,775</b>
<b>Normalized EBITDA margin*</b>	<b>16%</b>	<b>22%</b>
ESOP 4	6,922,709	-
Depreciation and amortization of assets	25,579,863	19,523,793
Customer relationship depreciation	9,816,509	9,023,588
Other operating expenses***	551,326	1,382,611
Financial result	3,934,629	(517,637)
<b>Gross profit</b>	<b>27,623,691</b>	<b>43,041,736</b>
Tax	6,391,433	11,125,850
<b>Net profit</b>	<b>21,232,258</b>	<b>31,915,886</b>
<b>Net profit margin</b>	<b>5%</b>	<b>7%</b>
<b>Normalized Net profit **</b>	<b>28,069,392</b>	<b>51,045,297</b>
<b>Normalized Net profit margin **</b>	<b>7%</b>	<b>12%</b>

\* Normalized EBITDA = EBITDA less SOP expense

\*\* Normalized net profit excludes the non-cash effect of the Stock Option Plans

\*\*\* Expenses incurred in the activity of acquiring companies and stock exchange expenses, which do not represent current operating expenses of the company

Normalized EBITDA, at consolidated level, recorded a value of 66.5 million lei, as of December 31, 2024, and normalized net profit recorded a value of 28.1 million lei, as of the same date. The normalization of these indicators was achieved by canceling the effect of the expense with the ESOP 2 and 3 programs. The expense with the ESOP 4 program, started in May 2024, is not taken into account in the normalization of these indicators because the shares needed to carry out the program were purchased within the framework of the buyback programs, generating a monetary effect.

## 16. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following amounts of profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:

<b>Basic</b>	<b>2024</b>	<b>2023</b>
Profit	20,992,051	31,851,024
Regular shares in circulation	917,313,056	827,332,139
<b>Basic earnings per share</b>	<b>0.0229</b>	<b>0.0385</b>

  

<b>Diluted</b>	<b>2024</b>	<b>2023</b>
Profit	20,992,051	31,851,024
Diluted regular shares in circulation	1,040,116,936	856,620,812
<b>Diluted earnings per share</b>	<b>0.0202</b>	<b>0.0372</b>

The dilution effect is due to the treasury shares allocated in the ESOP programs that are to be distributed on the dates established in the ongoing programs.

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Ordinary shares	2024	2023
<b>Weighted average number of shares used in basic EPS</b>	<b>917,313,056</b>	<b>827,332,139</b>
Capital increase	174,258,722	-
Capital decrease		(40,101,379)
ESOP	21,472,265	22,997,495
<b>Weighted average number of shares used in diluted EPS</b>	<b>1,040,116,936</b>	<b>856,620,812</b>

**17. PROPERTY, PLANT AND EQUIPMENT**

	<b>Buildings</b>	<b>Plant, machinery and motor vehicles</b>	<b>Other installations and fixtures and fittings</b>	<b>Advances and WIP Tangible assets</b>	<b>Total</b>
<b>31-Dec-23</b>	<b>5,759,727</b>	<b>30,359,573</b>	<b>7,825,398</b>	<b>22,589,921</b>	<b>66,534,619</b>
Purchases	14,653	4,120,200	553,544	4,799,990	<b>9,488,388</b>
Transfers	26,555,290	(2,804,509)	2,837,940	(26,556,951)	<b>31,769</b>
Transfer to Investment Property	(21,244,232)	-	-	-	<b>(21,244,232)</b>
Disposals	(244,496)	(5,793,935)	(812,432)	(550,027)	<b>(7,400,890)</b>
<b>31-Dec-24</b>	<b>10,840,943</b>	<b>25,881,329</b>	<b>10,404,451</b>	<b>282,933</b>	<b>47,409,655</b>
<b>Depreciation/Adjustments</b>					
<b>31-Dec-23</b>	<b>5,174,044</b>	<b>20,261,180</b>	<b>5,542,520</b>	<b>-</b>	<b>30,977,743</b>
Period cost	523,175	4,639,165	1,378,400	-	<b>6,540,740</b>
Transfers	-	(2,243,352)	2,575,729	-	<b>332,376</b>
Disposals	(244,063)	(3,239,019)	(637,859)	-	<b>(4,120,942)</b>
<b>31-Dec-24</b>	<b>5,453,156</b>	<b>19,417,974</b>	<b>8,858,790</b>	<b>-</b>	<b>33,729,919</b>
<b>Net value</b>					
<b>31-Dec-23</b>	<b>585,684</b>	<b>10,098,393</b>	<b>2,282,878</b>	<b>22,589,921</b>	<b>35,556,876</b>
<b>31-Dec-24</b>	<b>5,387,787</b>	<b>6,463,355</b>	<b>1,545,661</b>	<b>282,933</b>	<b>13,679,736</b>

The net value of tangible fixed assets decreased in 2024 by 2% compared to previous year. Purchases recorded during 2024 include the purchase of laptops, switches and other workstations for the optimal performance of activities.

**18. INVESTMENT PROPERTY**

	<b>Buildings</b>
<b>31-Dec-23</b>	<b>-</b>
Purchases / Receptions	-
Transfers from Buildings	21,244,232
Disposals	-
<b>31-Dec-24</b>	<b>21,244,232</b>
<b>Depreciation/Adjustments</b>	
<b>31-Dec-23</b>	<b>-</b>
Period cost	-
Transfers	236,193
Disposals	-
<b>31-Dec-24</b>	<b>236,193</b>
<b>Net value</b>	
<b>31-Dec-23</b>	<b>-</b>
<b>31-Dec-24</b>	<b>21,008,039</b>

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Investment properties were recognized following the completion of the investment in a new headquarters, which will be used for rental purposes to third parties, in a proportion of 80%. We estimate that the fair value of the investment property is not significantly different from its investment cost, at the end of 2024.

The recognition of the real estate investment is made at cost, as a result of the fact that part of this property is used for its own administrative purposes and obtaining income from the use of additional spaces does not represent a main activity of the Group.

## 19. GOODWILL

	31.12.2024	31.12.2023
AROBS DEVELOPMENT & ENGINEERING SRL (ENEA)	29,526,716	29,526,716
BERG COMPUTERS S.R.L.	11,337,454	11,337,454
NORDLOGIC SOFTWARE	14,782,480	14,701,986
CENTRUL DE SOFT GPS	1,853,698	1,853,698
COSO BE & NL	272,307	350,976
AROBS TRACKGPS	23,505	23,505
AROBS SOFTWARE	9,191,483	11,541,483
AROBS POLSKA (SYDERAL POLSKA)	-	2,074,306
FUTURE WORKFORCE	32,337,663	32,337,663
AROBS PANNONIA SOFTWARE	1,013,582	1,013,582
INFOBEST ROMANIA	10,891,431	-
<b>Total</b>	<b>111,230,318</b>	<b>104,761,369</b>

The net value of the goodwill recorded as of 31.12.2024 is 111 million lei. It increased in 2024 by 10.9 million lei, following the acquisition of the Infobest group.

The Group is required to test, on an annual basis, whether goodwill is impaired. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of discounted future cash flows and the determination of a discount rate to calculate the present value of the cash flows.

At 31 December 2024, the impairment test of the goodwill related to the acquired companies was performed. Following the calculations regarding future cash flows, the test concluded with an impairment of 4.4 million lei for 2 subsidiaries.

The main assumptions are the following:

2024	%	%	%	%
Main assumptions	ENEA	Berg Computers	Nordlogic Software	Future Workforce
Revenue increase average rate	7.6	5.1	7.5	14.8
EBITDA average rate	26	25.6	18.4	16.5
WACC	15.9	16.4	15.9	14.1
Perpetuity rate	2	2	2	2

The revenue growth rate for each entity took into account the history of revenue development but also the dynamics of the markets where each company's customers are.

The average EBITDA growth rate for each entity was estimated based on the historical evolution but also taking into account the estimated evolution of the main categories of expenses, in particular salaries.

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The WACC rate was calculated taking into account both the risk of the industry in which each company operates, the country risk taking into account the place of service provision as well as the country where the customer of the services is located and the specific risk of each entity.

#### Sensitivity analysis

If any of the following changes were made to the key assumptions above, for cash-generating units holding a significant proportion of the total goodwill balance, the carrying amount and recoverable amount would be equal:

2023	p.%	p.%	p.%	p.%
Sensitivity analysis	ENEA	Berg Computers	Nordlogic Software	Future Workforce
Revenue increase average rate	-15	-20.5	-5.5	-2.9
EBITDA average rate	-9.2	-13.2	-2.8	-1.8
WACC	8.4	15.7	+2.7	1.4

## 20. MERGERS & ACQUISITIONS

In order to strengthen its position on the market, the company has been pursuing an acquisition policy in recent years. It has transformed itself into an international company, forming partnerships and collaborations with partners and customers in the United States, Canada, Germany, Finland, Switzerland, the Netherlands, Belgium and Italy.

#### 2024 Acquisitions

Fair vlaue	Infobest Grup
Client relations	7,410,087
Net current Assets/(liabilities)	1,846,631
Deferred tax	(1,112,738)
<b>Total net assets</b>	<b>8,829,431</b>
Fixed contribution	16,920,780
Contingent obligation	2,114,631
Noncontrolling interests	-
<b>Goodwill</b>	<b>10,891,431</b>

#### Infobest By AROBS

At the end of May 2024, AROBS fully acquired the Infobest group: Infobest Romania SRL, Infobest Romania SRL Niederlassung, Infobest Systemhaus GmbH. By acquiring Infobest, AROBS consolidates its presence on the Romanian and German markets, its expertise in the business line, software services and accesses new industries, such as telecommunications, media and communication.

