

AROBS TRANSILVANIA SOFTWARE S.A.

INDIVIDUAL 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

For the year ended 31 December 2024

AROBS TRANSILVANIA SOFTWARE S.A.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts in LEI, unless otherwise mentioned)

TABLE OF CONTENTS

STATEMENT OF INCOME	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CHANGES IN EQUITY	5
CASH FLOW STATEMENT	7
1. FINANCIAL REPORTING PRESENTATION	8
2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS	12
3. PROFESSIONAL JUDGEMENT, ESTIMATES AND ASSUMPTIONS	16
4. TURNOVER	16
5. COST OF SALES	18
6. OTHER INCOME	19
7. SALES AND MARKETING EXPENSES	19
8. GENERAL & ADMINISTRATION EXPENSES	20
9. EMPLOYEE BENEFITS EXPENSES	20
10. CATEGORIES OF EXPENSES	22
11. SEGMENTS RECONCILIATION	24
12. FINANCIAL RESULT	25
13. INCOME TAX AND DEFERED TAX	25
14. EBITDA	26
15. EARNINGS PER SHARE	27
16. SHARES IN AFFILIATED ENTITIES	27
17. PROPERTY, PLANT AND EQUIPMENT	30
18. INTANGIBLE ASSETS	30
19. FINANCIAL ASSETS	31
20. INVENTORIES AND WORK IN PROGRESS	32
21. TRADE RECEIVABLES	32
22. PREPAYMENTS	34
23. OTHER RECEIVABLES	34
24. CASH AND CASH EQUIVALENTS	34
25. CAPITAL AND RESERVES	35
26. TRADE PAYABLES	35
27. EQUITY LIABILITIES	35
28. BANK LOANS	36
29. LEASING	37
30. PERSONNEL LIABILITIES	38
31. OTHER TRADE PAYABLES	38
32. PROVISIONS	38
33. RELATED AND AFFILIATED PARTIES	39
34. RISK MANAGEMENT FOR FINANCIAL INSTRUMENTS	43
35. FAIR VALUE	46
36. ACCOUNTING PRINCIPLES, POLICIES AND METHODS	48
37. OTHER INFORMATION	58
38. SUBSEQUENT EVENTS	59

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31 2024
(All amounts in LEI, unless otherwise mentioned)

STATEMENT OF INCOME	Note	FY 2024	FY 2023
Turnover:	4	232,872,943	264,275,656
Software services		184,241,443	222,268,150
Software products		48,631,500	42,007,506
Total cost of sales:	5	178,749,973	188,383,142
Cost of sales of software services	5.1	153,644,326	170,388,519
Cost of sales of software products	5.2	25,105,647	17,994,623
Gross profit		54,122,970	75,892,514
Other income	6	3,735,258	451,959
Sales and marketing	0	(9,106,735)	(7,943,270)
General and administration	8	(36,695,477)	(41,989,623)
Profit before tax		12,056,016	28,821,272
Income from shares in affiliated entities	12	20,472,861	23,300,756
Interest income	12	6,891,611	3,262,373
Interest expense	12	(7,125,830)	(2,270,357)
Net Forex Income/(Expenses)	12	1,006,849	(377,291)
Profit before tax		33,301,507	52,736,754
Income tax	13	(2,784,627)	(6,248,221)
Net profit		30,516,880	46,488,533
Other comprehensive income		-	-
Overall result		30,516,880	46,488,533
Basic earnings per share	15	0.0333	0.0562
Diluted earnings per share	15	0.0293	0.0543

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 LEI, unless otherwise mentioned)

STATEMENT OF FINANCIAL POSITION	Note	FY 2024	FY 2023
Shares held in affiliated entities	16	234,583,941	212,955,994
	Error!		
	Reference		8,266,950
	source		
	not		
Tangible fixed assets	found.	5,029,988	
Assets related to rights of use of leased assets	29	18,809,970	9,458,236
Other intangible assets	18	15,344,054	13,695,274
Loans granted to affiliated entities	19, 33	12,434,136	9,267,407
Loans granted to related parties and other loans	19, 33	7,294,119	9,418,063
Other financial fixed assets	19	2,968,304	2,968,851
Deferred income tax assets	13	234,104	613,356
Total fixed assets		296,698,616	266,644,131
Work in progress services and inventories	0	1,990,082	1,493,635
Trade receivables	21	38,614,387	65,414,888
Prepaid expenses	22	1,595,274	1,323,501
Corporate income tax	13	470,213	1,581,076
Other trade receivables	23	1,412,913	1,525,053
Loans granted to related parties and other loans	33	10,259,951	9,192,978
Cash and cash equivalents	24	218,899,865	58,565,325
Total current assets		273,242,685	139,096,456
Total assets		569,941,301	405,740,587
Share capital	25	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	25	11,177,834	9,413,945
Own shares		(12,885,372)	(5,689,379)
Other equity items		12,782,685	12,628,497
Retained earnings		174,304,450	145,551,458
Gains on equity instruments		19,684,169	8,352,878
Total equity		456,355,440	280,835,730
Total equity		456,355,440	280,835,730
Non-current liabilities			
Contract liabilities	4	234,184	273,503
Grants	4	216,510	301,940
Equity liabilities	27	14,686,659	14,686,659
Bank loans	28	29,716,103	49,841,347
Leasing liabilities	29	13,670,184	6,708,754
Provisions	32	4,050,449	2,728,395
Total non-current liabilities		62,574,089	74,540,599
Current liabilities			
Trade payables	0	6,281,464	5,893,161
Contract liabilities	4	3,682,621	3,262,205
Grants	4	94,671	158,741
Equity liabilities	27	3,976,479	3,761,760
Bank loans	28	20,122,370	20,122,257
Leasing liabilities	29	4,950,253	3,939,382
Personnel liabilities	30	6,810,480	7,455,155
Other trade payables	31	5,093,434	5,771,597
Total current liabilities		51,011,772	50,364,259
Total liabilities		113,585,861	124,904,857
Total equity and liabilities		569,941,301	405,740,587

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 CHANGES IN EQUITY
FOR THE FINANCIAL YEARS 2024
(All amounts are in LEI, 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	Conversion reserves
Closing balance 31.12.2022	91,139,499	263,971	23,185,001	6,092,872	(7,535,897)	1,805,558	4,206,340	102,383,998	221,541,341
Result of the exercise	-	-	-	-	-	-	-	46,488,532	46,488,532
Retained earnings	-	-	-	-	-	-	-	46,488,532	46,488,532
Profit sharing	-	-	-	3,321,072	-	-	-	(3,321,072)	-
Employee benefits in the form of equity instruments	-	-	-	-	-	-	19,184,885	-	19,184,885
Repurchase of own shares	-	-	-	-	(6,379,028)	-	-	-	(6,379,028)
Anulare/Vanzare/Distribuire actiuni proprii	(4,010,138)	-	-	-	5,999,920	-	(1,989,782)	-	(0)
Sale of own shares	-	-	-	-	-	8,772,946	(8,772,946)	-	-
Losses in respect of sales from own equity instruments	-	-	-	-	2,225,627	(2,225,627)	-	-	-
Closing balance 31.12.2023	87,129,361	263,971	23,185,001	9,413,945	(5,689,379)	8,352,878	12,628,497	145,551,458	280,835,730

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS 2024
(All amounts are in LEI, 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
Closing balance 31.12.2023	87,129,361	263,971	23,185,001	9,413,945	(5,689,379)	8,352,878	12,628,497	145,551,458	280,835,730
Result of the exercise	-	-	-	-	-	-	-	30,516,880	30,516,880
Retained earnings	-	-	-	-	-	-	-	30,516,880	30,516,880
Profit sharing	-	-	-	1,763,889	-	-	-	(1,763,889)	-
Increase of share capital	17,425,872	-	123,287,469	-	-	-	-	-	140,713,341
Employee benefits in the form of equity instruments	-	-	-	-	-	-	13,798,504	-	13,798,504
Repurchase of own shares	-	-	-	-	2,313,025	-	(2,313,025)	-	-
Sale of own shares	-	-	-	-	(9,509,018)	-	-	-	(9,509,018)
Shares cancelation	-	-	-	-	-	-	-	-	-
Gains on equity instruments	-	-	-	-	-	11,331,291	(11,331,291)	-	-
Retained earnings from correction of accounting errors	-	-	-	-	-	-	-	1	1
Closing balance 31.12.2024	104,555,233	263,971	146,472,470	11,177,834	(12,885,372)	19,684,169	12,782,685	174,304,450	456,355,440

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
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are in LEI, unless otherwise mentioned)

