

H1 2022 FINANCIAL REPORT

Softbinator Technologies S.A., company
listed on MTS-AeRO market of the
Bucharest Stock Exchange.

BVB: CODE

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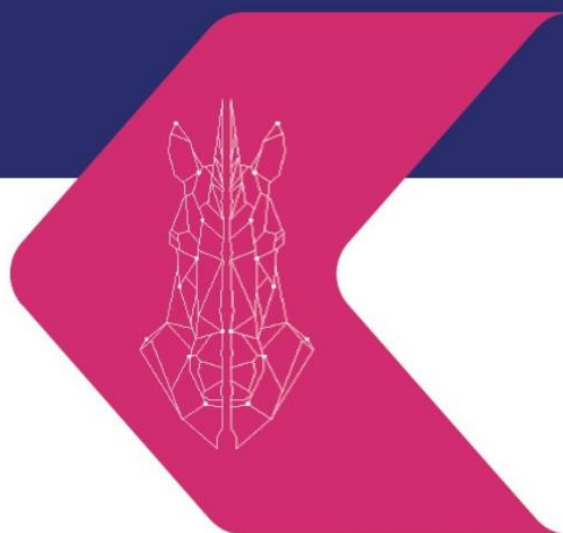


Table of contents

MESSAGE FROM THE CEO	4
ABOUT SOFTBINATOR TECHNOLOGIES	8
KEY EVENTS IN H1 2022	12
ANALYSIS OF THE FINANCIAL RESULTS	14
<i>CONSOLIDATED P&L ANALYSIS</i>	<i>14</i>
<i>INDIVIDUAL P&L ANALYSIS</i>	<i>15</i>
<i>CONSOLIDATED BALANCE SHEET ANALYSIS</i>	<i>16</i>
<i>INDIVIDUAL BALANCE SHEET ANALYSIS</i>	<i>17</i>
<i>FINANCIAL RATIOS AS OF 30.06.2022</i>	<i>19</i>
CONSOLIDATED PROFIT AND LOSS STATEMENT	20
CONSOLIDATED BALANCE SHEET	21
INDIVIDUAL PROFIT AND LOSS STATEMENT	23
INDIVIDUAL BALANCE SHEET	24
INDIVIDUAL CASH FLOW	25
OUTLOOK FOR 2022	26
RISKS	27
DECLARATION OF THE BOARD OF DIRECTORS	29

Disclaimer: The financial figures presented in the descriptive part of the report that are expressed in million LEI are rounded off to the nearest integer. This may result in small reconciliation differences.

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	Half-year report for H1 2022
For financial period	01.01.2022 – 30.06.2022
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According to	Annex 14 to ASF Regulation 5/2018

ISSUER INFORMATION

Name	Softbinator Technologies S.A.
Fiscal Code	RO 38043696
Trade Registry number	J40/13638/2017
Registered office	1-5 Costache Negri Street, 4th floor, District 5, Bucharest

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	1,026,690 lei
Market on which securities are traded	SMT-AeRO Premium
Total number of shares	10,266,900
Symbol	CODE

CONTACT DETAILS FOR INVESTORS

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The interim financial statements as of June 30th, 2022, presented on the following pages, are **not audited**.

MESSAGE FROM THE CEO

Dear shareholders,

The first semester of 2022 was one in which, in addition to adapting to the global economic context, we worked intensively on the accelerated development of our business. We continued to grow both organically and through M&A transactions. If, at the end of 2021, we announced that we are at the center of a group of companies that complete and expand the services it offers, in 2022 we are already in the group consolidation stage.

FINANCIAL RESULTS

In the first half of 2022, the revenues and net profit generated by the group at the consolidated level are double compared to the performance recorded at the individual level, which validates our M&A strategy. Thus, in H1 2022, we recorded total consolidated revenues of 16.8 million lei, a gross profit of 4.6 million lei and a net profit of 4 million lei.

The positive financial results of H1 2022, at the consolidated level, were achieved based on a diversified strategy at the level of all the companies in our group, through which we managed to grow each business. Basically, the consolidated result generated by our Group in H1 2022 is equal to the individual full-year result recorded by Softbinator in 2021.

At the individual level, in the first half of the year, Softbinator Technologies generated total revenues of 9.2 million lei, a 20% increase compared to H1 2021, while total costs amounted to 7.1 million lei, a 16% increase compared to the same period last year. The excellent performance and continuous cost control generated a gross result of 2.2 million lei, +34%, and a net profit of 1.9 million lei, +35% compared to the previous year.