#### 2023 Acquisitions

Fair vlaue	Future Worforce	Pannonia	Software	Polska	Track GPS	Total
Client relations	6,632,459	2,550,180	-	-	1,449,000	10,631,639
Net current Assets/(liabilities)	2,723,536	2,671,964	2,980,742	(1,337,985)	1,194,065	8,263,322
Deferred tax	(1,069,450)	(229,516)	-	-	(189,000)	(1,487,966)
<b>Total net assets</b>	<b>8,286,545</b>	<b>4,992,628</b>	<b>2,980,742</b>	<b>(1,337,985)</b>	<b>2,485,065</b>	<b>17,406,995</b>
Fixed contribution	26,754,582	6,006,210	14,522,225	811,784	2,508,570	50,603,370
Contingent obligation	14,197,369	-	-	-	-	14,197,369

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Noncontrolling interests	(327,743)	-	-	(74,462)	-	(403,205)
<b>Goodwill</b>	<b>32,337,663</b>	<b>1,013,582</b>	<b>11,541,483</b>	<b>2,074,306</b>	<b>23,505</b>	<b>46,990,539</b>

#### **Future Workforce Global SA**

At the end of April 2023 Arobs fully acquire Future Workforce Global SA și and its subsidiaries: 100% Future Workforce SRL (Romania), 80% Future Workforce UK (United Kingdom) și 65% Future Workforce GmbH(Germany). FWF by AROBS continued to strengthen its position in intelligent automation and digital transformation with significant increases in the number of new partnerships. One of FwF's success pillars remains its specialization in the financial banking sector, which uses RPA technologies and low-code solutions to deliver complex operations digitization programs.

#### **Arobs Pannonia Software Kft**

In July 2023, the complete acquisition of Arobs Pannonia Software Kft, based in Budapest, Hungary, a company specialized in fleet management and custom software development, was completed. The acquisition of AROBS Pannonia Software marks a new development perspective in Central Europe, starting with more than 1,000 customers in Hungary.

#### **AROBS Software SRL**

The acquisition of AROBS Software SRL was completed in the beginning of February 2023, a transaction with strategic value for software services division development within the Group.

#### **AROBS Polska**

For AROBS Polska, where the Group acquired 94% of shareholding, 2023 was a year marked by significant events. The company joined the AROBS group and strengthened its position in the European space market. In 2023, AROBS Polska developed quantum communication – especially in a project for the European Space Agency. In addition, the company continued to expand its competencies in controlling mechanisms for space missions, with plans to introduce a dedicated product to this market by the end of 2025.

#### **AROBS TrackGPS SRL**

Arobs TrackGPS SRL from the Republic of Moldova joined the Group in February 2023; it is a company with experience in fleet management for companies in all industries, with an active client portfolio of around 450 companies with around 5,000 monitored vehicles. The company's integration into the group meant consolidating its presence in the Central and Eastern European markets for AROBS's fleet management business line.

#### ***Fair value on business combinations – significant estimates***

In the separate annual financial statements, goodwill can only be recognized in the case of the transfer of all assets or a part of them and of liabilities and equity, regardless of whether it is realized because of the purchase or because of some merger operations. For goodwill to be accounted for separately, the transfer must be related to a business, represented by an integrated set of activities and assets organized and managed for the purpose of obtaining profits, recording lower costs or other benefits. For the accounting recognition of the assets and liabilities acquired in a business combination, AROBS proceeded to evaluate the fair value of the items acquired/transferred. This operation was carried out by authorized evaluators.

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**21. OTHER INTANGIBLE ASSETS**

	<b>Goodwill</b>	<b>Customer relationships</b>	<b>Research &amp; development expenses</b>	<b>Other noncurrent assets</b>	<b>Total</b>
<b>Cost</b>					
<b>31-Dec-23</b>	<b>105,639,905</b>	<b>93,842,536</b>	<b>8,311,149</b>	<b>28,388,976</b>	<b>236,182,566</b>
Purchases		7,410,087	5,564,067	6,827,224	<b>19,801,379</b>
Transfers			(10,709,939)	10,709,939	-
Purchases (CI*)	10,971,842	-	-	-	<b>10,971,842</b>
Disposals	-	-		(1,334,839)	<b>(1,334,839)</b>
<b>31-Dec-24</b>	<b>116,611,747</b>	<b>101,252,623</b>	<b>3,165,277</b>	<b>44,591,300</b>	<b>265,620,947</b>
<b>Depreciation/Adjustments</b>					
<b>31-Dec-23</b>	<b>878,536</b>	<b>17,280,734</b>	<b>189,036</b>	<b>13,466,629</b>	<b>31,814,935</b>
Period cost	4,502,893	9,816,509	-	7,964,614	<b>22,284,015</b>
Disposals	-	-	-	895,421	<b>895,421</b>
<b>31-Dec-24</b>	<b>5,381,429</b>	<b>27,097,243</b>	<b>189,036</b>	<b>20,535,822</b>	<b>53,203,529</b>
<b>Net value</b>					
<b>31-Dec-23</b>	<b>104,761,369</b>	<b>76,561,802</b>	<b>8,122,113</b>	<b>14,922,347</b>	<b>204,367,631</b>
<b>31-Dec-24</b>	<b>111,230,318</b>	<b>74,155,381</b>	<b>2,976,241</b>	<b>24,055,478</b>	<b>212,417,418</b>

\*Business combinations

The goodwill, in a net amount of 111,230,318 lei, resulted as a positive difference between the acquisition cost and the value, at the transaction date, of the part of the acquired net assets of the subsidiary. The increase in the value of intangible assets is mainly due to the recording of goodwill, following the acquisition of the Infobest group, from the end of May 2024 and the continued development of domestic products.

In order to determine goodwill, the Parent Company has valued, through independent licensed valuers, the identifiable assets acquired and liabilities assumed at their fair values as of the date of acquisition of the above mentioned companies as well as those acquired in prior years. Following calculations regarding future cash flows, the testing concluded with an impairment of 4.4 million lei for 2 subsidiaries.

For the acquired companies, customer relationships were identified in the process of allocating the purchase price by the appraisers, which 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 31.12.2024 is 74.2 million lei. Amortization of these assets is made on a straight-line basis over a period of 10 years.

Development expenses mainly relate to the development project of a new HR solution, and other internal products.

**22. FINANCIAL ASSETS**

<b>Cost</b>	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Affiliated company shares	10,181	10,181
Loans granted to affiliated entities and other loans	9,817,830	18,314,341
Bonds	2,110,053	2,220,548
Guarantees and other financial assets	1,567,012	1,470,255
<b>Total</b>	<b>13,505,076</b>	<b>22,015,325</b>

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<b>Value adjustments</b>	<b>Balance at 31.12.2023</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance at 31.12.2024</b>
Loans granted to affiliated entities and other loans	2,758,835	874,635	1,109,759	2,523,711
<b>Total</b>	<b>2,758,835</b>	<b>874,635</b>	<b>1,109,759</b>	<b>2,523,711</b>

From the amount of 10,181 lei related to the shares held in affiliated entities and jointly controlled entities, 9,000 lei represents the contribution to the assets held by Cluj IT Association.

Loans granted to related parties and other loans, amounting to 9,817,830 lei, represent long-term loans granted at group level whose value decreased at the end of 2024, following their partial reimbursement (3.5 million lei), respectively the reclassification to short-term of some loans in 2024, which were presented as long-term in 2023 (3.1 million lei).

Part of these loans granted to related parties have been fully adjusted, the amount of the adjustments at 2024 being 2,523,711 lei.

**Guarantees granted and guarantees received**

The outstanding guarantees in balance at the end of 2024, amounting to 1,587,563 lei, are detailed in the statement presented below:

<b>Guarantees</b>	<b>2024</b>	<b>2023</b>
Building lease	1,297,427	1,320,532
Guarantees for adequate execution	5,586	3,984
Auctions	95,446	66,183
Other	189,104	79,556
<b>Total</b>	<b>1,587,563</b>	<b>1,470,255</b>

**23. WORK IN PROGRESS SERVICES AND INVENTORIES**

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Materials	274,657	278,398
Work in progress	5,467,236	4,265,587
Merchandise	2,945,707	1,983,850
Inventories Advances	111,506	448,090
<b>Total</b>	<b>8,799,106</b>	<b>6,975,925</b>

The value of services in progress and outstanding inventories, as of 31.12.2024, increased compared to 2023, due to the increase in goods, mainly used in fleet management activity, and work in progress.

Work in progress services refer to contracts with clients that run over longer periods of time. Direct costs involved in providing these services, mainly salaries, were recognized under this asset, taking into account the degree of completion of the projects by 31.12.2024.

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Inventory adjustments are calculated according to age, namely: 30% of the entry value for stocks between 181 and 365 days old and 100% of the value of stocks older than one year and with slow movement. The value of adjusted stocks for 2024 is 876,401 lei, being at a similar level to the previous year.