CASH FLOW STATEMENT	Note	FY 2024	FY 2023
Cash flows from operating activities:			
Gross profit		33,301,507	52,736,754
Adjustments for:			
Depreciation of Goodwill		2,023,784	
Amortization expenses	5	7,537,750	6,679,165
Expenditure on assets sold		199,551	(447,091)
(Income) from assets sold		(463,285)	(607,668)
Expenditure relating to SOP employee benefits	9	10,517,286	15,691,279
Expenditure/(Income) related to adjustments for inventory write-downs		(168,847)	(30,041)
Expenditure/(Income) related to adjustments on receivables		254,457	1,556,698
Expenditure/Income on provisions for risks and charges	32	1,093,930	885,514
(Income) from subsidies and grants	4	(149,500)	(148,353)
Cheltuieli privind dobânzile și alte costuri financiare	12	3,255,406	2,234,615
Expenditure with interest and other financial expenses	12	(6,635,470)	(3,096,249)
(Income) from interest and other financial income		-	235,714
Operating profit before changes in working capital		50,766,570	75,690,337
Change in trade and other receivables balances	21, 23	27,093,639	(17,495,204)
Change in inventories balances	20	(327,600)	430,155
Change in trade payable and other debt balances	0, 31	(1,042,797)	(2,697,217)
Changes in prepaid expenditure balances	22	(271,773)	289,759
Change in advance income balances	4	381,097	(452,664)
Interest paid		(3,255,406)	(2,234,615)
Interest earned		3,816,309	2,510,223
Cash generated from operating activities		77,160,039	56,040,774
Income tax paid	13	(3,895,490)	(4,846,426)
Net cash from operating activities		73,264,549	51,194,347
Cash flow from investing activities			
Loans (granted) to/repayments from affiliated entities		740,253	772,216
(Payments) related to the acquisition of subsidiaries		(20,492,835)	(53,786,612)
(Payments) related to the acquisition of tangible and intangible asstes, including customer relationship	17, 18	(5,685,834)	(7,581,099)
Repurchase of own shares		(9,509,018)	(6,379,028)
(Payments)/Cash in from other investments in financial assets	19	302,033	221,342
Net cash from investing activities		(34,645,401)	(66,753,181)
Cash flow from financing activities:			
Cash in/(Repayments) of bank loans	28	(20,125,495)	1,998,067
Credit lines variation	28	2,136	-
(Payments) of finance lease liabilities	29	(751,366)	(953,655)
Capital increase		142,892,151	-
Net cash from financing activities		122,017,426	1,044,412
Net increase in cash and cash equivalents		160,636,573	(14,514,421)
Cash and cash equivalents at the beginning of the financial year		58,263,292	72,777,713
Cash and cash equivalents at the end of the financial year		218,899,865	58,263,292

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 INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2024
(All amounts are in LEI, unless otherwise mentioned)

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 individual financial statements of AROBS Transilvania Software S.A („Company” or „AROBS”)

These individual financial statements of AROBS 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 management of Arobs Transilvania Software S.A.

INFORMATION ABOUT THE 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 (SFA, WMS, CRM, mobile contactless payments 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 retains 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 Fiscal Year has been carried out by the Board of Directors. As such, in accordance with the requirements of the Governance Code of The Bucharest Stock Exchange (BVB) which apply to all emittents listed on the BVB stock exchange main market, the Board of Directors is comprised of 5 members: 2 executive members, 3 non executive members of which 2 independent.

In accordance with the law no. 31/1990, o 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;

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

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.

Information related to the remuneration of the members of the Executive Management is presented in note 9 and in the remuneration report attached to the financial statements.

COMPANIES LOCATIONS

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 is:

Shareholder	2024			2023		
	Number of Shares	Value	%	Number of Shares	Value	%
Oprean Voicu	494,232,967	49,423,297	47.2700%	578,278,772	57,827,877	66.3701%
Companies	275,441,628	27,544,163	26.3441%	52,849,048	5,284,905	6.0656%
Private individuals	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%
Total	1,045,552,330	104,555,233	100%	871,293,609	87,129,361	100%

DESCRIPTION OF COMPANY'S ACTIVITY

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

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

Company specialists lead to strong partnerships with more than 10,000 companies in România and Central Eastern Europe and hundred of international companies.

Since 2003, AROBS Transilvania Software 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:

- ISO 27001 Certificate
- ISO/IEC 27001:2013 Certificate
- TISAX – Trusted Information Security Assessment Exchange
- ORDA Certificate – Certificate issued by the Romanian Copyright Office
- HU-GO Certificate - National Toll Payment Services Plc. 2020 - Hungary
- 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, that the company has 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.

Our passion for technology, combined with intense efforts to acquire new skills and aligning with market trends, has made AROBS Transilvania Software one of the leading Romanian software development companies. The company's software services division is the largest within the Company 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.

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

- **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***

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

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

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.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of compliance

These financial statements are the responsibility of the management of the 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 Financial Statements have been prepared on a historical cost basis. For the purpose of drawing up these financial statements, in accordance with the provisions of IFRS, the functional currency of the Company is considered to be the Romanian Leu (LEI), the amounts being presented at the level of leu, by rounding to one leu for fractions over 0.5 Lei and by neglecting fractions of up to 0.49 Lei inclusive.

The significant accounting policies applied by the Company in the preparation of its individual financial statements are presented in Note 0.

2.2. The going concern principle

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

The budget prepared by the Company's management for 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 21,953,000.

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

2.3. 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 to the Company.

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.

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

2.4. Transactions and balances in foreign currencies

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.

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

	FY 2024	FY 2023
LEI – EUR	4.9741	4.9746
LEI – USD	4.7768	4.4958
LEI – GBP	5.9951	5.7225

The average exchange rates for 2024 and 2023 were:

	FY 2024	FY 2023
LEI – EUR	4.9746	4.9464
LEI – USD	4.5975	4.5758
LEI – 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.

2.5. 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:

- 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.

The Company 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.

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

- 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.

The Company's operational segments are: Software Services, Software Products, Integrated Systems and Distribution of goods.

The amount of each segment item reported shall be the measure reported 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, merchandise distribution and other services. Expenses related to the sale of products and services as well as marketing expenses have been considered as overheads. Segmentation of assets and liabilities into the same segment categories was also carried out.

2.6. 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
- **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

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

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.
 - 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

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

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

3. PROFESSIONAL JUDGEMENT, ESTIMATES AND ASSUMPTIONS

In preparing Company's 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 Company 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 Company. 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 0 and Note 4

Significant estimates on financial statements preparation are:

- **Determining the purchase price of subsidiaries** – presented in Note 16 „Shares held in affiliated entities”;
- Estimation of the recoverable value of investments in subsidiaries - presented in Note 16 "Shares held in affiliated entities"
- **Duration of leasing contracts and discount rate** - presented in Note 29 "Leasing";
- **Adjustments for losses in value of financial assets** - presented in Note 35
- **Recognition and settlement of share-based employee payment program** - presented in Note 9

4. TURNOVER

	FY 2024	FY 2023
Turnover:		
Software services	184,241,443	222,268,150
Software products	48,631,500	42,007,506
Total turnover	232,872,943	264,275,656

	FY 2024	FY 2023
Turnover – geographic regions		
Romania*	165,924,850	200,852,051
Europa (excluding Romania)	28,758,203	27,090,166
USA	38,028,936	35,877,157
Asia & The Middle East	160,954	456,283
Total turnover	232,872,943	264,275,656

* Software services 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.

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

The Company'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 21% to the Company's total revenue.

Revenues from software services are mainly recorded at a point in time when the service is provided to the customer.

Revenues from „Software products” segment increased by 6.6 milion lei (16%), compared to the previous year.. Revenues from software products are recorded over time as services are provided to customers.

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

Business segments	Top clients 2024	% of turnover	Top clients 2023	% of turnover
Software Services	Client 1	31.27%	Client 1	41.74%
	Client 2	6.80%	Client 2	6.81%
	Client 3	6.47%	Client 3	9.52%
	Client 4	6.20%	Client 4	-
	Client 5	4.34%	Client 5	5.13%
Software products	Client 6	1.43%	Client 6	0.67%
	Client 7	0.93%	Client 7	0.60%
	Client 8	0.13%	Client 8	0.08%

Cost of carrying out contracts with customers

Cost of carrying out contracts with customers – GPS monitoring services

	OB 2023	CAPITALISATION 2024	DEPRECIATION 2024	CB 2024
GPS Monitoring services	770,138	1,499,822	1,337,892	932,068

Deffered revenue – contract performance obligations

	FY 2023	Entries	Returns on income	FY2024
Deffered revenue	3,535,708	9,668,902	9,287,805	3,916,805

Deffered revenue – contract performance obligations

	Balance at 31.12.2024	Balance at 31.12.2024
Deffered revenue, out of which:	3,916,805	3,535,708
Long term	3,682,621	3,262,205
Short term	234,184	273,503

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

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

Revenues from grants are presented in the following table. They decreased in 2024 compared to the previous year by 149,500 lei. Most of these grants were received for the SMIS project.