Also, at the individual level, operating income amounted to 8.3 million lei in H1 2022, registering a 9% increase year on year. The net turnover reached 8 million lei, of which 7.7 million lei corresponded to the main activity, while approximately 0.2 million lei represented related services: training, BPO, and software advisory. Revenue growth was driven by seven new contracts concluded in H1 2022, mainly for US clients. Three of these projects come from blockchain sector, and the rest are in the medical, social media, and video editing tools segment.

Our strategy is designed at the consolidated level, focusing on the growth of all the companies in the group. We achieved such growth in the first six months of the year by generating business where the execution was most appropriate. Today, thanks to integrated multidisciplinary teams at the group level, we can deliver more, and more efficiently, to all our clients.

Considering our accelerated development in the first half of the year, the positive outlook for the rest of the year, as well as the acquisitions of new companies in Q2 2022 (Digital Tailors and [e-spres-oh]), we decided to provide shareholders an update regarding the estimated results for the entire 2022 year. Therefore, in 2022, we target a consolidated operating income of 32.2 million lei, +23% compared to the budget approved in the OGSM from April 13, 2022, gross profit of 6.9 million lei, +17%, and net profit of 6.2 million lei, +25%.



DEVELOPMENT IN H1 2022

Coming back to the accelerated development process topic, a first step that was taken in this direction this year was the opening of a working point in Silicon Valley, USA. The American market is the primary client generator for Softbinator, and opening an office there brings us several advantages and opportunities. On the one hand, we will be closer to our current clients and can strengthen relations with them, and, on the other hand, we will be able to attract new clients more efficiently and quickly. Therefore, in recent months, we have focused on identifying local specialists to join us and sending colleagues from Romania to achieve an integrated knowledge exchange and ensure the most efficient workflow.

Moreover, in May and June, we initiated the procedures for the complete takeover of Digital Tailors and [e-spres-oh] companies. By taking over Digital Tailors, we strengthen our services by adding a new category – product marketing. Basically, we completed the service cycle that a technology company needs to come out with a new product on the market, such as product and content marketing strategies for products of B2B technology, targeting the global market.

At the same time, by taking over [e-spres-oh], an IT company located in Timisoara, we will expand regionally and increase Softbinator's delivery capacity for international clients. The [e-spres-oh] team is also present in the US market, representing a significant advantage for our plans to consolidate Softbinator's position in this market. While Softbinator has intensified its efforts on the West Coast, in Silicon Valley, together with [e-spres-oh], we are also starting to provide services on the East Coast, especially in New York and Washington, DC.

Since the beginning of this year, we have a business development department dedicated to the blockchain field, whose activity is coordinated by our CTO, Marius Băisan. In the first six months of the year, the blockchain department has made significant progress, even though the crypto sector is going through a recession. Related to the most trending topic in blockchain and games: on-chain games - we started a partnership with a game development studio in the US to develop a blockchain solution for their games. At the same time, we increased our blockchain team, which allowed us to be actively involved in DeFi projects with different partners, emphasizing the asset lending/borrowing area. We also ran the first Softbinator Labs on the blockchain, which was hugely successful, with students giving positive feedback on the program. In addition, our team has constantly participated in the most famous blockchain events in the world, organized in Dubai, Amsterdam and Paris.

Also, regarding our product, Softbinator Magic Stack (SMS), in H1 2022, we expanded the development team with several specialists (Senior Product Manager, Senior Architect, and Tech Lead) with extensive industry experience, especially in the development of products dedicated to programmers. SMS provides developers with an ecosystem that contains the most frequently used components in developing software products. SMS dramatically reduces the time until a product is launched on the market and maintains a high quality, security, and scalability standard.

Thus, in the first half of the year, the following were developed within SMS: Identity Management System and Authentication, Authorization, and Payment Module. For 2022 we still plan to develop: the Notifications Module, the Process Scheduling Service and the System for managing orders and transactions.

In addition, with the help of Digital Tailors, we started working on defining a Product Marketing strategy, specifically targeting the US market and positioning the product as a powerful utility in the software development communities. Market studies, competitor analysis, and user

interviews were conducted to build the strategy. The results of these studies and research were used both for the marketing strategy and for outlining the work plan and channeling the product development resources in the most efficient way.

ATTRACTING AND RETAINING TALENT

In our field of activity, the main concern is the workforce. In the long term, as a software development company, we want to attract the best people in the industry. With the Bucharest Stock Exchange listing, we entered an accelerated development stage. Naturally, we increased the number of employees and collaborators through a continuous recruitment campaign and the M&A transactions that took place until this point.

