



**Annual Report**  
**2021**



**28.04.2022**

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## IDENTIFICATION DATA

Annual report according to: **ANNEX 15 OF ASF REGULATION NO 5/2018**

For the financial year: **01.01.2021 - 31.12.2021**

Report date: **28 April 2022**

Name of issuer: **Ascendia S.A.**

Registered office: **Str. Eufrosin Poteca nr.40, 1st floor, Sector 2, Bucharest, Romania**

Correspondence address / business point: **Bld.Dacia nr.99, 4th floor, Sector 2, Bucharest, Romania**

Telephone/fax number: **+40371089200**

E-mail contact for investor information: **investors@ascendia.ro**

Unique registration code at the Trade Register Office: **RO21482859**

Commercial register number: **J40/6604/2007**

Number of issued shares and characteristics: **1,674,543 shares with a nominal value of RON 0.1**

Regulated market on which the issued securities are traded: **AeRO ATS Premium**

Share capital subscribed and paid in: **RON 167,454.3**

Main characteristics of the securities issued: **1,674,543 shares at a nominal price of RON 0.10 per share**

Trading symbol: **ASC - shares; ASC22 - bonds**

ISIN code: **ROASCIACNOR9**

## MESSAGE TO OUR SHAREHOLDERS

After years of advising shareholders to be patient, I can say that their patience is being rewarded in full! And I believe this is just the beginning.

In 2021 we focused on selling our own products and services, coupled with investments for development and expansion. The company's activity was supported by the e-learning division for companies, where we have the Coffee Learning Management System platform and offer e-learning courses (development services and "off the shelf" courses - eJourneys product), as well as LIVRESQ, the authoring tool for developing e-learning courses and more. All of our own products have brought us increasing revenues, up significantly since 2020.

Thus, the total revenues of Ascendia S.A. **in 2021** increased by approximately 108% compared to the previous year, exceeding 6.3 million lei, **on a turnover increasing by 380%, i.e. to approximately 4.5 million lei**. In this context, the net profit also recorded a significant increase - if in 2020 the company recorded a loss, **in 2021 it exceeded the threshold of 2.2 million lei net profit**.

We believe that our LIVRESQ, CoffeeLMS and eJourneys products are still young products by their DNA and have great potential for further adoption. Therefore we will continue to expand them. In addition, the company is working on the development of a new product - eGarantie, partly co-financed with grant funding.

eGarantie benefits from a grant signed in 2021 through the Competitiveness Operational Programme 2014-2020, submitted by our company for funding under the call POC/222/1/3. AMPOC/OIC grants a non-reimbursable financing in the amount of 3.821.702,50 lei (77,7416% of the total approved eligible amount) for both partners (Ascendia S.A. and Univeristatea București). The amount of the grant for Ascendia S.A. is 3.262.680,50 lei. To this amount will be added 1.094.201,50 lei as own contribution for the execution of the project. It will be implemented over 2 years from signature.

In 2021 it is worth noting the signing, as a member of the winning consortium, of the contract with the National Network Management Agency for Education and Research Informatics, as Contracting Authority, which aims at "furnizare produse - platforma digitala cu resurse educationale deschise (Edulib)". Within this project ASCENDIA will provide e-learning content development services and LIVRESQ licenses, the value of the contract for our company exceeds 3.500.000 euro. This is an important project, both for the company's portfolio and for our mission.

**The share capital increase by cash contribution** started in 2021 was successfully completed in 2022 and the share capital is now RON 167,454.30 divided into 1,674,543 registered shares. As a result of the share capital increase operation, 230,099 ordinary, registered shares with a nominal value of 0.1 lei/share were subscribed for a total amount of 4,164,880.81 lei, of which 23,009.90 lei represents the total nominal value and 4,141,870.91 lei represents share premium.

The proposed revenue and expenditure budget for 2022, although it may seem optimistic, is **more than 75% based on contracts already signed**. We therefore believe that the chances of achieving and even exceeding them are excellent. Thus, **2022 should bring the company more than 20 million lei in total revenue and a gross profit of more than 8 million lei** - that is if we manage to produce during the year what we have set out to deliver to customers. The most important challenge we have is to scale the team quickly and well enough so that we have the necessary production capacity.

And since many of the plans we have set in motion have already started to come to fruition, I think this is a good time to also outline some of the concrete actions to be executed in 2022:

- we have expanded and will continue to expand the marketing and sales department, the company's goal being both to increase the number of customers and to increase the level of transparency and communication in the relationship with investors;
- we will repay the ASC22 bond issue on schedule. At this point in time the company has the financial capacity to repay this bond issue, showing everyone our dedication to maintaining our commitments to investors;
- we will launch a new bond issue, based on the mandate already approved by shareholders. We are looking to raise between 2 and 5 million lei - details of the issue are being worked on. A contract has already been signed with SSIF Tradeville S.A. for this purpose, and we will provide details to the market at a later date than this report;
- we will operate a capital increase by partially incorporating existing share premiums in the company's accounts, by allocating to shareholders 6 bonus shares for every 1 held at the reference date. (see OGMS of 27.04.2022).

Separately from the concrete actions, under plans for 2022-2023, I would like to mention the following:

- we intend to form a Board of Advisors. This is an earlier management plan - we hope to achieve implementation in Q2 of 2022, and concrete steps have already been taken in this direction;
- the company intends to submit for shareholder approval at a future date a plan whereby the company can reward employees and future members of a Board of Advisors. The best way forward has not yet been finalised, but we are considering either a share buyback from the market or a dedicated share issue. Either way, this approach will target a maximum of 7% of the company's shares, which could be offered directly to employees/board members or as stock options;
- we intend to propose to shareholders for approval a further increase in share capital with cash contribution. This will most likely take place in Q4 2022 - Q1 2023.

For 2022 we are therefore targeting a significant increase in commercial receipts, with a significant increase in sales in foreign markets, as well as a further capitalisation of the company through various financings, in the context of increased sales, marketing and production capabilities for all business lines of the company.

I believe that Ascendia has reached a very important point, the best one so far, from which it will evolve nicely, into a strong company, with an important presence both in the country and abroad, a company that we want **to be listed on the main market of the Bucharest Stock Exchange in maximum 3 years**. In order to achieve this goal, we first set ourselves the following 4 objectives: 1) the formation of a Board of Advisors, 2) the achievement of annual revenues of more than 20 million lei, 3) the achievement of a market capitalization of more than 100 million lei and the formation of a Board of Directors as the last step before listing.

Stay tuned!

**Cosmin Mălureanu**

## ADMINISTRATOR OF ASCENDIA S.A.

### 1. ANALYSIS OF THE COMPANY'S ACTIVITY

1.1 A) DESCRIPTION OF THE COMPANY'S CORE BUSINESS; B) INDICATION OF WHEN THE COMPANY WAS ESTABLISHED; C) DESCRIPTION OF ANY SIGNIFICANT MERGERS OR REORGANISATIONS OF THE COMPANY, ITS SUBSIDIARIES OR CONTROLLED COMPANIES DURING THE FINANCIAL YEAR; D) DESCRIPTION OF ACQUISITIONS AND/OR DISPOSALS OF ASSETS; E) DESCRIPTION OF THE MAIN RESULTS OF THE VALUATION OF THE COMPANY'S BUSINESS.

**Ascendia S.A.'s core business is the development of software and digital content for the eLearning industry.**

According to the registration at the National Trade Register Office (ONRC), the main activity of Ascendia S.A. is "Information technology service activities" - CAEN Code 620, and the main activity of the company is "Custom software development activities (client-oriented software)" - CAEN 6201. These have remained the same since its establishment.

The company's main areas of activity are:

- Enterprise Learning Management System platform - **Coffee LMS** ([www.coffeelms.com](http://www.coffeelms.com)) - for large companies/corporations ;
- eContent aimed at training employees in large companies/corporations and developing customised solutions - both **the services** area and the "off the shelf" product **eJourneys** developed in partnership with Trend Consult SRL;
- **LIVRESQ** ([www.livresq.com](http://www.livresq.com)) – an authoring platform that allows all content creators in the educational field, from publishers to teachers and specialists in companies, to create interactive digital content in an easy way.

In addition to these, there are other departments that have a smaller share of the company's activity, some of which do not generate commercial revenue, which add to the range of educational products and services offered by the company and its presence in the market:

- The children's speech therapy portal [www.timlogo.ro](http://www.timlogo.ro);
- Educational games portal for children aged 4 to 12 [www.dacobots.com](http://www.dacobots.com);
- EduTeca collection (aimed at pre-schoolers) and EduTeca printed and digital school textbooks (for schoolchildren);
- eLearning Romania portal - [www.elearning.ro](http://www.elearning.ro).

The company, a Romanian legal entity, was established under the name ASCENDIA DESIGN S.R.L. in 2007, with Mr. Cosmin Mălureanu as sole shareholder, who has held and still holds the position of Sole Administrator and General Manager. The initial form of organisation was a limited liability company.

In 2016 the company became ASCENDIA S.A., transforming into a joint stock company. The registered office of the company is located at 40 Eufrosin Poteca Street, sector 2, Bucharest. At the date of this report the company has a new administrative and fiscal office, located at the address 99 Dacia Street, 4th floor, Sector 2, Bucharest.

In 2016, on 07.07.2016, Ascendia S.A. was admitted to trading through the ATS system of the Bucharest Stock Exchange, Premium category, the company trading since then under the stock symbol "ASC".

The subscribed share capital of Ascendia S.A. is in the total amount of 167,454.30 lei, which is the amount reached as a result of the capital increases made in 2022. The share capital is divided into a number of 1,674,543 registered shares, issued in dematerialized form, with a nominal value of 0.1 lei each. The evolution of the company's share capital is shown below:

CHANGES IN SHARE CAPITAL AND OWNERSHIP STRUCTURE						
Date	Type of operation	Social capital (RON)	Nominal value (RON/share)	Nr. of Shares	Source	Shareholder structure
Mar-07*	Founding	1.000,00	10,00	100	Cash	Cosmin Mălureanu – 100%
Mar-16	Change	1.000,00	0,10	10.000	-	Cosmin Mălureanu – 100%

	nominal value					
Mar-16	Capital increase	130.000,00	0,10	1.300.000	Cash	Cosmin Mălureanu – 70,00% Alex Mălureanu – 25,00% Adriana Ioana Mălureanu – 5,00%
Apr-16	Capital increase	144.444,40	0,10	1.444.444	Cash	Cosmin Mălureanu – 63,00% Alex Mălureanu – 22,50% Adriana Ioana Mălureanu – 4,50% FDI Certinvest Dinamic – 10,00%
Apr-17**	-	144.444,40	0,10	1.444.444	-	Cosmin Mălureanu – 61,5899% Alex Mălureanu – 22,0000% Legal entities – 10,6737% Natural persons – 5,7363%
Apr-18***	-	144.444,40	0,10	1.444.444	-	Cosmin Mălureanu – 61,5899% Alex Mălureanu – 22,0602% Legal entities – 4,2312% Natural persons – 12,1187%
Apr-19****	-	144.444,40	0,10	1.444.444	-	Cosmin Mălureanu – 61,7624% Alex Mălureanu – 22,0602% Legal entities – 5,2739% Natural persons – 10,9034%
Apr-20*****	-	144.444,40	0,10	1.444.444	-	Cosmin Mălureanu – 62,2817% Alex Mălureanu – 22,3429% Legal entities – 1,3309% Natural persons – 14,0446%
Apr- 21*****	-	144.444,40	0,10	1.444.444	-	Cosmin Mălureanu – 61,2817% Alex Mălureanu – 22,3429% Legal entities – 3,0031% Natural persons – 13,3723%
Apr- 22*****	Capital increase	167.454,30	0,10	1.674.543	Cash	Cosmin Mălureanu – 54,2285 % Alex Mălureanu – 19,1611 % Legal entities – 3,3500% Natural persons – 23,2603 %

\*The company was established as a Limited Liability Company (S.R.L.); the form of organization of the company was changed into a Joint Stock Company (S.A.) in order to be admitted to trading on the Alternative Trading System administered by the Bucharest Stock Exchange;

\*\* Summary structure, according to the Central Depository, related to 18.04.2017, the record date for the Ascendia S.A. OGMS of 29.04.2017;

\*\*\* Summary structure, according to the Central Depository, related to 18.04.2018, the record date for the Ascendia S.A. OGMS of 29.04.2018.

\*\*\*\* Summary structure, according to the Central Depository, related to 19.04.2019, the record date for the Ascendia S.A. OGMS of 29.04.2019.

\*\*\*\*\* Summary structure, according to the Central Depository, related to 16.04.2020, the record date for the Ascendia S.A. OGMS of 29.04.2020.

\*\*\*\*\* Summary structure, according to the Central Depository, relating to 15.04.2021, the record date for the Ascendia S.A. OGMS of 28.04.2021.

\*\*\*\*\* Summary structure, according to the Central Depository, relating to 14.04.2022, the record date for the Ascendia S.A. OGMS of 27.04.2022.