	Balance at 31.12.2024	Balance at 31.12.2024
Grants, out of which:	311,181	460,681
Long term	216,510	301,940
Short term	94,671	158,741

5. COST OF SALES

5.1. Cost of sales - Software services

	FY 2024	FY 2023
Salary Expenses	83,178,206	90,377,617
Employee stock ownership plan costs	4,667,453	7,393,189
Third party expenses	58,176,221	65,354,174
Expenses related to equipment sold	149	527,756
Property plant and equipment depreciation expenses	4,840,951	4,652,272
Rental expenses	989,270	832,629
Fuel expenses	241,850	-
Transport of goods and personnel	885,961	1,139,525
Electricity, heating and water	339,540	416,723
Insurance premiums	213,820	167,317
Revenues from subsidies	(6,643)	(472,683)
Other operating expenses	117,547	-
Cost of sales Software Services	153,644,326	170,388,519

The cost of sales of software services consists of salaries and benefits (including ESOP costs) 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. Cost of sales of software services decreased by 16.7 million lei compared to the previous year, mainly due to reduced personnel costs, reduced headcount and lower expenses for services contracted from third parties.

Services contracted from third parties represented, during 2024, mainly expenditure on software and IT consulting services, recruitment services, participation in fairs and conferences.

5.2. Cost of sales – Software products

	FY 2024	FY 2023
Salary Expenses	8,646,043	5,556,157
Employee stock ownership plan costs	242,957	518,581
Third party expenses	4,612,596	2,259,990
Expenses related to equipment sold	3,119,237	2,762,319
Property plant and equipment depreciation expenses	4,801,509	3,186,931
Rental expenses	160,415	215,293
Telecommunications expenses	2,077,607	2,266,937
Fuel expenses	840,197	728,512
Transport of goods and personnel	319,639	323,542
Electricity, heating and water	84,877	125,505
Raw materials expenses	51,719	6,523
Insurance premiums	56,475	44,331
Other operating expenses	92,377	-
Cost of sales software products	25,105,647	17,994,623

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

The cost of sales of software products consists of salaries and benefits (including ESOP expenses) 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 increase in salary expenses in the area of software services and software products was generated by increased employee costs in order to maintain competitiveness in the market through salary increases and stock options offered under ESOP programmes during the year.

The increase in expenditure on services performed by third parties is in line with the expansion of the business and the development of new internal products.

6. OTHER INCOME

	FY 2024	FY 2023
Other operating revenues	1,338,417	291,382
Income from administration activities	2,133,107	2,409,691
Net revenue from the sale of current assets	263,734	160,577
Total	3,735,258	2,861,649

Revenues from administration activities refer to services invoiced by the Parent Company to affiliated entities and other entities, services that are not related to the Company's main activity.

7. SALES AND MARKETING EXPENSES

	FY 2024	FY 2023
Salary Expenses	7,083,807	4,337,244
Employee stock ownership plan costs	111,779	214,735
Third party expenses	232,619	356,063
Property plant and equipment depreciation expenses	183,007	283,352
Entertaining, promotion and advertising	1,392,275	2,592,987
Rental expenses	67,522	106,060
Electricity, heating and water	35,726	52,828
Sales and marketing expenses	9,106,735	7,943,270

Sales and marketing expenses consist of salaries and benefits (including ESOP costs) of sales and marketing staff, protocol, advertising and publicity expenses and services performed by third parties generated by the Company's promotional activities.

Sales and marketing expenses increased in 2024 by 1.2 million lei compared to the previous year. The largest increase of 2.7 million lei comes from salary expenses. This increase is balanced by the decrease in advertising and protocol expenses of 1.2 million lei compared to 2023.

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

8. GENERAL & ADMINISTRATION EXPENSES

	FY 2024	FY 2023
Salary Expenses	18,908,247	15,060,599
Employee stock ownership plan costs	5,495,097	7,564,774
Third party expenses	4,488,667	7,188,923
Property plant and equipment depreciation expenses	2,558,231	3,088,179
Expenses related to equipment sold	348,619	(3,350)
Telecommunications expenses	332,496	329,308
Transport of goods and personnel	491,745	1,531,232
Fuel expenses	274,900	739,208
Raw materials expenses	568	6,177
Other taxes, duties and similar expenses	950,011	855,608
Rental expenses	156,237	311,081
Electricity, heating and water	112,081	196,115
Insurance premiums	376,805	399,423
Maintenance and repair expenses	327,971	374,631
The cost related to the acquisition of the subsidiaries	325,055	1,382,611
Impairment losses/revenue on non current assets	254,457	1,556,698
Other operating expenses	1,294,290	1,408,405
General & Administration expenses	36,695,477	41,989,623

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 Company.

General and administrative expenses decreased in 2024 by 5.3 million lei compared to the previous year, the Company's management applying measures to reduce these costs, in line with the dynamics of the company's activity. The most significant decreases were recorded on the side of expenses for services performed by third parties of 2.7 million lei compared to 2023 and on the side of expenses for remuneration in equity instruments of 2 million lei compared to 2023.

Costs related to the acquisition of subsidiaries refer to the amounts paid to consultants and lawyers contracted for these transactions and to additional amounts paid under the subsidiary acquisition contracts. These costs decreased in 2024 compared to 2023 by 1 million lei.

9. EMPLOYEE BENEFITS EXPENSES

	FY 2024	FY 2023
Salary Expenses	114,028,873	111,195,752
Employee social security contributions	3,147,048	3,064,961
Meal ticket expenses	2,547,991	2,725,125
Capitalization	(3,001,539)	(2,539,735)
Untaken holidays provision	1,093,930	885,514
Subtotal personnel expenses	117,816,303	115,331,617
Employee stock ownership plan costs	10,517,286	15,691,279
Total personnel expenses	128,333,589	131,022,896

Capitalizations refer to revenues related to the costs incurred in the development of internal products in progress during the year.

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

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

	FY 2024	FY 2023
Management	14	22
Administrative	12	13
Purchasing	2	2
Financial	21	21
Legal	4	4
Warehouse keepers	2	2
Marketing	13	14
Research & Development	429	498
Health & safety	2	2
Human resources	11	18
Service – Installations	32	30
IT support	17	13
Sales	35	30
Total	594	669

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

	FY 2023	FY 2022
Management	6,395,561	6,091,120
Administrative	1,067,828	1,271,466
Purchasing	271,520	257,469
Financial	3,663,283	3,374,588
Legal	726,753	579,415
Warehouse keepers	149,707	175,627
Marketing	1,540,144	1,320,257
Research & Development	87,197,347	89,291,036
Health & safety	132,875	130,625
Human resources	1,261,623	1,817,751
Service – Installations	3,485,500	2,308,412
IT support	3,102,787	2,067,003
Sales	5,033,945	2,510,983
Total salary expenses	114,028,873	111,195,752

Expenses with benefits in the form of the entity's own shares (or other equity instruments) during financial year ended 31 December 2024 and 31 December 2023, respectively were:

ESOP	FY 2024	FY 2023
Management	5,270,939	12,103,484
Administrative	12,584	29,087
Purchasing	10,532	14,822
Financial	56,830	108,460
Legal	51,920	50,437
Warehouse keepers	202	3,992
Marketing	34,727	54,540
Research & Development	4,877,122	3,112,368
Health & safety	-	1,146
Human resources	5,925	39,412
Service – Installations	33,288	41,922
IT support	86,165	49,662
Sales	77,052	81,946
Total	10,517,286	15,691,279

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

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 in order to maintain competitiveness in the market and ensure 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.

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.

To 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 concerning the repurchase of own shares in order to implement the Stock Option Plan, the provisions of Law 31/1990, Art. 1031 and Art 104.