We are currently approaching 180 employees and collaborators across the group, 80 of whom joined the group between January and August 2022, both through direct recruitment and the acquisitions of Digital Tailors and [e-spres-oh]. However, we are constantly looking for new talents that can bring added value to our business. The objective is to double the number of employees at the group level in the next two years.

The talent pool in this area is still narrow, but we are still highly active in this direction. We have an excellent relationship with the relevant faculties, and we constantly invest in education, which helps us to continually have young talents who have the potential to join our team. Softbinator Labs represent an example in this sense. This is an internship program that started in 2020, through which we organize practical workshops. This year, the program took place between March and April 2022, with 90 participants selected out of 200 registered. In addition, 15 people who participated in the program later became employees of Softbinator Technologies.

I firmly believe that IT does not only mean Bucharest and Cluj in Romania. Our long-term plan is to decentralize the IT market in Romania by attracting specialized people from the whole country who want to continue working and living in the city they live in. We have already started to be active in this direction by beginning collaborations in other cities. One of these is Constanța, through the conclusion of a partnership with Ovidius University, Faculty of Mathematics, where during this summer, we organized the first summer event, similar to our Softbinator Labs project, called Softbinator Bootcamp. Another city is Timișoara, by taking over [e-spres-oh].

We will continue to look in other cities, regardless of their size, to recruit new colleagues or identify companies with which we share the same vision and want to be part of the Softbinator group. Distance does not impede us because we believe that people are and must remain independent, which later translates into creativity.

At the same time, in the first semester of 2022, due to the expansion of the team and our need to work in a more generous space, we moved to a new location, where we benefit from a work area of approximately 1,000 sqm. The new headquarters have an industrial architecture and are designed similarly to the offices of IT&C companies in Silicon Valley. It is also close to university hubs such as the Polytechnic University and the University of Bucharest, both of which play a crucial role in our educational and recruitment strategy.

DEVELOPMENT PLANS H2 2022 AND 2023

In the second part of the year, we will first focus on strengthening the presence in the US market, with the goal that by the end of 2022, 70% of the new customers who will join the company will come from the American market. Secondly, the results obtained by the companies in the group confirm that our M&A strategy is a viable one. Therefore, we want to continue to identify new companies to join us.

Thus, for this purpose and the continuation of the organic growth of the Softbinator team, we want to raise additional funds through the capital market. We aim to raise approximately 12 million lei through an operation to increase the share capital (50%) and by listing bonds (50%). In this context, next week, we are planning to convene the Extraordinary General Meeting of Shareholders for the approval of the bond issue. Also, the characteristics related to the operation of the share capital increase will be included in a Decision of the Board of Directors. The delegation of such procedure to the Board of Directors was already approved by Decision no. 4 of the EGMS dated April 14th, 2022, and included in the articles of incorporation of Softbinator. As soon as the Decision is signed, we will notify the market by publishing a current report.

Although we have a solid cash position of 4.8 million lei at an individual level and 7 million lei at a consolidated level, we want to continue investing in the acquisition of companies that can bring added value both to clients, through the services provided as well as our shareholders and investors, through the financial results recorded at the consolidated level. We believe that 2022 and 2023 will continue to be good years for M&A, as smaller but well-specialized companies will be eager to join our group to work on high-profile international projects with high visibility and exposure to the highest technology standards.

In conclusion, I would like to mention that key elements such as the size of our business and the excellent people we have in our group would not have been possible without the opportunities generated by the capital market. Currently, Softbinator is a competitive employer, a leading service provider and software developer, and a trusted business partner for global companies. In the context of our continuous expansion in the US market, the listing on the Bucharest Stock Exchange was the key ingredient to our evolution. I want to thank all my colleagues, collaborators, partners, and shareholders, without whom we would not have been able to register a double-digit increase in revenue and profit in the first six months of this year. And this is only the beginning.

The following pages of this report provide more details about our activity in the first half of 2022. For any questions related to our activity since the beginning of the year, be it our group business or Softbinator Technologies' capital market activity, please feel free to contact us at investors@softbinator.com.

Daniel ILINCA
CEO

ABOUT SOFTBINATOR TECHNOLOGIES

BRIEF HISTORY

Softbinator Technologies S.A. is a Romanian company with accelerated growth in recent years (doubling the numbers between 2017-2020), which provides software development services using cutting-edge technologies with a strong focus on Blockchain, Artificial Intelligence and DevOps. The company's services and products are used globally, both by startups, SMEs, unicorns, and Fortune 500 customers with whom it builds complex teams that adhere to the Agile methodology. The profile of the organization is oriented towards product development, which is appreciated for its ability to deliver results quickly.