In 2021, the company's activity focused on marketing its own products and services, coupled with investments for their development and expansion, supported by the e-learning division for companies, where we have the Coffee Learning Management System platform and offer e-learning courses (development services and "off the shelf" courses - eJourneys product), as well as LIVRESQ, the tool for developing e-learning courses and more.

Overall, the company's activity in 2021 was very prolific. The approaches implemented in 2020 delivered the expected results and, in the context of the post Covid economic recovery, the company recorded its best figures since its inception, both in terms of total revenue, turnover and profit. Ascendia S.A.'s total revenue in **2021** increased by approximately 106% compared to the previous year, reaching the threshold of 6.4 million lei, **on a turnover increasing by 380% (approximately 4.5 million lei)**. The increase in revenues, much higher than the increase in expenses (about 7%), led to a significant increase in **net profit, which exceeded the threshold of 2.2 million lei**.

Among the important events and events held during 2021 we mention the following:

- The signing of a non-reimbursable financing contract with the Agency for SMEs, Investment Attraction and Export Promotion Bucharest. These grants are awarded to beneficiaries SMEs with economic activity in one of the fields of activity provided in the documentation of the state aid scheme - Support for SMEs to overcome the economic crisis generated by the COVID - 19 pandemic, through the well-known measure M2. The total value of the project

was 273.089,58 lei, of which 237.469,20 lei grant and 35.620,38 lei co-financing. The grant received was non-reimbursable.

- Signing of a contract with the Ministry of Education, Culture and Research of the Republic of Moldova for the delivery of a complete e-learning solution, consisting of an on-premise license for CoffeeLMS and SAAS licenses for the e-learning authoring tool LIVRESQ, as well as associated services, including services for the production of electronic content. The signed contract value is USD 144,476.65.
- Signing of a non-reimbursable financing contract with the Ministry of Research, Innovation and Digitization, as Intermediate Body for the Operational Competitiveness Programme 2014-2020, related to the project "Innovative system for the management and analysis of big data used for the management of the guarantee of products or services", internally called "eGarantie", submitted by our company for funding under the call POC/222/1/3. The total eligible value of the project is 4.915.904,00 lei. AMPOC/OIC grants a non-reimbursable financing in the amount of 3.821.702,50 lei (77,7416% of the total approved eligible amount) for both partners (Ascendia S.A. and University of Bucharest). The amount of the grant for Ascendia S.A. is 3.262.680,50 lei. To this amount will be added 1.094.201,50 lei as own contribution for the execution of the project. It will be implemented over 2 years from signature.
- In order to protect the cash flow from possible delays in the disbursement of non-reimbursable funds related to the eGarantie project, the Company has contracted since 2021 a bridging loan of 1,000,000 lei from Banca Transilvania, for which the Company will pay interest only on the amounts used - up to the date of this report no amounts from this facility have been used.
- Closure of the working point at Str. Halelor Nr. 7, Et.3, Sect. 3, Bucharest and opening of another working point at B-dul. Dacia Nr.99, Et.4, Sector 2, Bucharest. The new space is about 30% larger than the previous one.
- Starting a procedure for increasing the share capital of the company in 2 stages, a procedure that was completed at the beginning of 2021. At the date of this report this operation has been completed and the share capital is 167,454.30 lei divided into 1,674,543 registered shares. As a result of the share capital increase operation, 230,099 ordinary, registered shares with a nominal value of 0.1 lei/share were subscribed, for a total amount of 4,164,880.81 lei, of which 23,009.90 lei represents the total nominal value and 4,141,870.91 lei represents the issue premium.
- Signing, as a member of the winning consortium, of the contract with the Agency for the Administration of the National Informatics Network for Education and Research, as the Contracting Authority, which concerns "product supply - digital platform with open educational resources (Edulib)". Within this contract ASCENDIA will provide e-learning content development services and LIVRESQ licenses, the value of the contract for our company exceeds 3.500.000 EURO.
- With the return of economic activity, the company's management has taken the decision to gradually restore salaries to the level existing before the onset of the Covid19 pandemic, a process completed in 2021, for some employees there are even chesters above the previous salary level. We anticipate that in 2022 there will be significant increases in the salary fund.

No asset sales were made during the 2021 financial year.

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#### 1.1.1 GENERAL ASSESSMENT ELEMENTS: A) PROFIT; B) TURNOVER; C) EXPORT; D) COSTS; E) % MARKET SHARE; F) LIQUIDITY (CASH ON HAND, ETC.).

##### A) Profit/Loss

The business activity in 2021 showed a significant increase, so that on 31.12.2021 the company recorded its highest **net profit** since its establishment, i.e. **2,251,446 lei**, an increase of approximately **400%** compared to the previous year, when a loss was recorded.

**The company's turnover** increased by approximately 381%, from 950,348 in 2020 to 4,567,673 lei in 2021.

**Total revenue** reached 6,373,114 lei at the end of 2021, an increase of about 108% compared to 2020.



The company benefited during 2021 from two lines of non-reimbursable funding:

- 237,469 lei representing a grant for working capital (Measure 2), whose application and documentation was submitted in 2020.
- 400,000 lei representing the first tranche of pre-financing as part of a new AMPOC/OIC funding contract for the realisation and implementation of a project entitled "Innovative system for the management and analysis of big data used to manage the guarantee of products or services" of which 283,212 lei had been spent by the end of the year. The total value of this project is 4,987,062.19 lei of which 3,821,702.50 lei is non-reimbursable financing and the difference is the Ascendia co-financing part.

The investment policy has been continued by continuing to capitalize the expenses made in the direction of the development of its own products, which resulted in an increase of approximately 7.94% in the value of intangible assets, which reached a total value of 6,513,511 lei. The costs related to the various upgrades made to existing products will continue to be capitalized, but the focus will be placed in the future mainly on marketing and the development of sales strategies for these products.

Financial expenses in 2021, amounting to 314,459 lei, however, exceeded income (235,030 lei) which resulted in a negative financial result of 79,429 lei, compared to the previous year when a financial profit of 109,065 lei was achieved. This situation was mainly due to the interest payments on bonds, combined with the decrease in financial income as a direct function of the reduction of financial investments on the capital market to almost zero.

The 7.67% increase in total expenditure (4 089 379 lei) compared with the previous year (3 798 206 lei) was, however, offset by a much higher increase in revenue.

## **B) Turnover**

In 2021 the company managed to overcome the period of economic disruption caused by the Covid19 pandemic, the value of commercial income (turnover) increased **significantly, approximately 4.8 times**, compared to 2020 (950,438 lei), reaching **4,567,673 lei** at the end of 2021.

The turnover for 2021 is made up of income from the sale of the following products and services:

- Revenue from **Coffee LMS** services (maintenance and platform access, customization, etc.) : **507,460 lei**
- Revenue from sales and creation of customised e-learning courses (**eContent**): **869.170 lei**
- Income from services and subscriptions related to the **LIVRESQ** platform: **3.092.655 lei**
- Other income from other lines (school textbooks and educational CDs, subscriptions to the TIMLOGO platform, SAAS services, etc.) - **98,388 lei**

According to last year's forecasts, the structure of the revenues making up the turnover underwent significant increases, especially in the LIVRESQ and eContent categories.

## **C) Export**

Export revenues from IT services (including SAAS) provided to external customers increased by approximately 2.8 times in 2021, amounting to 563,599 lei (115,423 Eur) compared to the previous year when 197,566 lei (40,775 Eur) were recorded. We estimate that in 2022 a significant growth rate of foreign sales will continue.

## **D) Costs**

Total expenses recorded in 2021 were **4,089,379 lei**, an increase of approx. **7.67%** compared to 2020 when they were

**3,798,206 lei.**

In the structure of expenditure, as in previous years, the main share is held by **staff costs 2,102,013 lei**, which represents about **51.4%** of total expenditure. This is followed by expenditure on external services amounting to **1,015,940 lei**, representing approximately **24.8%** of total expenditure, of which the most important are mentioned below:

- Expenditure on external services and benefits amounting to 399,560 lei, which include: consultancy services, services related to stock exchange activities, PR services, SAAS services and licenses such as Microsoft Azure cloud, Adobe Creative, Facebook, etc.
- Expenditure on collaborators and management: 246,193 lei.
- Rent expenses: 136.131 lei

These are followed, in terms of share, by depreciation expenses: 581,190 lei (14.21%) and interest expenses: 283,942 lei (6,9 %).

#### **E) Provisions**

At the end of 2021, no provisions for risks and charges have been made.

**The total level of capital increased by 6.9 times** compared to the previous year, reaching the amount of **2,629,169 lei**.

During 2021 the company benefited, under GEO 181/2020, from a deferment of payment of outstanding debts to the state budget, social security budget accrued in the period April 2020 - January 2021. Even if the company has the possibility to pay the budget debts in full, in 2022 we want to maintain a system of staggered payments for old debts in order to keep the cash flow optimal.

The other debts appearing in the balance sheet data presented are those due in January 2022, and which have been paid when due.

The comparative development of turnover, operating income and expenses, operating, financial, gross, net result and financial indicators is presented below.

<b>PROFIT AND LOSS ACCOUNT (LEI)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Net turnover	1.583.128	950.348	4.567.673
Operating income	3.572.857	2.661.260	6.138.084
Operating expenses	3.916.827	3.510.739	3.774.920
Operating result	-343.970	-849.479	2.363.164
Financial result	-111.891	109.065	-79.429
Gross result	-455.861	-740.414	2.283.735
Net result	-471.108	-751.186	2.251.446

The economic imbalances caused by the pandemic have significantly eased during 2021. Our corporate customers increased spending on e-Learning products and services. The trend of customers increasing/starting investments/purchases of e-Learning solutions continued through the end of 2021 and we expect significant increases in 2022 in both the new customer base and spending by existing customers.

Here are some key indicators.

<b>LIQUIDITY INDICATORS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Current Liquidity Ratio	6,42	1,54	1,57
Quick Liquidity Rate	5,84	1,30	1,50

SOLVENCY INDICATORS	2019	2020	2021
Degree Of Indebtedness	0,51	0,64	0,53
General Solvency Ratio	1,96	1,56	1,90

In the context of the economic growth shown, most indicators recorded positive developments, as follows:

- Liquidity indicators have increased, even if these increases are not spectacular, due to the increase in current assets (4.4 times). This moderate evolution of the liquidity indicators is due to the increase in the level of current debt (less than 1 year), in particular the approaching repayment term of the bond loan, which matures in June 2022. However, the company has an optimal capacity to cover its current liabilities against assets.
- The solvency indicators showed positive developments with a reduction in the debt ratio and an increase in the overall solvency ratio, reaching a threshold of approximately 2, whereas the optimal threshold should be higher than 1, which shows an excellent capacity of the company to meet medium and long-term maturities. The actual assets are therefore more than sufficient to allow the company's debts to be paid in full.

Below we present the dynamics of the financial data in detail.

Indicators of financial position	31.12.2020 (LEI)	31.12.2021 (LEI)	Variation (%)
<b>Non-current assets</b>	<b>6.200.762</b>	<b>6.644.890</b>	<b>7,16%</b>
Intangible assets	6.034.164	6.513.511	7,94%
Tangible fixed assets	120.353	85.329	-29,10%
Financial fixed assets	46.245	46.050	-0,42%
<b>Current assets</b>	<b>1.257.523</b>	<b>5.572.853</b>	<b>343,16%</b>
Stocks	193.229	229.245	18,64%
Receivables	406.642	4.731.065	1.063,45%
House and bank accounts	287.454	611.926	112,88%
Short-term investments	370.198	618	-99,83%
<b>Expenditure in advance</b>	<b>5.967</b>	<b>5.967</b>	<b>0,00%</b>
<b>TOTAL ASSETS</b>	<b>7.464.252</b>	<b>12.223.711</b>	<b>63,76%</b>

Name of indicators	31.12.2020 (LEI)	Percentage (%)	31.12.2021 (LEI)	Percentage (%)	Variation (%)
Trade debts	92.525	11,32%	287.064	8,08%	210,26%
Debts to staff	102.735	12,57%	213.857	6,02%	108,16%
Tax liabilities	621.816	76,10%	52.997	1,49%	-91,48%
Short-term bank loans					
Other current liabilities			3.000.000	84,41%	
<b>CURRENT DEBTS</b>	<b>817.076</b>	<b>100%</b>	<b>3.553.918</b>	<b>100%</b>	<b>334,96%</b>

Name of indicators	31.12.2020 (LEI)	Pondere (%)	31.12.2021 (LEI)	Pondere (%)	Variatie (%)
Current liabilities	817.076	17,03%	3.553.918	55,13%	334,96%
Medium and long-term debts	3.979.620	82,97%	2.892.834	44,87%	-27,31%
<b>TOTAL DEBTS</b>	<b>4.796.696</b>	<b>100%</b>	<b>6.446.752</b>	<b>100%</b>	<b>34,40%</b>
Deferred Income	2.287.589		3.147.790		37,60%

