



FINANCIAL REPORT AS OF JUNE 30, 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 June 30, 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	Half-year Report – H1 2025
According to	Annex 14 of the ASF Regulation no. 5/2018
Date of publication of the report	27.08.2025
For financial period	01.01.2025 – 30.06.2025

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

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MESSAGE FROM THE CEO

The financial results recorded in the first half of 2025, along with the activities carried out during this period, confirm the stability of our diversified business model, supported by an active strategy of international expansion and consolidation through acquisitions. The Group's performance in the first half of the year reflects both operational efficiency and financial discipline, as well as our ability to identify and capitalize on opportunities in high-potential markets and segments.

Operational performance

Operating profit increased by 3% compared to H1 2024, reaching 14.2 million lei, while EBITDA rose to 31.1 million lei, up 8%, with a stable margin of 14%. In addition, operational results were supported by portfolio diversification, contributions from acquired companies, and the maintenance of strong delivery capacity in international markets.

Financial performance

As of June 30, 2025, AROBS Group recorded turnover of 215.4 million lei, up 4% compared to the same period of last year. Net profit stood at 10.2 million lei, in line with H1 2024, confirming the Group's stability and ability to generate solid profitability in a challenging economic environment. This evolution was supported by the strong performance of the Software Products segment (+9 million lei) and the Integrated Systems segment (+26 million lei), the latter benefiting from the implementation of strategic projects, such as the one developed for the National House of Public Pensions.

At the Software Services segment level, although the automotive vertical continues to decline, we see growth potential in the area of accelerated modernization of software platforms and the implementation of AI-powered solutions. Moreover, the U.S. market is proving particularly attractive for our company, both due to its size and the dynamism of emerging technology adoption. These trends create a solid foundation for portfolio diversification and for ensuring sustainable growth.

Regarding the 2025 budget, at mid-year AROBS is on track, achieving the objectives set for H1 2025.

International expansion and strategic acquisitions

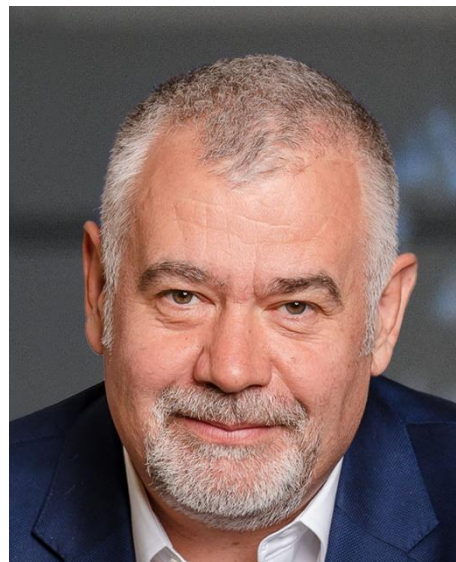
In the first six months of 2025, we completed the acquisition of SVT Electronics, a company specialized in developing end-to-end solutions for tachograph data management and analysis, thereby expanding our offering of complex and innovative solutions for fleet management, transport, and logistics. At the end of June, we significantly strengthened our footprint in the U.S. market through the acquisition of a 70% stake in Codingscape, a company specialized in technology consulting, design, and customized software development services for enterprise clients. In parallel, the performance of the Infobest group, acquired in 2024, is reflected across the entire first semester of this year, continuing to contribute to consolidated results. These acquisitions generate important synergies, both for the development of proprietary software products and for expanding our delivery capacity in international markets.

Strategic digitalization projects

On the local market, we continued implementing strategic digitalization projects, such as the project for the National House of Public Pensions. At the same time, we continued to participate in tenders for digitalization projects, and in July we won a new contract as part of a consortium that will deliver and implement an integrated IT system for the National Employment Agency (ANOFM), financed through the National Recovery and Resilience Plan (PNRR). Through this project, AROBS strengthens its role as a strategic technology partner for public administration, with extensive experience in developing complex IT systems that support Romania's digital transformation and institutional efficiency. Another large-scale project is the digitalization of Babeş-Bolyai University, which aims to streamline activities and simplify procedures by digitalizing 250 internal administrative processes for the benefit of students, while also creating an electronic registry and a digital archive.

Outlook

Looking ahead, we remain committed to continuing our international expansion. The rapid and effective integration of acquired companies, along with accelerated investments in emerging technologies – AI, cybersecurity, and big data – consolidate our position as a leader in high-potential industry segments. The



development of proprietary software solutions remains a strategic priority, demonstrating the ability to generate sustainable competitive advantage.

We use AI as a true performance accelerator, helping our partners increase their speed of testing and time-to-market, whether it is about digital transformation, rapid product module development, or leveraging new business ideas. Just a few days ago, we launched the campaign **“Playbook: From Vision to MVP in One Month. AI-Powered”**, a strategic initiative for accelerated prototyping (POC in one week, MVP in one month). We provide clients with an AI-powered framework for validating business ideas, reducing investment risks, and bringing scalable digital transformation products or initiatives to market faster.

When it comes to Romania’s digitalization, I believe its future depends on rigorous implementation, not just promises. What we see today in Romania are outdated and disconnected IT systems, delayed projects, and a government cloud without a clear outcome. The Estonian experience shows us that digitalization can be achieved through consistent investment, true interconnectivity, and local testing before scaling. Romania has the same potential, but time is no longer on our side — we cannot afford hesitant steps.

Success will depend on setting clear priorities, involving the private sector and IT clusters in public tenders, professionalizing digitalization project management, and ensuring responsibility in the use of public funds. IT and technology entrepreneurs need predictability and clear rules, while the state must send trust-building signals to the business environment.

At AROBS, we are ready to decisively contribute to Romania’s digitalization, through the expertise accumulated in over 25 years of public and private projects and through the innovative solutions we develop. We do not need to reinvent the wheel: solutions already exist, they work in the EU and North America, and Romania has both the resources and the know-how to succeed.

I conclude by thanking the AROBS team for their professionalism and dedication, our partners for their collaboration and trust, and our investors for their continued support. I invite you to read the report for the first half of 2025 and to join our conference call on September 1, 2025, at 15:00 (Romanian time), where we will discuss AROBS’s performance in the first half of 2025.

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

Voicu Oprean

CONSOLIDATED FINANCIAL RESULTS AS OF JUNE 30, 2025



RON 215 million

TURNOVER

+4% vs. h1 2024



RON 31 million

EBITDA

+8% vs. H1 2024



RON 14 million

OPERATING PROFIT

+3% vs. H1 2024



RON 10 million

NET PROFIT

5% NET PROFIT MARGIN

-5% vs. H1 2024



RON 218 million

CASH AND CASH EQUIVALENTS



H1 2025 CONFERENCE CALL

01.09.2025 | 15:00

We invite you to join the quarterly financial results call with AROBS management to discuss the performance in the first semester of 2025 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 September 1, 2025, at 15:00 Romanian time (14:00 CET | 13:00 UK).

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

KEY EVENTS IN H1 2025 AND AFTER THE CLOSING OF THE REPORTING PERIOD

KEY EVENTS RELATED TO BUSINESS DEVELOPMENT

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](#).

ACQUISITION OF CODINGSCAPE, A U.S.-BASED COMPANY

On **June 26, 2025**, the company informed investors about the acquisition of a 70% stake in Codingscape, a U.S. company based in Las Vegas, Nevada, specialized in technology consulting, design, and custom software development services for enterprise clients. The acquisition was approved by the Extraordinary General Meeting of Shareholders from 28.05.2025, under point 3 on the agenda. At the time of the GSM approval, due to ongoing negotiations, the name of the entity was not disclosed. The transaction is valued at USD 12 million, with an additional earn-out of up to USD 4 million conditional on performance targets being met over the coming years. Upon completion of the transaction, the Codingscape management team will retain a 30% ownership stake in the company.

More details are available [HERE](#).

KEY EVENTS RELATED TO GOVERNANCE

RESIGNATION OF A MEMBER 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](#).

THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS FROM 28.05.2025

On **April 24, 2025**, the Company informed the market regarding the decision to convene the Extraordinary General Meeting of Shareholders (EGMS) for May 28, 2025. The legal and statutory quorum was met at the first call. The key items approved during the EGMS were:

- Approval of the ratification of the sale and purchase agreement concluded by the Company, as buyer, for 100% of the share capital of INFOBEST ROMANIA S.R.L., a company that wholly owns Infobest Romania S.R.L. Zweigniederlassung Deutschland (German branch) and Infobest Systemhaus GmbH
- Approval of the ratification of the sale and purchase agreement concluded by the Company, as buyer, for 100% of the share capital of SVT Electronics S.R.L.
- Approval of the acquisition of 70% of the share capital of a company registered in Nevada, United States of America, active in the software development sector, for an initial purchase price of USD 12 million and an additional price of up to USD 4 million subject to the achievement of certain performance indicators. The signing of the acquisition was announced on June 26, 2025, when the name of the company – Codingscape – was also disclosed.

More details are available [HERE](#).

FREE ASSIGNMENT OF SHARES

On **April 16, 2025**, the Company informed investors about the free assignment of 5,426,307 shares to employees and members of management bodies of the Company and affiliated companies.

More details are available [HERE](#).

FREE ASSIGNMENT OF SHARES

On **May 16, 2025**, the Company informed investors about the free assignment of 9,287,535 shares to employees and members of management bodies of the Company and affiliated companies.

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), whose financial performance (revenues and expenses) has been consolidated at Group level starting with June 2024.

In February 2025, TLG LLC was established, 85% owned by AROBS, and its financial performance (revenues and expenses) has been consolidated at Group level starting with March 2025.

In May 2025, AROBS completed the acquisition of SVT Electronics SRL, whose financial performance (revenues and expenses) has been consolidated at Group level starting with May 2025.

In June 2025, the Company informed investors regarding the acquisition of a 70% stake in the Codingscape group, whose financial performance (revenues and expenses) will be consolidated at Group level starting with July 2025.

CONSOLIDATED P&L ANALYSIS

Profit and Loss account indicators

INCOME STATEMENT (LEI)	30.06.2025 AROBS Group Unaudited	30.06.2024 AROBS Group Unaudited	Variation %
Turnover:	215,351,753	206,266,435	4%
Revenue from software services	141,313,658	166,387,096	-15%
Revenue from software products	46,334,124	37,760,037	23%
Revenue from integrated systems	27,703,971	2,119,302	1207%
TOTAL – Cost of sales	158,406,597	150,003,496	6%
Cost of sales of software services	113,218,771	129,707,554	-13%
Cost of sales of software products	22,254,991	18,430,280	21%
Cost of sales of integrated systems	22,932,835	1,865,662	1129%
Gross result	56,945,156	56,262,939	1%
<i>Software Services - Gross margin</i>	20%	22%	-2%
<i>Software products - Gross margin</i>	52%	51%	1%
<i>Integrated Systems - Gross margin</i>	17%	12%	5%
Other operating revenues	2,618,182	651,547	302%
Sales and marketing expenses	(12,047,264)	(10,008,741)	20%
General and administrative expenses	(33,277,403)	(33,097,893)	1%
Operating profit	14,238,671	13,807,852	3%
EBITDA	31,076,548	28,841,633	8%
EBITDA margin	14%	14%	0%
Financial revenue/ (financial expenses), net	(680)	1,124,659	-100%
Profit before tax	14,237,991	14,932,511	-5%
Profit tax	(4,034,382)	(4,141,376)	-3%
Net profit	10,203,609	10,791,136	-5%
Net profit margin	5%	5%	-1%

The AROBS Group's **turnover** recorded a positive evolution in H1 2025 compared to H1 2024, marking a 4% increase. The evolution of turnover across business segments varied during this first half-year. A significant contribution to turnover growth in H1 2025 came from the Integrated Systems segment, through the deliveries related to the project signed at the end of 2024 with the National House of Public Pensions.

In the first six months of 2025, a continued strong focus on both direct and indirect expenses, as well as on the efficient management of resources in response to revenue developments, is notable. Thus, the cost of sales related to Software Services decreased by 13% in H1 2025 compared to the same period of the previous year. The cost of sales related to Software Products increased by 21% in H1 2025 versus H1 2024, in line with the evolution of turnover, as a result of the continued development of this segment.

Sales and marketing expenses increased by 2 million lei in H1 2025 compared to H1 2024, as a result of the investment in a Greenfield company aimed at strengthening the sales force in the U.S. markets, as well as the influence of newly acquired companies in 2024 and 2025.

General and administrative expenses remained at the H1 2024 level, including in 2025 the effect of 1.7 million lei related to the general and administrative expenses of newly acquired companies (Infobest).

EBITDA recorded an increase of 2.2 million lei in H1 2025, up 8% compared to H1 2024, reaching 31 million lei (14% margin).

The difference between the **positive evolution of EBITDA** in H1 2025 compared to H1 2024 and **the negative evolution of net profit** in the same period is generated by the impact of higher depreciation in H1 2025 compared

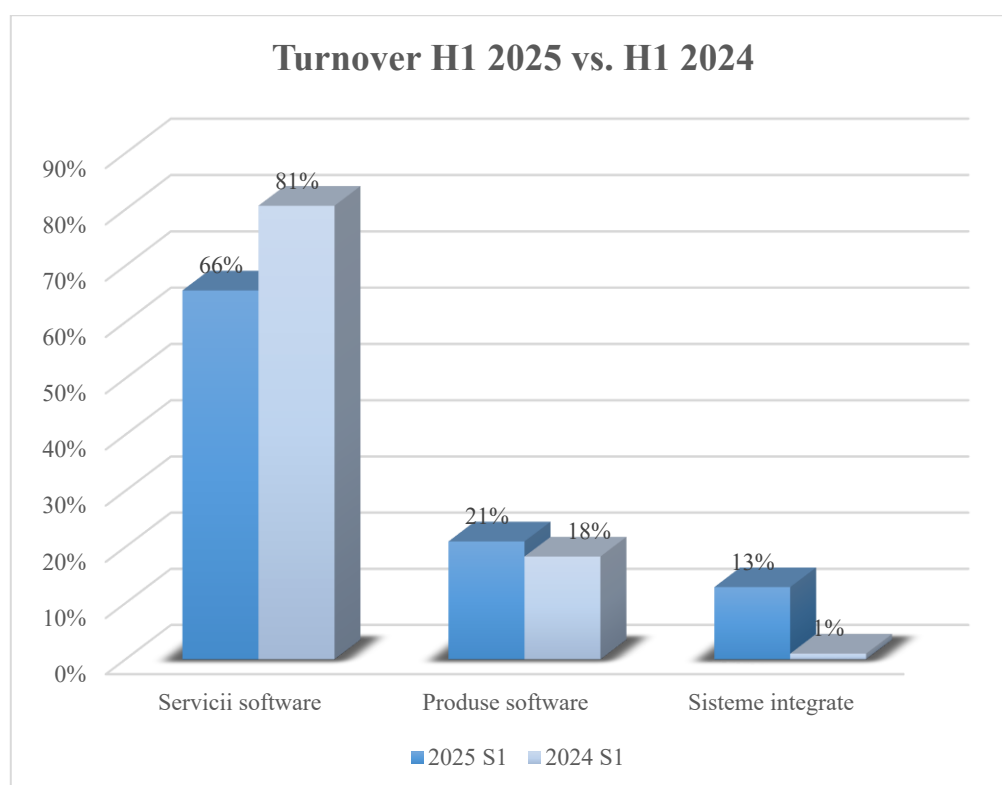
to the same period of the previous year, as well as the impact of negative foreign exchange differences in H1 2025 versus the positive foreign exchange differences recorded in H1 2024.

