



FINANCIAL REPORT AS OF MARCH 31, 2025

AROBS Transilvania Software S.A.

Company listed on the Main Segment of the Bucharest Stock Exchange, Premium Category

Symbol: AROBS

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

The interim individual and consolidated simplified financial statements as of March 31, 2025 are unaudited.

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

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	Quarterly Report – Q1 2025
According to	Annex 13 of the ASF Regulation no. 5/2018
Date of publication of the report	14.05.2025
For financial period	01.01.2025 – 31.03.2025

ISSUER INFORMATION

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

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	104,555,233.00 lei
The market on which securities are traded	Main Segment, Premium Category
Total number of shares	1,045,552,330
Symbol	AROBS

CONTACT DETAILS FOR INVESTORS

Phone number	+40 264 202 116
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Website	www.arobsgroup.ro și www.arobs.com

MESSAGE FROM THE CEO

The first three months of 2025 were marked by significant challenges, both economically and politically, yet AROBS once again demonstrated its ability to adapt and create value in a dynamic environment. Despite economic and fiscal uncertainties in Romania, driven by the electoral context and pending budgetary measures, we managed to achieve solid turnover growth, confirming the resilience of our business model.

Financial performance

In the first quarter of 2025, AROBS Group recorded a 14% increase in turnover, reaching 119.6 million lei compared to 105 million lei in the same period of last year. This performance was mainly supported by the “Integrated Systems” segment, which generated revenues of 26.2 million lei, driven by strategic projects such as the one implemented for the National Public Pension House. Additionally, the “Software Products” segment recorded a significant 20% increase, reaching 21.9 million lei, confirming the success of our strategy to diversify and invest in proprietary solutions.

However, global economic pressures negatively impacted the “Software Services” segment, which declined by 17% to 71.5 million lei, primarily due to a slowdown in demand in the Automotive sector. Despite this context, EBITDA increased by 2% compared to Q1 2024, reflecting our financial discipline and ability to optimize operational structures.

Strategic acquisitions and international expansion

Internationally, we continued our expansion plans through strategic acquisitions. We are in the process of acquiring 70% of the share capital of a Nevada-based software company with approximately 60 specialists, further strengthening our presence in the U.S. market. The approval of this transaction will be subject to a vote at the Extraordinary General Meeting of Shareholders on May 28, 2025. At the same time, we continued to invest in opening new sales offices and delivery centers in U.S. and U.K. to support our growth in international markets.

Partnership for digitalization in education

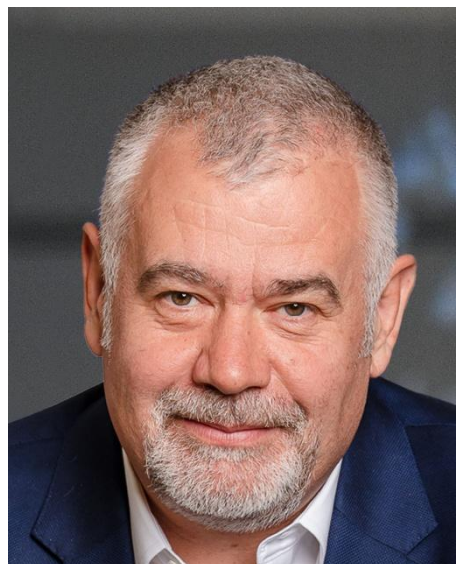
Another key milestone this quarter was the launch of the largest digitalization project in Romanian education, implemented at Babes-Bolyai University in Cluj-Napoca. This project represents an important step in our mission to support the digital transformation of Romania’s education sector.

Outlook for 2025

Going forward, we remain focused on two strategic directions. Domestically, the stabilization of the political and economic environment will be essential for unlocking digitalization projects in both the public and private sectors. Internationally, we continue to invest in artificial intelligence, big data, and cybersecurity, technologies that will reshape the IT industry in the coming years.

In conclusion, I would like to thank all AROBS colleagues for their efforts during this first quarter and our partners for their trust and collaboration. We invite you to review the Q1 2025 report and join our conference call on May 16, 2025, at 2:00 PM (Romanian time), where we will discuss the AROBS Group’s performance in more detail.

For any further questions, please do not hesitate to contact us at ir@arobsgroup.com.



Voicu Oprean

CONSOLIDATED FINANCIAL RESULTS AS OF MARCH 31, 2025



RON 120 million

TURNOVER

+14% vs. Q1 2024



RON 17 million

EBITDA

+2% vs. Q1 2024



RON 9 million

GROSS PROFIT

8% GROSS PROFIT MARGIN



RON 6 million

NET PROFIT

5% NET PROFIT MARGIN

-19% vs. Q1 2024



RON 280 million

CASH AND CASH EQUIVALENTS

RON +20 million vs. 12.2024



Q1 2025 CONFERENCE CALL

16.05.2025 | 14:00

We invite you to join the quarterly financial results call with AROBS management to discuss the performance in the first three months of 2024 as well as this year's outlook.

The call will be hosted by:

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

The conference call will be in English and will take place on May 16, 2025, at 14:00 Romanian time (13:00 CET | 12:00 UK).

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

KEY EVENTS IN Q1 2025 AND AFTER THE CLOSING OF THE REPORTING PERIOD

KEY EVENTS RELATED TO BUSINESS DEVELOPMENT

MERGER PROJECT

On **December 19, 2024**, the Company informed investors about the publication of the Merger Project through absorption, involving AROBS TRANSILVANIA SOFTWARE S.A. (absorbing entity) and AROBS DEVELOPMENT & ENGINEERING S.R.L., BERG COMPUTERS S.R.L., and NORDLOGIC SOFTWARE S.R.L. (absorbed entities). On **February 7, 2025**, the Company announced the market that the Board of Directors had decided to revise its approach to the organizational consolidation process within the Group. Following an internal assessment, the Group's management determined that the companies initially proposed for the second phase had either completed or were nearing the completion of their integration process. As a result, they are now considered suitable to be included in a single, extended merger operation.

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

ACQUISITION OF SVT ELECTRONICS

On **March 11, 2025**, the Company informed the market about the full acquisition of SVT Electronics, a Romanian company specialized in the development of comprehensive solutions for tachograph data management and analysis.

More details are available [HERE](#).

AROBS POLSKA SELECTED BY ESA TO DEVELOP A SATELLITE COMMUNICATION SECURITY SYSTEM USING POST-QUANTUM ALGORITHMS

On **March 11, 2025**, AROBS Polska, part of the AROBS Group, has been selected by the European Space Agency (ESA) to develop and implement the *Post-Quantum Cryptography Algorithms for Satellite Telecommunication Applications* (PQC ASTRAL) project. This project, carried out under the ESA Advanced Research in Telecommunications Systems (ARTES) Space Systems for Safety and Security (4S) program within ESA's Connectivity and Secure Communications directorate, aims to develop a cryptographic system for satellites based on post-quantum algorithms, ensuring the protection of communications against emerging threats posed by quantum computers.

More details are available [HERE](#).

UPDATE OF NACE CODES

On **March 28, 2025**, the Company informed the market that, starting from 17.03.2025, the Company has updated its NACE codes, according to NACE Rev. 3 classification, in accordance with the obligations established through INS Order no. 377/2024. According to the new classification, the main activity of the Company is: 6210 - Custom software development activities (client-oriented software).

More details are available [HERE](#).

SIGNING A CONTRACT WITH BABEȘ-BOLYAI UNIVERSITY

On **April 7, 2025**, the Company informed investors that the Company is part of the largest digitalization project undertaken by a university in Romania, funded through the National Recovery and Resilience Plan (NRRP) – the DIGIHUBB project (UBB Digitalization: Equipping with digital infrastructure for teaching and research purposes), carried out by Babes-Bolyai University in Cluj-Napoca (UBB).

More details are available [HERE](#).

KEY EVENTS RELATED TO GOVERNANCE

COMPLETION OF THE SHARE BUYBACK PROGRAM

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

More details are available [HERE](#).

ORDINARY GENERAL MEETINGS OF SHAREHOLDERS FROM 06.03.2024

On **February 3, 2025**, the Company informed the market of the decision to convene the Ordinary General Meeting of Shareholders (OGMS) on March 6, 2025. The legal and statutory quorum was met at the first call.

The key item approved during the OGMS was:

- The appointment of the financial auditor BDO AUDITORS & ACCOUNTANTS SRL until September 30, 2025.

More information is available [HERE](#).

2025 REVENUE AND EXPENSE BUDGET

On **March 31, 2025**, the Company informed investors about the availability of the 2025 consolidated Revenue and Expense Budget. The Budget was approved during the Ordinary General Meeting of Shareholders held on April 28th, 2025.

More details are available [HERE](#).

RESIGNATION OF A MEMEBER OF THE BOARD OF DIRECTORS

On **April 9, 2025**, the Company informed the market that, on April 8, 2025, Mr. Răzvan-Dimitrie Gârbacea submitted his resignation from his position as a non-executive and independent member of the Company's Board of Directors.

More details are available [HERE](#).

THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FROM 28.04.2025

On **March 27, 2025**, the Company informed the market regarding the decision to convene the Ordinary General Meeting of Shareholders (OGMS) on April 28th, 2025. The legal and statutory quorum was met during the first call. The key items approved during the OGMS were:

- Approval of the individual and consolidated financial statements prepared for the financial year ended December 31st, 2024, accompanied by the Annual Report of the Board of Directors and the Independent Auditor's Report
- Approval of the Budget of Revenues and Expenses for the 2025 financial year

- Approval of the allocation of the Company's net profit, at the individual level, registered for the financial year ended December 31st, 2024
- Approval of the Company's Remuneration Report for the financial year ended December 31st, 2024
- Appointment of a new non-executive and independent member of the Board of Directors, Mr. Răzvan Florin Olosu-Ittu.

More details are available [HERE](#).

CONVENING OF THE GENERAL MEETING OF SHAREHOLDERS FOR 28.05.2025

On **April 24, 2025**, the Company informed the market regarding the decision to convene the Ordinary General Meeting of Shareholders (OGMS) on May 28th, 2025. On **May 13, 2025**, the Company's management also informed investors about the supplementation of the agenda of the Extraordinary General Meeting of Shareholders.

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

KEY EVENTS RELATED TO CAPITAL MARKETS

MARKET MAKER SERVICE AGREEMENTS WITH RAIFFEISEN BANK INTERNATIONAL AND INTERCAPITAL SECURITIES

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

More details are available [HERE](#).

ANALYSIS OF THE CONSOLIDATED FINANCIAL RESULTS

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

CONSOLIDATED P&L ANALYSIS

Profit and Loss account indicators

INCOME STATEMENT (LEI)	31.03.2025 AROBS Group	31.03.2024 AROBS Group	Variation %
Turnover:	119,617,569	105,045,329	14%
Revenue from software services	71,536,539	86,434,635	-17%
Revenue from software products	21,865,179	18,195,750	20%
Revenue from integrated systems	26,215,851	414,944	6218%
TOTAL – Cost of sales	90,319,424	75,535,460	20%
Cost of sales of software services	57,552,222	66,793,898	-14%
Cost of sales of software products	10,315,753	8,429,282	22%
Cost of sales of integrated systems	22,451,449	312,280	7090%
Gross result	29,298,145	29,509,869	-1%
<i>Software Services - Gross margin</i>	20%	23%	-3%
<i>Software products - Gross margin</i>	53%	54%	-1%
<i>Integrated Systems - Gross margin</i>	14%	25%	-9%
Other operating revenues	2,103,511	536,288	292%
Sales and marketing expenses	(5,992,633)	(4,729,677)	27%
General and administrative expenses	(16,359,962)	(15,645,845)	5%
Operating profit	9,049,061	9,670,635	-6%
EBITDA	17,110,980	16,802,894	2%
EBITDA margin	14%	16%	-2%
Financial revenue/ (financial expenses), net	87,201	847,335	-90%
Profit before tax	9,136,262	10,517,970	-13%
Profit tax	(2,797,435)	(2,656,045)	5%
Net profit	6,338,827	7,861,925	-19%
Net profit margin	5%	7%	-2%

The AROBS Group's turnover recorded a positive evolution in Q1 2025 compared to Q1 2024, marking an increase of 14%. The turnover performance across business segments varied during this first quarter. A significant driver of turnover growth in Q1 2025 was the contribution of the Integrated Systems segment, supported by the project signed at the end of 2024.