## 24. TRADE RECEIVABLES

	Balance at 31.12.2024	Balance at 31.12.2023
Accounts receivable	72,139,534	95,581,994
Accounts receivable - unissued invoices	5,220,971	7,306,443
Accounts payable adjustments	(6,876,594)	(6,380,867)
Accounts receivable - affiliate entities	2,627,697	2,964,133
Adjustments for accounts receivable - affiliate entities	(2,408,876)	(2,243,781)
Supplier advances	2,499,936	680,961
<b>Total</b>	<b>73,202,668</b>	<b>97,908,883</b>

The total value of trade receivables decreased in 2024 compared to the previous year by 25%, mostly due to the decrease in receivables from customers by 23.4 million lei compared to 2023.

At the end of each financial year, bad debts are analysed and adjusted 100%.

At the end of 2024, impairment adjustments related to customer receivables amounted to 6,876,594 lei, the increase being due both to the newly acquired entities and to the application of the accounting policy established under IFRS 9, which involves recording impairment adjustments for receivables based on impairment rates, calculated by age intervals.

Receivables ageing	Balance at 31.12.2024	Balance at 31.12.2023
Not due	47,227,934	55,785,966
0-30	12,704,199	18,353,793
31-90	1,943,805	12,363,440
91-360	4,153,596	3,742,309
Over 360	6,110,000	5,336,481
<b>Total gross value (unadjusted)</b>	<b>72,139,534</b>	<b>95,581,990</b>

Software services	Expected average loss rate	2024	2023
Not due	0.27%	43,140,518	52,491,852
1-30	0.38%	11,125,522	16,742,655
31-60	2.48%	1,028,967	10,660,585
61-90	4.02%	569,929	1,432,895
91-180	6.00%	1,950,518	3,093,255
181-270	20.02%	1,248,064	461,612
271-360	44.77%	710,291	25,709
Over 360	100.00%	4,132,079	5,122,624
<b>Total gross value (unadjusted)</b>		<b>63,905,887</b>	<b>90,031,187</b>

Software products – GPS tracking	Expected average loss rate	2024	2023
Not due	0.39%	2,824,996	1,736,402
1-30	0.84%	920,315	828,387
31-60	3.80%	238,781	133,863
61-90	9.58%	65,365	72,650
91-120	21.34%	41,314	37,058



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Over 120	37.31%	1,076,502	228,640
<b>Total gross value (unadjusted)</b>		<b>5,167,272</b>	<b>3,037,001</b>

	<b>Expected average loss rate</b>	<b>2024</b>	<b>2023</b>
<b>Software products – HR services</b>			
Not due	0.24%	1,263,264	1,532,498
1-30	0.39%	658,363	783,085
31-60	1.44%	5,113	59,533
61-90	3.20%	35,900	4,273
91-120	7.17%	-	23,136
121-180	11.48%	42,902	49,645
181-270	26.97%	22,842	9,175
271-360	56.08%	-	-
Over 360	100.00%	52,651	43,484
<b>Total gross value (unadjusted)</b>		<b>2,081,034</b>	<b>2,504,828</b>

*Impairment losses related to trade receivables and assets related to contracts with customers as well as related to loans granted.*

To estimate the potential losses related to trade receivables and assets related to contracts with customers, the AROBS Group used a calculation model based on the analysis of revenue collection behavior by aging periods in the last three financial years. Trade receivables and assets related to contracts with customers were grouped by category according to the services provided, namely: software services and other services, software products – GPS monitoring, software products – HR solution licensing. Based on the analysis, a historical weighted average rate of impairment was determined for each aging period, which was applied to the outstanding balance of receivables at December 31, 2024 for each category of receivables mentioned above.

Contractual assets are initially recognised for revenue from services provided by the Group, since receipt of consideration is conditional on successful completion of services and delivery of goods. Upon completion of services, delivery of goods and acceptance by the customer, amounts recognised as contract assets are reclassified into trade receivables.

## **25. PREPAYMENTS**

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2024</b>
<b>Prepayments, out of which:</b>	<b>2,316,462</b>	<b>2,025,283</b>
Long term	-	153,355
Short term	2,316,462	1,871,928

Prepayments increased in 2024 by 14% compared to previous year. These include prepayments made for expenses with third party services, insurance, rent, employee travels and trainings.

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**26. OTHER RECEIVABLES**

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Other personnel-related claims	2,126,327	2,072,656
VAT receivable	3,106,441	2,214,747
VAT under settlement	311,877	391,946
Input VAT	114,647	270,104
Other claims receivable from the Treasury	844,559	13,451
Sundry debtors	257,185	18,647
Suspense account	90,052	30,904
Transactions with shareholders / associates related to capital	5,000	5,000
Other employee-related claims	2,843	4,157
Non-repayable loans in the form of grants	-	84,537
Government subsidies	-	3
<b>Total</b>	<b>6,858,931</b>	<b>5,106,152</b>

**27. CASH AND CASH EQUIVALENTS**

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Cash at bank and deposits in lei	80,425,779	20,781,961
Cash at bank and deposits in foreign currencies	178,825,630	66,777,196
<b>Subtotal – Cash at bank and deposits</b>	<b>259,251,409</b>	<b>87,559,158</b>
Petty cash	142,223	160,563
Bonds	-	302,033
Other marketable securities	215,319	35,345
Amounts being settled	-	5,047
Other cash equivalents	(4,762)	13,776
<b>Total</b>	<b>259,604,189</b>	<b>88,075,920</b>

<b>Balance of foreign and domestic currencies Current account</b>	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
RON	80,425,779	20,781,961
EUR	162,556,418	46,558,865
USD	10,422,415	16,591,938
GBP	2,611,323	864,329
Other currencies	3,235,474	2,762,065
<b>Total</b>	<b>259,251,409</b>	<b>87,559,158</b>

Cash and cash equivalents in the bank and deposits increased by 171.7 million lei in 2024 compared to the previous year. Most of this increase is due to the successful completion of the capital increase operation, which attracted 142.9 million lei from institutional investors. AROBS aims to capitalize on the capital attracted by investing in newly acquired companies.

Cash in the bank bears interest at the daily interest rate when deposits are made. Short-term deposits are made for different periods of time between 1 day and 3 months, depending on the cash needs of the parent company and subsidiaries and accrue interest at the corresponding interest rates.

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## 28. CAPITAL AND RESERVES

The share capital of the Group consists of the share capital held by the parent company. Shareholdings held by Group companies in other Group companies, obtained either through shareholdings at incorporation or through acquisitions from other Group companies, have been written off in consolidation, together with the value of the participating interests.

In the case of acquired companies, reserves existing at the date of formation of the Group, together with retained earnings and other equity items were taken into account in the calculation of goodwill and eliminated in consolidation together with the interests held in Group companies.

As of December 31, 2024, the paid-up share capital of the Parent Company is 104,555,233 lei, divided into 1,045,552,330 registered shares, with a nominal value of 0.1 lei per share. The share capital is fully subscribed and paid-up as of December 31, 2024. The Parent Company was transformed into a joint-stock company as of September 5, 2014..

In July 2024, the share capital increase operation was successfully completed, attracting 142.9 million lei from institutional investors. The funds entered the Company are found in cash and cash equivalents as of December 31, 2024. AROBS aims to capitalize on the attracted capital by investing in newly acquired companies, expanding commercial activities on key markets and continuing to develop the software products in its portfolio.

The Company ran a program to buy back its own shares in order to implement ESOP programs. As of 31 december 2024 the total number of redeemed shares in balance is 32,052,907 shares.

Legal reserves are established in accordance with the regulations in place at Group company level. The legal reserve has been established in accordance with the terms of the Law on Commercial Companies. As at 31 December 2024, the value of the legal reserves amounts RON 9,447,748.

On December 31, 2024, differences resulting from the conversion of transactions of foreign entities under consolidation were recognized in capital.

	<b>31.12.2024</b>	<b>31.12.2023</b>
Number of shares	1,045,552,330	871,293,609
Subscribed and paid capital	104,555,233	87,129,361
<b>TOTAL</b>	<b>104,555,233</b>	<b>87,129,361</b>

## 29. TRADE PAYABLES

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Suppliers	12,880,506	11,683,514
Client advances	6,160,223	3,834,033
Suppliers - invoices not yet received	2,819,843	2,172,434
Supplier liabilities - affiliated entities	375,700	519,650
Other creditors	91,006	181,370
<b>Total</b>	<b>22,327,278</b>	<b>18,391,001</b>

The total amount of debt increased in 2023 compared to the previous year by 3.9 million lei, an increase of 21%.

The most significant increases were recorded in advances received from customers for various projects, according to contractual agreements with them, amounting to 2.3 million lei and supplier debts, amounting to 1.2 million lei.

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**30. EQUITY LIABILITIES**

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
<b>Equity liabilities out of which</b>	<b>18,664,617</b>	<b>18,449,883</b>
Long term	14,686,659	14,686,659
Short term	3,977,961	3,763,224
<b>Total</b>	<b>18,664,617</b>	<b>18,449,883</b>

Equity liabilities are generated following the estimation of contingent payments according to the clauses in the acquisition contracts of subsidiaries, payments that are conditioned on the fulfillment of certain financial indicators.

**31. BANK LOANS**

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Long terms bank loans	65,248,133	84,760,637
Short term bank loans	1,864,857	2,052,769
<b>Total</b>	<b>67,112,990</b>	<b>86,813,406</b>

**Bank loans by due date:**

	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Bank loans due up to 1 year	24,677,989	24,184,008
Bank loans due between 1 and 5 years	42,435,001	62,629,398
Bank loans due over 5 years	-	-
<b>Total</b>	<b>67,112,990</b>	<b>86,813,406</b>

At the end of 2024, the value of bank loans decreased by 19.7 million lei, compared to the end of 2023, as a result of the repayments made during 2024, reaching a total value of 67 million lei.