As a result, **net profit** decreased by 0.6 million lei in the first half of the current year compared to the same period. The impact of additional depreciation expense amounted to 1.6 million lei, following the completion of the new headquarters building at the end of Q1 2024 and the commissioning of a new HR services platform at the end of 2024. The impact of the **financial result** was a decrease of 1.1 million lei in H1 2025 compared to H1 2024, mainly generated by the foreign exchange differences in USD, which fluctuated strongly starting in April 2025 amid the change in trade policy regarding imports from the US. The variation in foreign exchange differences in H1 2025 compared to those recorded in H1 2024 amounts to -3 million lei, a loss that is expected to persist until the end of 2025.

Turnover analysis

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

Business lines (LEI)	H1 2025 Turnover Unaudited	H1 2024 Turnover Unaudited	Variation %
Software services	141,313,658	166,387,096	-15%
Software products	46,334,124	37,760,037	23%
Integrated systems	27,703,971	2,119,302	1207%
Total	215,351,753	206,266,435	4%



The Group's strategy in 2025 continues to be built around multiple growth pillars, advancing the development of the Software Services, Software Products, and Integrated Systems segments. AROBS Group is also continuing the development of the Greenfield company established at the beginning of 2025, aimed at expanding the Software Services business in the U.S. markets. In addition, the acquisitions completed in Q2 2025 are intended to

strengthen the performance of the Software Services segment through the results of Codingscape LLC, as well as to complement the development of the Software Products segment through the contribution of SVT Electronics.

Turnover recorded in the Software Services segment in H1 2025 amounted to 141.3 million lei, 15% lower than the level reported in H1 2024, reflecting the slowdown in the Automotive vertical, which began last year and whose impact was anticipated also for this semester. The performance of the newly acquired company will be reflected in the Software Services segment starting from July 2025.

AROBS Group is pursuing expansion into markets and sectors that continue to drive technological developments, seeking to offset the impact of the reduced Software Services activity experienced in the previous year in certain areas of activity. These efforts are currently influenced by political instability and the presidential elections held in Romania.

The Software Products segment contributed 21% to the Group's turnover and recorded 46.3 million lei in H1 2025, an increase of 23% compared to H1 2024. The performance of the newly acquired company has been reflected in the Software Products segment since May 2025.

In the Integrated Systems segment, turnover reached 27.7 million lei in H1 2025, following the execution of hardware infrastructure deliveries under the contract with the National House of Public Pensions, signed at the end of 2024 and currently underway this year.

AROBS Group maintains its financial objectives as set in the 2025 budget.

Organic vs. M&A

	S1 2025				S1 2024		
	Organic	M&A*	Total Unaudited		Organic	M&A*	Total Unaudited
Turnover:	128,773,093	86,578,660	215,351,753		134,037,528	72,228,907	206,266,435
Software services	60,679,489	80,634,169	141,313,658		98,343,070	68,044,026	166,387,096
Software products	40,389,633	5,944,491	46,334,124		33,575,156	4,184,881	37,760,037
Integrated systems	27,703,971	-	27,703,971		2,119,302	-	2,119,302
Cost of sales:	96,177,512	62,229,085	158,406,597		98,652,929	51,350,567	150,003,496
Software services	54,035,358	59,183,413	113,218,771		80,370,142	49,337,411	129,707,553
Software products	19,209,319	3,045,672	22,254,991		16,417,125	2,013,155	18,430,281
Integrated systems	22,932,835	-	22,932,835		1,865,662	-	1,865,662
Gross margin	32,595,581	24,349,575	56,945,156		35,384,599	20,878,340	56,262,939
Gross margin %	25%	28%	26%		26%	29%	27%

* Companies acquired as of 2021

The subsidiaries in the M&A category recorded an increase in turnover in H1 2025 compared to the same period of the previous year by 14.3 million lei, driven both by the performance of the Infobest group, with a full effect in H1 2025 compared to only June in the previous year, by the performance of the newly acquired company in April 2025, SVT Electronics, as well as by the performance of earlier acquisitions.

The share of turnover generated by the acquired companies out of the total Software Services segment amounted to 57%. The Organic business registered a 38% decrease in turnover from Software Services in H1 2025 versus H1 2024, having a significant influence on the evolution of this segment during the period.

The increase in turnover in H1 2025 compared to the same period of the previous year in the Software Products segment is mainly due to the evolution of the Organic business. In addition, the acquired companies exceeded their H1 2024 results in H1 2025 by 1.8 million lei.

Quarterly evolution – Turnover and Expenses

	Q1 2025 Unaudited	Q2 2025 Unaudited	Q1 2024 Unaudited	Q2 2024 Unaudited
Turnover:	119,617,569	95,734,184	105,045,331	101,221,104
Software services	71,536,539	69,777,119	86,434,636	79,952,460
Software products	21,865,179	24,468,945	18,195,750	19,564,287
Integrated systems	26,215,851	1,488,120	414,945	1,704,357
Cost of sales:	90,319,424	68,087,173	75,159,115	74,844,381
Software services	57,552,222	55,666,549	66,480,843	63,226,711
Software products	10,315,753	11,939,238	8,365,992	10,064,288
Integrated systems	22,451,449	481,386	312,280	1,553,382
Gross margin	29,298,145	27,647,011	29,886,216	26,376,723
Gross margin %	24%	29%	28%	26%
Software services	20%	20%	23%	21%
Software products	53%	51%	54%	49%
Integrated systems	14%	68%	25%	9%
Sales and marketing expenses	5,992,633	6,054,631	4,719,989	5,288,752
General and administrative expenses	16,360,014	16,917,389	16,031,876	17,066,016
EBITDA	17,110,928	13,965,621	16,803,438	12,038,197
EBITDA %	14%	15%	16%	12%

Quarterly turnover is influenced by the seasonality of projects in the Integrated Systems segment, maintaining the quarterly trend from 2024 for the Software Services and Software Products segments.

The gross margin of the Software Services segment remained constant in the first six months of 2025 (20%).

EBITDA in Q1 2025 and Q2 2025 improved compared to the same periods of the previous year.

The cost of sales from Software Services decreased by 16.5 million lei as of June 30, 2025, compared to the same period of the previous year. This variation was driven by a significant reduction of 26.2 million lei in Organic-related costs versus the same period of the previous year, partially offset by an increase of 9.7 million lei in the M&A companies.

The cost of sales from Software Products increased by 3.8 million lei compared to the same period in 2024, due to the newly added company (SVT Electronics) and services performed by third parties, following the internalization of certain software development and maintenance processes. The contracted third-party services during this period mainly included device installation services for monitoring systems and software development services. The evolution of these costs is consistent with the expansion of the segment's activity and the development of in-house products.

Sales and marketing expenses increased by 2 million lei in the first six months of 2025 compared to the same period of 2024. The variation stems from an increase of 0.5 million lei in personnel expenses, related both to the current sales staff active in fleet management and to the sales staff of companies acquired by the Group (Infobest), from the increase of 0.9 million lei related to the investment in the sales team of the Greenfield company and from the increase in other marketing expenses by 0.6 million lei.

EBITDA as of June 30, 2025, amounted to 31 million lei, compared to 29 million lei as of June 30, 2024. The heightened focus on cost control and the reductions implemented, including at the level of personnel expenses and ESOP programs, resulted in an increase in EBITDA (14% margin) in H1 2025 compared to the same period of the previous year.

CONSOLIDATED BALANCE SHEET ANALYSIS

BALANCE SHEET

Balance sheet indicators (LEI)	30.06.2025 AROBS Group Unaudited	31.12.2024 AROBS Group Audited	Variation %
Total fixed assets, out of which:	346,087,851	285,457,927	21%
Tangible assets	12,380,054	13,679,736	-10%
Right-of-use assets	24,282,579	25,396,600	-4%
Investment properties	20,830,643	21,008,039	-1%
Goodwill	163,465,806	111,230,318	47%
Customer relationship	83,967,750	74,155,381	13%
Other intangible assets	30,777,465	27,031,719	14%
Loans granted to related parties	6,283,344	7,294,119	-14%
Other financial assets	1,916,999	3,687,246	-48%
Deferred tax asset	2,183,211	1,974,769	11%
Total current assets, out of which:	325,533,923	358,099,154	-9%
Trade and other receivables	77,756,227	73,202,668	6%
Loans granted to related parties	7,026,648	5,847,550	20%
Cash and cash equivalents	218,384,403	259,604,189	-16%
Total assets	671,621,774	643,557,081	4%
Current liabilities, out of which	117,846,001	99,945,884	18%
Bank loans	25,166,867	24,677,989	2%
Leasing liabilities	8,533,632	8,206,905	4%
Total non-current liabilities, out of which:	97,591,404	103,754,180	-6%
Bank loans	32,824,587	42,435,001	-23%
Leasing liabilities	16,355,672	17,267,490	-5%
Total liabilities	215,437,405	203,700,064	6%
Total Equity	456,184,369	439,857,017	4%
Total equity and liabilities	671,621,774	643,557,081	4%
Net assets	456,184,369	439,857,017	4%

Intangible assets increased as of June 30, 2025, compared to the beginning of the year, by 3.7 million lei, as a result of the continued development of the Group's proprietary products, the fleet monitoring platform, and the HR platform.

The values recorded as of June 30, 2025, for goodwill and customer relationships are calculated based on the book value of the net assets at the acquisition date of SVT and Codingscape. Following the completion of purchase price allocation reports prepared by independent evaluators and the determination of the fair value of the assets and liabilities of the acquired companies, the estimated values may be subject to change.

AROBS Group continues to present a solid cash position, totaling 218 million lei at the end of the first half of 2025. The net decrease in cash availability, by 41 million lei, is mainly attributable to the acquisitions of SVT Electronics and Codingscape. In the first half of 2025, AROBS Group reported net cash flow from operating activities of 46 million lei.

As of June 30, 2025, the bank debt ratio, calculated as the ratio between total bank debt and normalized EBITDA, stood at 0.90, indicating a solid financial position that enables access to future financing in order to achieve the Group's strategic objectives.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	30.06.2025 AROBS Group Unaudited	30.06.2024 AROBS Group Unaudited	Variation %
TURNOVER:	215,351,753	206,266,435	4%
Revenue from software services	141,313,658	166,387,096	-15%
Revenue from software products	46,334,124	37,760,037	23%
Revenue from integrated systems	27,703,971	2,119,302	1207%
TOTAL COST OF SALES:	158,406,597	150,003,496	6%
Cost of sales of software services	113,218,771	129,707,554	-13%
Cost of sales of software products	22,254,991	18,430,280	21%
Cost of sales of integrated systems	22,932,835	1,865,662	1129%
GROSS MARGIN	56,945,156	56,262,939	1%
Other operating revenues	2,618,182	651,547	302%
Sales and marketing expenses	(12,047,264)	(10,008,741)	20%
General and administrative expenses	(33,277,403)	(33,097,893)	1%
OPERATING PROFIT	14,238,671	13,807,852	3%
Financial revenue / (expenses), net	(680)	1,124,659	-100%
GROSS PROFIT – BEFORE TAX	14,237,991	14,932,511	-5%
Profit Tax	(4,034,382)	(4,141,376)	-3%
NET PROFIT	10,203,609	10,791,135	-5%
Other comprehensive income items	(1,005,625)		100%
TOTAL COMPREHENSIVE INCOME	9,197,984	10,791,135	-15%
Attributable to the parent company	9,277,646	10,468,615	-11%
Attributable to non-controlling interests	(79,662)	322,520	-125%

CONSOLIDATED BALANCE SHEET

Indicatori de bilanț (LEI)	30.06.2025 AROBS Group Unaudited	31.12.2024 AROBS Group Audited	Variație %
Tangible assets	12,380,054	13,679,736	-10%
Right-of-use assets	24,282,579	25,396,600	-4%
Investment properties	20,830,643	21,008,039	100%
Goodwill	163,465,806	111,230,318	47%
Customer relationship	83,967,750	74,155,381	13%
Other intangible assets	30,777,465	27,031,719	14%
Loans granted to related parties	6,283,344	7,294,119	-14%
Other financial assets	1,916,999	3,687,246	-48%
Deferred tax assets	2,183,211	1,974,769	11%
Total fixed assets	346,087,851	285,457,927	21%
Work in progress services and inventories	13,029,272	8,799,106	48%
Trade receivables	77,756,227	73,202,668	6%
Prepaid expenses	3,172,944	2,316,462	37%
Current tax receivables	508,666	1,470,248	-65%
Other receivables	5,655,763	6,858,931	-18%
Loans granted to related parties and other Loans	7,026,648	5,847,550	20%
Cash and cash equivalents	218,384,403	259,604,189	-16%
Total current assets	325,533,923	358,099,154	-9%
Total assets	671,621,774	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	(9,519,125)	(12,885,372)	-26%
Other components of equity	3,640,952	12,693,649	-71%
Retained earnings	168,798,344	158,433,437	7%
Gains/Losses from own equity instruments	29,905,555	19,684,169	52%
Conversion differences from consolidation	(1,303,118)	(218,041)	498%
Total equity	454,219,481	440,404,715	3%
Non-controlling interest	1,964,888	(547,698)	-459%
Total equity	456,184,369	439,857,017	4%
Non-current liabilities:			
Advance income	5,098,176	3,232,865	58%
Governments grants	738,837	768,378	-4%
Equity liabilities	15,426,438	14,686,659	5%
Bank loans	32,824,587	42,435,001	-23%
Leasing	16,355,672	17,267,490	-5%
Other liabilities	683,316	559,757	22%
Provisions	13,102,631	13,102,084	0%
Deferred tax liabilities	13,361,747	11,701,946	14%
Total non-current liabilities	97,591,404	103,754,180	-6%
Current liabilities:			
Trade payables	26,252,731	22,327,278	18%
Advance income	11,954,028	13,346,834	-10%
Government grants	320,018	143,121	124%
Equity liabilities	11,571,319	3,977,961	191%
Bank loans	25,166,867	24,677,989	2%
Leasing	8,533,632	8,206,905	4%
Employee-related liabilities	21,929,208	14,630,156	50%
Current tax liabilities	1,088,023	813,583	34%
Other liabilities	11,030,175	11,822,057	-7%
Total current liabilities	117,846,001	99,945,884	18%
Total liabilities	215,437,405	203,700,064	6%
Total equity and liabilities	671,621,774	643,557,081	4%