Name of indicators	31.12.2020 (LEI)	31.12.2021 (LEI)	Variation (%)
Capital	144.444	144.444	0%
Reserves	210.603	226.593	7,59%
Capital premium	760.278	9.092	-98,80%
Retained earnings	15.828	13.584	-14,18%
Result for the period	<b>-751.186</b>	<b>2.251.446</b>	<b>399,72%</b>
Profit distribution		15.990	
Total equity	<b>379.967</b>	<b>2.629.169</b>	<b>591,95%</b>
Total liabilities	<b>4.796.696</b>	<b>6.446.752</b>	<b>34,40%</b>
<b>TOTAL PASSIVES</b>	<b>7.464.252</b>	<b>12.223.711</b>	<b>63,76%</b>

Financial performance indicators	31.12.2020 (LEI)	31.12.2021 (LEI)	Variation (LEI)	Variation (%)
Income from activity				
Operational	<b>2.661.260</b>	<b>6.138.084</b>	<b>3.418.122</b>	<b>130,65%</b>
Net turnover	950.348	4.567.763	3.617.415	380,64%
Revenue from the production				
Fixed assets	1.281.834	992.033	-289.801	-22,61%
Other operating income	429.078	578.378	90.508	34,80%
Operating expenses				
Operating	<b>3.510.739</b>	<b>3.774.920</b>	<b>264.181</b>	<b>767,52%</b>
Material expenses	14.864	52.415	37.551	252,63%
Energy and water expenses	10.684	23.362	12.678	118,66%
Staff expenses	1.989.468	2.102.013	112.545	5,66%
Depreciation expenses	793.377	581.190	-212.187	-27,74%
Other operating expenses	702.346	1.015.940	313.594	44,65%
<b>Operational result</b>	<b>-849.479</b>	<b>2.363.164</b>	<b>3.212.643</b>	<b>378,19%</b>

Name of indicators	31.12.2020 (LEI)	31.12.2021 (LEI)	Variation (LEI)	Variation (%)
Operating income	2.661.260	6.138.084	3.476.824	130,65%
Operating expenses	3.510.739	3.774.920	264.181	7,52%
<b>OPERATING RESULT</b>	<b>-849.479</b>	<b>2.363.164</b>	<b>3.212.643</b>	<b>378,19%</b>
Financial income	396.532	235.030	-161.502	-40,73%
Financial expenses	287.467	314.459	26.992	9,39%
<b>FINANCIAL RESULT</b>	<b>109.065</b>	<b>-79.429</b>	<b>-188.494</b>	<b>-172,83%</b>
<b>GROSS INCOME</b>	<b>-740.414</b>	<b>2.283.735</b>	<b>3.024.149</b>	<b>408,44%</b>
Income Tax	10.772	32.289	-21.517	199,75%
<b>NET RESULTS</b>	<b>-751.186</b>	<b>2.251.446</b>	<b>3.002.632</b>	<b>399,72%</b>

Name of indicators	Calculation Formula	31.12.2020	31.12.2021	Variation (+/-)	Optimum indicator
<i>Indicatorii de lichiditate</i>					
Overall liquidity	AC/DC	1,54	1,57	0,03	
Intermediate liquidity	(AC-S)/DC	1,30	1,50	0,20	
Immediate liquidity	DB+VM/DC	0,80	0,17	-0,63	
<i>Solvency indicators</i>					
General solvency	AT/DT	1,56	1,90	0,34	>1
Balance sheet solvency	CPR/PT	0,05	0,22	0,16	>0,5
<i>Risk indicators</i>					
Overall debt ratio	DT/PT	0,64	0,53	-0,12	<60%

<b>NET ACCOUNTING ASSETS</b>	<b>AT-DT</b>	<b>379.967</b>	<b>2.629.169</b>	<b>2.249.202</b>
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1.1.2 ASSESSMENT OF THE TECHNICAL LEVEL OF THE COMPANY; DESCRIPTION OF THE MAIN PRODUCTS MANUFACTURED AND/OR SERVICES PROVIDED, SPECIFYING: A) THE MAIN MARKETS FOR EACH PRODUCT OR SERVICE AND THE METHODS OF DISTRIBUTION; B) THE SHARE OF EACH CATEGORY OF PRODUCTS OR SERVICES IN THE COMPANY'S REVENUE AND TOTAL TURNOVER FOR THE LAST THREE YEARS; C) THE NEW PRODUCTS ENVISAGED FOR WHICH A SUBSTANTIAL VOLUME OF ASSETS WILL BE ALLOCATED IN THE NEXT FINANCIAL YEAR AND THE STAGE OF DEVELOPMENT OF THESE PRODUCTS.

By eLearning we mean all educational contexts in which the means of information and communication technology are predominantly used. Computers and electronic/multimedia materials are used either to support teaching, learning and assessment or as a means of communication. eLearning is the use of information and communication technology in education. Multimedia learning, technology-enhanced learning, computer-based instruction, computer-based training, computer-assisted instruction or computer-aided instruction, internet-based training, web-based training, online education, virtual education, virtual learning environments, m-learning, digital educational collaboration, all are or represent forms of teaching and learning in the generic process called eLearning.

Since 2007, the Ascendia S.A. team has developed a multitude of eLearning products and offered a whole range of services specific to this field. The company has produced digital courses aimed at all age groups, from pre-schoolers to employees of large companies in need of specialised training. Digital courses have been developed

for schools (physics, chemistry, mathematics, English, Romanian, etc.), for companies - both soft skills (leadership, time management, sales, etc.) and hard skills (products, processes, etc.), in Romanian, English, German, French, Japanese, Chinese, Korean, etc. The technical level of the company gives it the necessary structure (people, knowledge, equipment) to develop any products or offer any related services:

- Learning Management Systems
- eLearning courses, especially those compliant with SCORM standards
- eLearning content editors
- multiplayer, synchronous or turn-based strategy game engines
- multimedia presentations (including video, sound, interactivity, 3D simulations, etc.)
- educational applications for mobile devices (smartphones and tablets)
- printed and digital textbooks

**In 2021, the company's activity focused mainly on the following directions:**

- **THE ENTERPRISE LEARNING MANAGEMENT SYSTEM - COFFEE LMS - FOR LARGE COMPANIES/CORPORATIONS;**
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For an organisation to reap the benefits of distance learning, the eLearning solution chosen must be complete. An eLearning system is composed of two inseparable components: the learning platform, also known as the Learning Management System (LMS), and the courses in digital format, which must be interactive and serve meaningful information in a way that is appealing to learners. In short, an Enterprise Learning Management System (LMS) is a system through which companies manage and monitor the online learning process. Ascendia S.A. has developed such a system, called Coffee LMS ([www.coffeelms.com](http://www.coffeelms.com)).

Ascendia offers the possibility to adapt this system to the needs of each individual company. Among the services offered by Ascendia are: those related to the visual customization of the platform, its integration with the ERP platform or the one used by the beneficiary's HR system, the development of additional modules and the customization of existing ones, support for the production launch and subsequent maintenance for the educational platform. To support computer-assisted training, Ascendia can offer beneficiaries the LMS platform developed by the company as an online software service - Software as a Service (SAAS) - the main delivery option.

The objective of the solution is to support the lifelong learning process by offering a modern, computer-friendly learning management system. It is intended to be useful for both learners and trainers. For learners, it aims to facilitate the training process, stimulate creativity and competition in learning. The system is intended to provide a way for trainers to monitor the development of their learners' level of training, to test the effectiveness of new training methods and to track statistics on their results. It also aims to facilitate organisational activities such as: automatic calculation of trainees' results, reports and various statistics. The system will lead to the gradual adaptation of traditional training methods to the new technologies.

The platform is developed following a laborious analysis-design-development process and is based on the principle that a product must be easy to use and efficient so that its essential users, the trainer and the learner, are satisfied with its use.

The LMS platform is developed in such a way that it is compatible with the most common international standards in computer-assisted education, namely SCORM 2004 and AICC, has support for all modern internet browsers (Firefox, Chrome, Internet Explorer, Edge, Safari, Opera), has a well-developed integrated security system, Help provides useful tools for communication between users (mail, SMS), offers efficient reporting tools and a set of necessary archiving functionalities. The platform is thus recommended as a complete solution for any beneficiary willing to implement a computer assisted learning system.

- **Software as a Service (SaaS)**

This type of service involves users accessing directly a Coffee LMS server, which is hosted by Ascendia. For each customer who chooses this option, Ascendia allocates a customized virtual server. Basically, Ascendia offers a cloud-based solution that allows the beneficiary's learners to access the platform via any **browser**, from work or from home, depending on the security criteria set by the beneficiary.

- **Development and customisation services**

Although the LMS platform offers a complete set of functionalities, there are situations when the beneficiary may want new modules or new functionalities. Ascendia can develop a customised version of the platform in this case, in a very short time and in an operational and professional way. In order to customize the eLearning platform, based on the core LMS platform developed, we will discuss with the beneficiary organization's specialists about the explicit needs identified and together we will decide which functionalities are desired and needed, so that the platform is adapted to the organization's needs.

Based on the experience gained, **Ascendia S.A.** is therefore able to provide interested companies with a **complete eLearning solution**, together with all the support services required for its installation, configuration and implementation. In the year under review Ascendia S.A. worked on the expansion and modernization of this solution.

**In 2022 and beyond, additional financial resources will be allocated to modernize the solution so that it remains technologically in step with the latest developments in the field. The revenue generated by this solution increased in 2021 to 507,460 lei, i.e. about 113% more than the previous year, ranking 3rd as a source of commercial revenue for the company. It is important to note that much of this revenue is recurring. The sale of these products and services will continue to be made through the company's sales team and we estimate that 2022 will bring in significant revenues beyond 2021.**

- **ECONTENT AIMED AT TRAINING EMPLOYEES IN LARGE COMPANIES/CORPORATIONS AND OUTSOURCING;**

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Ascendia S.A.'s area of expertise in corporate training includes:

- consultancy for eLearning project implementation;
- instructional design - adaptation of client content from classic print format to interactive format (instructional design);
- eLearning course development (SCORM or other standard).

Since 2007 the company has been developing successful relationships with its partners. They provide the challenges the company needs to remain competitive, delivering customised solutions that ensure performance at a high quality standard. When eLearning was founded, it was the trump card of the pioneers in each sector, and for the rest it was an exotic fruit. Today, eLearning has become a standard in training.

The company can adapt the process of developing digital modules for any business environment. Instructional designers, specialists in developing interactive educational materials for the online environment, collaborate with the beneficiary's specialists (trainers, HR specialists, technicians, etc.) to create the best scenarios for digital courses. The programmers and designers then develop the courses by following these scenarios and augmenting them with their own ideas where these are deemed relevant.

In order to deliver effective courses, an analysis of training needs is done first, followed by an analysis of existing classic support materials (documents, course materials, images, sounds, videos, etc.). Based on these and taking into account the expectations of the beneficiary company, Ascendia S.A. starts producing eCourse scenarios (eContent). Together with the beneficiary, the content of these scenarios is evaluated and validated, the necessary changes are made where necessary and then the development phase is started.

**Ascendia S.A. has extensive experience in course development in both the soft-skills and hard-skills areas and is working on its own portfolio of courses for large companies/corporate environments as an "off the shelf"**

product, thus complementing its service line of producing customized courses for its various clients. To this end in 2020, a partnership was signed with Trend Cosnult to develop the "off the shelf" course portfolio under the eJourneys brand. At the date of this report the portfolio of e-Learning modules developed by the company counts 106 modules, on various topics of general interest. In 2022 and beyond, money will be allocated to expand this portfolio.

Revenues from the sale of e-Learning courses (off the shelf and customised) amounted to 869,170 lei, an increase of about 62% compared to the previous year, ranking second after LIVRESQ as a source of commercial revenues for the company. Sales of these products and services will continue to be made through the company's sales team as well as through Trend Consult partners. We estimate that in 2022 this line will bring in significantly higher revenues than in 2021.

#### ▪ LIVRESQ – AUTHORING TOOL FOR DEVELOPING INTERACTIVE DIGITAL MATERIALS;

In 2017 the company started a research-innovation contract financed by structural funds (European Regional Development Fund and State Budget) through the 2014-2020 POC programme, a project entitled "Innovative services for publishing, editing, consulting and online management of school textbooks" - acronym **LIVRESQ**. The total amount of non-reimbursable eligible funding approved for this project for the period August 2017-August 2019 was 2,252,920 lei, of which a total amount of 2,054,697 lei was absorbed, to which was added a co-financing from own resources in the amount of 507,223 lei, the developed product remaining the property of Ascendia S.A., thus ensuring a new line of business for the next period. It is worth mentioning that after the completion of the project financed by European funds, the company continued the development of the product from its own sources, an activity that will continue throughout the life cycle of the product.

The broad objective of the project is to create an integrated platform for the online publishing and **publishing of interactive materials** (digital manuals, eLearning courses, workbooks, books, newspapers, etc.).

The specific objectives related to the functionalities of the platform are:

- to develop tools for the automatic import of digital content from the print format and its conversion into a standard format for web and mobile devices, HTML5, in order to enrich it with multimedia elements specific to the online environment;
- tools for the automatic preparation of the software framework needed to insert multimedia elements (images, films, animations, interactive games, quizzes, etc.) into published modules, without the need for technical or programming knowledge;
- the creation of tools for online editing of module content - adding/replacing/deleting multimedia content - in order to achieve a customised form;
- tools for exporting modules in HTML and other formats (e.g. SCORM) for offline consultation or integration into third-party platforms, including integration into Learning Management Systems platforms.