**Bank loans contingencies**

Regarding the contingencies related to bank loans contracted by the Group, there are no changes as of December 31, 2024, compared to the contingencies at the end of 2023.

As of December 31, 2024, **AROBS TRANSILVANIA SOFTWARE SA** ("the Company") has a loan in the amount of EUR 787,500 (RON 3,917,104) due on February 27, 2026, a loan in amount of EUR 6,041,667 (RON 30,051,855) due on May 31, 2027 and a loan in the amount of EUR 3,190,000 (RON 15,867,379) due on August 14, 2028, contracted from Citi Bank. The interest related to these loans is according to the contracts negotiated between the parties.

**Obligations:**

- The company undertakes to run through its bank accounts an amount of money that is equivalent to at least 80% of its business volume, i.e. the receipts from third parties on its bank accounts must represent the equivalent of at least 80% of its turnover, but not less than the equivalent of €3,300,000 per month. If this condition is not met, the bank charges a fee of 0.25% per quarter of the maximum amount of the facility contracted.

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- The Company undertakes not to distribute and/or pay dividends without the Bank's prior written consent for amounts exceeding EUR 1,000,000 cumulatively during a calendar year.
- The Company undertakes to maintain the "Debt Service" ratio greater than or equal to 1.5x for the duration of its obligations under the contract.
- The Company undertakes to maintain a "Financial Leverage Ratio" of less than 3.5x for the duration of its contractual obligations.
- The Borrower undertakes to notify the Bank if it takes out Bank Loans from other financial-banking institutions.
- The Company undertakes to notify the Bank in the event that it considers a transaction of acquisitions of shares in another company that exceeds 10% of the value of the assets of this Borrower on 31.12.2022 as soon as there is reasonable assurance regarding the materialization of the transaction. The information may be provided under a Confidentiality Agreement before the information becomes public and will contain as a minimum: company name, details regarding the scope of activity and number of employees, motivation behind the acquisition / strategy, shareholding.
- Specific obligations arising from the use of the type of credit provided for in the contract negotiated between the parties;
- The company undertakes to take all steps so that the joint and several DEBTORS fulfill the conditions assumed in the loan agreement.

In addition to the above, the company **UCMS GROUP ROMANIA S.R.L.**, part of the group, has a non-revolving, committed term loan granted by Raiffeisen Bank S.A. in the amount of EUR 3,095,567 (RON 15,397,271), as of 31.12.2024 maturing on 30.09.2030. The interest on this loan is in accordance with the contract negotiated between the parties. The loan is granted for the purpose of financing/refinancing a maximum of 70% of the cost, excluding VAT, of the investment project on a plot of land over which a surface right is established for a period of 8 years, located in Cluj Napoca, 78-78A Constantin Brâncuși Street, with an area of 991 sq.m, consisting of "Construction of an office building, with a height of S+P+5E+Er, fencing and external improvements". In order to guarantee the loan,

**Obligations:**

- UCMS GROUP ROMANIA S.R.L. undertakes to make any change in the shareholder structure only with prior written notification to the Bank;
- The Company undertakes to achieve through its current accounts opened with the Bank a minimum annual turnover in proportion to the share of the facilities granted by Raiffeisen Bank S.A. in the total bank debts;
- The Company undertakes to incur other loans or similar indebtedness from banks with the prior consent of the Bank;
- The Company undertakes to make dividend payments to shareholders with the prior consent of the Bank;
- All liabilities of the Company to shareholders or other non-bank entities will be subordinated to the obligations of the Company arising under the Facility pursuant to a Subordination Deed on the form of the Bank;
- The Company will honour its commitments under the facility agreement;
- The company will comply with the financial indicator Debt Service Coverage Ratio = min 1.2x;
- All proceeds from the lease of the Project will be collected in the collector account opened with the Bank and mortgaged to the Bank. The Company will only be able to dispose of the rental income on a monthly basis to the collector account after monthly payment of the amount due to the Bank (principal, interest and commissions). At the request of the Company, the surplus on the collector account will be transferred to the current account;
- Leases will have a Rent Payment Guarantee in the form of a collateral deposit or bank guarantee amounting to the estimated rent for 3 months, unless the tenants are intra-group companies.
- The company undertakes to conclude with the bank an additional deed to the facility contract and the mortgage contract within 30 days after the construction has been registered in the Land Register in order to extend the mortgage to the construction;
- The company undertakes to enter into lease agreements with a minimum contract term of 3 years;

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- A financial obligation of the company/group of which it is a part to the Bank under this contract and any other credit agreements, or a financial obligation of the company/group of which it is a part to third parties is not paid when due or becomes payable or may become payable before it is due, shall constitute an event of default or fault;
- The company and the guarantor undertake to seek the bank's approval for the amendment of the building lease.

The company **FUTURE WORK FORCE S.R.L**, part of the group, has an overdraft facility granted by Citi Bank, with a balance of EUR 373,781 (RON 1,859,222), as of 31.12.2024.

#### **Contingent liabilities**

The group has the following contingent liabilities – bank guarantee letters:

Amount	Currency	Date of document that certifies the start of the obligation	Payment/due date
15,874.13	EUR	08 May 2023	02 May 2025
275,000	EUR	10 May 2022	13 March 2025
12,786	RON	10 June 2024	06 June 2025

## **32. LEASING**

The Group has lease agreements for various elements of buildings and vehicles used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from divesting and subletting leased assets, and some contracts require the Group to maintain certain financial indicators.

There are several leases that include extension and termination options and variable lease payments, which are further disclosed below.

The carrying amounts of recognised right-of-use assets and movements during the period are shown below:

	Land and buildings	Transport vehicles
<b>Balance at 31.12.2023</b>	<b>29,297,689</b>	<b>5,905,953</b>
Additions	14,026,031	5,691,109
Disposals	(3,733,162)	(1,756,851)
Accumulated depreciation	(20,060,120)	(3,974,050)
<b>Balance at 31.12.2024</b>	<b>19,530,439</b>	<b>5,866,161</b>

The right-of-use liabilities recognised and movements during the period are listed below:

Balance at 31.12.2023	Leasing payments	Additions	Disposals	Interest	Net exchange difference	Balance at 31.12.2024
19,229,060	(10,956,335)	16,638,059	(634,842)	1,206,563	(8,110)	25,474,396

#### **Commitments and contingencies - Leasing**

Future lease obligations for the right to use assets (including interest) under IFRS 16 that fall due after the reporting date are presented as follows:

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	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>T0 (Under 1 year)</b>	9,394,560	8,587,590
<b>TL 1 (1-5 years)</b>	18,053,736	11,955,271
<b>TL 2 (Over 5 years)</b>	956,050	-
<b>Total</b>	<b>28,404,347</b>	<b>20,542,861</b>

***Lease contracts term and discount rate – significant estimates:***

AROBS Group applied the following provisions in accordance with IFRS 16 and IFRS 1:

- applying a single discount rate to a leasing portfolio with reasonably similar characteristics
- the application of the requirements regarding leasing contracts for which the leasing term ends within 12 months from the date of transition to IFRSs, namely their non-classification as leasing contracts.
- the application of the requirements regarding leasing contracts for which the underlying asset is of low value, i.e. not classifying them as leasing contracts.
- exclusion of initial direct costs from the measurement of the right to use asset at the date of transition to IFRS.
- Recognition of a right to use asset at the same value as the leasing liability from the date of transition to IFRS.

AROBS Group leases office space and cars for a period of 1 to 8 years. Lease contracts are concluded in LEI, EUR, GBP, HUF, IDR and PLN.

The Group determined the discount rate used to apply the provisions of IFRS 16 based on the interest rate applied by financial institutions in credit agreements with Group Companies for loans with the same characteristics as leasing agreements, in terms of the asset used, currency and maturity.

### **33. OTHER PAYABLES**

<b>Other payables</b>	<b>Balance at 31.12.2024</b>	<b>Balance at 31.12.2023</b>
Liabilities related to employee social security expenses	6,155,475	5,820,426
Other liabilities to the state budget	4,676,218	4,162,989
Dividend payment	666,714	666,714
Shareholder loans	201,437	109,751
Guarantees	510,016	-
Other taxes	171,954	159,504
<b>Total</b>	<b>12,381,814</b>	<b>10,919,384</b>

### **34. PROVISIONS**

The Group recorded provisions for taxes generated by contractual employment relationships.