CONSOLIDATED CASH-FLOW

	30.06.2025 AROBS Group Unaudited	30.06.2024 AROBS Group Unaudited	Variation %
Profit before tax	14,237,991	14,932,512	-5%
Adjustments for:			
Depreciation of Goodwill			
Depreciation expenses	11,654,019	10,222,055	14%
Expenses related to disposed tangible and intangible assets	505,541	(531,021)	-195%
(Income) from the sale of tangible and intangible assets	(872,334)	(673,643)	29%
Expenses related to employee benefits – SOP	4,586,715	7,010,097	-35%
Expenses / (Income) related to adjustments for inventory write-downs	61,292	(263,361)	-123%
Expenses / (Income) related to adjustments for receivables depreciation	46,581	(152,109)	-131%
Expenses / (Income) related to provisions for risks and charges	2,293,282	1,396,605	64%
(Income) from subsidies	147,356	174,805	-16%
Expenses with interest and other financial expenses	1,579,018	1,606,835	-2%
(Income) from interest and other financial income	(3,833,993)	(2,166,358)	77%
Expenses / (Incomes) related to value adjustments for tangible and intangible assets	-	40,740	-100%
Retained Earnings Adjustments	(777,015)	93,344	-932%
Operating profit before change in working capital	29,628,453	31,690,500	-7%
Change in trade and other receivables balances	9,962,334	6,559,423	52%
Change in inventory balances	(4,291,458)	(571,155)	651%
Change in trade and other payables balances	14,013,642	1,761,682	695%
Change in prepaid expenses balances	(856,482)	(1,081,581)	-21%
Change in deferred income balances	472,505	3,975,047	-88%
Interest paid	(1,579,018)	(1,606,835)	-2%
Interest received	3,625,217	2,188,883	66%
Cash generated from operating activities	50,975,193	42,915,964	19%
Income tax paid	(5,270,405)	(4,217,158)	25%
Net cash from operating activities	45,704,788	38,698,806	18%
Cash flows from investing activities			
Loans (granted) to / repaid by affiliated entities and change in guarantees provided	477,671	535,378	-11%
(Payments) for acquisitions of subsidiaries	(68,078,671)	(19,560,470)	248%
(Payments) for acquisitions of tangible and intangible assets	(8,368,263)	(9,844,818)	-15%
Own Share buybacks	(51,779)	(3,079,848)	-98%
(Payments) / Receipts from other investments in financial assets	-	302,033	-100%
Net cash from investing activities	(76,021,042)	(31,647,725)	140%
Cash flows from financing activities			
(Withdrawal)/Repayment of bank loans	11,488,067	(7,179,338)	60%
Short term loan variation	1,166,671		
Payment of debts related to financial leasing	(582,136)	(679,645)	-14%
Net cash from financing activities	(10,903,532)	(7,858,983)	39%
(Decrease) / Net increase in cash and cash equivalents	(41,219,786)	(807,902)	5002%
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	218,384,403	86,965,986	151%

INDIVIDUAL PROFIT AND LOSS ACCOUNT

	30.06.2025 AROBS Individual Unaudited	30.06.2024 AROBS Individual Unaudited	Variație %
TURNOVER:	91,348,434	123,223,512	-26%
Revenue from software services	64,467,160	100,546,658	-36%
Revenue from software products	26,881,274	22,676,854	19%
TOTAL COST OF SALES:	74,746,130	94,547,838	-21%
Cost of sales of software services	60,554,847	82,685,453	-27%
Cost of sales of software products	14,191,283	11,862,385	20%
GROSS PROFIT	16,602,304	28,675,674	-42%
Other revenues	3,847,183	341,467	1027%
Sales and marketing expenses	(4,916,697)	(4,137,507)	19%
General and administrative expenses	(17,250,909)	(18,775,909)	-8%
OPERATING PROFIT	(1,718,119)	6,103,724	-128%
Income from shares held in affiliated entities	23,603,778	13,993,535	69%
Financial revenues	4,020,275	1,969,795	104%
Financial expenses	(1,304,544)	1,278,713	2%
Revenue / (expenses) from exchange rate differences, net	(620,797)	513,180	-221%
GROSS PROFIT - BEFORE TAX	23,980,593	21,301,521	13%
Profit tax	(1,025,544)	(2,143,325)	100%
NET PROFIT	22,955,049	19,158,196	20%

INDIVIDUAL BALANCE SHEET

Balance sheet indicators (LEI)	30.06.2025 AROBS Individual Unaudited	31.12.2024 AROBS Individual Audited	Variație %
Shares held in affiliated entities	278,745,339	234,583,941	19%
Intangible assets	4,363,436	5,029,988	-13%
Right-of-use assets related to leased assets	18,005,171	18,809,970	-4%
Other intangible assets	16,989,689	15,344,054	11%
Loans granted to affiliated parties	50,211,912	12,434,136	304%
Loans granted to related parties and other loans	6,283,344	7,294,119	-14%
Other financial fixed assets	890,931	2,968,304	-70%
Deferred tax	-	234,104	-100%
Total fixed assets	375,489,822	296,698,616	27%
Work in progress services and inventories	2,681,321	1,990,082	35%
Trade receivables	36,100,315	38,614,387	-7%
Prepaid expenses	1,985,505	1,595,274	24%
Current tax receivables	90,006	470,213	-81%
Other receivables	1,471,722	1,412,913	4%
Loans granted to related parties and other loans	27,550,391	10,259,951	169%
Cash and cash equivalents	151,388,944	218,899,865	-31%
Total current assets	221,268,204	273,242,685	-19%
Total assets	596,758,026	569,941,301	5%
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	(9,519,125)	(12,885,372)	-26%
Other components of equity	3,673,891	12,782,685	-71%
Retained earnings	197,259,499	174,304,450	13%
Gains (losses) on equity instruments	29,905,556	19,684,169	52%
Total equity	483,789,329	456,355,440	6%
Total equity	483,789,329	456,355,440	6%
Non-current liabilities:			
Advance income	306,999	234,184	31%
Governments grants	173,949	216,510	-20%
Liabilities related to equity investments	15,426,438	14,686,659	5%
Bank loans	21,207,861	29,716,103	-29%
Leasing	12,926,884	13,670,184	-5%
Provisions	4,050,449	4,050,449	0%
Deferred income tax liabilities	116,395	-	100%
Total non-current liabilities	54,208,975	62,574,089	-13%
Current liabilities:			
Trade liabilities	7,636,823	6,281,464	22%
Advance income	3,749,288	3,682,621	2%
Government grants	89,312	94,671	-6%
Equity liabilities	11,569,886	3,976,479	191%
Bank loans	19,408,855	20,122,370	-4%
Leasing	5,440,163	4,950,253	10%
Employee-related liabilities	6,496,494	6,810,480	-5%
Other current liabilities	4,368,901	5,093,434	-14%
Total current liabilities	58,759,722	51,011,772	15%
Total liabilities	112,968,697	113,585,861	-1%
Total equity and liabilities	596,758,026	569,941,301	5%

KEY FINANCIAL RATIOS

AROBS AT GROUP LEVEL

Current ratio as of 30.06.2025

$$\frac{\text{Current assets} \quad 325,533,923}{\text{Current liabilities} \quad 117,846,001} = 2.76$$

Quick ratio as of 30.06.2025

$$\frac{\text{Current assets inventories} \quad 312,504,651}{\text{Current liabilities} \quad 117,846,001} = 2.65$$

Debt to equity ratio as of 30.06.2025

$$\frac{\text{Borrowed capital} \quad 71,315,598}{\text{Equity} \quad 456,184,369} \times 100 = 15.63\%$$

$$\frac{\text{Borrowed capital} \quad 71,315,598}{\text{Employed capital} \quad 527,499,967} \times 100 = 13.52\%$$

Borrowed capital = Loans over 1 year

Employed capital = Borrowed capital + Equity

Debt turnover ratio - clients (days) as of 30.06.2025

$$\frac{\text{Average client balance} \quad 81,883,124}{\text{Turnover} \quad 215,351,753} \times 180 = 68.44$$

Fixed assets turnover as of 30.06.2025

$$\frac{\text{Turnover} \quad 215,351,753}{\text{Fixed assets} \quad 346,087,851} = 0.62$$

Bank financing debt ratio as of 30.06.2025

$$\frac{\text{Total bank liabilities} \quad 57,991,454}{\text{Normalized annualized EBITDA} \quad 64,473,410} = 0.90$$

2025 OUTLOOK

In the first half of 2025, AROBS delivered operating results in line with the budgeted objectives, both in terms of turnover and operating costs, confirming the assumptions set at the beginning of the year. This performance also confirms the stability of the Group's business model and its ability to implement the planned commercial and operational activities.

Net financial income and expenses for the first half of 2025 were, however, significantly influenced by the developments in the RON-USD (FX) exchange rate, which could not be anticipated at the time of budgeting. The evolution of the US dollar against the leu and the euro negatively affected the results, given the recent acquisition of the American company Codingscape and the related financing denominated in US dollars, as well as the operations carried out for US clients. The evolution of the RON-EUR exchange rate had a positive impact on the financial result recorded in H1 2025, partially diminishing the effect of the results influenced by the variation in the RON-USD exchange rate. Also, net interest income related to cash balances offset the net foreign exchange loss.

As a result, although the operational trajectory is in line with the budget, the impact of FX differences will not be able to be fully recovered during this financial year. The Company will not publish a revised full-year budget at this stage, as management considers it important to first monitor the evolution of FX markets in Q3 and fully assess their effects on the Group's performance. If necessary, the Company will publish a revised budget together with the Q3 2025 results, reflecting both the operational trajectory and the financial impact of FX developments.

Looking ahead, management expects the Group's operating performance to remain aligned with the initial estimates for the remainder of 2025. The priorities will remain the integration of the U.S. acquisition, maintaining focus on the development of all business segments, and continuing operational efficiency efforts, thereby ensuring the continuity of the Company's strategic objectives despite short-term FX volatility.

KEY RISKS FOR H2 2025

The most significant risks related to the Issuer's activity for the second half of the year are presented below. The company's representatives know these risks, and through the internal risk management system, they try to anticipate and neutralize them, before any potential consequences manifest themselves. However, many of the risks to which the Issuer is subject are beyond its control.

The risks presented in this section do not include all those risks associated with the Issuer's activity. Overall, there may be other risk factors and uncertainties that the company is not aware of at the time of writing this document and that may change the Issuer's actual results, financial conditions, performance and performance in the future and may lead to a decline in the company's share price. Investors should also perform the necessary due diligence to develop their own assessment of the investment opportunity.

A network or data security incident may allow unauthorized access to the Issuer's network or data, damage the Issuer's reputation, create additional liability issues and negatively impact financial results

Companies are subject to a wide variety of attacks on their networks on a constant, increasing basis. In addition to traditional hacker-led attacks, malicious code (such as viruses and worms), phishing attempts, employee theft or misuse, sophisticated actors are engaging in intrusions and attacks (including advanced persistent attacks) that increase the risks to Issuer's internal networks and customer-facing environments and the information they store and process.

The incidence of cyber security breaches has increased. Despite significant efforts to create security barriers to such threats, it is virtually impossible for the Issuer to fully mitigate these risks. The Issuer and third-party service providers may face security threats and attacks from various sources. The Issuer's data, corporate systems, third party systems and security measures may be breached due to the actions of external parties, employee error, malicious misconduct, a combination of these factors or otherwise and, as a result, an unauthorized party may gain access to the Issuer's data.

In addition, as an established provider and manufacturer of software solutions, services and products, the Issuer may be a more attractive target for such attacks. A breach in the security of the Issuer's data or an attack against the availability of the Issuer's or its service providers' services and products could affect the Issuer's networks or secure product networks and, by creating disruptions or slowdowns in systems and exploiting security vulnerabilities in the Issuer's products and information stored on the Issuer's or its service providers' networks, such data could be accessed, publicly disclosed, altered, lost or stolen, which could result in financial harm.

Although the Issuer has not yet suffered significant damage as a result of unauthorized third party access to its internal network, any actual or perceived breach of the security of the Issuer's systems or networks could result in damage to its reputation, negative publicity, loss of partners, end-customers and sales, loss of competitive advantage over its competitors, increased costs to remediate any problems and to respond to incidents, regulatory investigations and enforcement actions, costly litigation and other liability.

In addition, the Issuer may incur significant costs and operational consequences for investigating, remediating, eliminating and putting in place additional tools and devices designed to prevent actual or perceived security breaches and other security incidents, as well as costs to comply with any notification obligations resulting from any security incident.

Any of these risks could have a negative impact on the market perception of the Issuer's services and products, as well as on end-customer's and investor's confidence in the Issuer, and could seriously affect business or operating results.

Operational results can vary significantly from period to period and can be unpredictable

The Issuer's operating results may vary significantly from period to period and may be unpredictable, which could cause the market price of the new shares to decline. Even if operating results, in particular revenues, gross margins, operating margins and operating expenses have increased in the prior period, they are likely to vary as a result of a number of factors, many of which are beyond the control of the Issuer and may be difficult to predict, including:

- the Issuer's ability to attract and retain new end-customers or to sell additional services and/or products to existing end-customers;

- budget cycles, seasonal buying patterns and end-customer buying practices, including the likelihood of slower technology spending due to the global economic slowdown;
- changes in the requirements of end customers, distributors or resellers, or market needs;
- price competition;
- the timing and success of the introduction of new services and products by the Issuer or its competitors or any other changes in the competitive landscape of the industry in which the Issuer operates, including consolidation among its competitors or end-customers and strategic changes, partnerships entered into by and among the Issuer's competitors;
- the ability of the Issuer to successfully and continuously expand its business domestically and internationally, particularly in light of the current global economic downturn;
- the inability of the Issuer to complete or effectively integrate any acquisitions it may undertake;
- increase in unforeseen expenses or liabilities and any impact on the Issuer's operating results as a result of any acquisitions it makes;
- the Issuer's ability to increase the breadth and productivity of the distribution channel;
- decisions by potential end-customers to purchase services and products from larger, internationally recognised suppliers or from their main suppliers of network equipment and/or services;
- the risk of insolvency or credit difficulties faced by end-customers, which could increase due to the global economic situation, adversely affecting their ability to purchase or pay for the Issuer's products and services in a timely manner/at all, or faced by the Issuer's key suppliers, including the Issuer's sole suppliers, which could disrupt the Issuer's supply chain;
- failure of third parties to fulfil their obligations to the Issuer, including in relation to the implementation of certain investment projects envisaged by the Issuer;
- any disruption in the distribution channel or termination of relationships that the Issuer has with major distribution partners, including as a result of consolidation among distributors and resellers of products and services;
- the inability of the Issuer to honour orders from end-customers due to supply chain delays or events affecting the Issuer's suppliers and partners or their suppliers, and the unavailability of internal resources or partners for the execution of services and delivery of requested products, all of which may be adversely affected by the effects of the global economic situation;
- the cost and outcome of potential litigation, which could have a material adverse effect on the Issuer's business;
- seasonality or cyclical fluctuations of the market in which the Issuer operates, including the market for IT resources, employees and subcontractors;
- political, economic and social instability caused by the military conflict initiated by the Russian Federation in Ukraine, continuing hostilities in the Middle East, terrorist activities, any disruptions caused by COVID-19 and/or any other pandemic or general health crisis that may occur and any disruption these events may cause to the global industrial economy;
- general macroeconomic conditions, both domestically and in the foreign markets in which the Issuer operates, which could impact some or all of the regions in which the Issuer operates, including the expected slowdown in global economic growth, increased inflation risk and the potential for global recession.

Any of the foregoing factors or the cumulative effect of any of the foregoing factors may result in significant fluctuations in the Issuer's financial and other operating results. This unpredictability could result in the failure of the Issuer to meet its revenue, margin or other operating result expectations.

Reputational risk is an inherent part of the Issuer's business

The ability to retain and attract customers is influenced in part by the Issuer's brand recognition and public perception of the Issuer. Negative views of the Issuer may result from actual or perceived practices, affecting its overall reputation, including the quality of products or services provided or the way it is perceived to conduct its business.

Although the Issuer makes every effort to comply with applicable regulations and to improve the positive perception of customers and potential customers regarding its services, negative publicity and negative public opinion could affect the Issuer's ability to retain and attract customers.

The Issuer's current research and development efforts may not produce successful products or services that result in significant revenue, cost savings or other benefits in the near future

Developing services and products related to the Issuer's business is a costly process. The Issuer's investments in research and development may not result in significant improvements, marketable services or products or may result in services or products that are more expensive than anticipated. In addition, the Issuer may not realize the anticipated cost savings or performance improvements it had anticipated (it may take a longer period of time to generate revenue). The Issuer's future plans include significant investment in research and development. The Issuer believes that it must continue to devote a significant amount of resources to its research and development efforts in order to maintain its competitive position. However, it is possible that the Issuer may not earn significant revenues from these investments in the foreseeable future or these investments may not yield the expected benefits, either of which could adversely affect the business and operating results.