10. CATEGORIES OF EXPENSES

	FY 2024	FY 2023
Salary Expenses	117,816,303	115,331,617
Employee stock ownership plan costs	10,517,286	15,691,279
Third party expenses	67,510,102	75,159,151
Property plant and equipment depreciation expenses	12,383,697	11,210,735
Expenses related to equipment sold	3,468,005	2,762,319
Telecommunications expenses	2,410,103	2,596,244
Transport of goods and personnel	1,697,346	1,531,232
Entertaining, promotion and advertising	1,392,275	2,592,987
Fuel expenses	1,356,947	1,467,720

AROBS TRANSILVANIA SOFTWARE SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2024

(All amounts are in LEI, unless otherwise mentioned)

Raw materials expenses	52,286	12,700
Other taxes, duties and similar expenses	950,011	855,608
Rental expenses	1,373,444	1,465,063
Electricity, heating and water	572,225	791,171
Insurance premiums	647,099	611,071
Maintenance and repair expenses	327,971	374,631
The cost related to the acquisition of the subsidiaries	325,055	1,382,611
Impairment losses/revenue on non current assets	254,457	1,556,698
Revenues from subsidies	(6,643)	(472,683)
Other operating expenses	1,504,216	3,395,880
Total	224,552,185	238,316,034

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

11. SEGMENTS RECONCILIATION

REVENUE AND EXPENSES RECONCILIATION BY BUSINESS SEGMENTS	SOFTWARE SERVICES		SOFTWARE PRODUCTS		TOTAL	
	2024	2023	2024	2023	2024	2023
Revenue from software services	184,241,443	222,268,150	-	-	184,241,443	222,268,150
Revenue from software products	-	-	48,631,500	42,007,506	48,631,500	42,007,506
Total Turnover	184,241,443	222,268,150	48,631,500	42,007,506	232,872,943	264,275,656
Salary Expenses	83,178,206	90,377,617	8,646,043	5,556,157	91,824,249	95,933,774
Employee stock ownership plan costs	4,667,453	7,393,189	242,957	518,581	4,910,410	7,911,769
Third party expenses	58,176,221	65,354,174	4,612,596	2,259,990	62,788,817	67,614,164
Expenses related to equipment sold	-	-	3,119,237	2,762,319	3,119,237	2,762,319
Property plant and equipment depreciation expenses	4,840,951	4,652,272	4,801,509	3,186,931	9,642,460	7,839,204
Rental expenses	989,270	832,627	160,415	215,293	1,149,685	1,047,922
Other operating expenses	1,792,224	1,778,640	3,522,891	3,495,350	5,315,115	5,273,990
Total cost of sales	153,644,325	170,388,519	25,105,648	17,994,623	178,749,973	188,383,142
Gross margin	30,597,118	51,879,629	23,525,852	24,012,884	54,122,970	75,892,514
Gross margin %	17%	23%	48%	57%	23%	29%
Interest expenses	3,255,406	2,234,615	-	-	3,255,406	2,234,615

Expenses related to sales and marketing activities, general administrative expenses, interest income and other financial expenses/income have not been allocated.

FINANCIAL POSITION BY BUSINESS SEGMENTS	SOFTWARE SERVICES		SOFTWARE PRODUCTS		UNALLOCATED		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Additions to non-current assets	-	-	4,408,151	-	3,269,010	-	7,677,161	-
Allocated assets	247,300,717	258,530,877	68,429,052	59,696,792	28,630,861	20,935,756	344,360,629	339,163,425
Unallocated assets	-	-	-	-	225,580,673	66,577,163	225,580,673	66,577,163
Total assets	247,300,717	258,530,877	68,429,052	59,696,792	254,211,634	87,512,919	569,941,302	405,740,588
Allocated liabilities	86,155,179	100,875,137	10,297,148	8,885,248	5,447,456	3,019,032	101,899,783	112,779,417
Unallocated liabilities	-	-	-	-	11,686,079	12,125,439	11,686,079	12,125,439
Total liabilities	86,155,179	100,875,137	10,297,148	8,885,248	17,133,535	15,144,471	113,585,862	124,904,856

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

12. FINANCIAL RESULT

	2024	2023
Revenues from shares in affiliated entities	20,478,479	23,300,756
Net income/(expense) from exchange rate differences	1,006,849	(377,291)
Interest income	6,635,470	3,096,249
Financial income from impairment adjustments	261,349	-
Other financial income	(10,826)	166,124
Interest expense	(3,255,406)	(2,234,615)
Financial expenses regarding impairment adjustments	(3,706,565)	-
Other financial expenses	(163,859)	(35,742)
Financial result	21,245,491	23,915,482

Income from shares held in affiliated entities refers to dividends distributed by subsidiaries during the financial year.

13. INCOME TAX AND DEFERED TAX

	2024	2023
Income tax	2,405,375	5,824,278
Deferred income tax	379,252	423,942
Total	2,784,627	6,248,221

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

	2024	2023
Gross profit	33,301,507	52,736,754
Current period income tax	(2,405,375)	(5,824,278)
Revenue as a result of deferred income tax	(379,252)	(423,942)
Recalculated net profit	30,516,880	46,488,533

Income tax	31 December 2024	31 December 2023
Income tax - receivable	470,213	1,581,076
Total	470,213	1,581,076

Theoretical rate and effective rate reconciliation	2024	2023
Result before tax	33,301,507	52,736,766
Restated or adjusted income	-	(2,227,344)
Restated or adjusted expenses	-	(668,105)
Profit/loss before tax	33,301,507	55,632,215
Non taxable income	(31,318,958)	(16,366,419)
Non taxable expenses for tax calculation	26,407,812	13,042,010
Legal reserves	(1,640,224)	(2,753,218)
Fiscal Profit/loss	26,750,137	49,554,588
Fiscal loss carried forward/Taxable income	26,750,137	49,554,588
Profit tax	4,280,022	7,928,734
Income tax deductions as per Fiscal Code	1,395,869	2,104,456
Previous year tax correction	(478,778)	-
Income tax after deductions	2,405,375	5,824,279

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

Deferred income tax

	FY 2024	FY 2023
Deferred income tax - receivable	234,104	613,356
Total	234,104	613,356

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

The temporary differences regarding the deferred payment are generated by the following items: assets related to the rights of use of the leased assets, inventories, trade receivables and other receivables, lease liabilities, income in advance, other tangible fixed assets and provisions, as presented in the following table:

	FY 2024	FY 2023
Shares held in affiliated entities	-	127,694
Other intangible assets	(530,301)	(123,222)
Assets related to rights of use of leased assets	-	(1,513,318)
Work in progress services and inventories	140,858	171,858
Trade receivables	121,345	190,143
Personnel liabilities	183,007	219,507
Advance income	-	270,430
Leasing liabilities	-	1,551,257
ESOP	319,725	(280,994)
Total	234,104	613,356

14. 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 Company's management. Individual EBITDA is reconciled to the Company's individual income statement as follows:

	2024	2023
Operating revenue	236,608,201	268,156,146
Operating expenses	211,843,433	226,741,529
EBITDA	24,764,768	41,414,618
EBITDA Margin	10%	15%
ESOP 1 – 3	5,577,797	15,691,279
Normalized EBITDA *	30,342,565	57,105,896
Normalized EBITDA margin*	13%	21%
ESOP 4	4,939,488	-
Depreciation&Provision	12,383,697	11,210,735
Incidental expenses***	325,055	1,382,611
Financial result	21,245,491	23,915,482
Profit before tax	33,301,507	52,736,754
Tax	2,784,627	6,248,221
Net profit	30,516,880	46,488,533
Net profit margin	13%	17%
Normalized net profit**	36,094,677	62,179,812
Normalized net profit margin**	15%	23%

*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

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

15. 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:

Basic	2024	2023
Profit	30,516,880	46,488,532
Regular shares in circulation	917,313,056	827,332,139
Basic earnings per share	0.0333	0.0562

Diluted	2024	2023
Profit	30,516,880	46,488,532
Diluted regular shares in circulation	1,040,116,936	856,620,812
Diluted earnings per share	0.0293	0.0543

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.

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

16. SHARES IN AFFILIATED ENTITIES

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.

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.

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

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 Company.

AROBS Polska

For AROBS Polska, were the Company acquired 94% of shareholding, 2023 was a year marked by significant events. The company joined the AROBS 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 Company in February 2023 following its full acquisition. AROBS TrackGPS SRL is a company with experience in fleet management for companies in all industries, with a portfolio of active clients consisting of approximately 450 companies, with approximately 5,000 monitored vehicles. The integration of the new entity into the Company meant for the fleet management business line of AROBS the consolidation of its presence on the Central and Eastern European market.

Value of shares held in affiliated entities

	FY 2024	FY 2023
AROBS DEVELOPMENT & ENGINEERING S.R.L.	90.816.568	89.370.831
FUTURE WORKFORCE	41.149.572	40.951.950
BERG COMPUTERS S.R.L.	21.038.727	20.435.500
INFOBEST	19.491.933	-
NORDLOGIC SOFTWARE S.R.L.	16.295.407	15.016.046
AROBS SOFTWARE S.R.L.	15.789.683	15.377.028
SAS FLEET TRAKING S.R.L.	14.168.205	14.123.307
AROBS PANNONIA SOFTWARE S.R.L.	6.006.210	6.006.210
CENTRUL DE SOFT GPS S.R.L.	4.939.617	4.939.617
UCMS GROUP ROMANIA S.R.L.	2.679.109	2.563.986
AROBS TRACKGPS S.R.L.	2.543.665	2.525.728
AROBS POLSKA (SYDERAL POLSKA)	811.784	811.784
PT AROBS INDONESIA	521.314	521.314
SOFTMANAGER S.R.L.	196.439	196.439
COSO BE & NL	89.037	53.580
CABRIO INVEST BV	87.705	87.705
AROBS SOFTWARE SOLUTIONS GMBH	72.504	72.504
AROBS ETOLL SOLUTIONS S.R.L.	64.321	61.423
SILVER BULLET	4.883	-
ALTE PARTICIPAȚII	800	800
ASOCIATIA TRANSILVANIA IT	250	250
AROBS SYSTEMS	200	200
Total gross value	236.767.933	213.116.201

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

The company is required to test, annually, whether the value of the participations in the affiliated entities has suffered any depreciation. The recoverable amount is determined based on value in use calculations. Using this method requires estimating discounted future cash flows and determining a discount rate to calculate the present value of the cash flows. Recoverable values for cash-generating units ("CGUs") that hold a significant proportion of the total goodwill balance have been determined from value-in-use calculations based on cash flow forecasts from officially approved budgets covering a period of five years to December 31, 2029.