	<b>Balance at 31.12.2023</b>	<b>Transfers in the account</b>	<b>Transfers from the account</b>	<b>Balance 31.12.2024</b>
Provisions	12,823,044	1,322,053	1,043,013	13,102,084
<b>Total</b>	<b>12,823,044</b>	<b>1,322,053</b>	<b>1,043,013</b>	<b>13,102,084</b>

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	<b>Balance at 31.12.2023</b>	<b>Balance 31.12.2024</b>
Provisions – short term	-	-
Provisions – long term	12,823,044	13,102,084
<b>Total</b>	<b>12,823,044</b>	<b>13,102,084</b>

**35. PERSONNEL LIABILITIES**

<b>Personnel liabilities</b>	<b>Balance at 31.12.2023</b>	<b>Balance 31.12.2024</b>
Owed amounts to personnel	10,191,387	9,799,019
Untatekn holiday provision	4,438,769	5,273,671
<b>Total</b>	<b>14,630,156</b>	<b>15,072,690</b>

**36. RELATED AND AFFILIATED PARTIES**

The transactions carried out by the Group with related parties are the following:

<b>Related parties – Receivables</b>	<b>Balance at 31.12.2023</b>	<b>Balance 31.12.2024</b>
AROBS BUSINESS CENTER SRL	39,833	150,289
AROBS BUSINESS SERVICES SRL	101,892	19,927
AROBS TRADING & DISTRIBUTION GMBH	471,008	469,881
AROBS TRADING & DISTRIBUTION SRL	1,500,130	1,495,259
AROBS TURKEY YAZILIM LIMITED	-	283
CABRIO INVEST SRL	-	5,718
CABRIO INVESTMENT SRL	568	-
MED CONTROL SOLUTION SRL	102,531	102,531
NEWCAR4FUTURE SRL	220,825	220,825
OOMBLA TRAVEL MANAGEMENT SRL	476	454
SMAIL COFFEE SRL	140,817	140,866
TRANSILVANIA SOFTWARE RECRUITMENT SRL	-	308,485
VISION PLUS MOBILE SRL	49,616	49,616
<b>Total</b>	<b>2,627,697</b>	<b>2,964,133</b>



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<b>Related parties – Payables</b>	<b>Balance at 31.12.2023</b>	<b>Balance 31.12.2024</b>
AROBS BUSINESS CENTER SRL	39,621	8,988
AROBS BUSINESS CENTER PLUS SRL	2,452	-
AROBS BUSINESS SERVICES SRL	222,130	233,433
AROBS TRADING & DISTRIBUTION GMBH	5,726	5,726
CABRIO INVEST SRL	-	7,509
IKON SOFT	-	63,544
OOMBLA TRAVEL MANAGEMENT SRL	81,071	39,119
SMAIL COFFEE SRL	52,249	7,148
TRANSILVANIA SOFTWARE RECRUITMENT SRL	107,550	154,176
<b>Total</b>	<b>510,799</b>	<b>519,653</b>

<b>Related parties - Sales</b>	<b>FY 2024</b>	<b>FY 2023</b>
AROBS BUSINESS CENTER SRL	33,473	125,799
AROBS BUSINESS CENTER PLUS SRL	1,254,257	-
AROBS BUSINESS SERVICES SRL	590,463	100,704
AROBS TRADING & DISTRIBUTION GMBH	1,174	1,177
AROBS TRADING & DISTRIBUTION SRL	17,397	134,778
AROBS TURKEY YAZILIM LIMITED	2,504	2,496
CABRIO INVEST SRL	44,365	48,921
CABRIO INVESTMENT	477	-
MANAGIS SERV SRL	-	120
NEWCAR4FUTURE SRL	-	2,551
OOMBLA TRAVEL MANAGEMENT SRL	4,829	6,916
SMAIL COFFEE SRL	50,379	76,862
<b>Total</b>	<b>1,999,318</b>	<b>500,324</b>

Sales to related parties include the provision of software services, sales of GPS equipment, tablets, car sales and subletting of premises.

<b>Related parties - Purchases</b>	<b>FY 2024</b>	<b>FY 2023</b>
AROBS BUSINESS CENTER SRL	1,430,698	1,528,966
AROBS BUSINESS CENTER PLUS SRL	178,637	-
AROBS BUSINESS SERVICES SRL	2,670,594	387,405
AROBS TRADING & DISTRIBUTION GMBH	-	5,694
AROBS TRADING & DISTRIBUTION SRL	-	11,811
AROBS TURKEY YAZILIM LIMITED	1,280,794	1,616,287
CABRIO INVEST SRL	122,536	98,491
IKON SOFT SRL	648,712	495,567
OOMBLA TRAVEL MANAGEMENT SRL	1,209,456	1,048,430
SMAIL COFFEE SRL SRL	613,541	545,142
TRANSILVANIA SOFTWARE RECRUITMENT SRL	-	129,560
<b>Total</b>	<b>8,154,969</b>	<b>5,867,353</b>

The purchases from the affiliated entities mainly represent software services and miscellaneous services with the exception of Cabrio Invest which offers hotel services.

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**Loan granted by AROBS to AROBS Trading & Distribution GmbH**

	<b>31.12.2024</b>	<b>31.12.2023</b>
Loan value	3,583,367	5,074,092
Interest value	1,057,226	1,416,816
Adjustment	(64,760)	(64,760)
<b>Total</b>	<b>4,575,833</b>	<b>6,426,147</b>

AROBS Trading & Distribution GmbH is a trading and distribution company for premium electronics and household appliances with an international guarantee. Products are purchased with full payment in advance from distributors and manufacturers all over Europe and sold in Turkey, Dubai, France, Germany, Denmark.

**Loan granted by AROBS to CABRIO INVESTMENT SRL**

	<b>31.12.2024</b>	<b>31.12.2023</b>
Loan value	-	822,497
Interest value	609,092	591,209
<b>Total</b>	<b>609,092</b>	<b>1,413,706</b>

**Loan granted by AROBS to AROBS BUSINESS CENTER**

	<b>31.12.2024</b>	<b>31.12.2023</b>
Loan value	6,605,106	7,252,468
Interest value	1,414,281	1,124,412
Adjustment	(62,640)	(62,640)
<b>Total</b>	<b>7,956,747</b>	<b>8,314,240</b>

The loan granted to AROBS BUSINESS CENTER was used for the development of the "Business Incubator" project carried out through the absorption of European funds and for working capital. AROBS Transilvania Software S.A. is the administrator of this company.

**Loan granted by Coso by AROBS B.V. to Voicu Oprean**

	<b>31.12.2024</b>	<b>31.12.2023</b>
Loan value	-	815,932
<b>Total</b>	<b>-</b>	<b>815,932</b>

**37. RISK MANAGEMENT FOR FINANCIAL INSTRUMENTS**

The Group's financial liabilities comprise loans and borrowings, including finance leases, trade and other payables and contract liabilities. The main purpose of these financial liabilities is to finance the Group's operations.

The Group's financial assets are represented by trade and other receivables and contract assets, cash and short-term deposits, restricted cash.

The Group is exposed to interest rate risk, foreign exchange rate risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures the Group's financial

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risk activities are performed under appropriate procedures and that financial risks are identified, measured and managed in accordance with Group risk appetite.

**37.1. Interest rate fluctuation risk rate**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Trade and other receivables and payables are non-interest bearing financial assets and liabilities. The borrowings are exposed to cash flow interest rate risk through market value fluctuations of interest-bearing long-term and short-term credit facilities, as the interest rates on the Group's loans and borrowings are variable. Management's policy is to resort mainly to fixed rate financing in order to reduce the risk. In addition, at the time of rising new loans or borrowings management uses its judgment to decide whether it believes that fixed or variable rate would be more favorable to the Group over the expected period until maturity.

**37.2. Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Group's profit before tax and equity are affected through the impact on floating rate borrowings without considering the CAPs effect, as follows:

	<b>31.12.2024</b>	<b>31.12.2023</b>
<b><i>Fixed rate financial instruments</i></b>		
Financial liabilities (loans and leasing)	90,722,528	103,989,697
<b><i>Variable rate financial instruments</i></b>		
Financial liabilities (loans and leasing)	1,864,857	2,052,769
	Base point increase	Impact on profit before tax
2024	1%	19,588
2023	1%	24,078

The fixed interest rate at which the Company borrows varies between 1.5% p.a. and 4.55% p.a. The variable interest rate at which the Company borrows is ROBOR 1M + 1.1% or EURIBOR 1M + 1.1%.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. An equal decrease of the interest rate would have the same effect but of opposite impact.

**37.3. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's financing activities, as part of the financing contracted by the Group is Euro based and to cash balances denominated in foreign currencies,

For the Group, the majority of revenues and expenses, trade and other receivables and payables is in RON, and the rest in EUR or linked to EUR. For the Group, the majority of revenues and trade receivables are linked to EUR or USD, being settled in RON equivalent.

The Group monitors the currency risk by following changes in exchange rates in currencies in which its external debts are denominated.

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**37.4. Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the EUR or USD exchange rate. The Group's exposure to foreign currency changes for all other currencies is not material. With all other variables held constant the Group's profit before tax and equity are affected as follows:

	Exchange rate increase	Effect on profit before tax
2024 – EUR	1%	1,019,947
2023 – EUR	1%	1,924,755
2024 – USD	1%	222,663
2023 – USD	1%	319,438

An equal decrease of the EUR rate would have the same effect but of opposite impact.