Risks related to intellectual property rights

Given the specific nature of the Issuer's business, there may be persons claiming that the Issuer infringes their intellectual property rights. The number of such claims may increase due to constant technological change in the markets in which the Issuer competes, the extensive patent coverage of existing technologies, the rapid rate of issuance of new patents and its supply. To resolve these claims, the Issuer may enter into royalty and license agreements on terms less favorable than those currently available, cease selling or redesigning affected services or products, or pay damages to satisfy indemnification commitments to its customers. These circumstances may result in lower operating margins. In addition to monetary damages, in some jurisdictions, claimants may seek court-to limit or prevent the importation, marketing and sale of our services or products that have infringing technologies.

While the Issuer pays attention to how it manages these risks, claims by third parties of infringement of their intellectual property rights may have a significant impact on the Issuer's business or operating results.

Liquidity and cash-flow risk

Liquidity risk also includes the risk of possible non-recovery of claims. By the nature of its business, the Issuer shall maintain a level of receivables and payables that enables it to conduct its business optimally.

However, in the context of an IT company, there is an inherent risk associated with low liquidity, which can affect its ability to meet payment demands and run its business efficiently.

One of the factors contributing to this risk is the nature of IT services, which can often involve long-term contracts with corporate or government clients. In such cases, there is a possibility that some customers may be late or fail to pay invoices in full, or fail to meet agreed payment deadlines. This may lead to an increase in uncollected receivables and pressure on the Issuer's liquidity.

Also, in the IT industry, competition is strong and the rapid evolution of technology can cause a sudden shift in customer demand and preferences. If the Issuer is unable to respond quickly to changes in the market or fails to retain existing customers, it may have difficulty generating revenue and thus maintaining adequate liquidity.

Furthermore, the high costs associated with the development and implementation of the technology may result in significant expenses and pressures on the Issuer's cash flow. These expenses may include the purchase of equipment, payment of IT specialists and investment in research and development. If the Issuer fails to manage these costs effectively or does not achieve an adequate return on investment, its liquidity may be adversely affected.

To minimize the risk of low liquidity, the Issuer implements rigorous financial management, carefully monitors cash flow, develops clear debt collection policies and procedures and diversifies its customer portfolio. The Issuer also maintains an adequate liquidity reserve and establishes strong relationships with suppliers and financial partners to deal with contingencies and ensure long-term financial stability.

Risk associated with interest rates and sources of funding

There can be no assurance that the Issuer will be able to generate or accumulate sufficient funds to cover its contemplated long-term capital expenditures or that it will be able to do so at a reasonable cost. If the economic

environment in which the Issuer operates deteriorates, the Issuer may not be able to take out a new loan on the terms they have previously benefited from, which could lead to increased financing costs and adversely affect the Issuer's financial position, or may even face a lack of available funding.

A risk directly associated with this situation is that related to interest rate fluctuations. If interest rates in the market increase significantly, the Issuer could be affected by higher funding costs when it has to refinance or take out new loans. An increase in interest rates may result in higher interest payments on existing loans and adversely affect the Issuer's cash flow.

Also, if the economic environment deteriorates and investor and lender confidence declines, the Issuer may have difficulty obtaining the necessary financing for ongoing operations or development projects. In these circumstances, financial institutions may impose tighter restrictions and increase security requirements for lending. This may limit the Issuer's access to convenient and adequate funding, affecting its ability to finance its activities and develop efficiently.

Another risk related to interest rates and funding sources is related to exposure to foreign exchange risk. If the issuer has foreign currency debt and the local currency depreciates, financing costs may increase significantly, which may affect the company's profitability and liquidity.

Although, the Issuer constantly assesses the economic environment, monitors interest rate fluctuations and develops risk management strategies that include diversifying funding sources, using financial instruments to hedge against interest rate fluctuations, maintaining an adequate level of cash reserves and maintaining a strong relationship with financial institutions and lenders, it is not excluded that the Issuer may face the risks described above, which could have a material adverse effect on the Issuer's ability to finance potential new projects or capital needs or to engage in other activities that may be in the Issuer's interest.

Changes in tax laws or interpretations, as well as unfavorable decisions by tax authorities, could have a material adverse effect on the Issuer's results of operations and cash flows

Tax laws and regulations in Romania may be subject to change and there may be changes in the interpretation and application of tax legislation. These changes in tax law and/or in the interpretation and application of tax law may be swiftly adopted/applied by the authorities, difficult to anticipate and therefore the Issuer may not be prepared for these changes. The Issuer therefore considers that there is a risk that certain working relationships with subcontractors may be considered by the tax authorities as dependent activities which may lead to the recalculation of the related taxes.

For example, the Issuer has faced the removal of the income tax exemption facility for IT employees. Thus, from November 2023, for gross monthly income exceeding RON 10,000, income tax of 10% will be payable. Until this change, no income tax was payable on any income earned from the activity of creating computer programs. Also, from the same date, for gross monthly income exceeding RON 10,000, the tax facility relating to the reduction of the CAS rate by the percentage of the contribution to the privately managed pension fund will no longer apply. This change had a significant economic impact on the Issuer.

Also, in recent years, the Romanian government has implemented a number of fiscal measures, including increasing property taxes, expanding the scope of social security contributions and imposing certain taxes, which have directly affected our results of operations or resulted in lower disposable income for consumers. Such measures may continue to be adopted in the future, particularly in the context of international political and economic developments and the political changes that will take place in 2025 following the scheduled elections. Uncertainty as to the application of tax measures by the government and the continued instability of the tax regime as well as special taxation could ultimately have a direct negative impact and/or tax regulations indirectly on consumer spending and/or on the prices we may charge for our products and services and therefore on the Group's profitability.

Risks related to the application of existing laws and regulations

The business of the Issuer and the Group is regulated by various entities, government agencies and local public authorities. Regulatory authorities may be subjective in their implementation and interpretation of applicable laws, regulations and standards, as well as in the issuance and renewal of licences, permits, approvals and authorisations, and in monitoring licensees' compliance with their terms.

Situations may arise in the Group's business where the way legal provisions are interpreted or applied by regulators differs from the interpretation given by the Group's management. In such cases, the Group's management may decide to challenge regulatory decisions issued by the competent authorities, which could affect the Group's relationship with these authorities.

The competent authorities have the right to carry out periodic inspections of the Group's activities. Such inspections may lead to conclusions that the Group has infringed laws, decrees or regulations. There is a possibility that the Group may not be able to successfully challenge such findings or remedy violations identified during inspections.

In addition, the authorities may decide from time to time to change the interpretation of applicable legal provisions, policies or views applicable to the Group's business in ways that may have a significant impact on its operations.

Legislative risk associated with the fleet management industry

The fleet management industry is subject to strict regulations on road safety, environmental protection and compliance with laws and regulations on commercial vehicle driving and personal data protection.

As a provider of fleet management solutions, the Issuer is aware of these regulations and ensures that every effort is made to ensure that the services offered comply with all legal and administrative requirements. However, should the Issuer's solutions fail to comply with all applicable regulations, such as environmental protection standards and personal data protection requirements, failure to comply may result in fines and other legal consequences that may affect the Issuer's business, prospects, results of operations and financial condition.

Litigation risk

In the context of the conduct of its business, the Issuer is subject to a risk of litigation, inter alia, as a result of changes and developments in legislation. The Issuer may be affected by other contractual claims, complaints and litigation, including from third parties with whom it has contractual relationships, employees, customers, competitors or regulators, as well as any adverse publicity that such an event attracts.

At the time of preparation of this report, the Issuer was not involved in any significant litigation in an active or passive capacity.

Political and military instability in the region may have negative consequences for the Issuer's business

Political and military instability in the region, triggered by the invasion of Ukraine by the Russian Federation in February 2022, preceded by the loss of control of the Crimean Peninsula to the Russian Federation and the conflict in Eastern Ukraine with pro-Russian separatists in 2014, as well as international sanctions imposed on the Russian Federation as a result of these events, may lead to deeply unfavourable economic conditions, social unrest or, at worst, widespread military confrontation in the region. The effects are largely unpredictable and may include a drop in investments, significant currency fluctuations, increases in interest rates, reduced availability of credit, trade and capital flows, increases in energy prices, etc.

Responses and threats to Russia may also affect markets for certain commodities, such as oil and natural gas, and may have collateral impacts, including increased volatility, and cause disruptions in the availability of certain commodities, commodity prices and the global supply chain, as well as the freedom to provide services. At this time, the situation is evolving rapidly and may evolve in a manner that could adversely impact the Issuer in the future. The scope of the sanctions in force at any given time may be expanded or modified in a way that could adversely affect the Issuer. Sanctions could also cause Russia to take countermeasures or other actions in response.

These adverse conditions could lead to reductions in sales of the Issuer's services and products, longer sales cycles, reductions in the length and value of contracts with the Issuer's customers, slower adoption of new technologies and increased price and pricing competition. As a result, any continued or more significant uncertainty or deterioration in global macroeconomic and market conditions could cause end customers to alter their spending priorities or defer decisions to outsource services or purchase products, which could result in extended sales cycles, either of which could harm the Issuer's business and operating results.

In addition, political and military instability in the region, the upward trend in inflation rates, and rising interest rates are causing and may continue to cause a significant decrease in demand in the IT and custom software market.

These and other unforeseen adverse effects of the crisis situations in the region could have significant negative consequences for the Group's business, prospects, results of operations and financial position.

The unpredictability of the inflation rate could have significant negative consequences on the Issuer's financial performance

The evolution of the inflation rate continues to be unpredictable, which may have negative effects on the Issuer's business by making it more difficult for the Issuer to estimate the total costs of its activities and by creating a potential misalignment between the prices charged by the Issuer to its customers and the Issuer's costs, with a material adverse effect. A significant difference between the expected inflation rate in a given period and the actual amount recorded in that period may have a material adverse effect on the manner in which the Issuer's resources are allocated, thereby affecting the Issuer's business, financial resources, prospects and profitability.

Moreover, an unpredictable rise in inflation rates can lead to macroeconomic imbalances, characterised by rising interest rates, lower living standards and, in general, a slowdown in the development of the Romanian economy, which can contribute to a decrease in demand in the market for IT services and products, which could have significant negative consequences for the Group's business, prospects, results of operations and financial position.

A potential deterioration of the general economic, political and social conditions in Romania could have negative effects on the Issuer's business

The Issuer's success is closely linked to the general economic developments in Romania. Negative developments or a general weakening of Romania's economy, a decline in the standard of living, limited liquidity resources of potential clients, and an increase in unemployment could have a direct negative impact on demand in the market in which the Issuer operates in Romania.

In recent years, Romania has undergone significant political, economic, and social changes. As is often the case in emerging markets, it does not yet possess the full business infrastructure, legal framework, and regulatory environment that generally exist in more mature free-market economies. In addition, Romania's tax legislation is subject to multiple and diverse interpretations and can frequently undergo changes, sometimes abrupt or implemented too rapidly. The future direction of Romania's economy remains largely dependent on the effectiveness of the economic, financial, and monetary measures adopted at the government level, as well as on fiscal, legal, regulatory, and political developments.

The fact that in 2024 four rounds of elections took place, European Parliament, parliamentary, local, and presidential, has intensified the risk of economic instability, in the context of frequent debates and changes. This instability may affect entrepreneurs' business plans and may influence investment and development decisions.

Moreover, political changes or uncertainties related to elections may lead to market fluctuations, including increased currency volatility or a decline in investor confidence, which could affect revenues and business profitability.

Unfavorable economic conditions in Romania, fiscal uncertainty, and higher taxation could ultimately have a direct and/or indirect negative impact on the prices charged for the Issuer's products and services.

Leu may be subject to high volatility

The leu is subject to a floating exchange rate regime, under which its value against foreign currencies is determined on the interbank foreign exchange market. The monetary policy of the National Bank of Romania (NBR) is inflation targeting. The floating exchange rate regime is aligned with the use of inflation targets as the nominal anchor of monetary policy and allows for a flexible policy response to unforeseen shocks that could affect the economy. The NBR does not aim at any specific level or band for the exchange rate. The NBR's ability to limit the volatility of the leu depends on a number of economic and political factors, including the availability of foreign currency reserves and the volume of new foreign direct investment.

In this context, any changes in global investors' perceptions of global or Romanian economic prospects may lead to a depreciation of the Romanian leu. A significant depreciation of the leu could negatively affect the country's economic and financial position, which could have a material adverse effect on the Issuer's business, operating results, and financial condition.

Moreover, considering AROBS's expansion plans in the European Union and United States markets, the Group is additionally exposed to exchange rate fluctuations between the leu and the euro, the leu and the U.S. dollar, as well as between the euro and the U.S. dollar. This extended foreign exchange exposure may impact operating

costs, reported revenues, and profit margins, particularly in the event of significant and rapid currency movements. In a volatile economic environment, such risks may become more pronounced and may require operational adjustments, with an impact on the Group's international development plans.

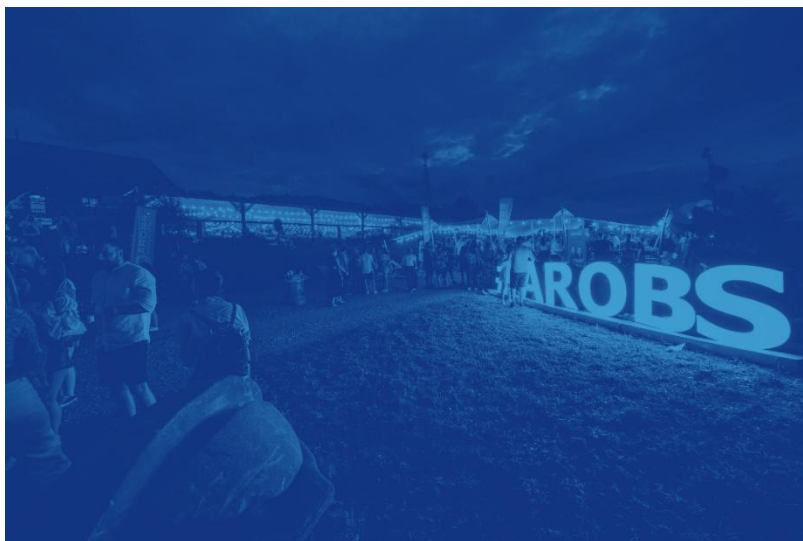
Any downgrade of Romania's credit ratings by an international rating agency could have a negative impact on the Issuer

A downgrade of Romania's credit rating on domestic or foreign currency debt by these international rating agencies (particularly in the event of a significant downgrade) may negatively affect the Issuer's ability to obtain financing, as well as the interest margins and other commercial terms under which such financing would be available. The negative effects on the Issuer's ability to access financing may also adversely impact the Group's business, outlook, operating results, and financial condition.

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.



Since its listing on the Bucharest Stock Exchange, AROBS has completed 10 acquisitions, the most recent being Codingscape. AROBS has strengthened its presence in Romania, as well as in the DACH market, through the acquisition of Infobest, a company specialized in the development of customized software solutions, with offices in Timișoara and Leverkusen, Germany. In March 2025, AROBS 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. In June 2025, AROBS acquired a 70% stake in the U.S. company Codingscape, specialized in technology consulting, design, and custom software development services for enterprise clients. Through this transaction, AROBS consolidates and expands its presence in North America, confirming its strategic growth direction in the U.S. market and its active involvement in the most dynamic global technology

ecosystem. At the same time, the acquisition opens new development opportunities for Codingscape, which will gain access to European markets through AROBS's network, client portfolio, and operational infrastructure.

GROUP STRUCTURE

As of June 30, 2025. The AROBS Group consisted of AROBS Transilvania Software SA (the "Company" or "AROBS" or "Parent Company") and 35 subsidiaries:

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

EMPLOYEES

As of 30.06.2025, AROBS Group had an average number of 1,037 employees compared to 1,250 employees on 30.06.2024.