The main assumptions are the following:

2024	%	%	%	%
Main assumptions	AROBS Development & Engineering	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

Main assumptions:

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.

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:

2024	p.%	p.%	p.%	p.%
Sensitivity analysis	AROBS Development & Engineering	Berg Computers	Nordlogic Software	Future Workforce
Revenue increase average rate	-12	-26	-9.6	-2.3
EBITDA average rate	-7.8	-15.5	-4.6	-1.4
WACC	6.5	23	5	1.1

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

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant, machinery and motor vehicles	Other instalations and fixtures and fittings	WIP Tangible assets	Total
Cost					
31-Dec-23	5,504,672	18,850,139	4,888,230	344,062	29,587,103
Purchases	9,501	2,221,149	204,549	257,543	2,692,743
Transfers	-	(2,814,261)	2,837,940	-	23,679
Disposals	(213,867)	(3,844,813)	(456,095)	(318,672)	(4,833,447)
31-Dec-24	5,300,306	14,412,214	7,474,624	282,933	27,470,078
Amortizare/Ajustări					
31-Dec-23	4,933,406	12,809,276	3,577,471	-	21,320,152
Amortizare/Ajustări	458,529	2,352,852	998,240	-	3,809,622
Period cost	-	(3,588,850)	2,575,729	-	(1,013,122)
Disposals	(213,868)	(1,006,642)	(456,053)	-	(1,676,563)
31-Dec-24	5,178,068	10,566,636	6,695,387	-	22,440,090
Net value					
31-Dec-23	571,266	6,040,863	1,310,759	344,062	8,266,951
31-Dec-24	122,238	3,845,579	779,237	282,933	5,029,988

Tangible fixed assets mainly refer to laptops, switches, workstations and other equipment, as well as fittings of the leased premises where the activity is carried out. Also, the equipment rented in the fleet monitoring activity is included in the position of technical installations and machines.

18. INTANGIBLE ASSETS

	Research & development expenses	Concessions, patents, licenses, brands and other noncurrent assets	Total
Cost			
31-Dec-23	2,453,645	18,765,504	21,219,149
Purchases/Transfers	3,431,512	1,552,905	4,984,417
Disposals	-	(1,271,700)	(1,271,700)
31-Dec-24	5,885,157	19,046,709	24,931,867
Depreciation/Adjustments			
31-Dec-23	189,036	7,334,839	7,523,875
Depreciation/Adjustments	-	3,344,995	3,344,995
Disposals	-	(1,281,057)	(1,281,057)
31-Dec-24	189,036	9,398,777	9,587,813
Net value			
31-Dec-23	2,264,610	11,430,665	13,695,275
31-Dec-24	5,696,122	9,647,932	15,344,054

Intangible assets and development expenses relate to projects to develop and improve the GPS tracking application and other internal products. On December 31, 2024, the budget projections of the division of domestic products monitoring the car fleet for the following years were analyzed and, based on the DCF method, it was found that there are no signs of impairment of these intangible assets.

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

19. FINANCIAL ASSETS

Cost	31.12.2024	31.12.2023
Shares held in affiliated entities and jointly controlled entities	236,767,934	213,116,203
Loans granted to affiliated entities	18,310,998	9,267,407
Loans to related parties and other loans	9,817,830	17,498,408
Other securities held as financial assets – bonds	2,110,053	2,220,548
Guarantees and other financial assets	858,251	748,304
Total	267,856,066	242,850,869

Value adjustments	31.12.2023	Increase	Decrease	Reclassification	31.12.2024
Shares held in affiliated entities	160,209	2,023,784	-	-	2,183,993
Loans granted to affiliated entities	-	1,668,938	12,382	4,220,306	5,876,862
Loans to related parties and other loans	8,080,345	13,843	248,967	(5,321,510)	2,523,711
Total	8,240,554	3,706,565	261,349	(1,101,204)	10,584,566

The difference on reclassifications represents short-term reclassifications.

Net amount	31.12.2024	31.12.2023
Shares held in affiliated entities and jointly controlled entities	234,583,941	212,955,994
Loans granted to affiliated entities	12,434,136	9,267,407
Loans to related parties and other loans	7,294,119	9,418,063
Other securities held as financial assets – bonds	2,110,053	2,220,548
Guarantees and other financial assets	858,251	748,304
Total	257,280,500	234,610,316

Part of these loans granted to affiliated entities and related parties were fully adjusted, the value of the adjustments at 2024 being 8,400,573 lei. Information related to loans granted to related parties can be found in Note 33.

Guarantees granted and guarantees received

The guarantees in balance as of 31 December 2023, amounting 739,174 lei, are detailed below:

Guarantees	31.12.2024	31.12.2023
Building lease	748,846	716,561
Guarantees for adequate execution	5,586	3,984
Auctions	8,407	11,628
Other	86,283	7,000
Total	849,122	739,174

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

20. INVENTORIES AND WORK IN PROGRESS

	31.12.2024	31.12.2023
Raw materials	243,937	250,842
Work in progress - services	59,830	-
Goods purchased for resale	1,637,865	864,256
Inventories advances	48,450	378,537
Total	1,990,082	1,493,635

The value of services in progress and outstanding inventories as of 31.12.2024 increased compared to 2023 due to higher inventories of goods purchased for resale, used mainly in fleet management activities.

Services in progress refer to contracts with customers that are ongoing over longer periods of time. Within this asset, the costs directly involved in the provision of these services, mainly salaries, were recognized, taking into account the degree of completion of the projects by 31.12.2024.

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.

21. TRADE RECEIVABLES

	Balance at 31.12.2024	Balance at 31.12.2023
Accounts receivable	34,990,970	61,279,859
Accounts receivable - unissued invoices	1,867,701	3,803,343
Accounts payable adjustments	(2,370,323)	(2,968,637)
Accounts receivable - affiliate entities	7,605,268	5,768,960
Adjustments for accounts receivable - affiliate entities	(3,889,389)	(2,548,002)
Supplier advances	410,161	79,365
Total	38,614,387	65,414,888

The total value of trade receivables decreased in 2024 compared to the previous year by 41%, mostly due to the decrease in receivables from customers by 26.3 million lei compared to 2023.

According to IFRS 9, the recording of impairment adjustments for receivables is recorded based on depreciation rates, calculated over age intervals.

At the end of each financial year, doubtful debts are analyzed and adjusted at 100%.

Receivables ageing	Balance at 31.12.2024	Balance at 31.12.2023
Nescadent	25,311,315	33,521,157
0-30	6,236,531	14,176,411
31-90	864,577	9,935,784
91-360	444,022	1,195,385
Peste 360	2,134,514	2,451,122
Total gross value (unadjusted)	34,990,970	61,279,859

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

Software services	Expected average loss rate	2024	2023
Not due	0.27%	23,342,692	32,205,315
1-30	0.38%	5,750,150	13,639,771
31-60	2.48%	275,766	9,242,519
61-90	4.02%	432,176	617,015
91-180	6.00%	281,565	1,066,429
181-270	20.02%	9,418	106,873
271-360	44.77%	(0)	(2)
Over 360	100%	386,755	684,383
Total gross value (unadjusted)		30,478,523	57,562,303

Software products – GPS tracking	Expected average loss rate	2024	2023
Not due	0.39%	1,969,467	1,290,628
1-30	0.84%	486,391	536,974
31-60	3.80%	114,804	45,605
61-90	9.58%	42,081	31,004
91-120	21.34%	35,093	12,224
Over 120	37.31%	879,270	796,558
Total gross value (unadjusted)		3,527,106	2,712,993

Distribution	Expected average loss rate	2024	2023
Not due	100%	(844)	25,214
1-30	100%	-	(334)
31-60	100%	(250)	-
61-90	100%	-	(359)
91-180	100%	(359)	(1,912)
181-270	100%	(444)	(3,820)
271-360	100%	(359)	(3,995)
Over 360	100%	987,597	989,770
Total gross value (unadjusted)		985,341	1,004,562

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 Company 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 ed by category according to the services provided, namely: software services and other services, software products – GPS monitoring. 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 Company, 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.