31.12.2024	EUR	RON	USD	GBP	Other currencies	Total
Cash and cash equivalents	162,566,163	80,658,408	10,431,362	2,617,820	3,330,436	259,604,189
Trade receivables	17,313,713	42,185,518	12,841,515	6,345,315	3,802,077	82,488,138
Loans granted to related parties and other loans	14,370,516	1,294,864	-	-	-	15,665,380
Long term bank loans	(42,435,001)	-	-	-	-	(42,435,001)
Short term bank loans	(22,818,767)	(1,859,222)	-	-	-	(24,677,989)
Leasing liabilities	(25,220,947)	(83,734)	-	(23,649)	(146,066)	(25,474,396)
Trade payables	(1,780,935)	(11,293,047)	(1,006,599)	(2,260,582)	(5,986,115)	(22,327,278)
<b>Net result of financial exposure</b>	<b>101,994,742</b>	<b>110,902,787</b>	<b>22,266,278</b>	<b>6,678,904</b>	<b>1,000,332</b>	<b>242,843,043</b>

31.12.2023	EUR	RON	USD	GBP	Other currencies	Total
Cash and cash equivalents	46,578,619	21,156,637	16,600,807	873,391	2,866,465	88,075,920
Trade receivables	24,087,263	59,620,770	14,750,444	3,750,473	679,488	102,888,437
Loans granted to related parties and other loans	15,683,719	4,044,328	-	-	-	19,728,047
Long term bank loans	(62,629,398)	-	-	-	-	(62,629,398)
Short term bank loans	(23,582,492)	(601,517)	-	-	-	(24,184,008)
Leasing liabilities	(17,859,070)	(935,737)	-	(37,457)	(396,796)	(19,229,060)
Trade payables	(2,054,910)	(9,459,752)	(592,561)	(1,275,262)	(473,464)	(13,855,948)
<b>Net result of financial exposure</b>	<b>(19,776,267)</b>	<b>73,824,730</b>	<b>30,758,690</b>	<b>3,311,145</b>	<b>2,675,692</b>	<b>90,793,990</b>

**37.5. Credit risk**

The Group's credit risk is primarily attributed to trade and other receivables, contract assets and balances with banks. The carrying amount of trade and other receivables and contract assets, net of allowances for expected credit losses plus balances with banks, represent the maximum amount exposed to credit risk. Management believes that there is no significant risk of loss to the Group beyond the allowances already recorded. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Group does not track changes in credit risk for trade receivables and contract assets, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In this respect, the Group has established a provision policy to measure expected credit losses that is based on historical credit loss experience, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due but no more than 90 days past due.

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**a. Categorized financial assets – exposure to credit risk**

<b>31.12.2024</b>	<b>Note</b>	<b>Gross accounting value</b>	<b>Depreciation</b>	<b>Net accounting value</b>
Loans granted to related parties and other loans	36	15,665,380	(2,523,711)	13,141,669
Trade receivables	24	82,488,138	(9,285,470)	73,202,668
<b>Total</b>		<b>98,153,518</b>	<b>(11,809,181)</b>	<b>86,344,337</b>

<b>31.12.2023</b>	<b>Note</b>	<b>Gross accounting value</b>	<b>Depreciation</b>	<b>Net accounting value</b>
Loans granted to related parties and other loans	36	19,728,047	(5,002,616)	14,725,431
Trade receivables, without advances	24	102,888,437	(6,380,867)	96,507,570
<b>Total</b>		<b>122,616,485</b>	<b>(11,383,483)</b>	<b>111,233,001</b>

**b. Categorized financial liabilities - exposure to credit risk**

<b>31.12.2024</b>	<b>Note</b>	<b>Net accounting value</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>
Bank loans	31	67,112,990	67,112,990	24,677,989	42,435,001	-
Leasing liabilities	32	25,474,396	25,474,396	8,206,906	16,341,473	926,017
Trade payables	29	22,327,278	22,327,278	22,327,278	-	-
<b>Total</b>		<b>114,914,664</b>	<b>114,914,664</b>	<b>55,212,173</b>	<b>58,776,474</b>	<b>926,017</b>

<b>31.12.2023</b>	<b>Note</b>	<b>Net accounting value</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>
Bank loans	31	86,813,406	86,813,406	24,184,008	62,629,398	-
Leasing liabilities	32	19,229,061	19,229,060	7,919,498	11,309,563	-
Trade payables	29	13,855,948	13,855,948	13,855,948	-	-
<b>Total</b>		<b>119,898,415</b>	<b>119,898,415</b>	<b>45,959,454</b>	<b>73,938,960</b>	<b>-</b>

**37.6. Liquidity risk**

The Group has adopted a prudent financial liquidity management approach, assuming that sufficient cash and cash equivalents are maintained and that further financing is available from guaranteed funds from credit lines. The tables below summarize the maturity profile of the Group's financial liabilities, including principal amounts and interests according to contractual terms, at 31 December 2024 and 31 December 2023 based on contractual undiscounted payments.

	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	358,099,154	201,496,412
Short term liabilities	99,945,884	89,865,905
<b>Current liquidity ratio</b>	<b>3.58</b>	<b>2.24</b>

	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	358,099,154	201,496,412
Inventories	8,799,106	6,975,925
Short term liabilities	99,945,884	89,865,905
<b>Liquidity ratio</b>	<b>3.49</b>	<b>2.16</b>

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**37.7. Capital management**

Capital includes the equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital, among other things, by using a gearing ratio, which is net debt divided by total capital plus net debt. The Group does not have a target gearing ratio. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables and contract liabilities, less cash and cash equivalents.

	<b>31.12.2024</b>	<b>31.12.2023</b>
Long term liabilities	103,754,180	116,490,101
Equity	439,857,017	273,687,158
<b>Gearing ratio</b>	<b>19%</b>	<b>30%</b>

The Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended at 31 december 2024.

**38. FAIR VALUE**

The financial instruments that are not recorded at fair value in the financial statements also include trade receivable and other receivables, contractual assets, cash and cash equivalents, restricted cash, trade payables, and other contractually derived payables. The value of these financial instruments is considered to approximate their fair value due to their short term nature (for the majority of them) and due to the low cost of transaction pertaining to these instruments (Level 1).

**38.1. Financial assets**

	<b>Amortized cost</b>	<b>Amortized cost</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
Loans granted to related parties and other loans	13,141,669	16,969,212
Trade receivables	73,202,668	97,908,883
Cash and cash equivalents	259,604,189	87,773,888
<b>Total</b>	<b>345,948,526</b>	<b>202,651,983</b>

	<b>Category</b>	<b>Value at 31.12.2024</b>	<b>Fair value assesment at 31.12. 2024</b>
<b>Short term investments – fair value</b>			
Short term investments – fair value	Shares	215,319	Level 1
<b>Total</b>		<b>215,319</b>	

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Short term investments – fair value	Category	Value at 31.12.2023	Fair value assesment at 31.12. 2023
Short term investments – fair value	Shares	337,378	Level 1
<b>Total</b>		<b>337,378</b>	

**38.2. Financial liabilities**

	Amortized cost 31.12.2024	Amortized cost 31.12.2023
Bank loans	67,112,990	86,813,406
Trade payables	22,327,278	18,400,460
<b>Total</b>	<b>89,440,268</b>	<b>105,213,866</b>

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### **39. ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

The following paragraphs describe the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements:

#### **39.1. IFRS 15 Revenue from contracts with customers**

In accordance with IFRS 15, revenue is recognized when or as the customer acquires control of the goods or services provided, at an amount that reflects the price the Group expects to be entitled to receive in exchange for those goods or services.

Revenues from contracts with customers are recognised when the control over the goods or services delivered is transferred for an amount equal to consideration expected by the Group for the good and services delivered to the customers.

When (or as) a performance obligation is satisfied, the Group will recognize as revenue the amount of the transaction price that is allocated to that performance obligation. The Group takes into consideration the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. For the purpose of determining the transaction price, an entity shall assume that the goods or services will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified.

In determining the transaction price, the entity will adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

The objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

To allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, the entity will determine the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocate the transaction price in proportion to those stand-alone selling prices.

A customer receives a discount for purchasing a bundle of goods or services if the sum of the stand-alone selling prices of those promised goods or services in the contract exceeds the promised consideration in a contract. Except when an entity has observable evidence that the entire discount relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate a discount proportionately to all performance obligations in the contract. The proportionate allocation of the discount in those circumstances is a consequence of the entity allocating the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of the underlying distinct goods or services.

The Group will recognise as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. When either party to a contract has performed, the Group will present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. The Group must present any unconditional rights to consideration separately as a receivable.

The recognition and measurement requirements of IFRS 15 are also applicable to the recognition and measurement of any gains or losses arising from the disposal of non-financial assets (such as property, plant and equipment and



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intangible assets) when such disposal is not in the ordinary course of business. However, upon transition, the effect of these changes is not significant for the Group.

**A. Revenue from software services**

The Group's services are generally performed under time-and-material based contracts (where materials consist of travel and out-of-pocket expenses) and fixed-price contracts. The vast majority of our contracts are relatively short term in nature and have a single performance obligation.

Under time-and-materials based contracts, the Group charges for services based on daily or hourly rates and bills and collects monthly in arrears. The Company applies the practical expedient and revenue from time-and-materials contracts is recognised based on the right to invoice for services performed, with the corresponding cost of providing those services reflected as expenses when incurred.

Under fixed-price contracts, the Group bills and collects periodically throughout the period of performance. Revenue is recognised in the accounting periods in which the associated services are rendered. In limited instances where final acceptance of a milestone deliverable is specified by the client and there is risk or uncertainty of acceptance, revenue is deferred until all acceptance criteria have been met. For multi-year contracts, any deferral of revenue recognition does not generally span more than one accounting period.

The Group accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Group identifies its distinct performance obligations under each contract. A performance obligation is a promise in a contract to transfer a distinct product or service to the customer. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring products or services to a customer. With respect to all types of contracts, revenue is only recognised when the performance obligations are satisfied and the control of the services is transferred to the customer, either over time or at a point in time, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group considers the majority of its contracts to have a single performance obligation. In cases in which there are other promises in the contract, a separate price allocation is done based on relative stand alone selling prices.