During the first three months of 2025, the Group continued to focus closely on managing both direct and indirect expenses and efficiently allocating resources to align with revenue dynamics. As a result, the costs related to software services sales decreased by 14% in Q1 2025 compared to the same period of the previous year, while the costs related to software product sales increased by 22% in Q1 2025 versus Q1 2024.

The gross margin for the Software Services segment slightly declined by 3% compared to Q1 2024, while the gross margin for the Software Products segment remained stable in Q1 2025 compared to the previous period.

Sales and marketing expenses increased by 1.3 million lei in Q1 2025 compared to Q1 2024, driven by the investment in a Greenfield company aimed at strengthening the sales force in the U.S. markets, as well as by the internalization, starting from Q2 2024, of certain external resources from the sales team.

General and administrative expenses increased by 0.7 million lei in Q1 2025 due to the acquisition of the Infobest group, which impacted results only in Q1 2025.

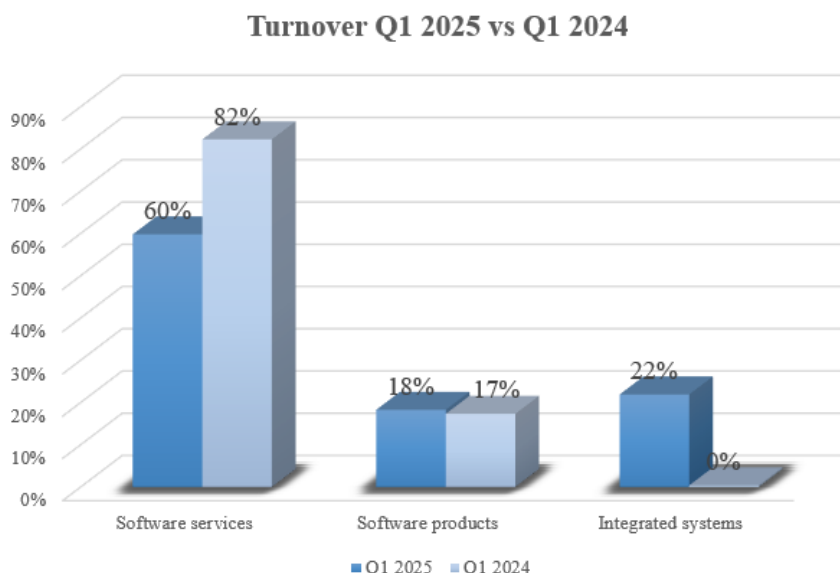
EBITDA recorded a 2% increase in Q1 2025 compared to Q1 2024, reaching 17.1 million lei, with a margin of 14%.

The difference between the positive evolution of EBITDA in Q1 2025 compared to Q1 2024 and the negative evolution of the net profit in the same period is generated by the impact of increased depreciation in Q1 2025 compared to the same period of the previous year and the impact of negative exchange rate differences in Q1 2025 compared to the positive exchange rate differences recorded in Q1 2024. Thus, the net profit decreased by 1.5 million lei in the first quarter of the current year compared to the comparative period. The impact of the additional depreciation expense was 0.9 million lei because of the reception of the building built for a new headquarters and the commissioning of a new platform for HR services. The impact of the financial result was a decrease of 0.7 million lei in Q1 2025 compared to Q1 2024 because of the decreasing variation of the US dollar exchange rate.

Turnover analysis

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

Business lines (LEI)	Q1 2025 Turnover	Q1 2024 Turnover	Variation %
Software services	71,536,539	86,434,635	-17%
Software products	21,865,179	18,195,750	20%
Integrated systems	26,215,851	414,944	6218%
Total	119,617,569	105,045,329	14%



The Group's strategy for 2025 remains focused on having multiple growth pillars, continuing the development of the Software Services, Software Products, and Integrated Systems segments. Additionally, the AROBS Group aims to invest in and develop a Greenfield company focused on expanding its presence in the U.S. markets.

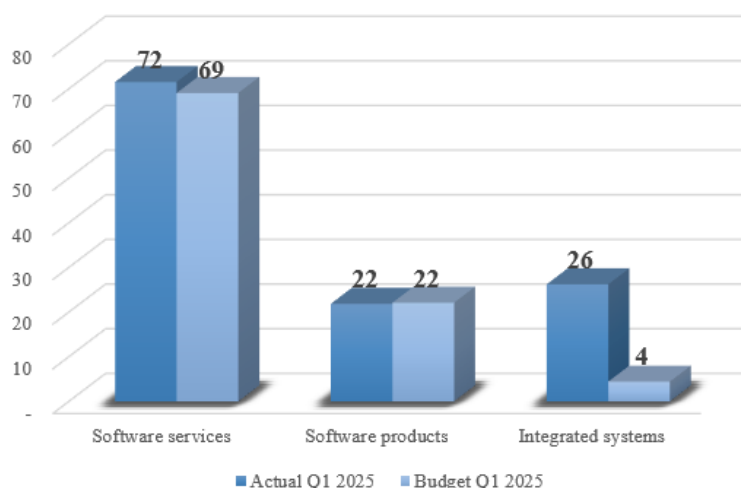
The turnover generated by the Software Services segment in Q1 2025 amounted to 71.5 million lei, 17% lower than the value recorded in Q1 2024, reflecting the effects of the slowdown in demand in the Automotive vertical, which began last year and was anticipated to impact this quarter as well.

The AROBS Group is pursuing expansion in markets and sectors that continue to invest in technology, seeking to counterbalance the impact of the slowdown in the Software Services segment experienced in the previous year. These efforts are currently influenced by political instability and the upcoming presidential elections in Romania.

The Software Products segment contributed 18% to the Group's turnover, recording a turnover of 21.9 million lei in Q1 2025, an increase of 20% compared to Q1 2024.

The Integrated Systems segment recorded a turnover of 26.2 million lei in Q1 2025, following the execution of hardware infrastructure deliveries under the contract with the National Public Pensions House, signed at the end of 2024 and currently under implementation.

Turnover Q1 2025 vs Budget Q1 2025 (million lei)



The turnover targets set in the budget were achieved in Q1 2025 across all Group segments. The significant difference between the actual and estimated values for the Integrated systems segment stems from the fact that at the time of budget preparation there was insufficient information regarding the possible IFRS adjustment of the services to be delivered during this period. From the detailed analysis of the contract with CNPP, it was concluded that the revenues and costs related to the services provided in Q1 2025 should be recognized in full.

Organic vs. M&A

	Q1 2025			Q1 2024		
	Organic	M&A*	Total	Organic	M&A*	Total
Turnover:	77,592,802	42,024,767	119,617,569	69,106,165	35,939,163	105,045,329
Software services	31,474,406	40,062,133	71,536,539	52,507,550	33,927,085	86,434,635
Software products	19,902,545	1,962,634	21,865,179	16,183,672	2,012,078	18,195,750
Integrated systems	26,215,851	-	26,215,851	414,944	-	414,944
Cost of sales:	60,282,220	30,037,204	90,319,424	49,867,853	25,667,607	75,535,460
Software services	28,416,698	29,135,524	57,552,222	42,180,674	24,613,224	66,793,898
Software products	9,414,073	901,680	10,315,753	7,374,899	1,054,383	8,429,282
Integrated systems	22,451,449	-	22,451,449	312,280	-	312,280
Gross margin	17,310,582	11,987,563	29,298,145	19,238,313	10,271,556	29,509,869
Gross Margin %	22%	29%	24%	28%	29%	28%

*Companies acquired as of 2021

The M&A subsidiaries recorded an increase in turnover of 6 million lei in Q1 2025 compared to the same period of the previous year, driven by the performance of the Infobest group, which impacted results only in Q1 2025, as well as by the performance of previously acquired companies. The share of turnover generated by the acquired companies out of the total turnover of the Software Services segment stands at 56%. The Organic business experienced a decline in turnover from software services, registering a 40% decrease in Q1 2025 compared to Q1 2024, which had a significant impact on the performance of this segment during the period.

The increase in turnover recorded in Q1 2025 compared to the same period of the previous year in the Software Products segment is mainly due to the growth of the Organic business. The acquired companies maintained their performance in 2025 in line with the results recorded in Q1 2024.

CONSOLIDATED BALANCE SHEET ANALYSIS

BALANCE SHEET

Balance sheet indicators (LEI)	31.03.2025 AROBS Group	31.12.2024 AROBS Group	Variation %
Total fixed assets, out of which:	282,120,199	285,457,927	-1%
Tangible assets	13,140,643	13,679,736	-4%
Right-of-use assets	23,940,221	25,396,600	-6%
Investment properties	20,919,341	21,008,039	0%
Goodwill	111,282,143	111,230,318	0%
Customer relationship	71,624,065	74,155,381	-3%
Other intangible assets	29,506,860	27,031,719	9%
Loans granted to related parties	6,090,424	7,294,119	-17%
Other financial assets	3,773,519	3,687,246	2%
Deferred tax asset	1,842,983	1,974,769	-7%
Total current assets, out of which:	388,418,093	358,099,154	8%
Trade and other receivables	81,502,352	73,202,668	11%
Loans granted to related parties	6,988,327	5,847,550	20%
Cash and cash equivalents	279,914,397	259,604,189	8%
Total assets	670,538,292	643,557,081	4%
Current liabilities, out of which	125,432,675	99,945,884	26%
Bank loans	24,036,214	24,677,989	-3%
Leasing liabilities	8,198,680	8,206,905	0%
Total non-current liabilities, out of which:	96,053,452	103,754,180	-7%
Bank loans	37,263,036	42,435,001	-12%
Leasing liabilities	15,757,027	17,267,490	-9%
Total liabilities	221,486,127	203,700,064	9%
Total Equity	449,052,165	439,857,017	2%
Total equity and liabilities	670,538,292	643,557,081	4%
Net assets	449,052,165	439,857,017	2%

AROBS Group continued to strengthen its cash position, recording an increase compared to the end of 2024. This surplus was generated from operating activities, and the net increase in cash availability, amounting to 20.3 million lei, was achieved after the repayment of maturing bank debts.