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

22. PREPAYMENTS

	Balance at 31.12.2024	Balance at 31.12.2023
Prepayments, out of which:	1.595.274	1.323.501
Long term	-	147.545
Short term	1.595.274	1.175.956

Prepayments increased in 2024 by 21% compared to previous year. These include prepayments made for expenses with third party services, insurance, rent, employee travels and trainings.

23. OTHER RECEIVABLES

	Balance at 31.12.2024	Balance at 31.12.2023
Other personnel-related claims	1,090,598	1,151,790
VAT under settlement	107,758	132,192
Sundry debtors	200,207	39,682
Suspense account	13,989	4,700
Other employee-related claims	361	1,116
Non-repayable loans in the form of grants	-	195,573
Total	1,412,913	1,525,053

24. CASH AND CASH EQUIVALENTS

	Balance at 31.12.2024	Balance at 31.12.2023
Cash at bank and deposits in lei	74,022,993	12,652,369
Cash at bank and deposits in foreign currencies	144,621,155	45,525,982
Subtotal – Cash at bank and deposits	218,644,148	58,178,350
Petty cash	40,398	44,908
Bonds and deposits	-	302,033
Other short term financial investments	215,319	35,345
Amounts under settlement	-	4,522
Other cash equivalents	-	166
Total	218,899,865	58,565,325

Balance of foregin and domestic currencies Current account	Balance at 31.12.2024	Balance at 31.12.2023
LEI	74,022,993	12,652,369
EUR	141,143,355	33,382,461
USD	3,472,012	12,125,332
GBP	5,315	17,696
Other currencies	473	493
Total	218,644,148	58,178,350

Cash and cash equivalents in the bank and deposits increased by 160.3 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 attracted capital by investing in newly acquired companies.

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

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 Company and accrue interest at the corresponding interest rates.

25. CAPITAL AND RESERVES

As of December 31, 2024, the share capital of AROBS Transilvania Software is worth 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 on December 31, 2024.

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. As a result of this operation, share premium reached 146.5 million at the end of financial year 2024. AROBS aims to capitalize on the attracted capital by investing in newly acquired companies, expanding commercial activities in key markets and continuing to develop the software products in the portfolio.

The Company has implemented a share buyback program to implement ESOP programs. As of December 31, 2024, the total number of shares repurchased and outstanding is 32,052,907 shares.

Legal reserves are established in accordance with the regulations in place. 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 LEI 9,316,526.

	31.12.2024	31.12.2023
Number of shares	1.045.552.330	871.293.609
Subscribed and paid capital	104.555.233	87.129.361
TOTAL	104.555.233	87.129.361

The retained earnings available on December 31, 2024, amounting to 174,304,450 lei, are fully distributable.

26. TRADE PAYABLES

	Balance at 31.12.2024	Balance at 31.12.2023
Suppliers	4,664,202	3,285,352
Client advances	336,236	176,002
Suppliers - invoices not yet received	268,594	563,861
Supplier liabilities - affiliated entities	1,012,432	1,867,946
Total	6,281,464	5,893,161

27. EQUITY LIABILITIES

	Balance at 31.12.2024	Balance at 31.12.2023
Equity liabilities out of which	18,663,140	18,448,420
Long term	14,686,659	14,686,659
Short term	3,976,480	3,761,760

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

28. BANK LOANS

	Balance at 31.12.2024	Balance at 31.12.2023
Long terms bank loans	49,836,337	69,963,604
Short term bank loans	2,136	-
Total	49,838,473	69,963,604

Bank loans by due date:

	Balance at 31.12.2023	Balance at 31.12.2022
Bank loans due up to 1 year	20,122,370	20,122,257
Bank loans due between 1 and 5 years	29,716,103	49,841,347
Bank loans due over 5 years	-	-
Total	49,838,473	69,963,604

At the end of 2024, the value of bank loans decreased by 20.1 million lei, compared to the end of 2023, as a result of the repayments of made during 2024, reaching a total value of 49.8 million lei.

Bank loans contingencies

At 31.12.2024 AROBS TRANSILVANIA SOFTWARE SA (The Company) has a short term bank loan in value of 787.500 EUR (3,917,104 lei) which is due on 27.02.2026 and a loan of 6,041,667 EUR (30,051,855 lei) with a due date on 31.05.2027. The Company also benefits from a loan of 3,190,000 EUR (15,867,379 lei) that is due on 14.08.2028. All of the three loans are contracted with Citi Bank. The interest on these loans is according to the contract 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.
- 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;

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

- The Company undertakes to take all steps so that the joint and several BEDTORS fulfill the conditions assumed in the loan agreement.

Contingent liabilities

The Company 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	EUR	10 June 2024	06 June 2025

29. LEASING

The Company has lease agreements for various elements of buildings and vehicles used in its operations. Building leases generally have rental terms between 3 and 15 years, while cars and other equipment generally have rental terms between 3 and 5 years. The 's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from divesting and subletting leased assets, and some contracts require the Company 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
Balance at 31.12.2023	17,925,844	3,907,397
Purchases	11,344,156	4,760,516
Derecognition of right of use assets	(1,528,840)	(1,528,452)
Accumulated depreciation	(13,439,440)	(2,631,212)
Balance at 31.12.2024	14,301,720	4,508,250

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
10,648,136	(6,327,144)	13,756,075	(287,445)	835,365	(4,551)	18,620,437

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:

	31.12.2024	31.12.2023
T0 (Under 1 year)	5,871,712	4,300,037
TL 1 (1-5 years)	14,233,201	7,106,755
TL 2 (Over 5 years)	956,050	-
Total	21,060,963	11,406,792

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

Lease contracts term and discount rate – significant estimates:

AROBS 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 rents office spaces and cars for a period between 2 and 7 years. Leasing contracts are concluded both in LEI and in EUR.

The Company 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 Companies for loans with the same characteristics as leasing agreements, in terms of the asset used, currency and maturity.

30. PERSONNEL LIABILITIES

	Balance at 31.12.2024	Balance at 31.12.2023
Owed amounts to personnel	5,666,685	6,083,237
Untatekn holiday provision	1,143,795	1,371,918
Total	6,810,480	7,455,155

31. OTHER TRADE PAYABLES

	31.12.2024	31.12.2023
Liabilities related to employee social security expenses	3,319,069	3,444,089
Other liabilities to the state budget	1,702,386	2,268,579
Other taxes	71,979	58,929
Total	5,093,434	5,771,597

32. PROVISIONS

The company recorded provisions for obligations arising from contractual employment relationships.

	Balance at 31.12. 2023	In the account	From the account	Balance at 31.12. 2024
Provisions	2,728,395	1,322,053	-	4,050,449
Total	2,728,395	1,322,053	-	4,050,449

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

	Balance at 31.12.2023	Balance at 31.12.2024
Provisions	2,728,395	4,050,449
Short term	-	-
Long term	2,728,395	4,050,449

33. RELATED AND AFFILIATED PARTIES

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

Related parties - Receivables	Balance at 31.12.2024	Balance at 31.12.2023
AROBS BUSINESS CENTER S.R.L.	39,833	150,289
AROBS BUSINESS SERVICES S.R.L.	101,883	19,927
AROBS DEVELOPMENT&ENGINEERING S.R.L.	389,533	922,545
AROBS ETOLL SOLUTIONS S.R.L.	165,904	97,169
AROBS PANNONIA SOFTWARE	107,549	116,541
AROBS POLSKA SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	191,725	98,975
AROBS SOFTWARE SOLUTIONS GMBH	1,900	101,487
AROBS SOFTWARE SRL	72,070	17,212
AROBS SYSTEMS S.R.L.	753	5,767
AROBS TRACKGPS SRL	45,516	40,333
AROBS TRADING&DISTRIBUTION GmbH	471,008	469,881
AROBS Turkey Yazilim Limited Sirketi	-	313
ATD CORNER S.R.L.	1,500,130	1,495,205
BERG COMPUTERS SRL	52,952	44,432
CABRIO INVEST SRL	-	5,718
CABRIO INVESTMENT SRL	568	-
CENTRUL DE SOFT GPS S.R.L.	2,077	(54,062)
COSO BY AROBS BV	402,188	239,854
COSO BY AROBS BVBA	21,503	64,774
FUTURE WORFORCE LIMITED	14,922	
FUTURE WORK FORCE S.R.L.	564,321	162,975
MED CONTROL SOLUTION SRL	102,531	102,531
NEWCAR4FUTURE S.R.L.	220,825	220,825
NORDLOGIC SOFTWARE SRL	18,346	151,363
OOMBLA TRAVEL MANAGEMENT S.R.L.	476	454
PT AROBS SOLUTIONS INDONESIA	11,354	364,640
S.A.S. FLEET TRACKING S.R.L.	74,922	134,317
SMAIL COFFEE SRL	140,817	140,866
UCMS GROUP ROMANIA SRL	2,840,047	666,220
VISION PLUS MOBILE SRL	49,616	49,616
Total	7,605,268	5,830,167