DIRECTORS

The company is managed by a Board of Directors consisting of five members appointed by the Ordinary General Meeting of Shareholders for a four-year term, as of 29.09.2023.

The Board of Directors of the Issuer consists of:

- **Voicu Oprean** – Chairman of the Board of Directors and CEO
- **Mihaela Cleja** – Non-executive member
- **Aurelian Deaconu** – Executive member

- **Ioan Nistor** – Independent member
- **Răzvan-Florin Olosu-Ittu** – Independent member.

AROBS SHARES ON THE BUCHAREST STOCK EXCHANGE

As of September 25, 2023, AROBS shares were admitted to trading on the Main Market of the Bucharest Stock Exchange.

As of 30.06.2025, the company's shareholding structure was as follows:

Shareholder	Number of shares	Percentage
Voicu Oprean	497,681,710	47.5998%
Legal persons	257,308,947	24.6100%
Individual persons	186,004,915	17.7901%
Cabrio Investment SRL	104,556,758	10.0001%
TOTAL	1,045,552,330	100%

DECLARATION OF THE MANAGEMENT

Cluj-Napoca, August 27, 2025

I confirm, according to the best information available, that the consolidated and individual interim simplified financial results for the period between 01.01.2025 and 30.06.2025 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 six months of 2025 and their impact on the company's financial statements.

Voicu Oprean

CEO

AROBS TRANSILVANIA SOFTWARE S.A.

CONSOLIDATED FINANCIAL STATEMENTS

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

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30 2025
(All amounts are in RON, unless otherwise mentioned)

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AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30 2025
(All amounts are in RON, unless otherwise mentioned)

STATEMENT OF CONSOLIDATED INCOME	Note	FY 2025	FY 2024
Turnover:	5	215,351,753	206,266,435
Software services		141,313,658	166,387,096
Software products		46,334,124	37,760,037
Integrated systems		27,703,971	2,119,302
Total cost of sales:		158,406,597	150,003,496
Cost of sales of software services	76.1	113,218,771	129,707,554
Cost of sales of software products	76.2	22,254,991	18,430,280
Cost of sales of integrated systems	76.3	22,932,835	1,865,662
Gross profit		56,945,156	56,262,939
Other income	7	2,618,182	651,547
Sales and marketing	8	(12,047,264)	(10,008,741)
General and administration	9	(33,277,403)	(33,097,893)
Profit before tax		14,238,671	13,807,852
Interest income	12	4,024,992	2,127,788
Interest expense	12	(1,620,755)	(1,665,179)
Net Forex Income/(Expenses)	12	(2,404,917)	662,050
Profit before tax		14,237,991	14,932,511
Income tax	14	(4,034,382)	(4,141,376)
Net profit		10,203,609	10,791,135
Other Comprehensive Income		(1,005,625)	10,047
Overall result		9,197,984	10,791,135
related to parent company		9,277,646	10,468,615
related to NCI		(79,662)	322,520
Basic earnings per share		0.0208	0.0241
Diluted earnings per share		0.0201	0.0211

These financial statements were signed and approved on August 27, 2025, by:

Voicu Oprean
Administrator

Bogdan Ciungradi
Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30 2025
(All amounts are in RON, unless otherwise mentioned)

STATEMENT OF FINANCIAL POSITION	Note	FY 2025	FY 2024
Property, plant and equipment	17	12,380,054	13,679,736
Assets related to rights of use of leased assets	32	24,282,579	25,396,600
Investment Properties	18	20,830,643	21,008,039
Goodwill	19	163,465,806	111,230,318
Customer relationship	19	83,967,750	74,155,381
Other intangible assets	19	30,777,465	27,031,719
Loans granted to related parties and other loans	20,34	6,283,344	7,294,119
Other financial fixed assets	20	1,916,999	3,687,246
Deferred income tax assets	14	2,183,211	1,974,769
Total fixed assets		346,087,851	285,457,927
Work in progress services and inventories	21	13,029,272	8,799,106
Trade receivables	22	77,756,227	73,202,668
Prepaid expenses	23	3,172,944	2,316,462
Corporate income tax	14	508,666	1,470,248
Other trade receivables	24	5,655,763	6,858,931
Related parties loans	34	7,026,648	5,847,550
Cash and cash equivalents	25	218,384,403	259,604,189
Total current assets		325,533,923	358,099,154
Total assets		671,621,774	643,557,081
Share capital	26	104,555,233	104,555,233
Adjustments of equity capital to hyperinflation		263,971	263,971
Share premium		146,472,470	146,472,470
Reserves	26	11,405,199	11,405,199
Own shares		(9,519,125)	(12,885,372)
Other equity items		3,640,952	12,693,649
Retained earnings		168,798,344	158,433,437
Gains on equity instruments		29,905,555	19,684,169
Conversion differences from consolidation		(1,303,118)	(218,041)
Total capital		454,219,481	440,404,715
Non controlling interest		1,964,888	(547,698)
Total equity		456,184,369	439,857,017
Non-current liabilities			
Advance income	5	5,098,176	3,232,865
Grants	5	738,837	768,378
Equity liabilities	28	15,426,438	14,686,659
Bank loans	29	32,824,587	42,435,001
Leasing liabilities	30	16,355,672	17,267,490
Other payables	31	683,316	559,757
Provisions	32	13,102,631	13,102,084
Deferred income tax liabilities	14	13,361,747	11,701,946
Total non-current liabilities		97,591,404	103,754,180
Current liabilities			
Trade payables	27	26,252,731	22,327,278
Income in advance	5	11,954,028	13,346,834
Grants	5	320,018	143,121
Equity liabilities	28	11,571,319	3,977,961
Bank loans	29	25,166,867	24,677,989
Leasing liabilities	30	8,533,632	8,206,905
Personnel liabilities	33	21,929,208	14,630,156
Corporate income tax liabilities	14	1,088,023	813,583
Other payables	31	11,030,175	11,822,057
Total current liabilities		117,846,001	99,945,884
Total liabilities		215,437,405	203,700,064
Total equity and liabilities		671,621,774	643,557,081

These financial statements were signed and approved on August 27, 2025, by :

Voicu Oprean
Administrator

Bogdan Ciungradi
Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE S.A.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30 2025
(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)	8,352,877	12,574,918	139,037,200	(163,971)	274,370,523	(683,366)	273,687,157
Result of the exercise	-	-	-	-	-	-	-	10,468,615	-	10,468,615	322,520	10,791,135
Conversion difference	-	-	-	-	-	-	-	-	99,010	99,010	(8,241)	90,769
Overall result	-	-	-	-	-	-	-	10,468,615	99,010	10,567,625	314,279	10,881,904
Retained earnings	-	-	-	-	-	-	-	(269,992)	-	(269,992)	-	(269,992)
Increase of share capital	1,694,453	-	-	-	-	-	-	-	-	1,694,453	-	1,694,453
Employee benefits in the form of equity instruments	-	-	-	-	-	-	7,010,097	-	-	7,010,097	-	7,010,097
Repurchase of own shares	-	-	-	-	(3,079,848)	-	-	-	-	(3,079,848)	-	(3,079,848)
Sale of own shares	-	-	-	-	1,890,478	-	(1,890,478)	-	-	-	-	-
Gains on equity instruments	-	-	-	-	-	10,023,788	(10,023,788)	-	-	-	-	-
Correction of minority interests	-	-	-	495	-	-	-	144,107	5,666	150,268	422,273	572,541
Closing balance 30.06.2024	88,823,814	263,971	23,185,001	9,681,040	(6,878,749)	18,376,665	7,670,749	149,352,930	(59,295)	290,416,126	53,186	290,469,312

	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 31.12.024	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	-	-	-	-	-	-	-	10,362,718	-	10,362,718	(159,109)	10,203,609
Conversion differences	-	-	-	-	-	-	-	-	(1,085,072)	(1,085,072)	79,447	(1,005,625)
Overall result	-	-	-	-	-	-	-	10,362,718	(1,085,072)	9,277,646	(79,662)	9,197,984
Employee benefits in the form of equity instruments	-	-	-	-	-	-	4,586,715	-	-	4,586,715	-	4,586,715
Repurchase of own shares	-	-	-	-	(51,779)	-	-	-	-	(51,779)	-	(51,779)
Sale of own shares	-	-	-	-	3,418,026	-	(3,418,026)	-	-	-	-	-
Gains on equity instruments	-	-	-	-	-	10,221,387	(10,221,387)	-	-	-	-	-
Retained earnings from correction of accounting errors	-	-	-	-	-	(1)	1	2,189	(5)	2,184	-	2,184
Minority interests	-	-	-	-	-	-	-	-	-	-	2,592,248	2,592,248
Closing balance 30.06.2025	104,555,233	263,971	146,472,470	11,405,199	(9,519,125)	29,905,555	3,640,952	168,798,344	(1,303,118)	454,219,481	1,964,888	456,184,369

These financial statements were signed and approved on August 27, 2025, by :

Voicu Oprean
Administrator

Bogdan Ciungradi
Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE SA
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(All amounts are in RON, unless otherwise mentioned)

CASH FLOW STATEMENT	Note	June 30, 2025	June 30, 2024
Cash flows from operating activities:			
Gross profit		14,237,991	14,932,511
Adjustments for:			
Amortization expenses	6	11,654,019	10,222,055
Expenses / (Income) related to disposed tangible and intangible assets		505,541	(531,021)
(Income) from the sale of tangible and intangible assets		(872,334)	(673,643)
Expenses related to employee benefits – SOP	10	4,586,715	7,010,097
Expenses/(Income) related to adjustments for inventory write-downs		61,292	(263,361)
Expenses/(Income) related to adjustments for receivables depreciation		46,581	(152,109)
Expenses/(Income) on provisions for risks and charges	32	2,293,282	1,396,605
(Income) from subsidies and grants		147,356	174,805
Expenses with interest and other financial expenses	12	1,579,018	1,606,835
(Income) from interest and other financial income	12	(3,833,993)	(2,166,358)
Expenses/(Income) relating to value adjustments on tangible and intangible fixed assets		-	40,740
Conversion differences from consolidation		(777,015)	93,344
Operating profit before changes in working capital		29,628,453	31,690,500
Change in trade and other receivables balances	22,24	9,962,334	6,559,423
Change in work in progress and inventories balances	21	(4,291,458)	(571,155)
Change in trade payable and other debt balances	27,31	14,013,642	1,761,682
Changes in prepaid expenses	23	(856,482)	(1,081,581)
Change in advance income balances	5	472,505	3,975,047
Interest paid		(1,579,018)	(1,606,835)
Interest earned		3,625,217	2,188,883
Cash generated from operating activities		50,975,193	42,915,964
Income tax paid	14	(5,270,405)	(4,217,158)
Net cash from operating activities		45,704,788	38,698,806
Cash flow from investing activities::			
Loans (granted) to/repayments from affiliated entities		477,671	535,378
(Payments) for acquisitions of subsidiaries		(68,078,671)	(19,560,470)
(Payments) for acquisitions of tangible and intangible assets	17,19	(8,368,263)	(9,844,818)
Own Share buybacks		(51,779)	(3,079,848)
(Payments)/Cash in from other investments in financial assets	20	-	302,033
Net cash from investing activities		(76,021,042)	(31,647,725)
Cash flow from financing activities::			
(Repayments) of bank loans	29	(11,488,067)	(7,179,338)
Credit lines variation		1,166,671	-
Payments of finance lease liabilities	30	(582,136)	(679,645)
Net cash from financing activities		(10,903,532)	(7,858,983)
Net increase in cash and cash equivalents		(41,219,786)	(807,902)
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		218,384,403	86,965,986

These financial statements were signed and approved on August 27, 2025, by :

Voicu Oprean
Administrator

Bogdan Ciungradi
Chief Financial Officer

AROBS TRANSILVANIA SOFTWARE SA
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(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 consolidated financial statements of AROBS Transilvania Software S,A („Company” sau „AROBS” sau „the Parent Company”) and its subsidiaries together AROBS Group (“Group”),

These consolidated 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, June 30, 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 management for the first half of 2025 has been carried out by the Board of Directors, which was comprised of 5 members: 2 executive members, 3 non executive members of which 2 independent.

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

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

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

Mr. Olosu-Ittu Răzvan Florin holds the following positions within the company: non-executive and independent member of the Board of Directors;

AROBS TRANSILVANIA SOFTWARE SA
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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 30.06.2025:

Shareholder	June 30, 2025			December 31, 2024		
	Number of Shares	Value	Percent	Number of Shares	Value	Percent
Oprean Voicu	494,232,967	49,423,297	47,2700%	494,232,967	49,423,297	47,2700%
Persoane Juridice	275,441,628	27,544,163	26,3441%	275,441,628	27,544,163	26,3441%
Persoane Fizice	171,320,977	17,132,098	16,3857%	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 Eastern Europe and hundred of international companies.

AROBS TRANSILVANIA SOFTWARE SA
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(All amounts are in RON, unless otherwise mentioned)

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.

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The most important software products offered by the Company are:

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

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

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

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

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

- ***Innovative Projects Division***

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

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

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

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

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

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

AROBS Transilvania Software debuted in December 2021 on the AeRO market of the Bucharest Stock Exchange, the shares being traded under the stock symbol AROBS. The AROBS listing comes after the completion of a private placement of shares in the second half of October 2021 through which AROBS raised a record 74 million lei in a share capital increase. This placement attracted huge interest from both retail and professional investors, so that it was closed early from the first day of the placement, showing once again the high investor appetite for Romanian

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entrepreneurial companies. The funds attracted supported the company's expansion strategy through the acquisition of IT companies, both nationally and internationally, the opening of new subsidiaries in important markets in Europe and the United States, as well as the development of the company's expertise and specialisations. On 25 September 2023, AROBS made its debut on the main market of the Bucharest Stock Exchange.

2. 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 30.06.2025, the AROBS Group is composed of the parent company and 35 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.