As of March 31st, 2025, the debt ratio related to bank financing, calculated as the ratio between total bank debt and normalized EBITDA, stood at 0.96, indicating a solid financial position that allows the Group to secure future financing in support of its strategic objectives.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	31.03.2025 AROBS Group	31.03.2024 AROBS Group	Variation %
TURNOVER:	119,617,569	105,045,329	14%
Revenue from software services	71,536,539	86,434,635	-17%
Revenue from software products	21,865,179	18,195,750	20%
Revenue from integrated systems	26,215,851	414,944	6218%
TOTAL COST OF SALES:	90,319,424	75,535,460	20%
Cost of sales of software services	57,552,222	66,793,898	-14%
Cost of sales of software products	10,315,753	8,429,282	22%
Cost of sales of integrated systems	22,451,449	312,280	7090%
GROSS MARGIN	29,298,145	29,509,869	-1%
Other operating revenues	2,103,511	536,288	292%
Sales and marketing expenses	(5,992,633)	(4,729,677)	27%
General and administrative expenses	(16,359,962)	(15,645,845)	5%
OPERATING PROFIT	9,049,061	9,670,635	-6%
Financial revenue / (expenses), net	87,201	847,335	-90%
GROSS PROFIT – BEFORE TAX	9,136,262	10,517,970	-13%
Profit Tax	(2,797,435)	(2,656,045)	5%
NET PROFIT	6,338,827	7,861,925	-19%
Other comprehensive income items	(265,625)	153,280	-273%
TOTAL COMPREHENSIVE INCOME	6,073,202	8,015,205	-24%
Attributable to the parent company	6,026,764	7,809,228	-23%
Attributable to non-controlling interests	46,438	205,977	-77%

CONSOLIDATED BALANCE SHEET

Balance sheet indicators (LEI)	31.12.2025 AROBS Group	31.12.2024 AROBS Group	Variație %
Tangible assets	13,140,643	13,679,736	-4%
Right-of-use assets	23,940,221	25,396,600	-6%
Investment properties	20,919,341	21,008,039	100%
Goodwill	111,282,143	111,230,318	0%
Customer relationship	71,624,065	74,155,381	-3%
Other intangible assets	29,506,860	27,031,719	9%
Loans granted to related parties	6,090,424	7,294,119	-17%
Other financial assets	3,773,519	3,687,246	2%
Deferred tax assets	1,842,983	1,974,769	-7%
Total fixed assets	282,120,199	285,457,927	-1%
Work in progress services and inventories	9,461,691	8,799,106	8%
Trade receivables	81,502,352	73,202,668	11%
Prepaid expenses	3,273,387	2,316,462	41%
Current tax receivables	586,612	1,470,248	-60%
Other receivables	6,691,327	6,858,931	-2%
Loans granted to related parties and other Loans	6,988,327	5,847,550	20%
Cash and cash equivalents	279,914,397	259,604,189	8%
Total current assets	388,418,093	358,099,154	8%
Total assets	670,538,292	643,557,081	4%
Share capital	104,555,233	104,555,233	0%
Adjustments of equity capital to hyperinflation	263,971	263,971	0%
Share premium	146,472,470	146,472,470	0%
Reserves	11,405,199	11,405,199	0%
Own shares	(12,937,151)	(12,885,372)	0%
Other components of equity	15,939,498	12,693,649	26%
Retained earnings	164,761,888	158,433,437	4%
Gains/Losses from own equity instruments	19,684,169	19,684,169	0%
Conversion differences from consolidation	(519,731)	(218,041)	138%
Total equity	449,625,546	440,404,715	2%
Non-controlling interest	(573,381)	(547,698)	5%
Total equity	449,052,165	439,857,017	2%
Non-current liabilities:			
Advance income	3,420,901	3,232,865	6%
Governments grants	744,918	768,378	-3%
Equity liabilities	13,734,681	14,686,659	-6%
Bank loans	37,263,036	42,435,001	-12%
Leasing	15,757,027	17,267,490	-9%
Other liabilities	552,242	559,757	-1%
Provisions	13,102,100	13,102,084	0%
Deferred tax liabilities	11,478,547	11,701,946	-2%
Total non-current liabilities	96,053,452	103,754,180	-7%
Current liabilities:			
Trade payables	45,807,377	22,327,278	105%
Advance income	13,789,580	13,346,834	3%
Government grants	138,225	143,121	-3%
Equity liabilities	3,807,868	3,977,961	-4%
Bank loans	24,036,214	24,677,989	-3%
Leasing	8,198,680	8,206,905	0%
Employee-related liabilities	15,204,108	14,630,156	4%
Current tax liabilities	2,369,278	813,583	191%
Other liabilities	12,081,345	11,822,057	2%
Total current liabilities	125,432,675	99,945,884	26%
Total liabilities	221,486,127	203,700,064	9%
Total equity and liabilities	670,538,292	643,557,081	4%

CONSOLIDATED CASH-FLOW

	31.03.2025 AROBS Group	31.03.2024 AROBS Group	Variation %
Profit before tax	9,136,262	10,517,971	-13%
Adjustments for:			
Depreciation of Goodwill	-	-	100%
Depreciation expenses	5,694,914	4,836,302	18%
Expenses related to disposed tangible and intangible assets	83,412	(2,540)	-3383%
(Income) from the sale of tangible and intangible assets	(223,192)	(134,780)	66%
Expenses related to employee benefits – SOP	3,245,699	3,832,152	-15%
Expenses / (Income) related to adjustments for inventory write-downs	28,325	(16,596)	-271%
Expenses / (Income) related to adjustments for receivables depreciation	152,239	(526,230)	-129%
Expenses / (Income) related to provisions for risks and charges	1,199,001	1,024,233	17%
(Income) from subsidies	(28,356)	(38,490)	-26%
Expenses with interest and other financial expenses	814,451	711,284	15%
(Income) from interest and other financial income	(1,644,693)	(980,926)	68%
Expenses / (Incomes) related to value adjustments for tangible and intangible assets	(73)	40,740	-100%
Retained Earnings Adjustments	(301,685)	153,280	-297%
Operating profit before change in working capital	18,156,304	19,416,400	-6%
Change in trade and other receivables balances	(7,419,448)	1,591,393	-566%
Change in inventory balances	(690,910)	(845,180)	-18%
Change in trade and other payables balances	25,429,986	4,145,908	513%
Change in prepaid expenses balances	(956,925)	(1,270,674)	-25%
Change in deferred income balances	630,782	1,489,270	-58%
Interest paid	(814,451)	(711,284)	15%
Interest received	1,538,688	1,423,939	8%
Cash generated from operating activities	35,874,026	25,239,770	42%
Income tax paid	(4,903,372)	(5,252,215)	-7%
Net cash from operating activities	30,970,654	19,987,555	55%
Cash flows from investing activities			
Loans (granted) to / repaid by affiliated entities and change in guarantees provided	233,201	223,766	4%
(Payments) for acquisitions of subsidiaries	(1,777,010)	-	-100%
(Payments) for acquisitions of tangible and intangible assets	(2,726,745)	(6,765,872)	-60%
Own Share buybacks	(51,779)	-	-100%
(Payments) / Receipts from other investments in financial assets	-	302,033	-100%
Net cash from investing activities	(4,322,333)	(6,240,074)	-31%
Cash flows from financing activities			
Collection of bank loans	-	-	
Repayment of bank loans	(5,707,986)	(3,572,597)	60%
Short term loan variation	(143,876)	(253,392)	-43%
Payment of debts related to financial leasing	(486,251)	-	
Capital increase	-	-	
Net cash from financing activities	(6,338,113)	(3,825,989)	66%
(Decrease) / Net increase in cash and cash equivalents	20,310,208	9,921,493	105%
Cash and cash equivalents at the beginning of the financial period	259,604,189	87,773,888	196%
Cash and cash equivalents at the end of the financial period	279,914,397	97,695,381	187%

INDIVIDUAL PROFIT AND LOSS ACCOUNT

	31.03.2025 AROBS Individual	31.03.2024 AROBS Individual	Variație %
TURNOVER:	46,468,715	64,122,162	-28%
Revenue from software services	33,449,144	52,886,957	-37%
Revenue from software products	13,019,571	11,235,205	16%
TOTAL COST OF SALES:	38,782,181	48,912,859	-21%
Cost of sales of software services	31,281,537	43,680,512	-28%
Cost of sales of software products	7,500,644	5,232,347	43%
GROSS PROFIT	7,686,534	15,209,303	-49%
Other revenues	2,194,623	246,566	790%
Sales and marketing expenses	(2,464,901)	(1,946,039)	27%
General and administrative expenses	(8,312,950)	(8,936,611)	-7%
OPERATING PROFIT	(896,694)	4,573,219	-120%
Income from shares held in affiliated entities	-	-	-
Financial revenues	1,743,112	980,706	78%
Financial expenses	(585,540)	(581,778)	1%
Revenue / (expenses) from exchange rate differences, net	(187,362)	430,788	-143%
GROSS PROFIT - BEFORE TAX	73,516	5,402,935	-99%
Profit tax	(838,185)	(1,241,156)	-32%
NET PROFIT	(764,669)	4,161,779	-118%

INDIVIDUAL BALANCE SHEET

Balance sheet indicators (LEI)	31.03.2025 AROBS Individual	31.12.2024 AROBS Individual	Variație %
Shares held in affiliated entities	236,059,049	234,583,941	1%
Intangible assets	4,651,996	5,029,988	-8%
Right-of-use assets related to leased assets	17,588,386	18,809,970	-6%
Other intangible assets	16,167,719	15,344,054	5%
Loans granted to affiliated parties	13,488,187	12,434,136	8%
Loans granted to related parties and other loans	6,090,424	7,294,119	-17%
Other financial fixed assets	2,982,645	2,968,304	0%
Deferred tax	-	234,104	-100%
Total fixed assets	297,028,406	296,698,616	0%
Work in progress services and inventories	1,851,050	1,990,082	-7%
Trade receivables	39,904,717	38,614,387	3%
Prepaid expenses	1,806,606	1,595,274	13%
Current tax receivables	101,606	470,213	-78%
Other receivables	1,303,955	1,412,913	-8%
Loans granted to related parties and other loans	9,810,598	10,259,951	-4%
Cash and cash equivalents	215,668,957	218,899,865	-1%
Total current assets	270,447,489	273,242,685	-1%
Total assets	567,475,895	569,941,301	0%
Share capital	104,555,233	104,555,233	0%
Share capital adjustments to hyperinflation	263,971	263,971	0%
Share premium	146,472,470	146,472,470	0%
Legal reserves	11,177,834	11,177,834	0%
Own shares	(12,937,151)	(12,885,372)	0%
Other components of equity	16,033,262	12,782,685	25%
Retained earnings	173,539,779	174,304,450	0%
Gains (losses) on equity instruments	19,684,169	19,684,169	0%
Total equity	458,789,567	456,355,440	1%
Total equity	458,789,567	456,355,440	1%
Non-current liabilities:			
Advance income	154,926	234,184	-34%
Governments grants	195,131	216,510	-10%
Liabilities related to equity investments	13,734,681	14,686,659	-6%
Bank loans	24,984,133	29,716,103	-16%
Leasing	12,473,625	13,670,184	-9%
Provisions	4,050,449	4,050,449	0%
Deferred income tax liabilities	235,474	-	100%
Total non-current liabilities	55,828,419	62,574,089	-11%
Current liabilities:			
Trade liabilities	7,266,075	6,281,464	16%
Advance income	4,493,383	3,682,621	22%
Government grants	92,012	94,671	-3%
Equity liabilities	3,806,389	3,976,479	-4%
Bank loans	19,852,407	20,122,370	-1%
Leasing	4,915,443	4,950,253	-1%
Employee-related liabilities	6,943,992	6,810,480	2%
Other current liabilities	5,488,208	5,093,434	8%
Total current liabilities	52,857,909	51,011,772	4%
Total liabilities	108,450,854	113,585,861	-4%
Total equity and liabilities	567,240,421	569,941,301	0%

KEY FINANCIAL RATIOS

AROBS AT GROUP LEVEL

Current ratio as of 31.03.2025

$$\frac{\text{Current assets} \quad 388,418,093}{\text{Current liabilities} \quad 125,432,675} = 3.10$$

Quick ratio as of 31.03.2025

$$\frac{\text{Current assets inventories} \quad 378,956,402}{\text{Current liabilities} \quad 125,432,675} = 3.02$$

Debt to equity ratio as of 31.03.2025

$$\frac{\text{Borrowed capital} \quad 75,335,297}{\text{Equity} \quad 449,052,165} \times 100 = 16.78\%$$

$$\frac{\text{Borrowed capital} \quad 75,335,297}{\text{Employed capital} \quad 524,387,462} \times 100 = 14.37\%$$

Borrowed capital = Loans over 1 year

Employed capital = Borrowed capital + Equity

Debt turnover ratio - clients (days) as of 31.03.2025

$$\frac{\text{Average client balance} \quad 83,427,092}{\text{Turnover} \quad 119,617,569} \times 90 = 63.64$$

Fixed assets turnover as of 31.03.2025

$$\frac{\text{Turnover} \quad 119,617,569}{\text{Fixed assets} \quad 282,120,199} = 0.42$$