The LIVRESQ project is a continuation of the development process of previous projects, aimed at the digital textbook market but also in the area of eLearning products for companies. Ascendia saw the opportunity to transform and extend the digital textbook product into a platform that would eventually generate digital textbooks. And, furthermore, starting from this tool, the opportunity was seen to extend it into a tool capable of producing a range of interactive digital materials, including eLearning modules, and the company allocated the necessary resources to this extension.

Using this product/service:

- companies and freelancers will be able to develop interactive content quickly and in line with current standards;
- publishers will be able to develop digital textbooks using a tool that facilitates in a standardized way the introduction of digital elements to present interactive content (animations, movies, quizzes, games, etc.) that stimulate students more, attracting them to learning;



- teachers will be able to create customised versions of digital textbooks that correspond to the needs and level of teaching they have in the classroom, to help students better understand the lessons taught;

The context of the development of digital textbooks, as well as funding received through European funds, has facilitated ASCENDIA's path in developing this platform, which is ultimately capable of serving multiple industries.

**Since the launch of the LIVRESQ authoring tool (August 2019), the main operational indicators that are used to monitor it are: number of subscribers, average monthly revenue, revenue over the entire period of use of the platform. Licenses and services related to the LIVRESQ platform, which ranks 1st in the company's commercial revenue hierarchy, brought in 2021 revenues in the amount of 3,092,622 lei, about 35 times more than in the previous year. The year 2022 will bring significant revenues for LIVRESQ but it remains to be seen whether we will achieve the performance of 2021.**

- **RESEARCH AND DEVELOPMENT ACTIVITY FINANCED MAINLY BY NATIONAL AND EUROPEAN FUNDS AND THE RESULTING PRODUCTS.**
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Since 2012, Ascendia has also expanded its activities in the area of research and development, allocating part of its available resources to this area. The R&D activity will be presented in chapter 1.1.7.

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#### 1.1.3 ASSESSMENT OF TECHNICAL-MATERIAL SUPPLY ACTIVITY (INDIGENOUS SOURCES, IMPORT SOURCES); INFORMATION ON SECURITY OF SUPPLY SOURCES AND PRICES OF RAW MATERIALS AND STOCK SIZES OF RAW MATERIALS AND MATERIALS.

Ascendia S.A. is not critically dependent on suppliers of products or services. The overwhelming majority of products and services delivered by Ascendia S.A. for which sourcing from various manufacturers or suppliers is required are not subject to price risk because there are many manufacturers or suppliers of such products and services.

Corroborated with the above explanation, we consider that price fluctuations in raw materials and materials are not a risk factor for the company. The company does not operate with stocks of raw materials or materials.

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#### 1.1.4 ASSESSMENT OF THE SALES ACTIVITY A) DESCRIPTION OF THE DEVELOPMENT OF SALES SEQUENTIALLY ON THE DOMESTIC AND/OR FOREIGN MARKET AND THE MEDIUM AND LONG-TERM SALES PROSPECTS; B) DESCRIPTION OF THE COMPETITIVE SITUATION IN THE COMPANY'S FIELD OF ACTIVITY, THE MARKET SHARE OF THE COMPANY'S PRODUCTS OR SERVICES AND THE MAIN COMPETITORS; C) DESCRIPTION OF ANY SIGNIFICANT DEPENDENCE OF THE COMPANY ON A SINGLE CUSTOMER OR GROUP OF CUSTOMERS WHOSE LOSS WOULD HAVE A NEGATIVE IMPACT ON THE COMPANY'S REVENUES.

Depending on the product or service offered by our company, we can say that the sales process is carried out both through a highly specialized internal team and through partners. Due to the wide range of products and services offered, Ascendia S.A. has a solid customer base, both individuals and companies, which generates new or recurring revenue for the company from the sale of the existing product range, as well as new revenue from new services, year after year, this customer base is constantly growing.

The state of the global e-Learning market continues to change, grow and evolve. This is demonstrated by increased budget allocations for eLearning programmes, the increasing prevalence of eLearning in different geographic markets around the world and new trends in emerging technologies and tools that support eLearning.

Locally, the Eastern European market is growing due to the increasing adoption of eLearning solutions by small and medium-sized businesses in the region. In addition, Europe is a mature market where all the traditional buyers (ministries, schools, higher education institutions and corporations) of eLearning products and services are very active in this respect.

In the specific health context of 2020 and 2021, the adoption of e-learning tools has increased globally, in particular through the openness to this teaching/learning modality of public academia. However, in 2020 the orientation was predominantly towards free tools, being a nascent market. In this market many consumers went for synchronous teaching/learning tools (teleconferencing type solutions), others used chat systems etc., but also asynchronous learning LMS and e-learning courses, these customers are the ones our company is targeting, mainly through marketing campaigns and offering free licenses for a limited period. This approach was aimed at gaining a larger footprint in the market. For the private area, the consumption of e-learning solutions varied from geography to geography, depending on the economic measures taken by each country's government.

In 2021 Ascendia experienced a rebound in sales of products and services to enterprise customers in the general context of the post-pandemic recovery. The growth trend in the customer base will continue to be upward. We anticipate that from 2022 onwards the e-learning market, both local and global, will grow significantly, with year-on-year growth rates exceeding previous years. We anticipate that 2022 will bring our company significant increases in revenue from external markets.

Ascendia S.A.'s main competitors in the e-Learning segment in Romania continue to be Siveco Romania S.A. together with their more recently founded company SIMAVI S.R.L., as well as Softwin S.R.L., both of which have the internal capacity to develop and promote educational content in their own e-Learning format. To these are added several smaller companies, such as The E-learning Company SRL and Profiduciară SRL (Nosco Learning). In the general context we also see the emergence of several other small companies, which in a growing market want to launch products and services that can compete with us. Competition is healthy, so we welcome their emergence!

We would like to point out that Ascendia S.A. remains the only company in Romania that can offer a complete e-learning solution composed of products entirely developed in Romania, namely the CoffeeLMS platform, the LIVRESQ editor and the eJourneys courses and related services.

Ascendia S.A. has no significant dependencies on a single customer or group of customers, but we point out that the signing of the EduLib contract will lead to the allocation of a large part of the company's working capacity to the execution of this contract, both in 2022 and in Q1 of 2023.

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#### 1.1.5 ASSESSMENT OF THE EMPLOYEE/STAFF ASPECTS OF THE COMPANY A) THE NUMBER AND LEVEL OF TRAINING OF THE COMPANY'S EMPLOYEES AND THE DEGREE OF UNIONISATION OF THE WORKFORCE; B) A DESCRIPTION OF THE RELATIONS BETWEEN THE MANAGER AND THE EMPLOYEES AND ANY CONFLICTUAL ELEMENTS CHARACTERISING THESE RELATIONS.

The staff structure in 2021 can be summarised as follows:

- The number of existing employees at the end of 2021 was: **31**
- The average number of employees for 2021 was: **21**

Compared to the previous year, the average number of employees did not change significantly, but the number of employees at the end of the year increased by about 29%. This increase can be explained by the strong recovery in economic activity in the last quarter of the year. **This growth trend will continue in 2022, given the projects currently underway by the company.**

In terms of qualifications, the company's employees have secondary or higher education, and can be characterized by a high degree of education and a continuous desire to learn and improve. The working environment is conducive to initiative, innovation and professional development. It is worth mentioning that work since March 2020 has been predominantly "teleworking" and this way of working comes with advantages and disadvantages. During 2022 the company will operate in hybrid mode.

**In 2022 the focus will also be on marketing and sales staff, important directions for selling the company's products, especially in the context of expanding business lines.**

During the period under review there were no conflict situations between employees and management. Employees are organised in a trade union structure.

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**1.1.6 ASSESSMENT OF ISSUES RELATED TO THE IMPACT OF THE ISSUER'S CORE BUSINESS ON THE ENVIRONMENT; SUMMARY DESCRIPTION OF THE IMPACT OF THE ISSUER'S CORE BUSINESS ON THE ENVIRONMENT AS WELL AS OF ANY EXISTING OR ANTICIPATED LITIGATION REGARDING VIOLATIONS OF ENVIRONMENTAL PROTECTION LEGISLATION.**

Ascendia S.A.'s activity has no direct impact on the environment, as the company is active in the field of software product development and related services. No environmental litigation has been registered.

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**1.1.7 EVALUATION OF RESEARCH AND DEVELOPMENT ACTIVITY; SPECIFICATION OF EXPENDITURE IN THE FINANCIAL YEAR AS WELL AS THAT EXPECTED IN THE FOLLOWING FINANCIAL YEAR FOR RESEARCH AND DEVELOPMENT ACTIVITY.**

In 2017 the company started a research-innovation contract financed by structural funds (European Regional Development Fund and State Budget) through the 2014-2020 POC programme, a project entitled "Innovative services for publishing, editing, consulting and online management of school textbooks" - acronym LIVRESQ. It is funded through Priority Axis 2 - "Information and Communication Technology (ICT) for a competitive digital economy".

This project was completed in August 2019, at which time the official launch of the resulting product (LIVRESQ platform - [www.livresq.com](http://www.livresq.com)) took place. The total amount of non-reimbursable eligible funding approved for this project for the period August 2017-August 2019 was 2,252,920 lei, of which a total amount of 2,054,697 lei was absorbed, to which was added a co-financing from own resources in the amount of 507,223 lei, with the developed product remaining in the ownership of Ascendia S.A., thus ensuring a new line of business for the next period. In 2019 the amount of 970,180 lei was received as non-reimbursable financing. It is worth mentioning that after the completion of the project financed by European funds, the company continued the development of the product from its own sources, an activity that will continue throughout the life of the product.

In 2021 the Ministry of Research, Innovation and Digitization, as Intermediate Body for the Operational Competitiveness Programme 2014-2020, on 30.09.2021 finalized the signing with Ascendia S.A. of the financing contract related to the project "Innovative system for management and analysis of large data used to manage the guarantee of products or services", SMIS Code 2014+: 123011, submitted by our company for funding in 2018 under the call POC/222/1/3.

The project, whose internal code is "eGarantie", will run for 24 months, starting from the date of signature, in partnership with the University of Bucharest. The general objective of the eGarantie project is to develop an IT product for the three main actors: the consumer, the supplier of the guaranteed product/service and the provider of warranty service, in order to ensure fast and efficient access to all the information related to the warranty of a product or service, while generating a wide range of useful information on different commercial or technical aspects, based on the analysis of a large volume of data ("big data"). The project is intended to expand the business lines of Ascendia S.A., our company will own all intellectual property rights on the resulting software product.

This project has a strong innovative character, involving significant R&D expenditure. The total eligible value of the project is 4.915.904,00 lei. AMPOC/OIC grants a non-reimbursable funding of 3.821.702,50 lei (77,7416% of the total approved eligible amount) for both partners. The amount of the grant for Ascendia S.A. is 3.262.680,50 lei. To this amount will be added 1.094.201,50 lei as own contribution for the execution of the project.

The value of research and development expenses in 2021, within the framework of this project, amounted to a total of 310,055 lei, expenses made both from the company's own funds - 62,011 lei - and from the non-reimbursable financing share - 248,044 lei.

Ascendia S.A. is determined to continue writing and submitting research and development projects whose direct beneficiary will be, as new lines of non-reimbursable financing corresponding to the company's needs will be launched.

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#### 1.1.8 ASSESSMENT OF THE COMPANY'S RISK MANAGEMENT ACTIVITIES; DESCRIPTION OF THE COMPANY'S EXPOSURE TO PRICE, CREDIT, LIQUIDITY AND CASH FLOW RISK; DESCRIPTION OF THE COMPANY'S RISK MANAGEMENT POLICIES AND OBJECTIVES.

In this section, the order of presentation of risk factors is random and not in an assumed order of priority, and our company is aware of these risks and, through our internal risk management system, tries to anticipate and neutralise them before potential consequences manifest themselves. However, many of the risks to which our company is subject are beyond its control.

**General economic risks** - The Issuer's activities are sensitive to economic cycles and general economic conditions, including those arising from particular health situations, such as the crisis generated by Covid19. International financial crises as well as the unstable economic environment may have significant adverse effects on the Issuer's business, operating results and financial position. Socio-political turmoil may also impact the company's business. International financial markets have felt the effects of the global financial crisis that began in 2008. These effects were also felt on the Romanian financial market in the form of low capital market liquidity and an increase in medium-term funding interest rates due to the global liquidity crisis. In the future, such a scenario could be repeated and any significant losses suffered by the international financial market, with major implications for the Romanian market, could affect the Issuer's ability to obtain loans or new financing on sustainable terms.

**National education policy risk** - The Ministry of Education has shown inconsistency and lack of vision over the last 30 years. The unpredictability of this ministry has been and continues to be generated by the large number of changing ministers and the lack of a multi-year national project. The poor results in the field of Romanian education were also exposed in the "Performance Audit Report" conducted by the Court of Accounts of Romania for the period 2011-2015 and published in 2016. As this ministry can regulate the e-learning market for the public sector, we consider that there are risks in terms of a potential limitation of the company's products for this market.