AROBS TRANSILVANIA SOFTWARE SA
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2024

(All amounts are in LEI, unless otherwise mentioned)

Related parties – Payables	Balance at 31.12.2024	Balance at 31.12.2023
AROBS BUSINESS CENTER S.R.L.	25,846	8,988
AROBS BUSINESS CENTER PLUS S.R.L.	2,452	
AROBS BUSINESS SERVICES S.R.L.	77,038	29,836
AROBS ETOLL SOLUTIONS S.R.L.	-	65
AROBS PANNONIA SOFTWARE	-	43,665
AROBS SOFTWARE SRL	742,210	1,629,539
AROBS TRADING&DISTRIBUTION GmbH	5,726	5,726
CABRIO INVEST SRL	-	7,509
CENTRUL DE SOFT GPS S.R.L.	1,989	-
COSO TEAM UK LTD	(2,848)	(2,718)
IKON SOFT SRL	-	64,644
NORDLOGIC SOFTWARE SRL	34,467	26,708
OOMBLA TRAVEL MANAGEMENT S.R.L.	68,214	39,119
SMAIL COFFEE SRL	52,249	50,202
UCMS GROUP ROMANIA SRL	5,090	51,498
Total	1,012,432	1,954,780

Related parties – sales	FY 2024	FY 2023
AROBS BUSINESS CENTER S.R.L.	33,473	127,725
AROBS BUSINESS SERVICES S.R.L.	580,583	110,924
AROBS DEVELOPMENT&ENGINEERING S.R.L.	4,363,626	3,008,061
AROBS ETOLL SOLUTIONS S.R.L.	55,078	56,380
AROBS PANNONIA SOFTWARE	720,343	446,137
AROBS POLSKA SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	77,606	98,705
AROBS SOFTWARE SOLUTIONS GMBH	100,970	904,596
AROBS SOFTWARE SRL	35,087	42,861
AROBS SYSTEMS S.R.L.	30,819	30,633
AROBS TRACKGPS SRL	792,782	712,499
AROBS TRADING&DISTRIBUTION GmbH	1,174	1,182
AROBS Turkey Yazilim Limited Sirketi	2,504	2,496
ATD CORNER S.R.L.	17,397	135,031
BERG COMPUTERS SRL	495,534	404,114
CABRIO INVEST SRL	44,365	63,129
CABRIO INVESTMENT SRL	477	105
CENTRUL DE SOFT GPS S.R.L.	275,515	433,952
COSO BY AROBS BV	147,241	155,834
COSO BY AROBS BVBA	106,161	102,496
FUTURE WORK FORCE S.R.L.	450,633	98,207
MANAGIS SERV SRL	-	120
NEWCAR4FUTURE S.R.L.	-	2,708
NORDLOGIC SOFTWARE SRL	2,320,667	897,446
OOMBLA TRAVEL MANAGEMENT S.R.L.	4,829	7,647
PT AROBS SOLUTIONS INDONESIA	158,451	94,639
S.A.S. FLEET TRACKING S.R.L.	2,234,671	1,965,197
SILVER BULLET SOFTWARE SRL	-	4,454
SMAIL COFFEE SRL	50,379	76,862
SOFTMANAGER S.R.L.	-	3,711
UCMS GROUP ROMANIA SRL	1,773,276	1,228,957
Total	14,873,643	11,216,809

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

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

Related parties – Purchases	FY 2024	FY 2023
AROBS BUSINESS CENTER S.R.L.	1,403,837	1,528,966
AROBS BUSINESS CENTER PLUS S.R.L.	178,637	-
AROBS BUSINESS SERVICES S.R.L.	609,465	346,524
AROBS DEVELOPMENT&ENGINEERING S.R.L.	-	1,467,505
AROBS ETOLL SOLUTIONS S.R.L.	280	4,367
AROBS PANNONIA SOFTWARE	313,926	583,117
AROBS SOFTWARE SOLUTIONS GMBH	317,285	276,680
AROBS SOFTWARE SRL	12,943,635	17,706,802
AROBS SYSTEMS SRL	-	-
AROBS TRACKGPS SRL	6,139	1,346
AROBS TRADING&DISTRIBUTION GmbH	-	5,722
AROBS Turkey Yazilim Limited Sirketi	973,462	1,621,328
ATD CORNER S.R.L.	-	14,459
CABRIO INVEST SRL	122,536	98,491
CENTRUL DE SOFT GPS S.R.L.	1,950	14,863
COSO BY AROBS BVBA	-	140,231
FUTURE WORK FORCE S.R.L.	-	67,866
IKON SOFT SRL	648,712	495,567
NORDLOGIC SOFTWARE SRL	417,070	330,320
OOMBLA TRAVEL MANAGEMENT S.R.L.	994,034	1,048,572
SMAIL COFFEE SRL	613,541	555,140
SOFTMANAGER S.R.L.	57,755	1,156,718
UCMS GROUP ROMANIA SRL	230,411	186,053
Total	19,832,676	27,650,637

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

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

	31.12.2024	31.12.2023
Related parties loans		
AROBS BUSINESS CENTER	6,605,106	7,252,468
AROBS ETOLL SOLUTION SRL	547,115	472,465
AROBS POLSKA	1,193,784	1,492,380
AROBS SOFTWARE SOLUTIONS GMBH	74,612	74,619
AROBS SYSTEMS SRL	150,030	-
AROBS TRADING & DISTRIBUTION GMBH	3,583,367	5,074,092
CABRIO INVEST BV	5,121,831	5,122,346
CABRIO INVESTMENT SRL	-	822,497
COSO BY AROBS BV	397,928	512,384
UCMS GROUP ROMANIA SRL	11,747,784	8,320,598
Total related parties loans	29,421,556	29,143,848
Interest value for the loans for related parties		
AROBS BUSINESS CENTER	1,414,281	1,124,412
AROBS ETOLL SOLUTION SRL	39,095	16,182
AROBS POLSKA	89,500	61,336
AROBS SOFTWARE SOLUTIONS GMBH	8,839	5,855
AROBS SYSTEMS SRL	1,176	-
AROBS TRADING & DISTRIBUTION GMBH	1,057,226	1,416,815
CABRIO INVEST BV	511,465	481,505
CABRIO INVESTMENT SRL	609,092	591,209
COSO BY AROBS BV	27,165	16,862
UCMS GROUP ROMANIA SRL	686,352	222,289
Total interest value for the loans for related parties	4,444,193	3,936,466
Loan and interest adjustments related to loans to affiliated entities		
AROBS BUSINESS CENTER	(62,640)	(62,640)
AROBS POLSKA	(808,146)	-
AROBS TRADING & DISTRIBUTION GMBH	(64,760)	(64,760)
CABRIO INVEST BV	(5,633,296)	(4,792,264)
COSO BY AROBS BV	(425,093)	(529,246)
Total loan and interest adjustments related to loans to affiliated entities	(6,993,935)	(5,448,910)
Total adjusted loan and interest related to loans to affiliated entities	26,871,814	27,631,404

The loan to AROBS Trading & Distribution GmbH is to support working capital needs. 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. The loan was granted to cover the current needs of the companies.

The loan granted to the company AROBS BUSINESS CENTER was used for the development of the "Business Incubator" project realized through the absorption of European funds and for working capital.

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

	31.12.2024	31.12.2023
Loans granted to related parties and other loans	17,554,070	18,611,041
Short term	7,294,119	9,418,063
Long term	10,259,951	9,192,978

34. RISK MANAGEMENT FOR FINANCIAL INSTRUMENTS

The Company'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 Company's operations.

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

AROBS Transilvania Software is exposed to interest rate risk, foreign exchange rate risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Company's senior management ensures the Company's financial risk activities are performed under appropriate procedures and that financial risks are identified, measured and managed in accordance with the Company risk appetite.

34.1. 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 Company'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 Company over the expected period until maturity.

34.2. 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 Company's profit before tax and equity are affected through the impact on floating rate borrowings without considering the CAPs effect, as follows:

	31.12.2024	31.12.2023
<i>Fixed rate financial instruments</i>		
Financial liabilities (loans and leasing)	68,456,774	80,611,740
<i>Variable rate financial instruments</i>		
Financial liabilities (loans and leasing)	2,136	-
	Base point increase	Impact on profit before tax
2024	1%	11
2023	1%	13,815

The fixed interest rate at which the Company borrows varies between 1.5% p.y. and 4.55% p.y. 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.