Bank financing debt ratio as of 31.03.2025

$$\frac{\text{Total bank liabilities} \quad 61,299,251}{\text{Normalized annualized EBITDA} \quad 63,722,321} = 0.96$$

ABOUT AROBS TRANSILVANIA SOFTWARE

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

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

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

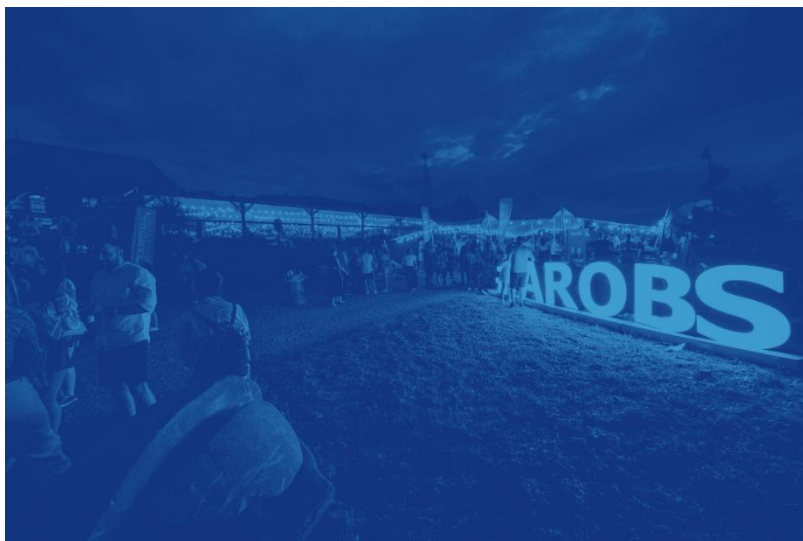
The excellence of the software services and the dedication shown by the company's specialists have helped establish strong, long-term partnerships with over 11,000 companies in Romania, Central and Eastern Europe, and hundreds of international companies.

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

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

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

In the period following the listing on the Bucharest Stock Exchange, AROBS completed 10 acquisitions, the most recent of which was InfoBest. AROBS has consolidated its presence in Romania, as well as on the DACH market, by taking over Infobest, a company specialized in the development of customized software solutions, with offices in Timisoara and Leverkusen, Germany. In March 2025, AROBS also signed the full acquisition of SVT Electronics (SVT Electronics S.R.L.), a Romanian company specialized in developing complete solutions for tachograph data management and analysis. Through this acquisition, the Group strengthens its position in the digital solutions market dedicated to transport and logistics management, accesses new market segments, expands its geographical footprint in Europe, and broadens its portfolio of products and services.



GROUP STRUCTURE

As of March 31, 2025. The AROBS Group consisted of AROBS Transilvania Software SA (the "Company" or "AROBS" or "Parent Company") and 30 subsidiaries:

1	AROBS DEVELOPMENT & ENGINEERING SRL	100%
2	AROBS ETOLL SOLUTIONS SRL	100%
3	AROBS PANNONIA SOFTWARE KFT	100%
4	AROBS POLSKA (SYDERAL POLSKA)	94%
5	AROBS SOFTWARE SOLUTIONS GMBH	60%
6	AROBS SOFTWARE SRL	100%
7	AROBS SYSTEMS SRL	100%
8	AROBS TRACKGPS SRL	100%
9	ATS ENGINEERING LLC	100%
10	BERG COMPUTERS SRL	100%
11	CABRIO INVEST B.V.	90%
12	CENTRUL DE SOFT GPS SRL	100%
13	COSO BY AROBS B.V. NL	90%
14	COSO BY AROBS B.V. BE	90%
15	COSO TEAM UK LTD	90%
16	FUTURE WORKFORCE S.A.	100%
17	FUTURE WORKFORCE SRL	100%
18	FUTURE WORKFORCE GmbH	65%
19	FUTURE WORKFORCE Limited	80%
20	INFOBEST ROMANIA SRL	100%
21	INFOBEST SYSTEMHAUS GmbH	100%
22	INFOBEST ROMANIA SRL Branch	100%
23	NORDLOGIC SOFTWARE SRL	100%
24	NORDLOGIC USA. INC	100%
25	PT AROBS SOLUTIONS INDONESIA.	70%
26	SAS FLEET TRACKING SRL (SAS GRUP)	100%
27	SILVER BULLET SRL	100%
28	SOFTMANAGER SRL	70%
29	SKYSHIELD MAGYARORSZAG KFT	100%
30	UCMS GROUP ROMANIA SRL	97.67%

EMPLOYEES

As of 31.03.2025, AROBS Group had an average number of 1,040 employees compared to 1,194 employees on 31.03.2024.

DECLARATION OF THE MANAGEMENT

Cluj-Napoca, May 14, 2025

I confirm, according to the best information available, that the consolidated and individual interim simplified financial results for the period between 01.01.2025 and 31.03.2025 give a true and fair view of the assets, liabilities, financial position and revenue and expense statements of AROBS Transilvania Software SA and that the management report provides a true and fair view of the important events that took place in the first three months of 2025 and their impact on the company's financial statements.

Voicu Oprean

CEO

AROBS TRANSILVANIA SOFTWARE S.A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2025

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF CONSOLIDATED INCOME
MARCH 31 2025

(All amounts are in RON, unless otherwise mentioned)

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AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF CONSOLIDATED INCOME
MARCH 31 2025

(All amounts are in RON, unless otherwise mentioned)

STATEMENT OF CONSOLIDATED INCOME	Note	Q1 2025	Q1 2024
Turnover:	5	119,617,569	105,045,329
Software services		71,536,539	86,434,635
Software products		21,865,179	18,195,750
Integrated systems		26,215,851	414,944
Total cost of sales:		90,319,424	75,535,460
Cost of sales of software services	76.1	57,552,222	66,793,898
Cost of sales of software products	76.2	10,315,753	8,429,282
Cost of sales of integrated systems	76.3	22,451,449	312,280
Gross profit		29,298,145	29,509,869
Other income	7	2,103,511	536,288
Sales and marketing	8	(5,992,633)	(4,729,677)
General and administration	9	(16,359,962)	(15,645,845)
Profit before tax		9,049,061	9,670,635
Interest income		1,708,338	941,880
Interest expense		(819,993)	(713,834)
Net Forex Income/(Expenses)		(801,144)	619,289
Profit before tax		9,136,262	10,517,970
Income tax	13	(2,797,435)	(2,656,045)
Net profit		6,338,827	7,861,925
Overall result		6,338,827	7,861,925
related to parent company		6,328,449	7,655,948
related to NCI		10,378	205,977

These financial statements were signed and approved on May 14, 2025, by:

Voicu Oprean

Administrator

Bogdan Ciungradi

Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF FINANCIAL POSITION
MARCH 31 2025
(All amounts are in RON, unless otherwise mentioned)

STATEMENT OF FINANCIAL POSITION	Note	Q1 2025	FY 2024
Property, plant and equipment	15	13,140,643	13,679,736
Assets related to rights of use of leased assets	26	23,940,221	25,396,600
Investment Properties	16	20,919,341	21,008,039
Goodwill		111,282,143	111,230,318
Customer relationship		71,624,065	74,155,381
Other intangible assets	17	29,506,860	27,031,719
Loans granted to related parties and other loans	30	6,090,424	7,294,119
Other financial fixed assets		3,773,519	3,687,246
Deferred income tax assets	1313	1,842,983	1,974,769
Total fixed assets		282,120,199	285,457,927
Work in progress services and inventories	1818	9,461,691	8,799,106
Trade receivables	1919	81,502,352	73,202,668
Prepaid expenses		3,273,387	2,316,462
Corporate income tax	1313	586,612	1,470,248
Other trade receivables	2020	6,691,327	6,858,931
Related parties loans	3030	6,988,327	5,847,550
Cash and cash equivalents	2121	279,914,397	259,604,189
Total current assets		388,418,093	358,099,154
Total assets		670,538,292	643,557,081
Share capital	2222	104,555,233	104,555,233
Adjustments of equity capital to hyperinflation		263,971	263,971
Share premium	22	146,472,470	146,472,470
Reserves	22	11,405,199	11,405,199
Own shares		(12,937,151)	(12,885,372)
Other equity items		15,939,498	12,693,649
Retained earnings		164,761,888	158,433,437
Gains on equity instruments		19,684,169	19,684,169
Conversion differences from consolidation		(519,731)	(218,041)
Total capital		449,625,546	440,404,715
Non controlling interest		(573,381)	(547,698)
Total equity		449,052,165	439,857,017
Non-current liabilities			
Advance income	5	3,420,901	3,232,865
Grants	5	744,918	768,378
Equity liabilities	242424	13,734,681	14,686,659
Bank loans	2525	37,263,036	42,435,001
Leasing liabilities	2626	15,757,027	17,267,490
Other payables	272727	552,242	559,757
Provisions	28	13,102,100	13,102,084
Deferred income tax liabilities	13	11,478,547	11,701,946
Total non-current liabilities		96,053,452	103,754,180
Current liabilities			
Trade payables	2323	45,807,377	22,327,278
Income in advance	5	13,789,580	13,346,834
Grants	5	138,225	143,121
Equity liabilities	2424	3,807,868	3,977,961
Bank loans	2525	24,036,214	24,677,989
Leasing liabilities	2626	8,198,680	8,206,905
Personnel liabilities	2929	15,204,108	14,630,156
Corporate income tax liabilities	1313	2,369,278	813,583
Other payables	2727	12,081,345	11,822,057
Total current liabilities		125,432,675	99,945,884
Total liabilities		221,486,127	203,700,064
Total equity and liabilities		670,538,292	643,557,081

These financial statements were signed and approved on May 14, 2025, by :

Voicu Oprean
Administrator

Bogdan Ciungrad
Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF CHANGES IN EQUITY
31 MARCH 2025, 31 MARCH 2024
(All amounts are in RON, unless otherwise mentioned)

STATEMENT OF CHANGES IN EQUITY

	Equity	Equity adjustments for hyperinflation	Share premiums	Legal and other reserves	Own shares	Gains on own held equity instruments	Other equity elements	Retained earnings	Conversion reserves	Total equity	Non- controlling interests	Total equity
Closing balance 31.12.2023	87,129,361	263,971	23,185,001	9,680,545	(5,689,379)	8,352,878	12,574,918	139,037,199	(163,971)	274,370,523	(683,364)	273,687,159
Result of the exercise	-	-	-	-	-	-	-	8,030,439	-	8,030,439	(168,514)	7,861,925
Conversion differences	-	-	-	-	-	-	-	-	153,280	153,280	-	153,280
Overall result	-	-	-	-	-	-	-	8,030,439	153,280	8,183,719	(168,514)	8,015,205
Retained earnings	-	-	-	-	-	-	-	(985,013)	25,448	(959,565)	-	(959,565)
Employee benefits in the form of equity instruments	-	-	-	-	-	-	3,832,152	-	-	3,832,152	-	3,832,152
Correction of minority interests	-	-	-	-	-	-	-	638,864	-	638,864	(638,864)	-
Minority interests	-	-	-	495	-	-	-	-	-	495	-	495
Closing balance 31.03.2024	87,129,361	263,971	23,185,001	9,681,040	(5,689,379)	8,352,878	16,407,070	146,721,489	14,757	286,066,188	(1,490,742)	284,575,446

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF CHANGES IN EQUITY
31 MARCH 2025, 31 MARCH 2024
(All amounts are in RON, unless otherwise mentioned)