**Risk of unsustainable growth in industry wages** - Romania is a country where the IT&C industry is booming. This is mainly due to the qualification of the workforce, but also to comparably lower salaries for similar positions in other developed markets. These conditions have favoured both the development of Romanian companies and, more importantly, an influx of operational centres of large companies from around the world, which have moved specific services to Romania. As a consequence, wages in the industry have maintained an upward trend in recent years. So there is a risk related to the staff and management of the company represented by the possibility of highly qualified employees leaving for other companies offering salary packages and compensation above the current level offered by Ascendia. Salary policy can lead to major fluctuation in the skilled workforce. There is a risk that with the increase in these salaries, which are particularly sustainable by large companies, two scenarios, which are not mutually exclusive, may occur. The first scenario would be that as the wages offered by large, generally multinational, companies increase, small companies would be unable to sustain comparable wages, leading to an influx of staff from small to large companies, with a considerable negative impact on SMEs. The second scenario that may affect the company is that with the increase in salaries, many projects that used to be outsourced to Romania will go to other countries, as Romania is no longer financially attractive for such projects. Under these circumstances, the company is investing in the development of its own products, which in the future will be able to generate the necessary financial flows to keep the company in a competitive position, regardless of the evolution of salaries in this industry.

**Risk associated with key people** - The company, operating in a niche industry, in an expanding market, carries out a business that requires high knowledge and specialisation. The company depends on recruiting and retaining senior management and skilled employees. The medium and long-term profitability of the company depends to a large extent on the performance of qualified employees, staff and executive management, which are particularly important for the future development of Ascendia. Therefore, there is a possibility that in the future the Company may not be able to retain its executive directors or key personnel involved in the Company's activities or attract other qualified members to the management team, which would affect its market position as well as its future development. Thus, the loss of both senior management and key employees could have a material adverse effect on the Company's business, financial position and operating results. There is a possibility that in the future the company will face a shortage of qualified and skilled personnel. National macroeconomic conditions in the IT labour market support the possibility of employee migration at this time. Ascendia is taking steps to keep the human factor motivated. In order to retain experienced and potential staff, the company offers motivating salary packages, good working conditions, as well as development conditions, and the company will also make efforts to allocate free shares to employees or stock-options instruments.

**Risk with significant clients** - The company was for a significant period (2007-2012) almost exclusively an outsourcing service provider, with one large client providing more than 90% of the company's revenue until 2012. This profile has been discontinued, but depending on the projects contracted there is a risk that one or more clients may reach a large share of the firm's business. In the last 3 years, the aim has been to maintain a balance in this area and since 2013 the company has not had clients that alone exceed 35% of annual revenues. However, there are, depending on the projects contracted, significant clients. A concentrated client structure may give rise to the risk associated with the loss of one of these clients or payments made to the company, and may consequently result in a decrease in the company's reported revenues and profits. In this context we consider that there is such a risk related to the deployment of the EduLib contract, for which our company will allocate a large part of the production force during 2022 and most likely Q1 of 2023.

**Tax and legal risk** - The Issuer is governed by Romanian legislation and even though Romanian legislation has been largely harmonised with EU legislation, future changes may occur, i.e. new laws and regulations may be introduced, with effects on the Company's business. Romanian legislation is often unclear and subject to different interpretations and implementations and frequent amendments. Ascendia cannot predict the extent or impact of any future revisions or amendments to existing laws or regulations or the significance of new laws and regulations that may be introduced in the future that may be applicable to the Company. Both changes in tax and legal laws and possible events resulting from their application may result in possible fines or lawsuits brought against the Company, which may impact Ascendia's business. So far the company has not been fined or made to pay damages, but this situation may change. Ascendia is closely monitoring legislative changes. Business ethics is an important issue for the company.

We consider it worth mentioning that Ascendia S.A. successfully defended its image and brand in court by winning both lawsuits filed by Ascendis Consulting S.R.L. in 2016 and concluded in 2018 (cases at the Bucharest Court 37217/3/2016 and 44055/3/2016). These had been filed immediately after the listing of Ascendia S.A. on the AeRO market, our company being accused of having used the "Ascendia" trademark without having this right and therefore having unfairly competed with them. Ascendia S.A. has had its trademark registered with OSIM, under the title "Ascendia Design", for over 5 years, and has all documents related to the company name correctly and completely registered with ONRC.

**Product and Service Risk** - The demand for and price of the Company's products and services depend on a variety of factors over which Ascendia has no control, namely: global and regional economic and political developments; local and international supply and demand; consumer demand in the industry; existing and future laws and regulations; government regulations in the education and IT&C industries; the impact of economic and political events, etc. The development of products or service lines is done as a result of analysis of market trends, but also as a result of anticipation of potential such directions. Therefore, a company's investments in expanding its product and service range may or may not have the expected commercial results. Decreases in demand or failure to achieve sufficient market share and prices for Ascendia's products and services may affect the Company's cash flow and have a material adverse effect on its business, operating results and financial position.

**Seasonality Risk** - Ascendia's business is impacted by several seasonality systems. One such system is that of the school year. It directly influences the collection periods related to business lines involving the sale of educational materials to the retail environment, but also to the Ministry of Education. Another system in which a seasonality aspect can be identified is that related to the training budgets of the companies for which Ascendia produces eLearning materials. These budgets are often only spent in the last quarter of each year. There are also one or two clients each year with large outsourcing projects, loading the company's production capacity for a given period, but such projects are difficult to predict. Such cycles can lead to significant discrepancies between projected revenues and expenses, and can also cause periods where fixed costs of doing business must be maintained, regardless of the level of revenue generated. In order to streamline and minimise the negative impact of these periods, Ascendia uses the resources available during periods of less activity to accelerate the development of its products.

**Risk associated with the business development plan** - The Company aims for sustainable growth through the continuous development of its own product and service lines, in parallel with the expansion of its customer portfolio, as its team and material base develop and the Company's visibility increases. However, it is not excluded that the products or services developed may not meet market expectations or may not be sufficiently well branded by the company. Nor should the possibility be ruled out of a deterioration in the relationship with some existing customers or the inability to attract new ones, or the possible inability to attract the right people to implement the plan. There is therefore the possibility that the issuer may not be able to carry out the development plan or only some lines of the strategy it has defined. In order to reduce these risks the company follows the actions described in its development plan.

**Risk associated with the achievement of financial forecasts** - Financial forecasts are based on the assumption that the business development plan will be achieved. The forecasts have been made with due diligence and in a prudent manner, but have not been verified by an auditor and are only estimates of a projected impact of current and future activities. There is therefore a risk of non-fulfilment, as they are made on a construct based on the successful implementation of the growth strategy, which in turn is exposed to a number of risk factors, as evidenced by this document. Therefore, the data to be reported by the company may be significantly different from those forecast as a result of factors that were not foreseen or whose negative impact could not be counteracted.

**Risk associated with sources of financing** - Ascendia S.A. has assets and can open various bank credit facilities (credit, line of credit, bridge loan, etc.) that come with the associated risks. Other financing facilities may also be pursued in the future, including for the issuance of letters of guarantee necessary to participate in tenders and to guarantee the proper execution of projects. Such letters are a standard feature of procurement/execution processes in the public environment, but can only have a negative impact on the company's financial situation if the company does not execute those procedures according to tender/contract specifications.

Another area of risk is the time limits for receiving money from various projects financed by national or European funds. It is an already established feature of the inability of intermediary funding bodies to deliver on time and according to contracted work plans the money financed by such projects. These are calculated risks, Ascendia always forecasts delays in the collection of outstanding amounts and ensures from its own sources or bridging loans the proper execution of projects until collection. However, the timing of arrears can never be correctly anticipated, as they are influenced by factors external to the company. It should be made clear that this money naturally has no risk of non-recovery, only the risk of non-recovery at the contractually defined deadline or by existing funding regulations.

Another potentially risky source of financing is the Bucharest Stock Exchange. This comes with capital market risks. At the date of this report the company has issued a bond issue maturing in 2022 (name ASC22). In order to support the business, the company could in the future use other financing mechanisms specific to the stock exchange, i.e. capital increases, issuance of new bonds or the use of other instruments specific to the capital market, which will bring with them specific risks.

**Price risk** - This is the risk that the market price of products and services sold by the company will fluctuate to such an extent as to make existing contracts unprofitable. The company carefully monitors market prices and, if necessary, may withdraw from contracts that risk becoming unprofitable.

**Cash-flow risk** - This is the risk that the company will not be able to meet its payment obligations when due. The risk is fairly low, given that Ascendia S.A. has income from various lines of business and, if necessary, can borrow through bank loans, having a high level of solvency at the date of this report. However, there is such a risk and it should not be treated lightly.

**Credit risk** - This is the risk that a third party natural or legal person will default on its obligations under a financial instrument or under a customer contract, thereby resulting in a financial loss. The Company is exposed to credit risk from its operating activities (mainly for external trade receivables) and from its financial activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To minimise risk the company regularly analyses and monitors customers through specialised creditworthiness analysis sites and implements a strict policy on the delivery of goods and services to defaulting customers. However, a way to completely eliminate this risk has not been identified.

**Liquidity risk** - The Company monitors its risk of facing a lack of funds to run the business. The Company carefully plans and monitors cash flows to prevent this risk. The company, if needed, can access funding from major partner banks. Liquidity risk is associated with holding fixed or financial assets and converting them into liquid assets. The company's assets (technological equipment) are used in its current activity (provision of services and software development). From this point of view the most important risks for the company are cash-flow and credit risks.

#### **Risk associated with trademark rights**

**The company currently owns the following trademarks: "Ascendia Design", "Coffee LMS", "EduTeca", "Dacobots.com", "Timlogo", "Livresq", "eJourneys". In order to reduce the risks of registering similar trademarks or losing trademark rights, these trademarks are monitored regularly so that they can be filed for opposition when appropriate.**

**War risk** - Romania's status as a neighbouring country to a country at war is an important factor of potential economic instability, especially if this war spreads to other countries. In addition, Romania's participation in a war would have a major negative impact on the economy, and ASCENDIA would not be immune to this impact. In this potential context, the company's business will suffer greatly and any investment in the company will be subject to a very high risk of depreciation, with investors potentially losing all or part of their investment.

**Risk associated with equity/bond investments** - The Bucharest Stock Exchange (BVB) exhibits similar characteristics to other small stock exchanges in emerging countries in terms of fragility, low liquidity and volatility of the market and the value of listed securities, and the market price of stocks and bonds may also be influenced by these factors. The market price of stocks and bonds is generally volatile and can suffer sudden and significant declines. Price declines may be caused by a variety of factors, including the difference between the Company's announced results and analysts' forecasts, major contracts, mergers, acquisitions and strategic partnerships involving the Company or its competitors, fluctuations in the Company's financial condition and operating results, factors related to the energy industry and general economic conditions, as well as general volatility in the price of shares in the markets in which the shares are listed or in international markets generally. As a result, investors may experience a significant decline in the market price of the shares/bonds. In order to make a fair assessment of an investment in the Company's shares/bonds, prospective investors should carefully consider the risks presented as well as the other information about the issuer contained in this document and elsewhere before making any investment decision. Each of the risks highlighted could have a material adverse effect on the issuer's business, financial position and results of operations, liquidity and/or prospects and on any investment in the Company's shares/bonds. Should any of the risks outlined materialise, this could adversely affect the market price of the Company's shares/bonds and, as a result, investors may lose all or part of their investment.

**Other Risks** - Prospective investors should consider that the risks outlined above are the most significant risks of which the Company is currently aware. However, the risks set out in this section do not necessarily include all those risks associated with an investment in the issuer's shares and the Company cannot guarantee that it encompasses all relevant risks. There may be other risk factors and uncertainties of which the Company is not currently aware which may change the actual results, financial conditions, performance and achievements of the issuer in the future and may cause the price of the Company's shares to fall. Investors should also undertake due diligence to prepare their own assessment of the suitability of the investment.

Therefore, the decision of potential investors as to whether an investment in the issuer's shares is appropriate should be made after a careful assessment of both the risks involved and the other information about the issuer contained or not contained in this document.

1.1.9 FORWARD-LOOKING INFORMATION ON THE COMPANY'S BUSINESS A) PRESENTATION AND ANALYSIS OF TRENDS, ELEMENTS, EVENTS OR UNCERTAINTY FACTORS AFFECTING OR LIKELY TO AFFECT THE LIQUIDITY OF THE COMPANY COMPARED WITH THE SAME PERIOD OF THE PREVIOUS YEAR; B) PRESENTATION AND ANALYSIS OF THE EFFECTS OF CURRENT OR ANTICIPATED CAPITAL EXPENDITURE ON THE COMPANY'S FINANCIAL POSITION COMPARED WITH THE SAME PERIOD OF THE PREVIOUS YEAR; C) PRESENTATION AND ANALYSIS OF EVENTS, TRANSACTIONS AND ECONOMIC CHANGES SIGNIFICANTLY AFFECTING INCOME FROM CORE BUSINESS.