Receivables are considered fully impaired when they exceed 365 days. The analysis regarding the impairment of receivables is carried out in Note 24 TRADE RECEIVABLES.

**B. Revenue from sale of the Track GPS monitoring solution and other monitoring and fleet management**

The Group's secondary source of revenue is the provision of its proprietary fleet tracking solution based on GPS technology, a special device and accesible from web and mobile interfaces, Track GPS. The Group offers a complex solution for the management and monitoring of car fleets that helps companies reduce their maintenance and operation costs, improve their efficiency in the allocation and use of resources, increase the professionalism of drivers, safety behind the wheel, as well as improve the services provided. Considering that the provision of the monitoring service is made by making available to the customer of an equipment that ensures the transimtion of data, AROBS Group concluded that the equipment and the monitoring service cannot be regarded separately due to the contract and represents a single provision of obligations to the client. This assesment was based on articles 27a and 29c from IFRS 15:

- 27a: the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer
- 29c: the goods or services are highly interdependent or highly interrelated. In other words, each of the goods or services is significantly affected by one or more of the other goods or services in the contract. For example, in some cases, two or more goods or services are significantly affected by each other because the entity would not be able to fulfil its promise by transferring each of the goods or services independently.

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As for the equipment, it is essential to the provision of the monitoring service, so that if the customer opts out of these services, then the benefits obtained through the use of the equipment are significantly diminished. In view of this assessment, the provisions of article 27 of IFRS 15 were taken into account: A good or service that is promised to a customer is distinct if both of the following criteria are met: (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (ie the good or service is capable of being distinct); and (b) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (ie the promise to transfer the good or service is distinct within the context of the contract). Revenue is recognized according to provisions of IFRS 15, paragraph 35 a: the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs. The customer consumes the benefits as the services are delivered, so that the performance obligation is fulfilled over time. The cost of the equipment has been capitalized and is expensed as income is realized.

***C. Revenue from sale of the HR application license***

Licensing of the HR solution involves the provision of the following services: license sale/rental, implementation and provision of technical support and platform maintenance services. Given that the implementation of the HR solution is done only by the company providing this service and that without this implementation adapted to the specific needs and requirements of the client, the HR solution is not functional. AROBS Group concluded that the HR software and the implementation service cannot be seen as distinct due to the contract and represent a single performance of obligation to the client. This assessment was made based on articles 27a and 29c of IFRS 15:

- 27 (a): the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer
- 29 (c): the goods or services are highly interdependent or highly interrelated. In other words, each of the goods or services is significantly affected by one or more of the other goods or services in the contract. For example, in some cases, two or more goods or services are significantly affected by each other because the entity would not be able to fulfil its promise by transferring each of the goods or services independently.

As for the maintenance services and updates of the HR solution, they are essential for the operation of the platform, so if the customer opts out of these services, then the benefits obtained from the use of the HR solution are significantly diminished. Taking into account the provisions of Article 27 of IFRS 15 A good or service that is promised to a customer is distinct if both of the following criteria are met: (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (ie the good or service is capable of being distinct); and (b) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (ie the promise to transfer the good or service is distinct within the context of the contract) and that the company that provides the HR solution does not offer access to the platform without ensuring maintenance services, then AROBS Group concluded that the maintenance services are part of the same contractual promise together with the HR license and implementation services. ). Revenue is recognized according to provisions of IFRS 15, paragraph 35 a: the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs. The customer consumes the benefits as the services are delivered, so that the performance obligation is fulfilled over time. The salary expense related to the implementation service has been capitalized in an asset account and is expensed as the revenue is realized.

***D. Revenue from sales of goods***

The Group also operates the sale of own brand goods / finished products and also other third party goods through its dedicated e-commerce sites: softcare.ro, soundon.ro and gps-auto.ro. The Group also sells its goods on third-party websites, online and offline: Altex, Emag, Flanco, Carrefour, Auchan, Cel.ro, Evomag.ro being its main distribution partners.

Revenue from the sale of goods is recognized when the performance obligation established through a contract with a customer is fulfilled, being the actual delivery and transfer of control over that good sold to the customer. The payment terms are between 30 and 90 days from the fulfillment of the performance obligation.

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***E. Principal versus agent framework***

The Group performs the services or supply the goods derived from its obligations by its own means or can employ the services of a third party (agent) to partially or completely execute these obligations on behalf of the Group.

An agent might satisfy its performance obligation (arranging for the transfer of specified goods or services) before the end consumer receives the specified good or service from the principal in some situations. For example, an agent that promises to arrange for a sale between a vendor and the vendor's customer in exchange for a commission will generally recognize its commission as revenue at the time a contract between the vendor and vendor's customer is executed (that is, when the agency services are completed). In contrast, the vendor will not recognize revenue until it transfers control of the underlying goods or services to the end consumer.

Indicators that an entity controls the specified good or service before it is transferred to the customer (and is therefore a principal...) include, but are not limited to, the following:

- a. The entity is primarily responsible for fulfilling the promise to provide the specified good or service. This typically includes responsibility for acceptability of the specified good or service (for example, primary responsibility for the good or service meeting customer specifications). If the entity is primarily responsible for fulfilling the promise to provide the specified good or service, this may indicate that the other party involved in providing the specified good or service is acting on the entity's behalf.
- b. The entity has inventory risk before the specified good or service has been transferred to a customer, or after transfer of control to the customer (for example, if the customer has a right of return). For example, if the entity obtains, or commits to obtain, the specified good or service before obtaining a contract with a customer, that may indicate that the entity has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the good or service before it is transferred to the customer.
- c. The entity has discretion in establishing the prices for the specified goods or service. Establishing the price that the customer pays for the specified good or service may indicate that the entity has the ability to direct the use of that good or service and obtain substantially all of the remaining benefits. However, an agent can have discretion in establishing prices in some cases. For example, an agent may have some flexibility in setting prices in order to generate additional revenue from its service of arranging for goods or services to be provided by other parties to customers.

**39.2. Property, Plant and Equipment**

***Initial recognition***

Property, plant and equipment are initially measured at historical cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

This cost includes the replacement cost of the tangible asset in question at the time of replacement and the borrowing cost for long-term construction projects if the recognition criteria are met.

All other repair and maintenance costs are recognised in the income statement when incurred. The present value of the expected costs of casing the asset after use is included in the cost of that asset if the criteria for recognition of a provision are met.

***Useful life***

Average useful life for each fixed assets category are as follows:

Buildings	40 - 50 years
Investments in leased buildings	1 - 15 years
Monitoring equipment	3 years
Installations and equipment	3 - 8 years
Vehicles	3 - 6 years
Office equipment	1 - 13 years
Stationary	4 - 9 years
Protection systems	8 - 16 years

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The carrying amount of an item of property, plant and equipment shall be derecognized on disposal; or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment (calculated as the difference between the net proceeds on disposal and the carrying amount of the item) shall be included in profit or loss when the item is derecognized.

As at 31 December 2024, management has completed its assessment of the estimated useful lives and has decided that no revision is required as the consumption pattern of its assets is consistent with the current best estimate of the period over which these assets will generate future economic benefits.

### **39.3. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets recognized following a business combination is their fair value at acquisition date, as determined through the purchase price allocation exercise. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expense is reflected in the income statement when the expense is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with an indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The useful life of an intangible asset that is not being amortised is reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss when the asset is derecognised.

#### ***Research and development expenditure***

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it and its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development;
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

The Group's intangible assets are mainly represented by: internally generated applications (Track GPS, Optimall) and software licences.

Average useful life for each fixed assets category are as follows:

Computer programs, software, licenses, other  
intangible assets

3 years or contractual duration

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Customer relationships

10 years

#### **39.4. Assets related to rights to use leased assets**

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### ***Assets related to the right of use of leased assets***

The determination of whether an agreement is or contains a lease is based on the commitment made at the inception of the agreement. The commitment is or contains a lease :

- if performance of the commitment is dependent on the use of a specific asset or assets
- or if the commitment confers a right to use the asset or assets, even if that right is not explicitly specified in a commitment.

Under IFRS 16, at the commencement date of the lease contract, the entity measures a right-of-use asset (as of the date on which the underlying asset is available for use). The right-of-use asset are evaluated at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any revaluation of lease liabilities. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred by the lessee and any lease payments made at or before the commencement date, less any lease incentives received.

The Company reassesses whether a contract is, or includes, a lease only if the terms and conditions of the contract change. The Company determines the lease term as the irrevocable period of a lease, together with:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

##### ***Lease liabilities related to rights of use of assets***

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such leases, at inception, a lessee must recognise a right-of-use asset and an interest-bearing liability under the lease.

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that has to be paid during the contract period. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be payable by the lessee under residual value guarantees. The lease payments include the payments of penalties for terminating the lease, if the lease term reflects the entity exercising an option to terminate the lease. Variable lease payments that are not dependent on an index or rate are recognised as an expense in the period in which the triggering event or event occurs.

In calculating the present value of lease payments, the Group uses the marginal borrowing rate at the lease inception date if the interest rate cannot be determined immediately from the lease contract. After the commencement date, the amount of lease liabilities is increased to reflect interest and reduced by the amount of lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (for example, changes in future lease payments resulting from a change in an index or the rate used to determine those payments) or a change in the valuation of a call option on the underlying asset.