	Equity	Equity adjustments for hyperinflation	Share premiums	Legal and other reserves	Own shares	Gains on own held equity instruments	Other equity elements	Retained earnings	Conversion reserves	Total equity	Non- controlling interests	Total equity
Closing balance 31.12.2024	104,555,233	263,971	146,472,470	11,405,199	(12,885,372)	19,684,169	12,693,649	158,433,437	(218,041)	440,404,715	(547,698)	439,857,017
Result of the exercise	-	-	-	-	-	-	-	6,328,449	-	6,328,449	10,378	6,338,827
Conversion differences	-	-	-	-	-	-	-	-	(301,685)	(301,685)	(36,060)	(337,745)
Overall result	-	-	-	-	-	-	-	6,328,449	(301,685)	6,026,764	(25,682)	6,001,082
Profit sharing	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefits in the form of equity instruments	-	-	-	-	-	-	3,245,849	-	-	3,245,849	-	3,245,849
Repurchase of own shares	-	-	-	-	(51,779)	-	-	-	-	(51,779)	-	(51,779)
Correction of minority interests	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings from correction of accounting errors	-	-	-	-	-	-	-	2	(5)	(3)	(1)	(4)
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance 31.12.2024	104,555,233	263,971	146,472,470	11,405,199	(12,937,151)	19,684,169	15,939,498	164,761,888	(519,731)	449,625,546	(573,381)	449,052,165

These financial statements were signed and approved on May 14, 2025, by :

Voicu Oprean
Administrator

Bogdan Ciungradi
Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE S.A.
CASHFLOW STATEMENT
AT 31.03.2025, 31.03.2024
(All amounts are in RON, unless otherwise mentioned)

CASH FLOW STATEMENT	Note	Q1 2025	Q1 2024
Cash flows from operating activities:			
Gross profit		9,136,262	10,517,971
Adjustments for:			
Amortization expenses	6	5,694,914	4,836,302
Expenses / (Income) related to disposed tangible and intangible assets		83,412	(2,540)
(Income) from the sale of tangible and intangible assets		(223,192)	(134,780)
Expenses related to employee benefits – SOP	10	3,245,699	3,832,152
Expenses/(Income) related to adjustments for inventory write-downs		28,325	(16,596)
Expenses/(Income) related to adjustments for receivables depreciation		152,239	526,230
Expenses/(Income) on provisions for risks and charges	28	1,199,001	1,024,233
(Income) from subsidies and grants		(28,356)	(38,490)
Expenses with interest and other financial expenses		814,451	711,284
(Income) from interest and other financial income		(1,644,693)	(980,926)
Expenses/(Income) relating to value adjustments on tangible and intangible fixed assets		(73)	40,740
Adjustments for non-controlling interests		(301,685)	153,280
Operating profit before changes in working capital		18,156,304	19,416,400
Change in trade and other receivables balances	19,20	(7,419,448)	1,591,393
Change in inventories balances	18	(690,910)	(845,180)
Change in trade payable and other debt balances	23,27	25,429,986	4,145,908
Changes in prepaid expenses		(956,925)	(1,270,674)
Change in advance income balances	5	630,782	1,489,270
Interest paid		(814,451)	(711,284)
Interest earned		1,538,688	1,423,939
Cash generated from operating activities		35,874,026	25,239,770
Income tax paid	13	(4,903,372)	(5,252,215)
Net cash from operating activities		30,970,654	19,987,555
Cash flow from investing activities::			
Loans (granted) to/repayments from affiliated entities		233,201	223,766
(Payments) for acquisitions of subsidiaries		(1,777,010)	-
(Payments) for acquisitions of tangible and intangible assets	15,17	(2,726,745)	(6,765,872)
Own Share buybacks		(51,779)	-
(Payments)/Cash in from other investments in financial assets		-	302,033
Net cash from investing activities		(4,322,333)	(6,240,074)
Cash flow from financing activities::			
Repayments of bank loans	25	(5,707,986)	(3,572,597)
Credit lines variation		(143,876)	(253,392)
(Payments) of finance lease liabilities	26	(486,251)	-
Net cash from financing activities		(6,338,113)	(3,825,989)
Net increase in cash and cash equivalents		20,310,208	9,921,493
Cash and cash equivalents at the beginning of the financial year		259,604,189	87,773,888
Cash and cash equivalents at the end of the financial year		279,914,397	97,695,381

These financial statements were signed and approved on May 14, 2025, by :

Voicu Oprean
Administrator

Bogdan Ciungradi
Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE SA
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2025

(All amounts are in RON, 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 interim consolidated financial statements of AROBS Transilvania Software S.A („Company” or „AROBS” or „the Parent Company”) and its subsidiaries together AROBS Group (“Group”).

These consolidated interim financial statements of the AROBS Group are prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by the European Union effective as of the Group’s interim reporting date, 31 March 2025. These financial statements are the responsibility of the Parent Company Arobs Transilvania Software S.A.

INFORMATION ABOUT AROBS

INFORMATION ABOUT THE PARENT COMPANY

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

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

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

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

EXECUTIVE MANAGEMENT

The issuer’s administration for the interim period ended at 31 March 2025 was carried out by the Board of Directors, which was comprised of 5 members: 2 executive members, 3 non executive members of which 2 independent.

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

Mr. Voicu Oprean holds the following positions within the company: executive member and chairman of the Board of Directors, Chief Executive Officer and chairman of the Nominalization and Remuneration Committee;

Ms. Cleja Mihaela-Stela holds the following positions within the company: non executive member of the Board of Directors, member of the Audit Committee and member of the Nominalization and Remuneration Committee;

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Mr. Gârbacea Răzvan-Dimitrie holds the following positions within the company: non executive and independent member of the Board of Directors, member of the Audit Committee and member of the Nominalization and Remuneration Committee;

On April 8, 2025, Mr. Răzvan-Dimitrie Gârbacea resigned from his position as non-executive and independent member of the Company's Board of Directors.

Starting with April 28, 2025, Mr. Olosu-Ittu Răzvan Florin holds the following positions within the company: non-executive and independent member of the Board of Directors;

Mr. Nistor Alin holds the following positions within the company: non executive and independent member of the Board of Directors, member of the Audit Committee and member of the Nominalization and Remuneration Committee;

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

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

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

In Cluj-Napoca:

- Str. Minerilor, No. 63;
- 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 31.03.2025:

31.03.2025				31.12.2024		
Shareholder	Number of Shares	Value	Percent	Number of Shares	Value	Percent
Oprean Voicu	495,125,867	49,512,587	47,3554%	494,232,967	49,423,297	47.2700%
Persoane Juridice	276,016,451	27,601,645	26,3991%	275,441,628	27,544,163	26.3441%
Persoane Fizice	169,853,254	16,985,325	16,2453%	171,320,977	17,132,098	16.3857%
Cabrio Investment SRL	104,556,758	10,455,676	10,0001%	104,556,758	10,455,676	10.0001%
Total	1,045,552,330	104,555,233	100%	1,045,552,330	104,555,233	100%

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

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

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

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

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

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

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

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

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

The most important software products offered by the Company are:

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

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

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

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

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

- ***Innovative Projects Division***

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

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

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

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

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

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

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

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2. GROUP STRUCTURE

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

As of 31.03.2025, AROBS Group is composed of the parent company and 30 subsidiary companies in 10 countries on 3 continents, with software development services and software products such as GPS fleet monitoring and HR solutions as its core business.

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

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

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

The companies included in the consolidation, as at 31.03.2025, are as follows:

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

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

Group's structure as of 31.03.2025 is presented in the following table:

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

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Changes in the group structure in 2024

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

3. BASIS OF PREPARATION

3.1. Statement of compliance

These consolidated interim financial statements of the Group are the responsibility of the management of the Parent Company and have been prepared in accordance with IAS 34 – Interim Financial Reporting adopted by the European Union, in force at the Group’s reporting date, March 31, 2025, whose provisions are applicable to companies whose securities are admitted to trading on a regulated market.

They do not include all the information required for a complete set of financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. However, certain explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last consolidated annual financial statements as of and for the financial year ended 31 December 2024.

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

Significant accounting policies used by the Group in consolidated financial statements preparation are presented in Note 1.

3.2. The going concern principle

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

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

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

3.3. Basis of consolidation

Control

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

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

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

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

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

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

Non-controlling interests

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

3.4. Business combinations and goodwill

Acquisition method

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

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

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

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

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

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

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

3.5. Fair value measurement

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

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

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

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

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

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

3.6. Transactions in foreign currencies

Foreign exchange transactions

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

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

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

Transactions and balances in foreign currency

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

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

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

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

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

The exchange rates as of March 31, 2025 and December 31, 2024 were:

	March 31, 2025	December 31, 2024
RON – EUR	4.9771	4.9741
RON – USD	4.6005	4.7768
RON – GBP	5.9460	5.9951

The average exchange rates for the periods ended March 31, 2025 and March 31, 2024 were:

	March 31, 2025	March 31, 2024
RON – EUR	4.9764	4.9735
RON – USD	4.7264	4.5827
RON – GBP	5.9535	5.8102

Operations abroad

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

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

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

3.7. Operating segments (IFRS 8)

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

An operating segment is a component of an entity:

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

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

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

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

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

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

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

3.8. New IFRS standards and amendments

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

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

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

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- **Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)** - The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

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

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

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

Effective for the annual reporting period beginning 1 January 2026.

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

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IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. Effective for the annual reporting period beginning 1 January 2027.

- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures*** - Published by the IASB in May 2024, IFRS 19 introduces a simplified reporting framework for subsidiaries that do not have a public accountability obligation but apply IFRS in their financial reporting. This standard reduces disclosure requirements for such entities while maintaining transparency and comparability of financial information. The main benefit of IFRS 19 is the reduction of administrative and reporting costs without compromising the usefulness of financial statements for users. Effective for the annual reporting period beginning 1 January 2027

4. APPLYING PROFESSIONAL JUDGEMENT, ESTIMATES AND ASSUMPTIONS

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

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

Main judgements on financial statements preparation are:

- **Revenue recognition from selling Track GPS monitoring solution**
- **Revenue recognition from HR application license selling** - presented in Note 31
- **Revenue recognition on a gross/net basis, based on the Group method of selling as Principal or Agent** – presented in Note 31

Significant estimates on financial statements preparation are:

- **Fair value measurement on business combinations**
- **Fair value measurement on goodwill**
- **Leasing contract duration and discount rate** – presented in Note 26 „Leasing”;
- **Loss on financial assets measurements**
- **Recognition and measurement on share options programs** – presented in Note 10

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5. TURNOVER

	Q1 2025	Q1 2024
Turnover		
Revenues from software services	71,536,539	86,434,635
Revenues from software products	21,865,179	18,195,750
Revenues from integrated systems	26,215,851	414,944
Total turnover	119,617,569	105,045,329

The Group's strategy is, also in 2025, to have several growth pillars, continuing to develop the Software Services, Software Products, and Integrated Systems segments. The AROBS Group also aims to invest in and develop a Greenfield company that aims to expand into the US market.

The turnover generated by the Software Services segment in Q1 2025 amounted to 71.5 million lei, 17% lower than the value recorded in Q1 2024, reflecting the effects of reduced activity in the Automotive vertical, which began last year and was anticipated to impact this quarter as well.

Revenues from the "Software Products" segment contributes 18% to the Group's Turnover, and recorded a turnover of 21.9 million lei in Q1 2025, up 20% compared to Q1 2024.

The Integrated Systems segment recorded a turnover of 26.2 million lei in Q1 2025, following the execution of hardware infrastructure deliveries under the contract with the National Public Pensions House, signed at the end of 2024 and currently under implementation.

Cost of carrying out contracts with customers

Cost of carrying out contracts with customers – HR licensing

	OB 2025	CAPITALISATION 03.2025	DEPRECIATION 03.2025	CB 03.2025
HR Licences	753,015	253,446	114,641	891,820

Cost of carrying out contracts with customers – GPS monitoring services

	OB 2025	CAPITALISATION 03.2025	DEPRECIATION 03.2025	CB 03.2025
GPS Monitoring services	1,663,236	463,802	574,768	1,552,270

	Balance at March 31, 2025	Balance at December 31, 2024
Deferred revenue, out of which:	17,210,481	16,579,699
Long term	3,420,901	3,232,865
Short term	13,789,580	13,346,834

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

The revenue from subsidies is presented in the table below. In 2025, the majority of these revenues were recorded by the parent company – in the amount of 0.3 million lei for the SMIS Project and by Arobs Development & Engineering company in the amount of 0.6 million lei for the AROBS AlertBox solution that addresses a critical need of society:

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ensuring communication in emergency situations, when GSM networks are unavailable, regardless of whether catastrophic events occur in isolated, rural areas or urban agglomerations. The product is an independent unit connected via satellite to a centralized and secure server, which further communicates with local and national authorities providing 112 and E-alert services.