The IT&C industry is an industry with an accelerated growth rate and eLearning, in particular, has a significant annual growth rate, above the average of the parent industry, both in Romania and abroad. The IT&C industry is particularly dynamic, technological advances and the realities generated by them being important factors that ASCENDIA is continuously considering in order to be able to offer competitive products and services, adapted to the constantly changing realities (new equipment, new systems, new software, etc.).

In order to be able to sustain and develop the company's position, ASCENDIA has the following 2 key elements in mind for 2022:

- **Growth of the marketing and sales team**
- **Development of the team and its material base**

With these directions in mind, the following income and expenditure budget has been projected for 2022.

INCOME AND EXPENDITURE BUDGET	
- category -	- lei -
Total forecast revenue	20,048,241
Total forecast expenditure	12,020,254
Forecast gross profit	8,027,798

The projected revenue amount has in its structure more than 75% of money from contracts already signed in 2021, whose delivery in 2022 we estimate will generate the related revenue.

We have also made this budget on the assumption that we will deliver the EduLib project in full in 2021. At the time of this report there are signs that some development will also take place in Q1 of 2023. If this materialises, part of the EduLib related revenue will be received in 2023, altering this BVC accordingly.

The 2022 income and expenditure budget does not include income related to any share capital increase operations.



This Income and Expenditure Budget has been designed based on the results of previous years, the level of taxation forecast for this year, the values of projects currently underway, discussions related to possible project contracts, but also taking into account the dynamics of the company's team, the dynamics of salaries and expected investments, the marketing and sales actions already committed/planned and the sales targets for both own products and the portfolio of services offered, in the unpredictable context given by the evolution of Covid19 in the world.

## 2. TANGIBLE ASSETS OF THE COMPANY

### 2.1 THE LOCATION AND CHARACTERISTICS OF THE MAIN PRODUCTION CAPACITIES OWNED BY THE COMPANY.

The specific nature of Ascendia S.A.'s activity does not involve the ownership of significant tangible assets. The company's tangible assets are represented by computing technology: laptops, workstations, servers, mobile phones, multifunctional printers, network equipment; office furniture, projection and office equipment, organised in the form of departments and computer centres.

Most of these assets have been acquired through various grants in the framework of projects carried out by the company:

- "Innovation services for publishing, editing, consulting and online management of school textbooks" - LIVRESQ - financed from European funds under the 2014-2020 POC programme, started in 2017 and completed in 2019;
- "Multiplatform information technologies with interactive applications in Romanian for speech therapy" - TIMLOGORO - funded under the PN3 programme of UEFISCDI, project started in 2016 and completed in 2018;
- "Teaching and learning of science and technology disciplines through the network of interactive ceramic boards with integrated sound (ēno)" - ENOTEC - project funded under the PN2 programme of UEFISCDI and completed in 2016;
- "Virtual Centre for the education and training of citizens in natural disaster situations through Serious Games" - MEDGAME - project funded under the PN2 programme of UEFISCDI and completed in 2016;
- "New approaches in the professional training of specialists in the field of Environmental Engineering in view of regional sustainable development and correlation with current labour market requirements" - REGIOSIM - project funded under one of the POS-DRU programme lines and completed in 2015;
- "Increasing the productivity of Ascendia Design SRL through access to broadband and high-performance ICT equipment" project funded by one line of the POSCCE program, implemented by the company in 2013.

In the event that during the current year or in the following years relevant non-reimbursable financing schemes will be opened allowing the financing of tangible assets such as infrastructure equipment / servers / private cloud / means of production etc. the company intends, depending on the needs and priority identified at that time, to apply for such financing lines and acquire new tangible assets benefiting from non-reimbursable financing.

Ascendia S.A. does not own any land or buildings. The productive assets owned by the company are located in the following locations leased by Ascendia S.A.:

- Company's head office: 40 Eufrosin Poteca Street, 1st floor, Sector 2, Bucharest;
- The company's working point: Bld.Dacia nr.99, 4th floor, Sector 2, Bucharest.

## 2.2 DESCRIPTION AND ANALYSIS OF THE DEGREE OF WEAR AND TEAR OF COMPANY PROPERTY

The company's fixed assets, located at the company's head office and at the working point, consist of computer equipment, office equipment and furniture (78% depreciated), digital platforms, licences and specific software (19.5% depreciated).

The company also has three means of transport (small cars), 84.9% depreciated, which are used for sales and administration purposes.

## 2.3 CLARIFICATION OF POTENTIAL ISSUES RELATING TO OWNERSHIP OF THE COMPANY'S TANGIBLE ASSETS.

Ascendia S.A. has no problems regarding the ownership of tangible assets.

## 3. THE MARKET IN SECURITIES ISSUED BY THE COMPANY

### 3.1 SPECIFICATION OF THE MARKETS IN ROMANIA AND OTHER COUNTRIES ON WHICH THE SECURITIES ISSUED BY THE COMPANY ARE TRADED.

**Ascendia S.A. shares** are traded on the Bucharest Stock Exchange (BVB), AeRO-ATS market, Premium category, under the stock symbol "**ASC**". Prior to the application for admission to trading on the Alternative Trading System of the Bucharest Stock Exchange, the company's shares were not traded on any other stock exchange. The following graph shows the evolution of **ASC's share price from 01.01.2021 to 31.12.2021**.

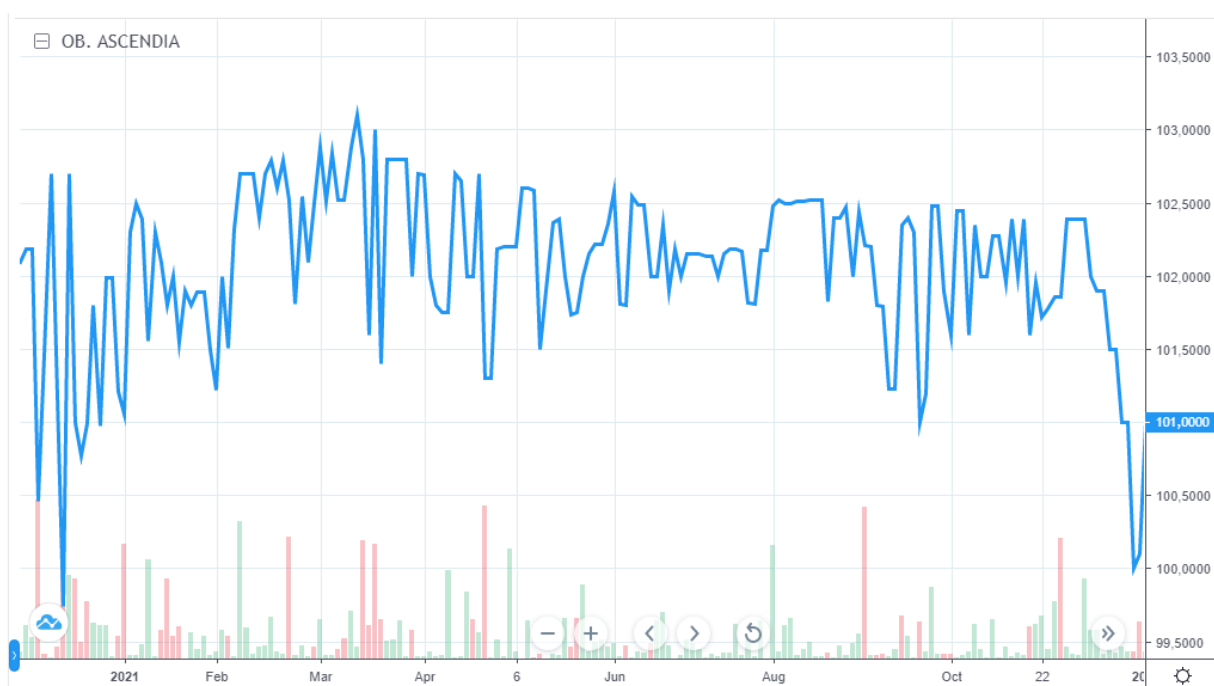


The evolution of ASC's share price since the listing to date can be briefly described as follows:

- Ascendia debuted on the Romanian stock market on 07.07.2016, with a price of 8.66 lei/share, closing the first trading session at a price of 10.7 lei/share. The company's shares closed 2016 up from the listing date, at a price of 13.4 lei/share, 54.73% above the first trading price from the listing date;

- In 2017 the shares performed negatively, ending the year at a price of 7.80 lei/share, 58% of the price of a share at the end of 2016, i.e. 90% of the price at which the share debuted on the stock market in 2016;
- In 2018 the company's shares performed positively, ending the year at a price of 8.65 lei/share, about 11% higher than the price of a share at the end of 2017;
- In 2019 the company's shares had a positive development, ending the year at a price of 11.60 lei/share, approximately 34% higher than the price of a share at the end of 2018;
- In 2020 the shares had a negative development, ending the year at a price of 6.60 lei/share, 57% of the price of a share at the end of 2019;
- In 2021 the company's shares had a positive development, ending the year at a price of 27.00 lei/share, approximately 309.09% higher than the price of a share at the end of 2020.

In **2019** Ascendia S.A. issued **bonds**, which are traded on the Bucharest Stock Exchange under the stock symbol "ASC22". Prior to the application for admission to trading, the company's bonds were not traded on any other stock exchange. The following graph shows the **evolution of the ASC22 bond price from 01.01.2021 to 31.12.2021**.



The evolution of the price of the ASC22 bond since listing to date can be briefly described as follows:

- The bonds debuted on the Romanian stock market on 02.10.2019, with a price of 100 lei/bond (subscription price), closing the first trading session at a price of 105.50 lei/bond.
- In 2019 the company's ASC22 bonds performed positively compared to the subscription price, ending the year at the price of 105.42 lei/bond, 5.42% higher than the subscription price.
- In 2020 the company's ASC22 bonds performed positively compared to the subscription price, ending the year at 101.06 lei/bond, 1.06% higher than the subscription price.
- In 2021 the company's ASC22 bonds performed positively compared to the subscription price, ending the year at 100.10 lei/bond, 0.1% higher than the subscription price.

The company has no other securities traded on the Romanian or foreign stock exchanges.

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### 3.2 DESCRIPTION OF THE COMPANY'S POLICY ON DIVIDENDS. INDICATION OF DIVIDENDS RECEIVED/PAID/ACCRUED DURING THE LAST 3 YEARS AND, IF APPLICABLE, THE REASONS FOR ANY DECREASE IN DIVIDENDS DURING THE LAST 3 YEARS.

According to the legal provisions in force and in accordance with the Company's Articles of Association, each paid share entitles the holder to receive dividends. Dividends are distributed to shareholders in proportion to their share in the paid-up share capital. Dividends may only be distributed from the profit determined according to the company's financial statements as approved by the General Meeting of Shareholders. The General Meeting of Shareholders shall determine the amount of dividends that may be distributed based on the distributable profit obtained in the previous financial year.

No dividends were distributed and paid during 2021.

**In 2021 the company recorded a net profit of 2,251,446 lei, which is to be distributed according to the decision of the General Meeting of Shareholders on 27.04.2022 for the creation of reserves.**

In accordance with the plans declared in 2016, upon the listing of Ascendia S.A., the company intends to reinvest the profits obtained for the development of business lines and the creation of new, proprietary software products, this strategy to be submitted for approval to the Annual General Meeting of Shareholders (OGMS) each year, in accordance with the BVB regulations on the AeRO market, as well as the legal regulations in force.

In general, the company's policy with regard to the distribution of net profit as dividends due to shareholders is that it makes this distribution by OGMS resolution only when the company has the necessary financial resources available to make these transfers and the related tax payments, without this affecting the resources required for the company's current or development activities.

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### 3.3 DESCRIPTION OF ANY ACTIVITIES OF THE COMPANY TO ACQUIRE ITS OWN SHARES.

Ascendia S.A. did not carry out any activities to acquire its own shares.

Regarding the strategy for the years 2022-2023, the company's management wishes to acquire/issue a share package for the employee reward plan, this action to be proposed to the shareholders for approval.

Bonuses may only be granted to persons employed in the company at the date of reporting the annual financial results to the Bucharest Stock Exchange. Share bonuses may be made either through the allotment of shares or through the option to acquire shares in the Company.

The criteria, the mechanism for granting bonuses, the terms of payment/granting, the type of shares to be granted, the period of time and the conditions under which the shares so granted may be redeemed shall be subject to the Reward Plan. The maximum number of shares, the vesting period and the price range will be made according to a set of criteria to be determined by the management of the company, communicated to and approved by the shareholders.

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### 3.4 WHERE THE COMPANY HAS SUBSIDIARIES, AN INDICATION OF THE NUMBER AND NOMINAL VALUE OF SHARES ISSUED BY THE PARENT COMPANY AND HELD BY THE SUBSIDIARIES.

The company has no subsidiaries.

### 3.5 WHERE THE COMPANY HAS ISSUED BONDS AND/OR OTHER DEBT SECURITIES, A DESCRIPTION OF HOW THE COMPANY DISCHARGES ITS OBLIGATIONS TO HOLDERS OF SUCH SECURITIES.