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The companies included in the consolidation, as at 30.06.2025, 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 NORTH AMERICA Inc, 3500 South DuPont Highway street, Dover, Kent, Delaware 19901, SUA
- 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
- CODINGSCAPE BY AROBS LLC, 3500 South DuPont Highway street, Dover, Delaware 19901, SUA
- CODINGSCAPE LLC, Nevada, 2915 Lake East DR, Las Vegas, NV 89117-2204
- 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 Karlsruhe
- 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
- 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
- SVT ELECTRONICS S.R.L, Jud. Mureș, Mun. Târgu Mureș, str. Remetea, nr. 110/BIS
- TLG LLC, 251 Little Falls Drive street, Wilmington 19808, SUA
- UCMS GROUP ROMANIA S,R,L,, Romania, Cluj-Napoca, Constantin Brâncuși Str. No. 78-78A Cluj County

AROBS TRANSILVANIA SOFTWARE SA
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(All amounts are in RON, unless otherwise mentioned)

Group's structure as of 30.06.2025 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 NORTH AMERICA	100%	0%	24 June 2025
4	AROBS PANNONIA SOFTWARE KFT	100%	0%	1 July 2023
5	AROBS POLSKA (SYDERAL POLSKA)	94%	6%	1 February 2023
6	AROBS SOFTWARE SOLUTIONS GMBH	60%	40%	6 August 2020
7	AROBS SOFTWARE SRL	100%	0%	1 February 2023
8	AROBS SYSTEMS SRL	100%	0%	2 May 2022
9	AROBS TRACKGPS SRL	100%	0%	1 February 2023
10	ATS ENGINEERING LLC	100%	0%	30 June 2022
11	BERG COMPUTERS S,R,L,	100%	0%	31 December 2021
12	CABRIO INVEST B,V,	90%	10%	28 February 2018
13	CENTRUL DE SOFT GPS SRL	100%	0%	31 December 2022
14	CODINGSCAPE BY AROBS	70%	30%	26 June 2025
15	CODINGSCAPE LLC	70%	30%	26 June 2025
16	COSO TEAM UK LTD	90%	10%	31 March 2018
17	COSO BY AROBS BVBA	90%	10%	30 June 2018
18	COSO BY AROBS B,V,	90%	10%	28 February 2018
19	FUTURE WORKFORCE S,A,	100%	0%	1 May 2023
20	FUTURE WORKFORCE SRL	100%	0%	1 May 2023
21	FUTURE WORKFORCE GmbH	65%	35%	1 May 2023
22	FUTURE WORKFORCE Limited	80%	20%	1 May 2023
23	INFOBEST ROMANIA SRL	100%	0%	31 May 2024
24	INFOBEST SYSTEMHAUS GmbH	100%	0%	31 May 2024
25	INFOBEST ROMANIA SRL Branch	100%	0%	31 May 2024
26	NORDLOGIC SOFTWARE S,R,L	100%	0%	31 July 2022
27	NORDLOGIC USA, Inc,	100%	0%	31 July 2022
28	PT AROBS SOLUTIONS INDONESIA	70%	30%	13 March 2017
29	SAS FLEET TRACKING SRL	100%	0%	11 November 2019
30	SILVER BULLET SRL	100%	0%	31 July 2022
31	SOFTMANAGER S,R,L,	70%	30%	01 July 2019
32	SKYSHIELD MAGYARORSZAG KFT	100%	0%	01 July 2023
33	SVT ELECTRONICS SRL	100%	0%	30 April 2025
34	TLG LLC	100%	0%	1 February 2025
35	UCMS GROUP ROMANIA S,R,L,	97,67%	2,33%	31 May 2019

Changes in the group structure in 2024

In May 2025, AROBS completed the acquisition of SVT Electronics S.R.L., a Romanian company specialized in the development of complete tachograph data management and analysis solutions. The company's financial performance (revenues and expenses) is reflected within the Group starting with May 2025.

In June 2025, AROBS acquired a 70% stake in the American company Codingscape, specialized in technology consulting, design and custom software development services for enterprise clients. Through this transaction, AROBS consolidates and expands its presence in North America, confirming the strategic direction of growth in the American market and active involvement in the most dynamic global technological ecosystem. At the same time, the acquisition opens up new development opportunities for Codingscape, a company within the Group established in 2025 in the United States of America, which will have access to European markets through AROBS's network, customer portfolio and operational infrastructure.

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(All amounts are in RON, unless otherwise mentioned)

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 36.

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

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

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

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

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

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

Non-controlling interests

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

3.4. Business combinations and goodwill

Acquisition method

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

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

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

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

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

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

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

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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.

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 June 30, 2025 and December 31, 2024 were:

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	June 30, 2025	December 31, 2024
RON – EUR	5,0777	4,9741
RON – USD	4,3329	4,7768
RON – GBP	5,9329	5,9951

The average exchange rates for the periods ended June 30, 2025 and June 30, 2024 were:

	June 30, 2025	June 30, 2024
RON – EUR	5,0045	4,9742
RON – USD	4,5801	4,6010
RON – GBP	5,9399	5,8210

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:

- 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

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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.
- **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.

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- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

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

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

Effective for the annual reporting period beginning 1 January 2026.

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

Effective for the annual reporting period beginning 1 January 2026

- **IFRS 18 Presentation and Disclosure in Financial Statements** - IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These 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.

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4. APPLYING PROFESSIONAL JUDGEMENT, ESTIMATES AND ASSUMPTIONS

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

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

Main judgements on financial statements preparation are:

- **Revenue recognition from selling Track GPS monitoring solution** – presented in Note 36 and Note 5
- **Revenue recognition from HR application license selling** - presented in Note 36
- **Revenue recognition on a gross/net basis, based on the Group method of selling as Principal or Agent** – presented in Note 36

Significant estimates on financial statements preparation are:

- **Fair value measurement on business combinations** – presented in Note **Error! Reference source not found.**, „Mergers & Acquisitions”;
- **Fair value measurement on goodwill** - presented in Note **Error! Reference source not found.**, „Goodwill”;
- **Leasing contract duration and discount rate** – presented in Note 32 „Leasing”;
- **Loss on financial assets measurements** – presented in Note 35;
- **Recognition and measurement on share options programs** – presented in Note 10.

5. TURNOVER

	June 30, 2025	June 30, 2024
Turnover		
Revenues from software services	141,313,658	166,387,096
Revenues from software products	46,334,124	37,760,037
Revenues from integrated systems	27,703,971	2,119,302
Total turnover	215,351,753	206,266,435

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 turnover of the AROBS Group had a positive evolution in H1 2025 compared to H1 2024, marking an increase of 4%. The evolution of turnover by business segments was different in this first semester. A significant impact on the increase in turnover in the first six months of 2025 was the contribution of the Integrated Systems segment through the deliveries related to the project signed at the end of 2024.

The turnover recorded in the Software Services segment in H1 2025 is 141.3 million lei, 15% lower than the value recorded in H1 2024, thus marking the effects of the reduction in demand in the Automotive vertical that began last year and whose impact was anticipated in this quarter as well.

The Software Products segment contributes 21% to the Group's Turnover, and recorded, in H1 2025, a turnover of 46.3 million lei, up 23% compared to H1 2024.

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The Integrated Systems segment recorded a turnover of 27.7 million lei in H1 2025, as a result of the delivery of hardware infrastructure under the contract with the National Public Pensions House, which was signed at the end of 2024 and is ongoing, during this year.

Cost of carrying out contracts with customers

Cost of carrying out contracts with customers – HR licensing

	OB 2025	CAPITALISATION 2025	DEPRECIATION 2025	CB 2025
HR Licences	753,015	434,394	288,539	898,870

Cost of carrying out contracts with customers – GPS monitoring services

	OB 2025	CAPITALISATION 2025	DEPRECIATION 2025	CB 2025
GPS Monitoring services	1,663,236	866,790	1,130,892	1,399,134

Deferred revenue – contract performance obligations

	FY 2024	Entries	Disposals	FY 2025
Deferred revenue	16,579,699	15,941,649	15,469,145	17,052,203
		FY 2025	FY 2024	
Deferred revenue, out of which:		17,052,203		16,579,699
Long term		5,098,176		3,232,865
Short term		11,954,028		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.

6. COST OF SALES

6.1 Cost of sales of software services

	June 30, 2025	June 30, 2024
Salary Expenses	72,323,376	82,907,252
Employee stock ownership plan costs	1,910,110	3,629,634
Third party expenses	33,257,003	36,494,287
Expenses related to equipment sold	(45,737)	121,669
Property plant and equipment depreciation expenses	4,055,931	4,443,359
Rental expenses	404,605	607,333
Telecommunications expenses	73,887	10,682
Fuel expenses	154,677	177,233
Transport of goods and personnel	440,001	799,961
Electricity, heating and water	435,712	283,523
Insurance premiums	130,252	111,893
Maintenance and repair expenses	631	-
Revenues from subsidies	(14,900)	(6,643)
Other operating expenses	93,223	127,371
Cost of sales of software services	113,218,771	129,707,554

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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.

Cost of sales from software services decreased in the first half of 2025 by 16.5 million lei (-13%), compared to the same period of the previous year. This variation was generated by the significant decrease in costs in the Organic area, by 26.2 million lei, compared to the same period of the previous year, and by the increase in costs by 9.7 million lei, due to the companies that entered the Group in 2023, 2024 and 2025. The evolution of costs in both Organic and M&A was adjusted according to the dynamics of revenues and projects carried out during the first six months of 2025, through their prudent management.

Expenses for services contracted from third parties decreased in the first half of 2025 compared to the same period of the previous year by 3.2 million lei. Services contracted from third parties represented, during the first half of 2025, mainly expenses for software services and IT consultancy, recruitment services, participation in fairs and conferences.

6.2 Cost of sales of software products

	June 30, 2025	June 30, 2024
Salary Expenses	8,795,680	7,545,891
Employee stock ownership plan costs	97,740	153,560
Third party expenses	4,208,778	3,819,452
Expenses related to equipment sold	1,208,132	1,057,540
Property plant and equipment depreciation expenses	4,893,865	2,902,607
Rental expenses	318,940	109,127
Telecommunications expenses	1,857,534	1,823,962
Fuel expenses	194,017	497,571
Transport of goods and personnel	213,764	175,631
Electricity, heating and water	145,346	81,859
Raw materials expenses	166,431	15,037
Insurance premiums	58,589	68,772
Maintenance and repair expenses	79,351	83,948
Other operating expenses	16,824	95,323
Cost of sales of software products	22,254,991	18,430,280

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 6 months of 2025, mainly represented services with installations of monitoring devices and software services.

The cost of sales of software products increased by 3.8 million lei (21%) compared to the same period of 2024, due to the new company joining the group (SVT Electronics SRL) and the services performed by third parties, as a result of the internalization of some software development and maintenance processes. The services contracted from third parties during this period mainly represented services with installations of monitoring devices and software development services. The evolution of these costs is consistent with the expansion of the segment's activity and the development of internal products.

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6.3 Cost of sales of integrated systems

	June 30, 2025	June 30, 2024
Salary Expenses	834,905	556,302
Third party expenses	126,286	511,816
Expenses related to equipment sold	21,895,021	410,377
Property plant and equipment depreciation expenses	41,136	28,537
Rental expenses	-	868
Insurance premiums	34,906	
Electricity, heating and water	581	535
Raw materials expenses	-	357,227
Cost of sales of integrated systems	22,932,835	1,865,662

7. OTHER INCOME

	June 30, 2025	June 30, 2024
Other operating revenue	1,592,411	508,925
Rental income from investment property	656,253	-
Income from administration activities	2,725	-
Net revenue from the sale of Fixed Assets	366,793	142,622
Total	2,618,182	651,547

8. SALES AND MARKETING EXPENSES

	June 30, 2025	June 30, 2024
Salary Expenses	8,012,611	7,500,390
Employee stock ownership plan costs	281,437	247,304
Third party expenses	1,569,355	657,146
Property plant and equipment depreciation expenses	484,687	315,873
Telecommunications expenses	5,376	3,911
Transport of goods and personnel	137,503	87,853
Entertaining, promotion and advertising	1,459,786	1,048,677
Fuel expenses	39,573	39,565
Rental expenses	843	52,163
Electricity, heating and water	49,993	30,720
Insurance premiums	9,641	8,982
Maintenance and repair expenses	105	-
Other operating expenses	(3,646)	16,157
Sales and marketing expenses	12,047,264	10,008,741

Sales and marketing expenses consist of salaries and benefits (including remuneration in equity instruments) of sales and marketing staff, protocol, advertising and publicity expenses and services performed by third parties generated by the Group's promotional activities.

Sales and marketing expenses increased by 2 million lei in H1 2025 compared to H1 2024, as a result of the investment in a Greenfield company aimed at strengthening the sales force in the US markets, the internalization, starting with Q2 2024, of external resources from the sales team and the influence of new companies acquired in 2024 and 2025.

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9. GENERAL & ADMINISTRATION EXPENSES

	June 30, 2025	June 30, 2024
Salary Expenses	14,733,024	13,741,194
Employee stock ownership plan costs	2,296,533	2,977,283
Third party expenses	4,674,492	4,985,499
Property plant and equipment depreciation expenses	6,766,469	7,117,135
Expenses related to equipment sold	161,785	2,017
Telecommunications expenses	184,105	260,701
Transport of goods and personnel	454,129	659,827
Fuel expenses	453,272	204,409
Other taxes, duties and similar expenses	839,500	1,021,989
Rental expenses	334,064	110,876
Depreciation of investment property	177,395	-
Electricity, heating and water	111,493	85,793
Insurance premiums	377,506	372,474
Maintenance and repair expenses	219,894	249,071
The cost related to the acquisition of the subsidiaries	418,395	226,271
Impairment losses/revenue on non current assets	46,581	(152,109)
Other operating expenses	1,028,766	1,235,463
General & Administration expenses	33,277,403	33,097,893

General and administrative expenses include salaries and benefits (including remuneration in equity instruments) of personnel in the management, administrative, procurement, finance, legal, administration, labor protection, human resources and IT support departments and from expenses for services performed by third parties, consulting expenses, rental expenses and other expenses generated by the Group's administrative actions. General and administrative expenses recorded in the first half of 2025 are similar to those in the same period last year as a result of the measures applied by the Group's Management to reduce these costs, in line with the dynamics of the Group's activity.

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

	June 30, 2025	June 30, 2024
Salary Expenses	100,861,020	109,502,483
Social security contributions	3,517,888	3,776,735
Meal ticket expenses	2,421,866	2,493,379
Capitalization	(4,394,459)	(4,918,175)
Untaken holidays provision	2,293,281	1,396,605
Subtotal personnel expenses	104,699,596	112,251,028
Employee stock ownership plan costs	4,585,820	7,007,780
Total personnel expenses	109,285,416	119,258,808

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The average number of employees during the first half of 2025, respectively of 2024, was as follows:

	June 30, 2025	June 30, 2024
Management personnel	25	27
Administrative personnel	35	37
Acquisition personnel	3	3
Financial personnel	41	42
Legal personnel	5	4
Warehouse administration personnel	2	2
Marketing personnel	21	21
Research & Development personnel	728	940
Occupational safety and health personnel	4	3
Human Resources personnel	22	31
Installation - Services personnel	49	43
Production personnel	2	-
IT Support personnel	30	30
Sales personnel	70	67
Total	1,037	1,250

Salary expenses for the first half of 2025, respectively the first half of 2024, were as follows:

	June 30, 2025	June 30, 2024
Management personnel	4,733,004	4,519,005
Administrative personnel	1,717,819	1,580,716
Acquisition personnel	232,403	228,479
Financial personnel	2,911,411	2,939,405
Legal personnel	433,773	409,482
Warehouse administration personnel	73,525	81,977
Marketing personnel	1,191,479	1,261,443
Research & Development personnel	76,157,731	86,203,313
Occupational safety and health personnel	76,276	72,076
Human Resources personnel	1,311,925	1,635,142
Installation - Services personnel	2,852,898	2,107,403
Production personnel	39,814	-
IT Support personnel	2,413,045	2,270,291
Sales personnel	6,715,917	6,193,751
Total salary exepenses	100,861,020	109,502,483

Expenses with benefits in the form of the entity's own shares (or other equity instruments), ESOP programs 1-4, related to the first half of 2025, respectively the first half of 2024 were as follows:

	June 30, 2025	June 30, 2024
Management personnel	2,187,018	2,813,562
Administrative personnel	11,909	21,601
Acquisition personnel	2,734	11,679
Financial personnel	30,366	53,293
Legal personnel	16,164	26,381
Warehouse administration personnel	-	1,669
Marketing personnel	5,803	22,021
Research & Development personnel	1,990,115	3,760,096
Occupational safety and health personnel	-	-
Human Resources personnel	12,157	5,855
Installation - Services personnel	17,734	27,721
Production personnel	-	-
IT Support personnel	36,185	38,620
Sales personnel	275,633	225,282
Total expenses with benefits in equity instruments	4,585,820	7,007,780

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Salary expenses decreased by 8% compared to the same period of the previous year, as a result of the reduction in the number of employees, from 1,250 employees on 30.06.2024 to 1,037 employees on 30.06.2025, as well as the application of other cost-effectiveness measures.

Personnel rights are recorded in the accounting with the retention of related contributions and taxes established according to the legislation in force. Settlements with personnel include salary rights, bonuses, supplements, allowances for vacation leaves, as well as those for temporary incapacity for work, paid from the payroll fund, and other rights in money and/or in kind owed by the company to the personnel for the work performed.