	Balance at March 31, 2025	Balance at December 31, 2024
Subsidies, out of which:	883,143	911,499
Long term	744,918	768,378
Short term	138,225	143,121

6. COST OF SALES

6.1 Cost of sales of software services

	Q1 2025	Q1 2024
Salary Expenses	36,890,286	43,089,779
Employee stock ownership plan costs	1,383,268	2,067,390
Third party expenses	16,371,960	18,189,776
Expenses related to equipment sold	(60,803)	11,088
Property plant and equipment depreciation expenses	2,091,195	2,142,454
Rental expenses	289,232	302,883
Telecommunications expenses	36,436	4,126
Fuel expenses	50,893	299,030
Transport of goods and personnel	187,381	417,186
Electricity, heating and water	235,365	142,672
Insurance premiums	25,702	55,376
Other operating expenses	51,307	72,138
Cost of sales of software services	57,552,222	66,793,898

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

The cost of sales for software services decreased in the first quarter of 2025 by 9.2 million lei (14%), compared to the same period of the previous year. This variation was driven by a significant reduction of 13.8 million lei in costs within the Organic business, compared to the same period of the previous year, while costs increased by 4.5 million lei due to the companies that joined the Group in 2023 and 2024. The evolution of costs on both Organic and M&A was adjusted according to the dynamics of revenues and projects carried out during the first three months of 2025, through their prudent management.

Expenses on services contracted from third parties decreased in the first quarter of 2025 compared to the same period of the previous year by 1.8 million lei. Services contracted from third parties represented, during the first quarter of 2025, mainly expenses on software services and IT consultancy, recruitment services, participation in fairs and conferences.

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6.2 Cost of sales of software products

	Q1 2025	Q1 2024
Salary Expenses	3,842,909	3,609,210
Employee stock ownership plan costs	84,491	71,171
Third party expenses	2,086,229	2,038,979
Expenses related to equipment sold	619,508	459,894
Property plant and equipment depreciation expenses	2,312,857	1,158,268
Rental expenses	22,939	61,888
Telecommunications expenses	836,879	570,901
Fuel expenses	243,812	230,173
Transport of goods and personnel	68,981	69,668
Electricity, heating and water	85,136	38,703
Raw materials expenses	10,537	3,317
Insurance premiums	76,831	50,446
Maintenance and repair expenses	36,292	30,825
Other operating expenses	(11,648)	35,839
Cost of sales of software products	10,315,753	8,429,282

The cost of sales of software products consists of salaries and benefits (including remuneration in equity instruments) of directly productive personnel involved in the delivery of these products and the provision of related services, the cost of equipment sold, depreciation of equipment used and other operating expenses necessary for the delivery of software products and the provision of related services: telecommunication services, rent and energy and water costs, travel expenses, fuel, maintenance and repairs. Services contracted from third parties during the first quarter of 2025, mainly represented services with installations of monitoring devices and software services.

The cost of sales of software products increased by 1,9 million lei (22%) compared to the same period of 2024, driven by the increase of property plant and equipment depreciation expenses. The third-party services contracted during this period primarily included device installation for monitoring and software development services. The evolution of these costs aligns with the expansion of the segment's activities and the development of internal products.

6.3 Cost of sales of integrated systems

	Q1 2025	Q1 2024
Salary Expenses	405,731	78,434
Third party expenses	78,312	217,160
Expenses related to equipment sold	21,898,706	12,095
Property plant and equipment depreciation expenses	18,696	4,458
Rental expenses	122	133
Insurance premiums	17,453	-
Electricity, heating and water	311	-
Raw materials expenses	-	-
Other operating expenses	32,118	-
Cost of sales of integrated systems	22,451,449	312,280

7. OTHER INCOME

	Q1 2025	Q1 2024
Other operating revenue	1,420,845	404,048
Rental income from investment property	290,990	-
Income from administration activities	251,896	-
Net revenue from the sale of Fixed Assets	139,780	132,240
Total	2,103,511	536,288

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8. SALES AND MARKETING EXPENSES

	Q1 2025	Q1 2024
Salary Expenses	3,986,392	3,448,351
Employee stock ownership plan costs	207,931	83,250
Third party expenses	1,024,883	272,411
Property plant and equipment depreciation expenses	109,735	198,554
Telecommunications expenses	(526)	-
Transport of goods and personnel	26,871	26,189
Entertaining, promotion and advertising	583,413	630,988
Fuel expenses	20,185	-
Rental expenses	12,225	51,989
Electricity, heating and water	30,564	15,048
Insurance premiums	5,585	2,897
Maintenance and repair expenses	105	-
Other operating expenses	(14,730)	-
Sales and marketing expenses	5,992,633	4,729,677

Sales and marketing expenses consist of salaries and benefits (including remuneration in equity instruments) of sales and marketing staff, protocol, advertising and publicity expenses and services performed by third parties generated by the Group's promotional activities. Sales and marketing expenses increased by 1.3 million lei in the first quarter of 2025 compared to the same period of 2024. The largest increase of 0.8 million lei comes from third party expenses, as well as 0.5 million lei from salary expenses, driven by the investment in a Greenfield company aimed at strengthening the sales force in the U.S. markets, as well as by the internalization, starting from Q2 2024, of certain external resources from the sales team.

9. GENERAL & ADMINISTRATION EXPENSES

	Q1 2025	Q1 2024
Salary Expenses	7,258,072	6,912,793
Employee stock ownership plan costs	1,570,227	1,608,018
Third party expenses	2,061,581	2,256,440
Property plant and equipment depreciation expenses	3,440,738	3,628,526
Expenses related to equipment sold	65,918	31,472
Telecommunications expenses	95,470	149,013
Transport of goods and personnel	191,785	250,556
Fuel expenses	87,653	111,911
Other taxes, duties and similar expenses	414,373	327,468
Rental expenses	84,436	7,468
Depreciation of investment property	88,698	-
Electricity, heating and water	67,561	43,347
Insurance premiums	177,608	180,392
Maintenance and repair expenses	80,193	112,601
Impairment losses/revenue on non current assets	152,239	(526,230)
Other operating expenses	523,410	552,070
General & Administration expenses	16,359,962	15,645,845

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,

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rental expenses and other expenses incurred in the administration of the Group. General and administrative expenses increased in the first quarter of 2025 only by 0.7 million lei compared to the same period of previous year, with the Group's management applying measures to reduce these costs, in line with the dynamics of the Group's activity.

General and administrative expenses increased by 0.7 million lei in Q1 2025 due to the acquisition of the Infobest group, which impacted results only in Q1 2025.

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

10. EMPLOYEE BENEFITS EXPENSES

	Q1 2025	Q1 2024
Salary Expenses	50,275,153	55,016,419
Social security contributions	1,771,326	1,887,243
Meal ticket expenses	1,211,791	1,242,916
Capitalization	(2,073,880)	(2,032,241)
Untaken holidays provision	1,199,000	1,024,232
Subtotal personnel expenses	52,383,390	57,138,569
Employee stock ownership plan costs	3,245,917	3,829,828
Total personnel expenses	55,629,307	60,968,397

The average number of employees during the financial quarter ended March 31, 2025 and March 31, 2024 was as follows:

	Q1 2025	Q1 2024
Management personnel	23	25
Administrative personnel	33	36
Acquisition personnel	3	3
Financial personnel	41	43
Legal personnel	4	4
Warehouse administration personnel	2	5
Marketing personnel	21	18
Research & Development personnel	742	890
Occupational safety and health personnel	3	3
Human Resources personnel	21	31
Installation - Services personnel	49	40
IT Support personnel	32	30
Sales personnel	66	65
Total	1,040	1,194

Salary expenditure during the financial quarter ended March 31, 2025 and March 31, 2024 was as follows:

	Q1 2025	Q1 2024
Management personnel	2,271,519	1,889,743
Administrative personnel	859,852	791,778
Acquisition personnel	116,215	114,857
Financial personnel	1,379,990	1,332,205
Legal personnel	175,136	161,984
Warehouse administration personnel	35,189	111,319

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Marketing personnel	586,887	609,151
Research & Development personnel	38,245,284	43,956,674
Occupational safety and health personnel	37,626	36,286
Human Resources personnel	597,096	845,043
Installation - Services personnel	1,337,999	813,912
IT Support personnel	1,420,920	1,277,321
Sales personnel	3,211,440	3,076,146
Total salary expenses	50,275,153	55,016,419

Expenses with benefits in the form of the entity's own shares (or other equity instruments), ESOP programs 1-4, recorded during the financial quarter ended March 31, 2025, respectively March 31, 2024, were as follows:

	Q1 2025	Q1 2024
Management personnel	1,492,172	1,487,426
Administrative personnel	8,982	16,833
Acquisition personnel	1,978	3,415
Financial personnel	22,065	38,100
Legal personnel	11,514	13,834
Warehouse administration personnel	-	6,147
Marketing personnel	3,968	16,050
Research & Development personnel	1,455,573	2,133,514
Occupational safety and health personnel	-	-
Human Resources personnel	8,675	20,580
Installation - Services personnel	12,186	10,585
IT Support personnel	24,842	16,145
Sales personnel	203,962	67,199
Total expenses with benefits in equity instruments	3,245,917	3,829,828

Salary expenses decreased by 9% compared to the same period of the previous year, as a result of the reduction in the number of employees, from 1,194 employees on 31.03.2024 to 1,040 employees on 31.03.2025, and as a result of application of other cost-efficiency measures.

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 costs of ESOP programs recorded in the first quarter of 2025 are lower by 0.6 million lei (-15%) than those recorded in the same period of the previous year, as a result of the completion of the ESOP 1, ESOP 2 and stage 1 of ESOP 3 programs as well as the reduced expenses related to the ESOP 4 program.

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.

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

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

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

11. CATEGORIES OF EXPENSES

	Q1 2025	Q1 2024
Salary Expenses	52,383,390	57,138,569
Employee stock ownership plan costs	3,245,917	3,829,828
Third party expenses	21,622,965	22,974,766
Property plant and equipment depreciation expenses	7,973,221	7,132,258
Expenses related to equipment sold	22,523,329	514,549
Telecommunications expenses	968,259	724,040
Transport of goods and personnel	475,018	763,599
Entertaining, promotion and advertising	583,413	630,988
Fuel expenses	402,543	641,114
Raw materials expenses	10,537	3,317
Other taxes, duties and similar expenses	414,373	327,468
Rental expenses	408,954	424,362
Depreciation of investment property	88,698	-
Electricity, heating and water	418,937	239,770
Insurance premiums	303,179	289,112
Maintenance and repair expenses	116,590	143,426
Impairment losses/revenue on non current assets	152,239	(526,230)
Other operating expenses	580,457	660,044
Total	112,672,019	95,910,980

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12. SEGMENTS RECONCILIATION

REVENUE AND EXPENSES RECONCILIATION BY BUSINESS SEGMENTS	SOFTWARE SERVICES		SOFTWARE PRODUCTS		INTEGRATED SYSTEMS		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue from software services	71,536,539	86,434,635	-	-	-	-	71,536,539	86,434,635
Revenue from software products	-	-	21,865,179	18,195,749	-	-	21,865,179	18,195,749
Revenue from integrated systems	-	-	-	-	26,215,850	414,944	26,215,850	414,944
Total turnover	71,536,539	86,434,635	21,865,179	18,195,749	26,215,850	414,944	119,617,568	105,045,328
Salary Expenses	36,890,286	43,089,779	3,842,909	3,609,210	405,731	78,434	41,138,926	46,777,423
Employee stock ownership plan costs	1,383,268	2,067,390	84,491	71,171	-	-	1,467,759	2,138,561
Third party expenses	16,371,960	18,189,776	2,086,229	2,038,979	78,312	217,160	18,536,501	20,445,915
Expenses related to equipment sold	(60,803)	11,088	619,508	459,894	21,898,706	12,095	22,457,411	483,077
Property plant and equipment depreciation expenses	2,091,195	2,142,454	2,312,857	1,158,268	18,696	4,458	4,422,748	3,305,180
Rental expenses	289,232	302,883	22,939	61,888	122	134	312,293	364,905
Other operating expenses	587,083	990,531	1,346,820	1,029,867	49,882	-	1,983,785	2,020,398
Total cost of sales	57,552,221	66,793,901	10,315,753	8,429,277	22,451,449	312,281	90,319,423	75,535,459
Gross margin	13,984,318	19,640,734	11,549,426	9,766,472	3,764,401	102,663	29,298,145	29,509,869
Margin %	20%	23%	53%	54%	14%	25%	24%	28%
Interest Expenses	666,778	3,642,475	143,146	502,028	4,526	73,034	814,451	4,217,537

Sales and marketing and general administration expenses are unallocated costs.