By the Extraordinary General Meeting of Shareholders of ASCENDIA S.A. on September 22, 2018, the shareholders approved the issuance by the Company of non-convertible corporate bonds and authorized the administrator to issue non-convertible corporate bonds for the period between the date of publication of the resolution of the Extraordinary General Meeting of Shareholders in the Official Gazette of Romania Part IV and 31. 12.2020 to decide on one or more issues of bonds in lei, with a maximum total amount of 4,500,000 lei (four million five hundred thousand lei), each bond to be issued with a nominal value of 100 lei per bond, with a maturity between minimum 3 and maximum 5 years, with an annual interest rate of maximum 10% per year.

In this context, Ascendia S.A. carried out through SSIF Tradeville SA, on 03 June 2019, a bond offering addressed to less than 150 natural or legal persons, on a Member State of the European Union, without drawing up and publishing a prospectus. As a result, a number of 30,000 unsecured corporate bonds, denominated in RON, with an individual nominal value of RON 100 and a total value of RON 3,000,000, issued on 06 June 2019, with maturity on 06 June 2022 and a fixed annual coupon rate of 10%, were issued by Ascendia S.A., with coupons payable semi-annually.

In the placement, bonds were issued to 35 investors, including 1 Romanian legal entity investor and 34 Romanian individuals. The bonds are listed on the Bucharest Stock Exchange under the symbol ASC22, starting from 02.10.2020, the date of entry to trading. The register of bondholders is at the Central Depository.

**Annual Interest** - The nominal annual Coupon Rate is fixed at 10% per annum, payable semi-annually on the Coupon Date. The Coupon is calculated on the basis of the actual number of days that have elapsed from an Interest Period and a year of 365 days. The gross annual yield to maturity is calculated on the basis of the issue price and the fixed annual interest rate of **10% per annum**. Interest is calculated according to the following principle: "first day of the calculation period included, last day of the calculation period excluded".

**Payment of Interest and Principal** - All payments in respect of the Bonds issued, principal and coupons, will be made on the Coupon Date and/or the Maturity Date, as the case may be, through the Central Depository and the Paying Agent appointed by Ascendia S.A., to Bondholders registered in the register of Bondholders on the applicable Reference Date.

Payments of Coupon and principal, as applicable, will be made semi-annually to Bondholders of record on the Reference Dates within five (5) Business Days of the Reference Date until maturity of the Issue, except for the last Coupon which will be paid on the Maturity Date.

Details of interest and principal payments are set out in the table below:

Nr crt	Coupon rate[%]	Previous coupon date [LL/ZZ/AAAA]	Reference Date [LL/ZZ/AAAA]	Current coupon date [LL/ZZ/AAAA]	Ex-coupon Date [LL/ZZ/AAAA]	Principal	Coupon* Period [days]
1	10.00%	06/06/2019	11/29/2019	12/06/2019	12/02/2019	0.00	183
2	10.00%	12/06/2019	05/29/2020	06/06/2020	06/02/2020	0.00	183
3	10.00%	06/06/2020	11/26/2020	12/06/2020	11/27/2020	0.00	183
4	10.00%	12/06/2020	05/28/2021	06/06/2021	05/31/2021	0.00	182
5	10.00%	06/06/2021	11/25/2021	12/06/2021	11/26/2021	0.00	183
6	10.00%	12/06/2021	05/30/2022	06/06/2022	05/31/2022	100.00	182

\* Coupon Period = Current Coupon Date - Previous Coupon Date [or] Issue Date (for first coupon)

If any Coupon Date falls on a day that is not a Business Day, payment of the Coupon will be made on the Business Day immediately following that date. The last Coupon Date will be the Maturity Date, i.e. on the 36th anniversary of the Issue Date, when the Bonds issued will be redeemed at par value. Claims made against Ascendia S.A. in respect of payment of nominal value or interest in connection with the Bonds shall be subject to a limitation period of 3 (three) years from the due date for payment. This Bond issue does not provide for the possibility of early redemption by the Issuer.

The paying agent appointed by Ascendia S.A. is Banca Transilvania. Ascendia S.A. reserves the right to change the Paying Agent at any time provided that, at all times, there is a Paying Agent based in Romania. Any such change shall only take effect upon notice to the Bondholders 30 days prior to the change. Such notice shall be validly provided to Bondholders by publication on the website of the Issuer ([www.ascendia.ro](http://www.ascendia.ro)) and on the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)).

At the General Meeting of Shareholders held on 28.08.2021 it was approved the issuance (until 31.12.2023) of a new issue of non-convertible corporate bonds up to a maximum ceiling of RON 5 million, the nominal value of one share being RON 100/share, with a maturity ranging from 3 years to 5 years, with an interest rate of maximum 10%/year. At the date of this report this issue has not yet been launched, but has been contracted to SSIF Tradeville SA, and is expected to take place during 2022, depending on the global economic situation - more details to be communicated through a current report.

As a result of the prevention of economic disruptions caused by the pandemic and in order to carry out economic activity in optimal conditions, a working capital credit line was contracted in 2020 through the SME Invest program, in the amount of 791,000 lei through CEC Bank, of which the amount of 560,280 lei was used during 2021.

In order to protect the cash flow from possible delays in the disbursement of non-reimbursable funds related to the eGarantie project, the Company has contracted from 2021 a bridging loan of 1,000,000 lei from Banca Transilvania, for which the Company will pay interest only on the amounts used - up to the date of this report no amounts from this facility have been used.

Depending on future development needs, the Company will consider using available financing mechanisms, bank or capital market, such as: credit line, loan, capital increase, share or bond offering, etc.

## 4. MANAGEMENT OF THE COMPANY

4.1 THE PRESENTATION OF THE LIST OF DIRECTORS OF THE COMPANY AND THE FOLLOWING INFORMATION FOR EACH DIRECTOR: A) CV (NAME, SURNAME, AGE, QUALIFICATIONS, PROFESSIONAL EXPERIENCE, POSITION AND LENGTH OF SERVICE); B) ANY AGREEMENT, UNDERSTANDING OR FAMILY RELATIONSHIP BETWEEN THE DIRECTOR IN QUESTION AND ANOTHER PERSON BY VIRTUE OF WHICH THAT PERSON HAS BEEN APPOINTED DIRECTOR; C) THE DIRECTOR'S SHAREHOLDING IN THE CAPITAL OF THE COMPANY; D) THE LIST OF PERSONS RELATED TO THE COMPANY.

### **COSMIN MĂLUREANU –SOLE ADMINISTRATOR AND CHIEF EXECUTIVE OFFICER (CEO)**

As of 31.12.2020 the Sole Director shall also perform the duties of Chief Executive Officer. The company is managed and administered by Mr. MĂLUREANU COSMIN, Romanian citizen, in 1981 in Mun. Bucharest, domiciled in Mun. Bucharest, initially appointed for a period of 4 years starting from 23 March 2016, with full powers. In March 2020 by OGMS No. 0009/21.03.2020 the shareholders decided to re-elect him for a new 4-year term of office, under the same financial conditions. Mr. Malureanu's experience as sole Director of the company dates back to the company's inception in 2007.

By OGMS No. 0009/21.03.2020, the shareholders decided that the remuneration for the management contract related to the position of General Manager of the company for Mr. Cosmin Malureanu will be 7500 lei net/month. By the same decision, the shareholders decided that the management contract for the position of Sole Director of the company for Mr. Cosmin Malureanu shall be 4500 lei net/month.

**Education:**

- 2000 - 2009, Academy of Economic Studies Bucharest (ASE), Romania. Faculty of Cybernetics, Statistics and Economic Informatics - specialization in Economic Informatics - completed with a degree in Economic Engineering
- September 2002 - September 2003, University of Economics and Business Sciences Athens, Greece. Faculty of Computer Science, Undergraduate courses, 1 year scholarship
- September 2001 - September 2002, National and Kapodistrian University of Athens, Greece. Faculty of Philosophy, Certificate of proficiency in Greek language - scholarship 1 year
- 2000 - 2001: Cisco Systems Networking Academy-Dimitrie Cantemir National College, Bucharest, Romania
- 1996 - 2000: Dimitrie Cantemir National College, Bucharest - Assistant Programmer Analyst

**Important prizes:**

- 2017 - "Leave a Mark" award by the Romanian Business Leaders Foundation
- 2014 - Award "E-Skills for Jobs 2014 - Digital Entrepreneurship" - offered by the European Commission at EU level for the results obtained with the company ASCENDIA DESIGN S.R.L.
- 2010 - "Young Entrepreneur of the Year 2010" Europe - by Junoir Achievement Young Enterprise Europe.

As of 14.04.2022, the record date for the Ascendia S.A. OGMS of 27.04.2022, the shareholding of the Sole Director, Mr. Cosmin Malureanu, in the capital of Ascendia S.A. is 908,080 shares, representing 54.2285% of the voting rights and share capital.

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4.2 THE PRESENTATION OF THE LIST OF THE MEMBERS OF THE EXECUTIVE MANAGEMENT OF THE COMPANY. FOR EACH OF THEM, THE FOLLOWING INFORMATION: A) THE TERM FOR WHICH THE PERSON IS A MEMBER OF THE EXECUTIVE MANAGEMENT; B) ANY AGREEMENT, UNDERSTANDING OR FAMILY RELATIONSHIP BETWEEN THAT PERSON AND ANOTHER PERSON DUE TO WHICH THAT PERSON HAS BEEN APPOINTED AS A MEMBER OF THE EXECUTIVE MANAGEMENT; C) THE SHAREHOLDING OF THAT PERSON IN THE CAPITAL OF THE COMPANY

The persons in the executive management of Ascendia S.A. are:

- Cosmin Mălureanu - indefinite period - shareholding in the capital of Ascendia S.A. is 908,080 shares, representing 54.2285% of voting rights and share capital ;
- Alex Mălureanu - indefinite period - shareholding in Ascendia S.A. is 320,861 shares, representing 19.1611% of the voting rights and of the share capital;
- Adriana Mălureanu - indefinite period - shareholding in Ascendia S.A. is 65,000 shares, representing 3.8817% of the voting rights and of the share capital;
- Daniel Comănescu - indefinite period - has no shareholding in Ascendia S.A.

The holdings mentioned are as of 14.04.2022, the record date for the Ascendia S.A. OGMS on 27.04.2022.

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4.3 FOR ALL PERSONS REFERRED TO IN 4.1 AND 4.2, DETAILS OF ANY LITIGATION OR ADMINISTRATIVE PROCEEDINGS IN WHICH THEY HAVE BEEN INVOLVED IN THE LAST FIVE YEARS RELATING TO THEIR WORK WITH THE ISSUER AND THOSE RELATING TO THEIR ABILITY TO PERFORM THEIR DUTIES WITH THE ISSUER.

This is not the case - there have been no such disputes.

## 5. FINANCIAL AND ACCOUNTING SITUATION

- 5.1 PROVIDE AN ANALYSIS OF THE CURRENT ECONOMIC AND FINANCIAL SITUATION COMPARED WITH THE LAST 3 YEARS, WITH REFERENCE AT LEAST TO: A) BALANCE SHEET ITEMS: ASSETS REPRESENTING AT LEAST 10% OF TOTAL ASSETS; CASH AND OTHER LIQUID ASSETS; REINVESTED EARNINGS; TOTAL CURRENT ASSETS; TOTAL CURRENT LIABILITIES; B) PROFIT AND LOSS ACCOUNT: NET SALES; GROSS REVENUES; ITEMS OF COSTS AND EXPENSES OF AT LEAST 20% OF NET SALES OR GROSS REVENUES; PROVISIONS FOR RISKS AND CHARGES; REFERENCE TO ANY SALE OR DISCONTINUATION OF A BUSINESS SEGMENT MADE IN THE LAST YEAR OR TO BE MADE IN THE NEXT YEAR; DIVIDENDS DECLARED AND PAID; C) CASH FLOW: ALL CHANGES IN THE LEVEL OF CASH IN THE CORE BUSINESS, INVESTMENTS AND FINANCIAL ACTIVITIES, THE LEVEL OF CASH AT THE BEGINNING AND END OF THE PERIOD.