The costs of ESOP programs recorded in the first semester of 2025 are lower by 2.4 million lei (-35%) 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 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.

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11. CATEGORIES OF EXPENSES

	June 30, 2025	June 30, 2024
Salary Expenses	104,699,596	112,251,028
Employee stock ownership plan costs	4,585,820	7,007,781
Third party expenses	43,835,914	46,468,200
Property plant and equipment depreciation expenses	16,242,088	14,807,511
Expenses related to equipment sold	23,219,201	1,537,501
Telecommunications expenses	2,120,902	2,099,256
Transport of goods and personnel	1,245,397	1,518,863
Entertaining, promotion and advertising	1,459,786	1,048,677
Fuel expenses	841,539	918,778
Raw materials expenses	166,431	372,264
Other taxes, duties and similar expenses	839,500	1,021,989
Rental expenses	1,058,452	880,367
Depreciation of investment property	177,395	-
Electricity, heating and water	743,125	482,430
Insurance premiums	610,894	562,122
Maintenance and repair expenses	299,981	333,019
Costs related to the acquisition of the subsidiaries	418,395	226,271
Impairment losses/revenue on non current assets	46,581	(152,109)
Revenues from subsidies	(14,900)	(6,643)
Other operating expenses	1,135,167	1,732,825
Total	203,731,264	193,110,130

12. FINANCIAL RESULT

	June 30, 2025	June 30, 2024
Net income/(expense) from exchange rate differences	(2,404,917)	662,051
Interest income	3,833,993	2,166,358
Financial income from impairment adjustments	175,063	-
Other financial income	15,936	(38,570)
Interest expense	(1,579,018)	(1,606,835)
Financial expenses regarding impairment adjustments	(24,030)	-
Other financial expenses	(17,707)	(58,344)
Financial result	(680)	1,124,660

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13. SEGMENTS RECONCILIATION

REVENUE AND EXPENSES RECONCILIATION BY BUSINESS SEGMENTS	SOFTWARE SERVICES		SOFTWARE PRODUCTS		INTEGRATED SYSTEMS		TOTAL	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue from software services	141,313,658	166,387,096	-	-	-	-	141,313,658	166,387,096
Revenue from software products	-	-	46,334,124	37,760,037	-	-	46,334,124	37,760,037
Revenue from integrated systems	-	-	-	-	27,703,970	2,119,302	27,703,970	2,119,301
Total turnover	141,313,658	166,387,096	46,334,124	37,760,037	27,703,970	2,119,302	215,351,752	206,266,434
Salary Expenses	72,323,376	82,907,252	8,795,680	7,545,891	834,905	556,302	81,953,961	91,009,445
Employee stock ownership plan costs	1,910,110	3,629,634	97,740	153,560	-	-	2,007,850	3,783,194
Third party expenses	33,257,003	36,494,287	4,208,778	3,819,452	126,286	511,816	37,592,067	40,825,555
Expenses related to equipment sold	(45,737)	67,569	1,208,132	1,057,540	21,895,021	410,377	23,057,416	1,535,486
Property plant and equipment depreciation expenses	4,055,931	4,443,359	4,893,865	2,902,607	41,136	28,537	8,990,932	7,374,503
Rental expenses	404,605	607,333	318,940	109,127	-	868	723,545	717,328
Other operating expenses	1,313,482	1,558,119	2,731,856	2,842,103	35,487	357,762	4,080,825	4,757,984
Total cost of sales	113,218,770	129,707,554	22,254,991	18,430,280	22,932,835	1,865,662	158,406,596	150,003,496
Gross margin	28,094,888	36,679,542	24,079,133	19,329,757	4,771,135	253,640	56,945,156	56,262,939
Margin %	20%	22%	52%	51%	17%	12%	26%	27%
Interest Expenses	1,288,113	3,642,475	281,266	502,028	9,639	73,034	1,579,018	4,217,537

Sales and marketing and general administration expenses are unallocated costs.

FINANCIAL POSITION BY BUSINESS SEGMENTS	SOFTWARE SERVICES		SOFTWARE PRODUCTS		INTEGRATED SYSTEMS		UNALLOCATED		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Additions to non-current assets	46,607,015	17,869,263	31,636,822	7,856,334	4,590	-	4,582,081	14,536,012	82,830,509	40,261,608
Allocated assets	308,963,225	267,421,014	111,086,963	83,600,047	6,124,960	3,590,021	5,970,410	6,751,416	432,145,559	361,362,498
Unallocated assets	-	-	-	-	-	-	239,476,215	282,194,583	239,476,215	282,194,583
Total assets	308,963,225	267,421,014	111,086,963	83,600,047	6,124,960	3,590,021	245,446,625	288,945,999	671,621,774	643,557,081
Allocated liabilities	124,555,691	134,064,380	56,298,467	40,884,568	9,070,553	3,731,426	11,652,325	10,912,794	201,577,036	189,593,168
Unallocated liabilities	-	-	-	-	-	-	13,860,369	14,106,896	13,860,369	14,106,896
Total liabilities	124,555,691	134,064,380	56,298,467	40,884,568	9,070,553	3,731,426	25,512,694	25,019,690	215,437,405	203,700,064

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14. INCOME TAX AND DEFERRED TAX

	June 30, 2025	June 30, 2024
Current profit tax expense	4,501,309	4,324,882
Micro enterprise profit tax expense - Current	494,549	630,913
Subtotal – current tax	4,995,858	4,955,795
Deferred profit tax	(961,476)	(814,419)
Total	4,034,382	4,141,376

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

	June 30, 2025	June 30, 2024
Gross profit	14,237,991	14,932,511
Current profit tax expense	(4,501,309)	(4,324,882)
Micro enterprise profit tax expense - Current	(494,549)	(630,913)
Current tax	(4,995,858)	(4,955,795)
Deferred profit tax	961,476	814,419
Recalculated net profit	10,203,609	10,791,135

	June 30, 2025	31 December 2024
Income tax		
Income tax - receivable	508,666	1,470,248
Total	508,666	1,470,248

	June 30, 2025	31 December 2024
Income tax		
Income tax - payable	1,088,023	813,583
Total	1,088,023	813,583

Deferred income tax

	June 30, 2025	December 31, 2024
Deferred income tax assets	2,183,211	1,974,769
Total	2,183,211	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.

	June 30, 2025	December 31, 2024
Deferred income tax liabilities	13,361,747	11,701,946
Total	13,361,747	11,701,946

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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.

15. EBITDA

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

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

	June 30, 2025	June 30, 2024
Operating revenues	217,970,134	206,917,982
Operating expenses	186,893,586	178,076,349
EBITDA	31,076,548	28,841,633
EBITDA Margin	14%	14%
ESOP 1-3	997,388	5,232,779
ESOP 4	3,588,431	1,775,001
Depreciation and amortization of assets	11,231,853	10,115,385
Customer relationship depreciation	5,187,631	4,692,127
Other operating expenses*	418,395	226,271
Financial result	(678)	1,124,661
Gross profit	14,237,991	14,932,511
Tax	4,034,382	4,141,376
Net profit	10,203,608	10,791,135
Net profit margin	5%	5%

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

EBITDA recorded an 8% increase in the first half of 2025 compared to the same period last year, reaching a value of 31 million lei (14% margin).

16. EARNINGS PER SHARE

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

Basic	June 30, 2025	June 30, 2024
Profit (last 12 months)	20,886,155	20,080,102
Regular shares in circulation	1,003,232,999	834,470,807
Basic earnings per share	0.0208	0.0241

Diluted	June 30, 2025	June 30, 2024
Profit (last 12 months)	20,886,155	20,080,102
Diluted regular shares in circulation	1,040,135,148	953,876,308
Diluted earnings per share	0.0201	0.0211

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

Ordinary shares	June 30, 2025	June 30, 2024
Weighted average number of shares used in basic EPS	1,003,232,999	834,470,807
Capital increase	-	174,258,722
Capital decrease	-	-
ESOP	20,421,332	23,634,084
Weighted average number of shares used in diluted EPS	1,040,135,148	953,876,308

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant, machinery and motor vehicles	Other instalations and fixtures and fittings	Advances and WIP Tangible assets	Total
Net value 31.12.2024	5,387,787	6,463,355	1,545,661	282,933	13,679,736
Purchases / Transfers	3,185	2,559,255	517,916	252,251	3,332,607
Depreciation / adjustments	(116,689)	(1,159,793)	(666,932)	-	(1,943,414)
Disposals	(1,705)	(1,928,521)	(384,714)	(373,937)	(2,688,876)
Net value 30.06.2025	5,272,579	5,934,295	1,011,931	161,248	12,380,052

The net value of tangible fixed assets decreased in the first half year of 2025 by 10% compared to the same period of previous year.

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

18. INVESTMENT PROPERTY

	Buildings
31-Dec-24	21,244,232
Purchases / Receptions	
Transfers from Buidlings	
Disposals	
30-Jun-25	21,244,232
Depreciation/Adjustments	
31-Dec-24	236,193
Period cost	177,395
Transfers	
Disposals	
30-Jun-25	413,588
Net value	
31-Dec-24	21,008,039
30-Jun-25	20,830,643

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 semester 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.

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19. OTHER INTANGIBLE ASSETS

	Goodwill	Customer relationships	Research & development expenses	Other noncurrent assets	Total
Net value 31.12.2024	111,230,318	74,155,381	2,976,241	24,055,479	212,417,418
Purchases / Transfers	52,286,575	15,000,000	5,592,222	6,619,105	79,497,901
Depreciation / adjustments	(51,086)	(5,187,631)	-	(3,046,527)	(8,285,244)
Disposals	-	-	(4,402,893)	(1,016,161)	(5,419,054)
Net value 30.06.2025	163,465,806	83,967,750	4,165,570	26,611,896	278,211,021

The goodwill, in a net amount of 163,465,806 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 30.06.2025 is 84 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.

20. FINANCIAL ASSETS

Cost	Balance at 30 June 2025	Balance at 31 December 2024
Affiliated company shares	10,181	10,181
Loans granted to affiliated entities and other loans	8,656,021	9,817,830
Bonds	-	2,110,053
Guarantees and other financial assets	1,906,818	1,567,012
Total	10,573,020	13,505,076

Value adjustments	Balance at 31 December 2024	Increase	Decrease	Balance at 30 June 2025
Loans granted to affiliated entities and other loans	2,523,711	24,030	175,063	2,372,678
Total	2,523,711	24,030	175,063	2,372,678

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

Loans granted to related parties and other loans, amounting to 8.7 million lei, represent long-term loans granted at group level whose value decreased in the first half of 2025 compared to the end of the previous year as a result of their partial reimbursement.

Part of these loans granted to related parties have been fully adjusted, the amount of the adjustments at 30 June 2025 being 2,372,678 lei.

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Guarantees granted and guarantees received

The outstanding guarantees in balance at the end of first semester 2025, amounting to 1,906,818 lei, are detailed in the statement presented below:

Guarantees	June 30, 2025	December 31, 2024
Building lease	1,274,720	1,297,427
Guarantees for adequate execution	221,108	5,586
Auctions	314,556	95,446
Other	96,434	189,104
Total	1,906,818	1,587,563

21. WORK IN PROGRESS SERVICES AND INVENTORIES

	Balance at June 30, 2025	Balance at December 31, 2024
Raw materials	964,512	-
Materials	372,273	274,657
Work in progress	8,308,708	5,467,236
Products	584,250	-
Merchandise	2,607,584	2,945,707
Inventories Advances	191,945	111,506
Total	13,029,272	8,799,106

The value of services in progress and outstanding inventories, as of 30.06.2025, increased compared to 2024, due to services in progress, raw materials and products. The latter are the result of the acquisition of the new subsidiary SVT Electronics SRL, which produces hardware equipment and develops solutions for managing digital tachograph data and driver card data used in road freight transport.

Services in progress refer to contracts with customers that are carried out over longer periods of time. Direct costs involved in the provision of these services, mainly salaries, were recognized under this asset, taking into account the degree of completion of the projects by 30.06.2025.

Value adjustments related to inventories are calculated based on age, namely: 30% of the entry value for inventories with an age between 181 and 365 days and 100% of the value of inventories older than one year and with slow movement. The value of adjusted inventories for the first semester of 2025 is 937,693 lei, being at a similar level to that of the previous year.

22. TRADE RECEIVABLES

	Balance at June 30, 2025	Balance at December 31, 2024
Accounts receivable	72,346,443	72,139,534
Accounts receivable - unissued invoices	11,197,336	5,220,971
Accounts payable adjustments	(6,986,077)	(6,876,594)
Accounts receivable - affiliate entities	2,624,963	2,627,697
Adjustments for accounts receivable - affiliate entities	(2,467,178)	(2,408,876)
Supplier advances	1,040,740	2,499,936
Total	77,756,227	73,202,668

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The total value of trade receivables increased in the first half of 2025 compared to the previous year by 6%, mostly due to the increase in customer receivables - unissued invoices, by 6 million lei, compared to 2024, as a result of the accrual of revenues related to June, but not invoiced by 30.06.2025.

At the end of each financial year, doubtful receivables are analyzed and they are adjusted in a proportion of 100%.

At the end of the first half of 2025, the impairment adjustments related to customer receivables amounted to 6,986,077 lei, being at a similar value to that at the end of 2024. The determination of the value of adjustments for customer receivables is done by applying the accounting policy established according to IFRS 9, which involves recording impairment adjustments for receivables based on depreciation rates, calculated by age intervals.

Receivables ageing	Balance at June 30, 2025	Balance at December 31, 2024
Not due	45,521,444	47,227,934
0-30	13,681,974	12,704,199
31-90	3,433,776	1,943,805
91-360	2,609,291	4,153,596
Over 360	7,099,958	6,110,000
Total gross value (unadjusted)	72,346,443	72,139,534

Software services	Expected average loss rate	Balance at June 30, 2025	Balance at December 31, 2024
Not due	0,27%	39,983,170	43,140,518
1-30	0,38%	12,365,954	11,125,522
31-60	2,48%	2,076,371	1,028,967
61-90	4,02%	436,200	569,929
91-180	6,00%	763,758	1,950,518
181-270	20,02%	796,117	1,248,064
271-360	44,77%	646,244	710,291
Over 360	100,00%	4,894,165	4,132,079
Total gross value (unadjusted)		61,961,979	63,905,887

Software products – GPS tracking	Expected average loss rate	Balance at June 30, 2025	Balance at December 31, 2024
Not due	0,39%	4,403,308	2,824,996
1-30	0,84%	1,095,103	920,315
31-60	3,80%	275,773	238,781
61-90	9,58%	622,896	65,365
91-120	21,34%	225,922	41,314
Over 120	37,31%	1,287,441	1,076,502
Total gross value (unadjusted)		7,910,442	5,167,272

Software products – HR services	Expected average loss rate	Balance at June 30, 2025	Balance at December 31, 2024
Not due	0,24%	1,134,966	1,263,264
1-30	0,39%	220,916	658,363
31-60	1,44%	6,515	5,113
61-90	3,20%	16,021	35,900
91-120	7,17%	24,570	-
121-180	11,48%	5,922	42,902
181-270	26,97%	4,277	22,842
271-360	56,08%	-	-
Over 360	100,00%	75,492	52,651
Total gross value (unadjusted)		1,488,680	2,081,034

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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 June 30, 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.

23. PREPAYMENTS

	Balance at June 30, 2025	Balance at December 31, 2024
Prepayments, out of which:	3,172,944	2,316,462
Long term	-	-
Short term	3,172,944	2,316,462

Advance expenses increased by 37% in the first half of 2025 compared to the end of the previous year. These include expenses for third-party services, insurance, rent, expenses for delegations and employee training.