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13. INCOME TAX AND DEFERRED TAX

	31.03.2025	31.03.2024
Current profit tax expense	2,628,761	2,757,015
Micro enterprise profit tax expense - Current	260,288	357,725
Subtotal – current tax	2,889,049	3,114,740
Deferred profit tax	(91,614)	(458,695)
Total	2,797,435	2,656,045

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

	31.03.2025	31.03.2024
Gross profit	9,136,262	10,517,971
Current profit tax expense	(2,628,761)	(2,757,015)
Micro enterprise profit tax expense - Current	(260,288)	(357,725)
Current tax	(2,889,049)	(3,114,740)
Deferred profit tax	91,614	458,695
Recalculated net profit	6,338,827	7,861,926

Income tax	Balance at March 31, 2025	Balance at March 31, 2024
Income tax - receivable	586,612	1,470,248
Total	586,612	1,470,248

Income tax	Balance at March 31, 2025	Balance at March 31, 2024
Income tax - payable	2,369,278	813,583
Total	2,369,278	813,583

Deferred income tax

	Balance at March 31, 2025	Balance at March 31, 2024
Deferred income tax assets	1,842,983	1,974,769
Total	1,842,983	1,974,769

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

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

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	Balance at March 31, 2025	Balance at March 31, 2024
Deferred income tax liabilities	11,478,547	11,701,946
Total	11,478,547	11,701,946

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

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 Group's management. Consolidated EBITDA is reconciled to the Group's consolidated income statement as follows:

	31.03.2025	31.03.2024
Operating revenues	121,721,131	105,581,616
Operating expenses	104,610,151	88,778,722
EBITDA	17,110,980	16,802,894
EBITDA Margin	14%	16%
Depreciation and amortization of assets	5,530,603	4,786,195
Customer relationship depreciation	2,531,316	2,346,063
Other operating expenses*	-	-
Financial result	87,201	847,335
Gross profit	9,136,263	10,517,971
Tax	2,797,436	2,656,045
Net profit	6,338,827	7,861,926
Net profit margin	5.2%	7.4%

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

EBITDA recorded a 2% increase in Q1 2025 compared to Q1 2024, reaching 17.1 million lei, with a margin of 14%.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant, machinery and motor vehicles	Other instalation s and fixtures and fittings	Advances and WIP Tangible assets	Total
Net value as of December 31, 2024	5,387,787	6,463,355	1,545,661	282,933	13,679,736
Purchases / Transfers	1,530	945,429	59,041	-	1,006,000
Depreciation / Impairment	(74,690)	(672,653)	(328,552)	-	(1,075,895)
Disposals	-	(413,266)	(11,179)	(44,754)	(469,199)
Net value as of March 31, 2025	5,314,627	6,322,866	1,264,971	238,179	13,140,643

The net value of tangible fixed assets decreased in in the first quarter of 2025 by 4% compared to the same period of previous year.

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Purchases recorded during the first three months of 2025 include the purchase of laptops, switches and other workstations for the optimal performance of activities.

16. INVESTMENT PROPERTY

	Buildings
31-Dec-24	21,244,232
Purchases / Receptions	-
Transfers from Buildings	-
Disposals	-
31-Mar-25	21,244,232
Depreciation/Adjustments	
31-Dec-24	236,193
Period cost	88,698
Transfers	-
Disposals	-
31-Mar-25	324,891
Net value	
31-Dec-24	21,008,039
31-Mar-25	20,919,341

Investment properties were recognized following the completion of the investment in a new headquarters, which will be used for rental purposes to third parties, in a proportion of 80%. We estimate that the fair value of the investment property is not significantly different from its investment cost, at the end of the first quarter of 2025.

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

17. OTHER INTANGIBLE ASSETS

	Goodwill	Customer relationships	Research & development expenses	Other noncurrent assets	Total
Net value as of December 31, 2024	111,230,318	74,155,381	2,976,241	24,055,478	212,417,418
Purchases / Transfers	71,552	-	2,087,999	5,135,382	7,294,933
Depreciation / Impairment	19,727	2,531,316	-	1,239,681	3,790,724
Disposals	-	-	2,346,229	1,162,330	3,508,559
Net value as of March 31, 2025	111,282,143	71,624,065	2,718,012	26,788,848	212,413,068

The goodwill, in a net amount of 111,282,143 lei, resulted as a positive difference between the acquisition cost and the value, at the transaction date, of the part of the acquired net assets of the subsidiary.

For the acquired companies, customer relationships were identified in the process of allocating the purchase price by the appraisers, which were recognized at fair value as intangible assets in the financial statements at the date of each acquisition. The net book value of customer relationships as of 31.03.2025 is 71.6 million lei. Amortization of these assets is made on a straight-line basis over a period of 10 years.

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

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18. WORK IN PROGRESS SERVICES AND INVENTORIES

	Balance at 31.03.2025	Balance at 31.12.2024
Materials	262,676	274,657
Work in progress	6,624,715	5,467,236
Merchandise	2,384,571	2,945,707
Inventories Advances	189,729	111,506
Total	9,461,691	8,799,106

The value of services in progress and outstanding inventories, as of 31.03.2025, increased compared to 2024, due to the increase in work in progress.

Work in progress services refer to contracts with clients that run over longer periods of time. Direct costs involved in providing these services, mainly salaries, were recognized under this asset, taking into account the degree of completion of the projects by 31.03.2025.

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 the first quarter of 2025 is 904,726 lei, being at a similar level to the previous year.

19. TRADE RECEIVABLES

	Balance at 31.03.2025	Balance at 31.12.2024
Accounts receivable	80,441,350	72,139,534
Accounts receivable - unissued invoices	6,481,974	5,220,971
Accounts payable adjustments	(7,008,362)	(6,876,594)
Accounts receivable - affiliate entities	2,611,955	2,627,697
Adjustments for accounts receivable - affiliate entities	(2,431,640)	(2,408,876)
Supplier advances	1,407,075	2,499,936
Total	81,502,352	73,202,668

The total value of trade receivables increased in the first quarter of 2025 compared to the previous year by 11%, mostly due to the increase in receivables from customers by 8.3 million lei compared to 2024. At the end of each financial year, bad debts are analysed and adjusted 100%.

At the end of the first quarter of 2025, impairment adjustments related to customer receivables amounted to 7,008,362 lei, the increase being due both to the newly acquired entities and to the application of the accounting policy established under IFRS 9, which involves recording impairment adjustments for receivables based on impairment rates, calculated by age intervals.

Receivables ageing	Balance at 31.03.2025	Balance at 31.12.2024
Not due	51,987,025	47,227,934
0-30	15,357,688	12,704,199
31-90	883,226	1,943,805
91-360	5,035,555	4,153,596
Over 360	7,177,856	6,110,000
Total gross value (unadjusted)	80,441,350	72,139,534

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Software services	Expected average loss rate	31.03.2025	31.12.2024
Not due	0.27%	46,482,327	43,140,518
1-30	0.38%	13,870,277	11,125,522
31-60	2.48%	581,826	1,028,967
61-90	4.02%	(187,363)	569,929
91-180	6.00%	3,532,696	1,950,518
181-270	20.02%	1,056,330	1,248,064
271-360	44.77%	595,651	710,291
Over 360	100.00%	4,814,501	4,132,079
Total gross value (unadjusted)		70,746,246	63,905,887

Software products – GPS tracking	Expected average loss rate	31.03.2025	31.12.2024
Not due	0.39%	3,603,245	2,824,996
1-30	0.84%	1,229,994	920,315
31-60	3.80%	385,900	238,781
61-90	9.58%	84,966	65,365
91-120	21.34%	46,751	41,314
Over 120	37.31%	1,099,998	1,076,502
Total gross value (unadjusted)		6,450,856	5,167,272

Software products – HR services	Expected average loss rate	31.03.2025	31.12.2024
Not due	0.24%	1,901,452	1,263,264
1-30	0.39%	257,416	658,363
31-60	1.44%	18,740	5,113
61-90	3.20%	-	35,900
91-120	7.17%	1,529	-
121-180	11.48%	4,277	42,902
181-270	26.97%	-	22,842
271-360	56.08%	-	-
Over 360	100.00%	75,492	52,651
Total gross value (unadjusted)		2,258,908	2,081,034

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

To estimate the potential losses related to trade receivables and assets related to contracts with customers, the AROBS Group used a calculation model based on the analysis of revenue collection behavior by aging periods in the last three financial years. Trade receivables and assets related to contracts with customers were grouped by category according to the services provided, namely: software services and other services, software products – GPS monitoring, software products – HR solution licensing. Based on the analysis, a historical weighted average rate of impairment was determined for each aging period, which was applied to the outstanding balance of receivables at March 31, 2025 for each category of receivables mentioned above.

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

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20. OTHER RECEIVABLES

	Balance at 31.03.2025	Balance at 31.12.2024
Other personnel-related claims	2,081,435	2,126,327
VAT receivable	3,810,310	3,106,441
VAT under settlement	291,232	311,877
Input VAT	200,210	114,647
Other claims receivable from the Treasury	128,575	844,559
Sundry debtors	181,506	257,185
Suspense account	(12,292)	90,052
Transactions with shareholders / associates related to capital	5,000	5,000
Other employee-related claims	5,351	2,843
Total	6,691,327	6,858,931

21. CASH AND CASH EQUIVALENTS

	Balance at 31.03.2025	Balance at 31.12.2024
Cash at bank and deposits in lei	98,050,632	80,425,779
Cash at bank and deposits in foreign currencies	181,482,301	178,825,630
Subtotal – Cash at bank and deposits	279,532,933	259,251,409
Petty cash	147,787	142,223
Bonds	-	-
Other marketable securities	210,473	215,319
Amounts being settled	-	-
Other cash equivalents	23,204	(4,762)
Total	279,914,397	259,604,189

Balance of foreign and domestic currencies Current account	Balance at 31.03.2025	Balance at 31.12.2024
RON	98,050,632	80,425,779
EUR	160,596,941	162,556,418
USD	16,320,969	10,422,415
GBP	1,065,014	2,611,323
Other currencies	3,499,377	3,235,474
Total	279,532,933	259,251,409

Cash and cash equivalents in the bank and deposits increased by 20.3 million lei in the first quarter of 2025 compared to the previous year.

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

22. CAPITAL AND RESERVES

The share capital of the Group consists of the share capital held by the parent company. Shareholdings held by Group companies in other Group companies, obtained either through shareholdings at incorporation or through acquisitions

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from other Group companies, have been written off in consolidation, together with the value of the participating interests.