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

34.3.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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's financing activities, as part of the financing contracted by the Company is Euro based and to cash balances denominated in foreign currencies,

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

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

34.4.Foreign currency sensitivity

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

	Exchange rate increase	Effect on profit before tax
2024 – EUR	1%	970,851
2023 – EUR	1%	1,139,267
2024 – USD	1%	60,400
2023 – USD	1%	163,689

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

31.12.2024	EUR	RON	USD	Other currencies	Total
Cash and cash equivalents	141,152,171	74,254,461	3,480,947	12,285	218,899,865
Trade receivables	6,812,849	34,696,867	3,367,232	(2,848)	44,874,100
Loans to affiliated, related parties and other loans	34,967,193	4,229,732	-	-	39,196,925
Long term bank loans	(29,716,103)	-	-	-	(29,716,103)
Short term bank loans	(20,122,370)	-	-	-	(20,122,370)
Leasing	(18,536,703)	(83,733)	-	-	(18,620,437)
Trade liabilities	(630,385)	(4,842,917)	(808,162)	-	(6,281,464)
Situația netă a expunerii financiare	113,926,651	108,254,410	6,040,017	9,437	228,230,516

31.12.2023	EUR	LEI	USD	Other currencies	Total
Cash and cash equivalents	33,399,445	13,004,790	12,133,839	27,251	58,565,325
Trade receivables, less advances	10,666,446	50,205,263	4,210,985	508	65,083,202
Loans to affiliated, related parties and other loans	31,491,738	4,467,056	-	-	35,958,793
Long term bank loans	(49,841,347)	-	-	-	(49,841,347)
Short term bank loans	(20,122,257)	-	-	-	(20,122,257)
Leasing	(10,545,597)	(102,539)	-	-	(10,648,136)
Trade liabilities, less advances	(486,230)	(2,772,789)	(24,061)	(2,272)	(3,285,352)
Net result of financial exposure	(5,437,802)	64,801,780	16,320,763	25,488	75,710,229

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

34.5. Credit risk

The Company'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 (Note 22) plus balances with banks (Note 24), represent the maximum amount exposed to credit risk. Management believes that there is no significant risk of loss to the Company 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. The Company does not track changes in credit risk for trade receivables and contract assets, but instead recognises a loss allowance at each reporting date. In this respect, the Company 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.

a. Categorized financial assets – exposure to credit risk

31.12.2024	Note	Gross accounting value	Depreciation	Net accounting value
Loans granted to affiliated ,related parties and other loans	16, 33	39,196,925	(9,208,718)	29,988,207
Trade receivables	21	44,874,100	(6,259,712)	38,614,388
Total		84,071,025	(15,468,431)	68,602,594

31.12.2023	Note	Gross accounting value	Depreciation	Net accounting value
Loans granted to affiliated, related parties and other loans	16, 33	35,958,794	(10,628,347)	25,330,447
Trade receivables, less advances	21	65,083,202	(2,968,637)	62,114,565
Total		101,041,996	(13,596,983)	87,445,012

b. Categorized financial liabilities - exposure to credit risk

31.12.2024	Note	Net accounting value	Total	Less than 1 year	1 - 5 years	Over 5 years
Bank loans	28	49,838,473	49,838,473	20,122,370	29,716,103	-
Leasing	29	18,620,437	18,620,437	4,950,253	12,744,167	926,017
Trade payables	0	6,281,464	6,281,464	6,281,464	-	-
Total		74,740,374	74,740,374	31,354,087	42,460,270	926,017

31.12.2023	Note	Net accounting value	Total	Less than 1 year	1 - 5 years	Over 5 years
Bank loans	28	69,963,604	69,963,604	20,122,257	49,841,347	-
Leasing	29	10,648,136	10,648,136	3,939,382	6,708,754	-
Trade payables, less advances	0	3,849,213	3,849,213	3,849,213	-	-
Total		84,460,953	84,460,953	27,910,852	56,550,101	-

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

34.6. Liquidity risk

The Company 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 Company'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.

	31.12.2024	31.12.2023
Current assets	273,242,685	139,096,456
Short term liabilities	51,011,772	50,364,259
Current liquidity ratio	5.36	2.76

	31.12.2024	31.12.2023
Current assets	273,242,685	139,096,456
Inventories and work in progress	1,990,082	1,493,635
Short term liabilities	51,011,772	50,364,259
Immediate liquidity ratio	5.32	2.73

34.7. Capital Management

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

The primary objective of the Company'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 Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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

	31.12.2024	31.12.2023
Long term debt	62,574,089	74,540,599
Capital	456,355,440	280,835,730
Gearing ratio	12%	21%

The Company'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. For agreements in force as of December 31, 2024 and December 31, 2023 please refer to Note 28.

No changes were made in the objectives, policies or processes for managing capital during the year ended at 31 December 2024 and 31 December 2023.

35. 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

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

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).

35.1. Financial assets

	Depreciated cost	
	31.12.2024	31.12.2023
Loans to related parties and other loans	10,259,951	9,192,978
Commercial receivables	38,614,387	65,414,888
Cash and cash equivalents	218,899,865	58,263,292
Total	267,774,203	132,871,158

35.2. Short term investments – fair value

	Category	Value at 31.12.2023	Fair value assesment at 31.12. 2023
Short term investments	Shares	215,319	Level 1
Total		215,319	

35.3. Financial liabilities

	Depreciated cost	
	31 Decembrie 2024	31 Decembrie 2023
Bank loans	49,838,473	69,963,604
Trade payables	6,281,464	5,893,161
Total	56,119,937	75,856,765

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

36. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

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

36.1. 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 Company 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 Company for the good and services delivered to the customers.

When (or as) a performance obligation is satisfied, the Company will recognize as revenue the amount of the transaction price that is allocated to that performance obligation. The Company 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.

If a discount is applied to one or more execution obligations, the Company will apply the discount prior to using the residual approach in order to estimate the price of sale for an individual good or services.

The Company 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 Company 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 Company 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 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 Company.

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

A. Revenue from software services

The Company'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 Company 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 Company 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 Company 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 Company 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 Company 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 Company expects to be entitled in exchange for those services. The Company 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 22.

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

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 transmtion 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.

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

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 assesment, 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 accoring 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 sales of goods

The Company 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 Company 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 form 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.

36.2. 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.

Usefull life

Average usefull 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
Offices equipment	1 - 13 years
Stationary	4 - 9 years
Protection systems	8 - 16 years

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.

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

As at 31 December 2023, 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.

36.3. 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

The research and development expenditure are recognized when they are incurred. 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.

După recunoașterea inițială a cheltuielii cu dezvoltarea unui activ, este aplicat modelul bazat pe cost, care prevede contabilizarea activelor la cost minus orice amortizare acumulată și orice pierderi din depreciere cumulate. Amortizarea imobilizărilor începe atunci când dezvoltarea este finalizată și activul este disponibil în vederea vânzării/utilizării. Acesta este amortizat pe perioada beneficiului viitor preconizat. Amortizarea este recunoscută în costul bunurilor vândute. În perioada de dezvoltare, activul este testat anual pentru depreciere.

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

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

Computer programs, software, licenses, other intangible assets	3 years or contractual duration
Customers relationship	10 years

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

36.4. Assets relating 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 relating to rights to use 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.

Lease liability related to right-of-use asset

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 Company 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.

36.5. 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 **Error! Reference source not found.**
- Intangible assets Note 18

The Company 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 Company 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

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

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 s 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 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 Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company'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 Company 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 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.

36.6. IFRS 9 Financial instruments

Financial assets

Initial recognition and measurement

Company 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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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

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

The Company 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 Entity applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company 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 21.

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

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 Company 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 Company's financial statements are presented in Romanian New Lei ('RON').

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

28.1. 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 Company 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.

29.1. 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 Company 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 Company 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 Company 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 Company employees are members of state-administered pension schemes.

The Company 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 Company's business.

36.7. 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.

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

Deffered 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 Company 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.

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.

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

36.8. Inventories and work in progress

Goods and work in progress are valued at the lower of cost and net realizable value. The '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.

36.9. 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.

36.10. 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 Company 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 Company. 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.

36.11. 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.

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

36.12. Provisions and contingent liabilities

General

Provisions are recognised when the Company 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 Company 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 a 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 Company is subject to income tax in several jurisdictions. There are several transactions and calculations for which the final tax determination is uncertain. Therefore, the Company 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.

37. 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 2023, 2022 and 2021 the Company has not recorded any liabilities relating to anticipated costs, including legal and consultancy fees, studies, design and implementation of environmental remediation plans. The Company does not consider costs associated with environmental issues to be significant.

ESG Report

In accordance with legal requirements and European CSRD regulations, the Company 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

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

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 Company cannot quantify the outcome of such a verification. The Entity considers that the transactions with related parties were carried out at arm's length values.

The Company is a large taxpayer. At the date of preparation of the individual 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 '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 Company has no direct exposure to third parties affected by the sanctions imposed since the conflict began (customers, suppliers, banking institutions with which the Company collaborates). Indirect exposure (customers, suppliers, with whom the Company 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 unquantifiable, as the's management has so far given no indication of any significant impact on the 's business.

Audit expenses

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

38. 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
Administrator

Bogdan Ciungradi
Chief Financial Officer