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### **39.5. Investment property**

**Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both, rather than for:**

- (a) use in the production or supply of goods or services or for administrative purposes; or**
- (b) sale in the ordinary course of business.**

Investment property is held to earn rentals or for capital appreciation or both. Therefore, an investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property. The production or supply of goods or services (or the use of property for administrative purposes) generates cash flows that are attributable not only to property, but also to other assets used in the production or supply process. IAS 16 applies to owned owner-occupied property and IFRS 16 Leases applies to owner-occupied property held by a lessee as a right-of-use asset.

An owned investment property shall be recognised as an asset when, and only when:

- (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- (b) the cost of the investment property can be measured reliably.

An entity evaluates under this recognition principle all its investment property costs at the time they are incurred. These costs include costs incurred initially to acquire an investment property and costs incurred subsequently to add to, replace part of, or service a property.

The entity does not recognise in the carrying amount of an investment property the costs of the day-to-day servicing of such a property. Rather, these costs are recognised in profit or loss as incurred. Costs of day-to-day servicing are primarily the cost of labour and consumables, and may include the cost of minor parts. The purpose of these expenditures is often described as for the ‘repairs and maintenance’ of the property.

An owned investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement.

The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs.

### **39.6. Impairment of non-financial assets**

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Property, plant and equipment Note 17
- Intangible assets Note 21

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions



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can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### **39.7. IFRS 9 Financial Instruments**

#### **Financial assets**

##### *Initial recognition and measurement*

Group financial assets consist of loans granted and receivables (trade receivables, contractual assets, other receivables), cash and cash equivalents.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

##### *Subsequent measurement*

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Impairment of financial assets

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The Group recognizes an allowance for expected credit losses (ECLs) for debt instruments not held at fair value through profit or loss. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group analyses claims individually and takes into account the effect of financial guarantees received from insurers in the calculation of expected credit losses. For more information, see Note 24 - Trade receivables.

***Financial liabilities***

***Initial recognition***

Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts or contingent consideration recognised by the Group as acquirer in a business combination to which IFRS 3 applies.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at fair value through profit or loss, net of directly attributable transaction costs, on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

***Subsequent measurement***

The Company evaluates financial liabilities according to their classification as follows:

- Interest bearing loans and borrowings: Interest bearing loans and borrowings and trade and other payables are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.
- Financial collateral contracts: The Company initially recognises financial collateral contracts as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

***De-recognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

***Offsetting of financial instruments***

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Group's financial statements are presented in Romanian New Lei ('RON'), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of



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consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

### **39.8. Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

### **39.9. IAS 19 Employee Benefits**

#### ***Short term employee benefits***

Short-term employee benefits are measured on an undiscounted basis and are recognized as an expense as the related services are rendered. A liability is recognized at the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount for services previously provided by the employee and the obligation can be reliably estimated.

#### ***Defined benefit plans***

In the normal course of business, the Group makes payments on behalf of its employees to public pension schemes and public health insurance, which are calculated according to the rates in force during the year. Meal allowances, travel expenses, bonuses and holiday allowances are also calculated in accordance with the legislation applicable to each Group company.

The cost of these payments is recognized in profit or loss in the same period as the related salary cost. Provision is made for unused leave if there are any unused days, in accordance with local legislation.

All Group employees are members of state-administered pension schemes.

The Group does not operate any other pension scheme or post-retirement benefit plan and therefore has no pension liabilities.

In order to retain employees, the Company has implemented a Stock Option Plan, which offers employees stock options based on seniority and performance criteria in the Group's business.

### **39.10. Income tax**

Income tax expense includes current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss unless it relates to business combinations or items recognized directly in equity or other comprehensive income.

#### ***Current income tax***

Current tax includes tax expected to be paid or received on taxable profit or tax loss realized in the current year and any adjustment for tax payable or recoverable in respect of previous years.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

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***Deferred tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or a liability in a transaction which: -is not a business combination, and at the time of the transaction affects neither accounting profit nor taxable profit or loss and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognized for: all deductible temporary differences and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax reflects the tax consequences that would result from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred tax assets and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

If the carrying amount of goodwill arising in a business combination is less than its tax base, the difference gives rise to a deferred tax asset. The deferred tax asset arising from the initial recognition of goodwill shall be recognized as part of the accounting for a business combination to the extent that it is probable that taxable profit will be available against which the deductible temporary difference could be utilized.

For deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, a deferred tax asset must be recognized.

The reversal of deductible temporary differences results in deductions in determining taxable profits of future periods. However, economic benefits in the form of reductions in tax payments will flow to the entity only if it earns sufficient taxable profits against which the deductions can be offset. Therefore, an entity recognizes deferred tax assets only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

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At the end of each reporting period, an entity reassesses unrecognized deferred tax assets. The entity recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**39.11. Inventories and work in progress**

Goods and work in progress are valued at the lower of cost and net realizable value. The Group's management analyses inventory age, product quality and potential non-conformity issues, products that cannot be sold further or are rejected based on quality issues and considers their implications in determining the net realizable value of old inventory. Net realizable value is the selling price, in the normal course of business, less costs of completion, marketing and distribution, considering the future evolution of selling prices. Also it is analysed the recoverability of ongoing work in progress projects registered at the end of the year..

Management analyzed the net realizable value of the goods and work in progress annually, considering market selling prices as well as regulations specific to the industry in which it operates.

All assumptions are reviewed annually.

**39.12. Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

**39.13. Equity**

***Share capital***

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

***Repurchase, disposal and reissue of share capital (treasury shares)***

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in other reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium. When treasury shares are cancelled the excess of cost above nominal value is debited to retained earnings.

***Dividends***

The Group recognizes a liability to make cash or non-cash distributions to owners of equity when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws of Romania, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**39.14. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset, All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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**39.15. Provisions and contingent liabilities**

***General***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

***Contingent liabilities recognised in business combination***

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

***Fees, taxes and provisions for taxes***

Uncertainties exist regarding the interpretation of complex fiscal regulations, changes in tax legislation and the value and timing of future taxable profit.

The Group is subject to income tax in several jurisdictions. There are several transactions and calculations for which the final tax determination is uncertain. Therefore, the Group will constitute provisions, if applicable, for possible consequences of future tax inspections. If the final fiscal result of these matters is different from the amounts initially recorded, the respective differences will have an impact on the current and deferred income tax assets and liabilities in the period in which the respective differences occur.

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#### **40. OTHER INFORMATION**

##### **Environment**

Romania is currently in a period of rapid harmonization of environmental legislation with the European Economic Community legislation in force. As at 31 December 2024, the Group has not recorded any liabilities relating to anticipated costs, including legal and consultancy fees, studies, design and implementation of environmental remediation plans. The Group does not consider costs associated with environmental issues to be significant.

##### **ESG Report**

In accordance with legal requirements and European CSRD regulations, the Group has prepared an ESG report which is annexed to the financial statements.

##### **Transfer price**

Romanian tax legislation has contained rules on transfer pricing between related persons since 2000. The current legislative framework defines the "market value" principle for transactions between related persons, as well as the transfer pricing methods. Under the relevant tax legislation, the tax valuation of a related party transaction is based on the concept of the market price of that transaction. Based on this concept, transfer prices must be adjusted to reflect market prices that would have been established between unrelated entities acting independently on the basis of "normal market conditions". As a result, it is expected that the tax authorities will initiate thorough transfer pricing verifications to ensure that the tax result and/or the customs value of imported goods are not distorted by the effect of prices charged in dealings with related persons. It is likely that transfer price verifications will be carried out in the future by the tax authorities to determine whether these prices comply with the "arm's length" principle and that the Romanian taxpayer's tax base is not distorted. The Group cannot quantify the outcome of such a verification. The Group considers that the transactions with related parties were carried out at arm's length values.

The parent company is a large taxpayer and the group entities are small and medium taxpayers. In view of the size criteria laid down in the law, Group entities are not required to prepare a transfer pricing file. At the date of preparation of the consolidated financial statements, the transfer pricing file for the Parent Company is in progress.

##### **Russia – Ukraine conflict**

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

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

Based on the information available to date, the Group's management has not identified any concrete potential risks related to the Russia-Ukraine conflict, and thus at this time does not expect a significant impact on the conduct of current operations. The Group has no direct exposure to third parties affected by the sanctions imposed since the conflict began (customers, suppliers, banking institutions with which the Group collaborates). Indirect exposure (customers, suppliers, with whom the Group collaborates, with links to third parties affected by sanctions), as well as risks related to future volatility of commodity prices, foreign exchange rates, or possible cyber attacks, are currently

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unquantifiable, as the Group's management has so far given no indication of any significant impact on the Group's business.

**Audit expenses**

The fees for the audit of the Group's financial statements in accordance with the International Reporting Standards adopted by the European Union for the financial year ending 31 December 2024 were in accordance with the contract concluded with BDO Auditors & Accountants S.R.L.

**41. SUBSEQUENT EVENTS**

**SVT Electronics aquisition**

On March 11, 2025, AROBS announced the signing of its eleventh transaction, through the full takeover of SVT Electronics. The company offers integrated solutions for digital tachograph data management, which is essential for companies operating in the transport and logistics sectors. In addition to tachograph data management solutions, SVT Electronics also offers telematics solutions for fleet monitoring. The completion of the transaction is subject to the fulfillment of certain legal procedures.

These financial statements were signed and approved on March 28, 2025, by:

**Voicu Oprean**  
Director General

**Bogdan Ciungradi**  
Director financiar