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

As of March 31, 2025, the paid-up share capital of the Parent Company is 104,555,233 lei, divided into 1,045,552,330 registered shares, with a nominal value of 0.1 lei per share. The share capital is fully subscribed and paid-up as of March 31, 2025. The Parent Company was transformed into a joint-stock company as of September 5, 2014..

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

The Company carried out a program to buy back its own shares in order to implement ESOP programs which ended at the end of year 2024. As of March 31, 2025 the total number of redeemed shares in balance is 32,052,907 shares.

Legal reserves are established in accordance with the regulations in place at Group company level. The legal reserve has been established in accordance with the terms of the Law on Commercial Companies. As at March 31, 2025, the value of the legal reserves amounts RON 9,461,505.

On March 31, 2025, differences resulting from the conversion of transactions of foreign entities under consolidation were recognized in capital.

	31.03.2025	31.12.2024
Number of shares	1,045,552,330	1,045,552,330
Subscribed and paid capital	104,555,233	104,555,233
TOTAL	104,555,233	104,555,233

23. TRADE PAYABLES

	Balance at 31.03.2025	Balance at 31.12.2024
Suppliers	36,548,456	12,880,506
Client advances	6,388,210	6,160,223
Suppliers - invoices not yet received	1,678,209	2,819,843
Supplier liabilities - affiliated entities	1,068,742	375,700
Other creditors	123,760	91,006
Total	45,807,377	22,327,278

The total amount of debt increased in the first quarter of 2025 compared to the previous year by 23.5 million lei, an increase of 105%.

The most significant increase was recorded in suppliers debts, amounting to 23.7 million lei originated from invoices unpaid on March 31, 2025 from the integrated systems activity. These invoices were settled in the period following this date.

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24. EQUITY LIABILITIES

	Balance at 31.03.2025	Balance at 31.12.2024
Equity liabilities out of which	17,542,547	18,664,617
Long term	13,734,681	14,686,659
Short term	3,807,868	3,977,961
Total	17,542,547	18,664,617

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

25. BANK LOANS

	Balance at 31.03.2025	Balance at 31.12.2024
Long terms bank loans	59,578,270	65,248,133
Short term bank loans	1,720,981	1,864,857
Total	61,299,251	67,112,990

Bank loans by due date:

	Balance at 31.03.2025	Balance at 31.12.2024
Bank loans due up to 1 year	24,036,214	24,677,989
Bank loans due between 1 and 5 years	37,263,037	42,435,001
Bank loans due over 5 years	-	-
Total	61,299,251	67,112,990

At the end of the first quarter of 2025, the value of bank loans decreased by 5.8 million lei, compared to the end of 2024, as a result of the repayments made during 2025, reaching a total value of 61 million lei.

Bank loans contingencies

Regarding the contingencies related to bank loans contracted by the Group, there are no changes as of March 31, 2025, compared to the contingencies at the end of 2024.

26. LEASING

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

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

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

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	Land and buildings	Transport vehicles
Gross Balance at 31.12.2024	39,590,559	9,840,211
Additions	2,288,238	365,468
Disposals	(3,752,400)	(105,967)
Accumulated depreciation	(19,767,619)	(4,518,268)
Net Balance at 31.12.2024	18,358,777	5,581,444

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

Balance at 31.12.2024	Leasing payments	Additions	Disposals	Interest	Net exchange difference	Balance at 31.03.2025
25,474,396	(3,048,654)	2,931,297	(1,739,004)	330,281	7,393	23,955,708

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:

	31.03.2025	31.12.2024
T0 (Under 1 year)	9,284,471	9,394,560
TL 1 (1-5 years)	16,531,928	18,053,736
TL 2 (Over 5 years)	712,164	956,050
Total	26,528,562	28,404,347

Lease contracts term and discount rate – significant estimates:

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

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

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

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

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27. OTHER PAYABLES

Other payables	Balance at 31.03.2025	Balance at 31.12.2024
Liabilities related to employee social security expenses	6,116,443	6,155,475
Other liabilities to the state budget	4,927,313	4,676,218
Dividend payment	666,714	666,714
Shareholder loans	231,104	201,437
Guarantees	502,471	510,016
Other taxes	189,542	171,954
Total	12,633,587	12,381,814

28. PROVISIONS

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

	Balance at 31.12.2024	Balance 31.03.2025
Provisions – short term	-	-
Provisions – long term	13,102,084	13,102,100
Total	13,102,084	13,102,100

29. PERSONNEL LIABILITIES

Personnel liabilities	Balance at 31.03.2025	Balance 31.12.2024
Owed amounts to personnel	9,641,694	10,191,387
Untatekn holiday provision	5,562,414	4,438,769
Total	15,204,108	14,630,156

30. RELATED AND AFFILIATED PARTIES

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

Related parties – Receivables	Balance at 31.03.2025	Balance 31.12.2024
AROBS BUSINESS CENTER SRL	25,591	39,833
AROBS BUSINESS CENTER PLUS SRL	19,099	-
AROBS BUSINESS SERVICES SRL	69,992	101,892
AROBS TRADING & DISTRIBUTION GMBH	471,590	471,008
ATD CORNER SRL	1,500,159	1,500,130
AROBS TURKEY YAZILIM LIMITED	348	-
CABRIO INVESTMENT SRL	-	568
MANAGIS SERV SERL	143	-
MED CONTROL SOLUTION SRL	102,531	102,531
NEWCAR4FUTURE SRL	220,825	220,825
OOMBLA TRAVEL MANAGEMENT SRL	1,428	476

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SMAIL COFFEE SRL	150,633	140,817
VISION PLUS MOBILE SRL	49,616	49,616
Total	2,611,955	2,627,697

Related parties – Payables	Balance at 31.03.2025	Balance 31.12.2024
AROBS BUSINESS CENTER SRL	152,630	25,846
AROBS BUSINESS CENTER PLUS SRL	2,684	2,452
AROBS BUSINESS SERVICES SRL	669,118	221,213
AROBS TRADING & DISTRIBUTION GMBH	-	5,726
AROBS TURKEY YAZILIM LIMITED SIRKETI	39,767	-
IKON SOFT	58,045	-
OOMBLA TRAVEL MANAGEMENT SRL	90,323	68,214
SMAIL COFFEE SRL	56,175	52,249
Total	1,068,742	375,700

Related parties - Sales	Q1 2025	Q1 2024
AROBS BUSINESS CENTER SRL	4,772	9,260
AROBS BUSINESS CENTER PLUS SRL	401,617	-
AROBS BUSINESS SERVICES SRL	155,965	48,521
AROBS TRADING & DISTRIBUTION GMBH	299	328
ATD CORNER SRL	24	7,563
AROBS TURKEY YAZILIM LIMITED	348	1,008
CABRIO INVEST SRL	-	12,610
MANAGIS SERV SRL	120	-
OOMBLA TRAVEL MANAGEMENT SRL	1,200	1,182
SMAIL COFFEE SRL	8,248	16,863
Total	572,593	97,335

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 SRL	374,150	377,839
AROBS BUSINESS CENTER PLUS SRL	49,075	40,831
AROBS BUSINESS SERVICES SRL	955,552	86,315
ATD CORNER SRL	13,257	-
AROBS TURKEY YAZILIM LIMITED	190,344	416,320
CABRIO INVEST SRL	-	57,508
IKON SOFT SRL	154,681	136,444
OOMBLA TRAVEL MANAGEMENT SRL	275,409	252,540
SMAIL COFFEE SRL SRL	143,781	132,121
Total	2,156,249	1,499,918

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

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Loan granted by AROBS to AROBS Trading & Distribution GmbH

	31.03.2025	31.12.2024
Loan value	3,416,331	3,583,367
Interest value	1,091,553	1,057,226
Adjustment	(64,760)	(64,760)
Total	4,443,124	4,575,833

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

Loan granted by AROBS to CABRIO INVESTMENT SRL

	31.03.2025	31.12.2024
Loan value	-	-
Interest value	609,123	609,092
Total	609,123	609,092

Loan granted by AROBS to AROBS BUSINESS CENTER

	31.03.2025	31.12.2024
Loan value	6,609,090	6,605,106
Interest value	1,480,056	1,414,281
Adjustment	(62,640)	(62,640)
Total	8,026,505	7,956,747

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

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31. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

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

31.1. IFRS 15 Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

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

A. Revenue from software services

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

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

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

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

Receivables are considered fully impaired when they exceed 365 days. The analysis regarding the impairment of receivables is carried out in Note 19 TRADE RECEIVABLES.

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

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

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

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

C. Revenue from sale of the HR application license

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

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

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

D. Revenue from sales of goods

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

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

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E. Principal versus agent framework

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

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

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

31.2. Property, Plant and Equipment

Initial recognition

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

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

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

Useful life

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

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

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.

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As at 31 March 2025, 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.

31.3. Intangible assets

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

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

The useful lives of intangible assets are assessed as finite.

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

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

Research and development expenditure

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

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

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

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

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

Computer programs, software, licenses, other intangible assets	3 years or contractual duration
Customer relationships	10 years

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31.4. Assets related to rights to use leased assets

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

Assets related to the right of use of leased assets

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

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

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

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

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

Lease liabilities related to rights of use of assets

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

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

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

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31.5. Investment property

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

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

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

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

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

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

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

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

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

31.6. Impairment of non-financial assets

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

- Property, plant and equipment Note 15
- Intangible assets Note 17

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

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

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

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

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

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

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

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

31.7. IFRS 9 Financial Instruments

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Impairment of financial assets

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The Group recognizes an allowance for expected credit losses (ECLs) for debt instruments not held at fair value through profit or loss. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group analyses claims individually and takes into account the effect of financial guarantees received from insurers in the calculation of expected credit losses. For more information, see Note 19 - Trade receivables.

Financial liabilities

Initial recognition

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

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

Subsequent measurement

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

- Interest bearing loans and borrowings: Interest bearing loans and borrowings and trade and other payables are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

De-recognition

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

Offsetting of financial instruments

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

The Group's financial statements are presented in Romanian New Lei (''RON''), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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31.8. Government grants

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

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

31.9. IAS 19 Employee Benefits

Short term employee benefits

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

Defined benefit plans

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

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

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

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

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

31.10. Income tax

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

Current income tax

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

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

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Deferred tax

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

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

- 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 are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

Deferred tax assets and liabilities are offset only if certain criteria are met. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits against which they can be utilized will be available.

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.

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31.11. Work in progress and inventories

Goods and work in progress are valued at the lower of cost and net realizable value. The Group's management analyses inventory age, product quality and potential non-conformity issues, products that cannot be sold further or are rejected based on quality issues and considers their implications in determining the net realizable value of old inventory.

Net realizable value is the selling price, in the normal course of business, less costs of completion, marketing and distribution, considering the future evolution of selling prices. Also it is analysed the recoverability of ongoing work in progress projects registered at the end of the year..

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

All assumptions are reviewed annually.

31.12. Cash and cash equivalents

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

31.13. Equity

Share capital

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

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

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

Dividends

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

31.14. Borrowing costs

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

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31.15. Provisions and contingent liabilities

General

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

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

Contingent liabilities recognised in business combination

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

Fees, taxes and provisions for taxes

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

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

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32. 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 March 31, 2025, the Group has not recorded any liabilities relating to anticipated costs, including legal and consultancy fees, studies, design and implementation of environmental remediation plans. The Group does not consider costs associated with environmental issues to be significant.

Transfer price

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

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

Russia – Ukraine conflict

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

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

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

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33. SUBSEQUENT EVENTS

Resignation of a member of the Board of Directors/Election of a new member of the Board of Directors

On April 9, 2025, the Company informed the market that, on April 8, 2025, Mr. Răzvan-Dimitrie Gârbacea resigned from his position as non-executive and independent member of the Company's Board of Directors.

On April 24, 2025, the election of a new non-executive and independent member of the Board of Directors in the person of Mr. Răzvan Florin Olosu-Itu.

These financial statements were signed and approved on May 14, 2025, by:

Voicu Oprean
Director General

Bogdan Ciungradi
Director financiar