BALANCE SHEET DATA	Rd	31.12.2019	31.12.2020	31.12.2021
<b>A. FIXED ASSETS</b>				
<b>I. INTANGIBLE FIXED ASSETS</b>	<b>01</b>	5.271.258	6.034.164	6.513.511
<b>II. TANGIBLE FIXED ASSETS</b>	<b>02</b>	210.182	120.353	85.329
<b>III. FINANCIAL FIXED ASSETS</b>	<b>03</b>	48.566	46.245	46.050
<b>TOTAL FIXED ASSETS</b>	<b>04</b>	5.530.006	6.200.762	6.644.890
<b>B. CURRENT ASSETS</b>				
<b>I. INVENTORIES</b>	<b>05</b>	205.682	193.229	229.245
<b>II. RECEIVABLES</b>	<b>06</b>	789.387	406.642	4.731.065
<b>III. SHORT-TERM INVESTMENTS</b>	<b>07</b>	349.480	370.198	618
<b>IV. HOUSE AND BANK ACCOUNTS</b>	<b>08</b>	903.177	287.454	611.926
<b>TOTAL CURRENT ASSETS</b>	<b>09</b>	2.247.726	1.257.523	5.572.854
<b>C. ADVANCE EXPENDITURE</b>	<b>10</b>	29.373	5.967	5.967
<b>D. DEBTS (amounts due paid over a period of up to one year)</b>	<b>11</b>	349.889	817.076	3.553.918
<b>E. NET CURRENT ASSETS</b>	<b>12</b>	1.851.325	4.884	645.798
<b>F. TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>13</b>	7.381.331	6.205.646	7.290.688



<b>G. LOANS (amounts payable payable in more than one year)</b>	<b>14</b>	3.626.201	3.979.620	2.892.834
<b>H. PROVISIONS</b>	<b>15</b>	0	0	0
<b>I. DEFERRED INCOME</b>	<b>16</b>	2.700.448	2.287.589	3.147.790
<b>1. INVESTMENT GRANTS</b>	<b>17</b>	2.700.448	2.287.589	2.288.685
<b>2. REVENUE ACCRUED IN ADVANCE</b>	<b>18</b>	2.700.448	2.287.589	2.288.685
<b>Of which:</b>				
<b>Amounts to be reused within a period of up to one year</b>	<b>19</b>	75.885	441.530	520.000
<b>Amounts to be reused within one year</b>	<b>20</b>	2.624.563	1.846.059	1.768.685
<b>3. Related deferred income assets received by transfer from customers</b>	<b>21</b>	0	0	0
<b>Negative goodwill</b>	<b>22</b>	0	0	0
<b>J. CAPITAL AND RESERVES</b>				
<b>I. CAPITAL of wich:</b>	<b>23</b>	144.444	144.444	144.444
<b>1. Subscribed paid-in capital</b>	<b>24</b>	144.444	144.444	144.444
<b>2. Unpaid subscribed capital</b>	<b>25</b>	0	0	0
<b>II. CAPITAL PREMIUMS</b>	<b>26</b>	1.231.385	760.278	9.092
<b>III. REVALUATION RESERVES</b>	<b>27</b>	0	0	0
<b>IV. RESERVES</b>	<b>28</b>	210.603	210.603	226.593
<b>Own shares</b>	<b>29</b>	0	0	0
<b>Gains related to equity instruments</b>	<b>30</b>	0	0	0
<b>Losses related to equity instruments</b>	<b>31</b>	0	0	0
<b>V. PROFIT OR LOSS BROUGHT FORWARD</b>				

Balance C	32	15.243	15.828	13.584
Balance D	33	0	0	0
<b>VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR</b>				
Balance C	34	0	0	2.251.646
Balance D	35	471.108	751.186	0
Distribution of profit	36	0	0	15.990
<b>TOTAL EQUITY</b>	<b>37</b>	<b>1.130.567</b>	<b>379.967</b>	<b>2.629.169</b>
Public assets	38	0	0	0
<b>TOTAL CAPITAL</b>	<b>39</b>	<b>1.130.567</b>	<b>379.967</b>	<b>2.629.169</b>

<b>PROFIT AND LOSS ACCOUNT</b>	<b>Rd</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2021</b>
<b>1. Net turnover of which:</b>	<b>01</b>	<b>1.583.128</b>	<b>950.348</b>	<b>4.567.673</b>
Production sold	02	1.583.354	950.348	4.567.673
Revenue from sale of goods	03	0	0	0
Trade discounts granted	04	226	0	0
Interest income recorded by entities removed from the general register and which still have leasing contracts	05	0	0	0
Income from subsidies operating subsidies related to net turnover	06	0	0	0
<b>2. Income related to the cost of production in progress</b>				
Balance C	07	0	0	29.232
Balance D	08	17.775	12.453	0
<b>3. Revenue from production of fixed assets produced by the entity for its own purposes and capitalised</b>	<b>09</b>	<b>1.549.049</b>	<b>1.281.834</b>	<b>992.033</b>
<b>4. Revenue from grants for operating subsidies</b>	<b>10</b>	<b>50.938</b>	<b>0</b>	<b>0</b>

<b>5. Other income from Operating income of which:</b>	<b>11</b>	407.517	441.531	549.146
<b>Negative goodwill</b>	<b>12</b>	0	0	0
<b>TOTAL OPERATING INCOME</b>	<b>13</b>	<b>3.572.857</b>	<b>2.661.260</b>	<b>6.138.084</b>
<b>6. a) Raw materials and consumables expenses Other material expenses</b>	<b>14</b>	18.355	7.944	51.529
<b>Other material expenses</b>	<b>15</b>	26.792	6.920	586
<b>b) Other external expenses (energy and water)</b>	<b>16</b>	16.909	10.684	23.362
<b>c) Expenditure on goods</b>	<b>17</b>	0	0	0
<b>Trade discounts received</b>	<b>18</b>	0	0	0
<b>7. Expenditure on staff Of which:</b>	<b>19</b>	2.714.410	1.989.468	2.102.013
<b>Salaries and allowances</b>	<b>20</b>	2.647.794	1.943.940	2.052.567
<b>Expenditure on Insurance and social protection</b>	<b>21</b>	66.616	45.528	49.446
<b>8. Value adjustments on tangible and intangible fixed assets</b>	<b>22</b>	224.581	619.026	581.190
<b>Expenditure</b>	<b>23</b>	224.581	619.026	581.190
<b>Income</b>	<b>24</b>	0	0	0
<b>Value adjustments on current assets</b>	<b>25</b>	1.590	174.351	0
<b>Expenditure</b>	<b>26</b>	1.590	174.351	0
<b>Income</b>	<b>27</b>	0	0	0
<b>9. Other operating expenses</b>	<b>28</b>	914.190	702.346	1.015.940
<b>9.1 External service charges</b>	<b>29</b>	858.910	670.725	956.186

<b>9.2 Expenditure on other taxes, duties and similar charges</b>	<b>30</b>	21.394	27.680	25.813
<b>9.3 Other expenses</b>	<b>31</b>	33.886	3.941	33.942
<b>Interest expenses refinancing recorded by derecognised entities with outstanding leasing contracts</b>	<b>32</b>	0	0	0
<b>Adjustments to provisions</b>	<b>33</b>	0	0	0
<b>Expenditure</b>	<b>34</b>	0	0	0
<b>Income</b>	<b>35</b>	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>36</b>	<b>3.916.827</b>	<b>3.510.739</b>	<b>3.774.920</b>
<b>PROFIT OR OPERATING LOSS</b>				
<b>Profit</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>2.363.164</b>
<b>Loss</b>	<b>38</b>	<b>343.970</b>	<b>849.479</b>	<b>0</b>
<b>10. Interest income</b>	<b>39</b>	0	0	0
<b>- of which income obtained from affiliated entities</b>	<b>40</b>	0	0	0
<b>Income from other</b>				
<b>11 of which income from affiliated entities</b>				
<b>Interest income</b>	<b>41</b>	0	0	0
<b>- of which income from affiliated entities</b>	<b>42</b>	0	0	0
<b>12. Interest income</b>	<b>43</b>	1.865	20	1.164
<b>- of which income obtained from affiliated entities</b>	<b>44</b>	0	0	0
<b>Other financial income</b>	<b>45</b>	54.559	396.512	233.866

<b>TOTAL FINANCIAL INCOME</b>	<b>46</b>	<b>56.424</b>	<b>396.532</b>	<b>235.030</b>
<b>13. Value adjustments on fixed assets and financial investments held as current assets</b>	<b>47</b>	0	0	0
<b>Expenditure</b>	<b>48</b>	0	0	0
<b>Income</b>	<b>49</b>	0	0	0
<b>14. Interest expenses</b>	<b>50</b>	165.466	277.404	283.942
<b>- of which income earned from affiliated entities</b>	<b>51</b>	0	0	0
<b>Other financial expenses</b>	<b>52</b>	2.849	10.063	30.517
<b>TOTAL FINANCIAL EXPENSES</b>	<b>53</b>	<b>168.315</b>	<b>287.467</b>	<b>314.459</b>
<b>PROFIT OR FINANCIAL LOSS</b>				
<b>Profit</b>	<b>54</b>	0	109.065	0
<b>Loss</b>	<b>55</b>	111.891	0	79.429
<b>CURRENT PROFIT OR LOSS:</b>				
<b>Profit</b>	<b>56</b>	0	0	2.283.735
<b>Loss</b>	<b>57</b>	455.861	740.414	0
<b>15. Extraordinary income</b>	<b>58</b>	0	0	0
<b>16. Extraordinary expenses</b>	<b>59</b>	0	0	0
<b>PROFIT OR EXTRAORDINARY LOSS:</b>				
<b>Profit</b>	<b>60</b>	0	0	0
<b>Loss</b>	<b>61</b>	0	0	0
<b>TOTAL INCOME</b>	<b>62</b>	<b>3.629.281</b>	<b>3.057.792</b>	<b>6.373.114</b>
<b>TOTAL EXPENSES</b>	<b>63</b>	<b>4.085.142</b>	<b>3.798.206</b>	<b>4.089.379</b>

<b>GROSS PROFIT OR LOSS</b>				
Profit	64	0	0	2.283.735
Loss	65	455.861	740.414	0
17. Tax on profit/micro	66	15.247	10.772	32.289
<b>18. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR</b>				
Profit	67	0	0	2.251.446
Loss	68	471.108	751.186	0

<b>SITUATION OF TREASURY FLOWS</b>	<b>Rd</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2021</b>
Profit or loss	01	-471.108	-751.186	2.251.446
Depreciation and provisions	02	224.581	619.026	581.190
Stock variation [+/-]	03	-46.011	-12.453	36.016
Variation of receivables [+/-]	04	-53.031	-382.745	4.324.423
Variation of commercial debts [+/-]	05	-455.369	467.187	-263.158
Variation of other debts [+/-]	06	0	0	0
<b>CASH FLOW FROM THE OPERATIONAL ACTIVITY EXPLOATARE</b>	<b>07</b>	<b>-2.165.084</b>	<b>-915.964</b>	<b>-783.404</b>
<b>CASH FLOW FROM THE INVESTMENT ACTIVITY INVESTITII</b>	<b>08</b>	<b>-347.966</b>	<b>329.217</b>	<b>264.715</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITY FINANCIARA</b>	<b>09</b>	<b>3.255.272</b>	<b>-28.977</b>	<b>843.781</b>
Short-term credits under one year	10	0	0	0
Cash availability at the beginning of the period	11	160.955	903.177	287.453
<b>NET CASH FLOW</b>	<b>12</b>	<b>742.222</b>	<b>-615.724</b>	<b>325.092</b>
Cash availability at the end of the period	13	903.177	287.453	612.545

## 6. SIGNATURES AND ANNEXES

6.1 THE REPORT SHALL BE SIGNED BY THE AUTHORIZED REPRESENTATIVE OF THE BOARD OF DIRECTORS, BY THE MANAGER / EXECUTIVE MANAGER AND BY THE BUSINESS ACCOUNTANCY ACCOUNTANT. IF THE COMPANY HAS BRANCHES, THE INFORMATION PRESENTED IN THE ANNUAL REPORT WILL BE PRESENTED AS REGARDS ANY OF THE BRANCHES AND WITH REGARD TO THE COMPANY AS A WHOLE. THE YEAR'S REPORT SHOULD BE ACCOMPANIED BY CHILDREN OF THE FOLLOWING DOCUMENTS: (A) THE INCORPORATION ARTICLES OF THE COMPANY, IF THEY WERE MODIFIED IN THE YEAR FOR WHICH THE REPORTING IS REPRESENTED; B) THE MATERIAL CONTRACTS SIGNED BY COMPANIES IN A YEAR FOR WHICH THE REPORT IS MADE; C) ANY RESIGNATION / DISMISSAL, IF THERE WERE SUCH CASES AMONG MEMBERS OF THE ADMINISTRATION, THE EXECUTIVE MANAGEMENT, AUDITORS D) THE LIST OF BRANCHES OF THE COMPANY AND COMPANIES CONTROLLED BY IT; E) THE LIST OF PERSONS AFFILIATED TO THE COMPANY.

In 2021, the Articles of Association were amended. We attach its updated version as an appendix.

Contractele încheiate de companie sunt supuse unor clauze de confidențialitate de tip "Non Disclosure Agreement" și nu pot fi publicate.

During the period under review there were no resignations/resignations among members of the administration, executive management.

At the end of 2021, Ascendia S.A. operates in the following locations:

- The registered office of the company: Str. Eufrosin Poteca no.40, 1st floor, Sector 2, Bucharest;
- The working point of the company: Dacia. bvd no. 99, 4th floor, Sector 2, Bucharest.

At the end of 2021 and at the date of writing there are no other persons affiliated with the Company other than those named in section 4 of this report.

The annual accounting report has been prepared in accordance with applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position, profit and loss account of Ascendia S.A. We point out that the accounting report has been audited and the audit report accompanies this report. To the best of our knowledge, this report presents fairly and completely the information about the company.

**Daniel Comănescu - CFO OF ASCENDIA S.A.**

**Cosmin Mălureanu – SOLE ADMINISTRATOR AND CEO OF ASCENDIA S.A.**

**Date: 28.04.2022**

Note: The 6.2 Annexes of this report are available in Romanian language only.