24. OTHER RECEIVABLES

	Balance at June 30, 2025	Balance at December 31, 2024
Other personnel-related claims	2,074,357	2,126,327
VAT receivable	2,281,683	3,106,441
VAT under settlement	394,390	311,877
Input VAT	330,610	114,647
Other claims receivable from the Treasury	142,050	844,559
Sundry debtors	392,633	257,185
Suspense account	33,507	90,052
Transactions with shareholders / associates related to capital	5,000	5,000
Other employee-related claims	1,533	2,843
Total	5,655,763	6,858,931

25. CASH AND CASH EQUIVALENTS

	Balance at June 30, 2025	Balance at December 31, 2024
Cash at bank and deposits in lei	35,901,445	80,425,779
Cash at bank and deposits in foreign currencies	181,173,628	178,825,630
Subtotal – Cash at bank and deposits	217,075,073	259,251,409
Petty cash	68,129	142,223
Other marketable securities	201,945	215,319
Amounts being settled	1,039,216	-
Other cash equivalents	40	(4,762)
Total	218,384,403	259,604,189

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Balance of foreign and domestic currencies Current account	Balance at June 30, 2025	Balance at December 31, 2024
RON	35,901,445	80,425,779
EUR	129,508,886	162,556,418
USD	45,694,579	10,422,415
GBP	2,563,308	2,611,323
Other currencies	3,406,855	3,235,474
Total	217,075,073	259,251,409

Cash in hand and deposits decreased in the first half of 2025 compared to the previous year, by 41.2 million lei, as a result of the acquisition of new subsidiaries.

26. CAPITAL AND RESERVES

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

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

As of June 30, 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 June 30, 2025. The Parent Company was transformed into a joint-stock company as of September 5, 2014.

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 30 June 2025, the value of the legal reserves amounts RON 9,461,505.

On June 30, 2025, differences resulting from the conversion of transactions of foreign entities under consolidation were recognized in capital.

	June 30, 2025	December 31, 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

27. TRADE PAYABLES

	Balance at June 30, 2025	Balance at December 31, 2024
Suppliers	15,133,109	12,880,506
Client advances	6,181,441	6,160,223
Suppliers - invoices not yet received	3,234,342	2,819,843
Supplier liabilities - affiliated entities	1,476,054	375,700
Other creditors	227,785	91,006
Total	26,252,731	22,327,278

The total value of debts increased in the first half of 2025 compared to the previous year by 3.9 million lei, an increase of 18%.

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The most significant increases were recorded on the side of supplier debts, amounting to 2.3 million lei.

28. EQUITY LIABILITIES

	Balance at June 30, 2025	Balance at December 31, 2024
Equity liabilities out of which	26,997,757	18,449,883
Long term	15,426,438	14,686,659
Short term	11,571,319	3,763,224
Total	26,997,757	18,449,883

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.

29. BANK LOANS

	Balance at June 30, 2025	Balance at December 31, 2024
Long terms bank loans	54,959,926	65,248,133
Short term bank loans	3,031,528	1,864,857
Total	57,991,454	67,112,990

Bank loans by due date:

	Balance at June 30, 2025	Balance at December 31, 2024
Bank loans due up to 1 year	25,166,867	24,677,989
Bank loans due between 1 and 5 years	32,824,588	42,435,001
Total	57,991,455	67,112,990

At the end of the first semester of 2025, the value of bank loans decreased by 9.1 million lei, compared to the end of 2024, as a result of the repayments made during the first semester of 2025, reaching a total value of 58 million lei.

Bank loans contingencies

Regarding the contingencies related to bank loans contracted by the Group, there are no significant changes as of June 30, 2025, compared to the contingencies at the end of 2024.

Obligations AROBS TRANSILVANIA SOFTWARE SA (to Citibank Europe PLC):

- The company undertakes to run through its bank accounts an amount of money that is equivalent to at least 80% of its business volume, i.e, the receipts from third parties on its bank accounts must represent the equivalent of at least 80% of its turnover;
- The Company undertakes not to distribute and/or pay dividends without the Bank's prior written consent for amounts exceeding EUR 1,000,000 cumulatively during a calendar year;
- The Company undertakes to maintain the "Debt Service" ratio greater than or equal to 1,3x for the duration of its obligations under the contract;
- The Company undertakes to maintain a "Financial Leverage Ratio" of less than 3,5x for the duration of its contractual obligations;
- The Company undertakes to notify the Bank in the event that it considers a transaction of acquisitions of shares in another company that exceeds 10% of the value of the assets of this Borrower on 31,12,2022 as

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soon as there is reasonable assurance regarding the materialization of the transaction. The information may be provided under a Confidentiality Agreement before the information becomes public and will contain as a minimum: company name, details regarding the scope of activity and number of employees, motivation behind the acquisition / strategy, shareholding, financial indicators (the last closed year): Turnover, EBITDA, Net Profit, Net Debts;

- Specific obligations arising from the use of the type of credit provided for in the contract negotiated between the parties;
- The company undertakes to take all steps so that the joint and several DEBTORS fulfill the conditions assumed in the loan agreement.

Obligations UCMS GROUP ROMANIA S.R.L (to Raiffeisen Bank S.A.) :

- UCMS GROUP ROMANIA S,R,L, undertakes to make any change in the shareholder structure only with prior written notification to the Bank;
- The Company undertakes to achieve through its current accounts opened with the Bank a minimum annual turnover in proportion to the share of the facilities granted by Raiffeisen Bank S,A, in the total bank debts;
- The Company undertakes to incur other loans or similar indebtedness from banks with the prior consent of the Bank;
- The Company undertakes to make dividend payments to shareholders with the prior consent of the Bank;
- All liabilities of the Company to shareholders or other non-bank entities will be subordinated to the obligations of the Company arising under the Facility pursuant to a Subordination Deed on the form of the Bank;
- The Company will honour its commitments under the facility agreement;
- The company will comply with the financial indicator Debt Service Coverage Ratio = min 1,2x;
- All proceeds from the lease of the Project will be collected in the collector account opened with the Bank and mortgaged to the Bank. The Company will only be able to dispose of the rental income on a monthly basis to the collector account after monthly payment of the amount due to the Bank (principal, interest and commissions). At the request of the Company, the surplus on the collector account will be transferred to the current account;
- Leases will have a Rent Payment Guarantee in the form of a collateral deposit or bank guarantee amounting to the estimated rent for 3 months, unless the tenants are intra-group companies,
- The company undertakes to conclude with the bank an additional deed to the facility contract and the mortgage contract within 30 days after the construction has been registered in the Land Register in order to extend the mortgage to the construction;
- The company undertakes to enter into lease agreements with a minimum contract term of 3 years;
- A financial obligation of the company/group of which it is a part to the Bank under this contract and any other credit agreements, or a financial obligation of the company/group of which it is a part to third parties is not paid when due or becomes payable or may become payable before it is due, shall constitute an event of default or fault;
- The company and the guarantor undertake to seek the bank's approval for the amendment of the building lease.

30. 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.

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

	Land and buildings	Transport vehicles
Balance at December 31, 2024	39,590,559	9,840,211
Additions	3,972,751	2,037,436
Disposals	(4,278,605)	(961,611)
Accumulated depreciation	(21,079,043)	(4,839,119)
Balance at June 30, 2025	18,205,662	6,076,917

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

Balance at December 31, 2024	Leasing payments	Additions	Disposals	Interest	Net exchange difference	Balance at June 30, 2025
25,474,396	(5,634,456)	5,709,202	(1,771,785)	650,138	461,809	24,889,304

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:

	June 30, 2025	December 31, 2024
T0 (Under 1 year)	9,604,184	9,394,560
TL 1 (1-5 years)	17,263,752	18,053,736
TL 2 (Over 5 years)	524,213	956,050
Total	27,392,148	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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31. OTHER PAYABLES

Other payables	Balance at June 30, 2025	Balance at December 30, 2024
Liabilities related to employee social security expenses	5,648,052	6,155,475
Other liabilities to the state budget	4,362,326	4,676,218
Dividend payment	666,714	666,714
Shareholder loans	209,787	201,437
Guarantees	657,927	510,016
Other taxes	168,685	171,954
Total	11,713,491	12,381,814

32. PROVISIONS

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

	Balance at December 30, 2024	Transfers in the account	Transfers from the account	Balance at June 30, 2025
Provisions	13,102,084	547	-	13,102,631
Total	13,102,084	547	-	13,102,631

	Balance at June 30, 2025	Balance at December 31, 2024
Provisions – short term	-	-
Provisions – long term	13,102,631	13,102,084
Total	13,102,631	13,102,084

33. PERSONNEL LIABILITIES

Personnel liabilities	Balance at June 30, 2025	Balance December 31, 2024
Owed amounts to personnel	14,972,241	10,191,387
Untatekn holiday provision	6,956,967	4,438,769
Total	21,929,208	14,630,156

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34. RELATED AND AFFILIATED PARTIES

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

Related parties – Receivables	Balance at June 30, 2025	Balance December 31, 2024
AROBS BUSINESS CENTER SRL	19,297	39,833
AROBS BUSINESS CENTER PLUS SRL	7,848	-
AROBS BUSINESS SERVICES SRL	80,024	101,892
AROBS TRADING & DISTRIBUTION GMBH	481,427	471,008
AROBS TRADING & DISTRIBUTION SRL	1,500,178	1,500,130
AROBS TURKEY YAZILIM LIMITED	710	-
CABRIO INVESTMENT SRL	-	568
MANAGIS SERV SRL	143	-
MED CONTROL SOLUTION SRL	102,531	102,531
NEWCAR4FUTURE SRL	220,825	220,825
OOMBLA TRAVEL MANAGEMENT SRL	1,447	476
SMAIL COFFEE SRL	160,915	140,817
VISION PLUS MOBILE SRL	49,616	49,616
Total	2,624,963	2,627,697

Related parties – Payables	Balance at June 30, 2025	Balance December 31, 2024
AROBS BUSINESS CENTER SRL	159,225	25,846
AROBS BUSINESS CENTER PLUS SRL	564	2,452
AROBS BUSINESS SERVICES SRL	1,046,734	222,130
AROBS TRADING & DISTRIBUTION GMBH	-	5,726
AROBS TURKEY YAZILIM LIMITED	84,656	-
IKON SOFT	103,211	-
OOMBLA TRAVEL MANAGEMENT SRL	37,172	67,297
SMAIL COFFEE SRL	44,492	52,249
Total	1,476,054	375,700

Related parties - Sales	June 30, 2025	June 30, 2024
AROBS BUSINESS CENTER SRL	10,789	20,238
AROBS BUSINESS CENTER PLUS SRL	1,000,098	-
AROBS BUSINESS SERVICES SRL	314,432	169,224
AROBS TRADING & DISTRIBUTION GMBH	601	547
AROBS TURKEY YAZILIM LIMITED	701	1,634
ATD CORNER SRL	41	14,572
CABRIO INVEST SRL	-	28,837
MANAGIS SERV SRL	120	-
NEWCAR4FUTURE SRL	-	-
OOMBLA TRAVEL MANAGEMENT SRL	2,416	1,945
SMAIL COFFEE SRL	16,889	33,741
Total	1,346,086	270,738

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

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Related parties - Purchases	June 30, 2025	June 30, 2024
AROBS BUSINESS CENTER SRL	753,099	763,761
AROBS BUSINESS CENTER PLUS SRL	93,486	81,698
AROBS BUSINESS SERVICES SRL	2,142,592	167,133
AROBS TRADING & DISTRIBUTION GMBH	-	-
AROBS TURKEY YAZILIM LIMITED	353,238	659,281
ATD CORNER SRL	13,257	-
CABRIO INVEST SRL	-	81,026
IKON SOFT SRL	429,739	323,161
OOMBLA TRAVEL MANAGEMENT SRL	514,756	558,404
SMAIL COFFEE SRL SRL	275,668	288,167
Total	4,575,835	2,922,631

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

Loan granted by AROBS to AROBS Trading & Distribution GmbH

	June 30, 2025	December 31, 2024
Loan value	3,368,572	3,583,367
Interest value	1,147,626	1,057,226
Adjustment	(64,760)	(64,760)
Total	4,451,437	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

	June 30, 2025	December 31, 2024
Loan value	-	-
Interest value	610,150	609,092
Total	610,150	609,092

Loan granted by AROBS to AROBS BUSINESS CENTER

	June 30, 2025	December 31, 2024
Loan value	6,742,676	6,605,106
Interest value	1,568,367	1,414,281
Adjustment	(62,640)	(62,640)
Total	8,248,404	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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35. FAIR VALUE

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

35.1. Financial assets

	Amortized cost	
	June 30, 2025	December 31, 2024
Loans granted to related parties and other loans	13,309,992	13,141,669
Trade receivables	77,756,227	73,202,668
Cash and cash equivalents	218,384,403	259,604,189
Total	309,450,622	345,948,526

Short term investments – fair value	Category	Value at June 30, 2025	Fair value assessment at June 30, 2025
Short term investments – fair value	Shares	201,945	Level 1
Total		201,945	

Short term investments – fair value	Category	Value at December 31, 2024	Fair value assessment at December 31, 2024
Short term investments – fair value	Shares	215,319	Level 1
Total		215,319	

35.2. Financial liabilities

	Amortized cost	
	June 30, 2025	December 31, 2024
Bank loans	57,991,454	67,112,990
Trade payables	26,252,731	22,327,278
Total	84,244,185	89,440,268

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36. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

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

36.1. IFRS 15 Revenue from contracts with customers

In accordance with IFRS 15, revenue is recognized when or as the customer acquires control of the goods or services provided, at an amount that reflects the price the 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 22 TRADE RECEIVABLES.

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

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

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

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

C. Revenue from sale of the HR application license

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

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

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

D. Revenue from sales of goods

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

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

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E. Principal versus agent framework

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

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

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

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

36.2. Property, Plant and Equipment

Initial recognition

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

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

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

Useful life

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

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

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

As at 30 June 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.

36.3.Intangible assets

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

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

The useful lives of intangible assets are assessed as finite.

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

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

Research and development expenditure

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.

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Average useful 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

36.4.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

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change in lease payments (for example, changes in future lease payments resulting from a change in an index or the rate used to determine those payments) or a change in the valuation of a call option on the underlying asset.

36.5. 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.

36.6. Impairment of non-financial assets

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

- Property, plant and equipment Note 17
- Intangible assets Note 19

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.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The 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 recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

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

36.7. 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.

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Subsequent measurement

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

Impairment of financial assets

The 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 22 - Trade receivables.

Financial liabilities

Initial recognition

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

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

Subsequent measurement

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

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

De-recognition

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

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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.

36.8. 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.

36.9. 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.

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36.10. 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.

Deferred tax

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

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

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

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

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

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

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

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

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

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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.

36.11. 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.

36.12. 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.

36.13. 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

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distribution is authorized when it is approved by the shareholders, A corresponding amount is recognised directly in equity.

36.14. 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.

36.15. 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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37. OTHER INFORMATION

Environment

Romania is currently in a period of rapid harmonization of environmental legislation with the European Economic Community legislation in force. As at 30 June 2024, the Group has not recorded any liabilities relating to anticipated costs, including legal and consultancy fees, studies, design and implementation of environmental remediation plans. The Group does not consider costs associated with environmental issues to be significant.

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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38. SUBSEQUENT EVENTS

From 30 June 2025 until the date of signing the financial statements, no significant subsequent events took place.

These financial statements were signed and approved on August 27, 2025, by:

Voicu Oprean
Director General

Bogdan Ciungradi
Director financiar