Softbinator Technologies forms Agile teams (Scrum or Kanban) for its customers, constantly measuring and improving its performance. The company focuses on the 3 principles of Scrum (the most popular Agile framework): inspection, transparency, and adaptability, and we build solutions for various industries using best practices in software engineering, state-of-the-art technologies, and newer tools. In recent years, the company has focused on the blockchain (both in cryptocurrency, but especially blockchain as a solution to improve confidence in systems and applications outside the monetary sphere) and artificial intelligence (artificial vision - computer vision, and machine learning).

The company was initially founded in the legal form of a limited liability company, on 28.07.2017, under the name Cornerstone Holdings. In January 2020, the company was renamed Softbinator Technologies S.R.L., and on 24.08.2020 (the date of admission of the operation to the Trade Register), it was transformed into a joint stock company (S.A.).

Before the listing, following a private placement, which began on September 28, a total of 100,000 shares, respectively 10% of the company's share capital, were offered to investors at a price between 50 and 60 lei per share. 143 individual and professional investors attended the private placement, and the offer was closed in advance on the first day, amid an oversubscription of almost 8 times, the investors placing orders with a total value of over 49 million lei. The final price per share was set at the maximum value of 60 lei.

The shares of Softbinator Technologies (CODE) were admitted to trading on the SMT segment of the Bucharest Stock Exchange on 17.12.2021.

DESCRIPTION OF THE COMPANY'S ACTIVITY

Softbinator Technologies SA is a software development company specializing in the design, development, and marketing of innovative products with customers in the US, Europe (UK, Germany, Romania), the Middle East (Israel, Kuwait), and Asia (Singapore). Currently, Softbinator Technologies has approximately 180 employees and collaborators who carry out their activity in the headquarters in Bucharest and also in Brasov, Constanta, Iasi, and Timisoara.

The Softbinator concept has taken shape since 2011. The Company wants to prove that Romanian programmers are one of the most important forces of digital transformation. Softbinator's motto is: "We build tech for humanity."

Softbinator Technologies provides services to customers in a variety of fields, such as education, lifestyle / medical and healthcare, e-payments, e-commerce and marketplaces, online gaming, digital banking (including crypto), Internet of Things (IoT) or automotive, with a strong focus on cutting-edge technologies such as Blockchain, Artificial Intelligence, and DevOps.

Beyond the business activity, the Company supports and collaborates with the Softbinator Foundation, a non-profit organization through which it has built and maintained the "Talks by Softbinator" community, consolidating the Company's employer brand for almost 10 years. Through the community, we organized the longest-running series of meetings/conferences events for programmers in Romania: over 150 editions with over 300 local and international speakers.

COMPLETE PORTFOLIO OF PRODUCTS AND SOLUTIONS



UX / UI
Design



Software
Development



DevOps
Process



Agile
Testing



Consultancy
Services

SOFTBINATOR GROUP

As of June 30, 2022, the organizational structure of Softbinator Technologies is the following:



WISEUP (Wise Tech Unit SRL)

WiseUp was founded in 2016, initially as a product consulting agency, and went through several iterations until it reached a stable and scalable business model at the end of 2019 when the expansion to the North American markets also began. From a pure accounting point of view, it offers software development, UI/UX, QA, and Product Management services. Still, from a business point of view, it represents the product development partner for its customers, offering integrated product services.

WiseUp's main competitive advantage is that it trains and works with professionals with a T-profile. The T-profile refers to professionals who are generalists in a suite of related fields and specialists in one of them. This aspect is aligned with the fastest growing technologies in the North American market: React.Js and Node.Js with AWS for software development and DevOps and Figma for UI/UX.

In 2021, WiseUp began working with multiple clients active in insurance, a market worth over \$1 trillion, digital ad management, and the Internet of Things, expanding new contracts won in 2021, also for 2022.

IXPERI (Ixperi Product Design SRL)

Ixperi is a Digital Product Design studio established in March 2021. It differentiates itself from other classic agencies through its unique way of working and the structure of teams, of the product squad type, a system found in elite teams in large companies such as Spotify, Meta, or Google.

Ixperi builds on a rock-solid foundation, being founded by Radu Vucea, a name in Romanian digital design with over 17 years of experience in creating B2B and B2C products. Another major differentiator of Ixperi in the market is the bet on a solid research department, something very rare in design studios, but also a solid partnership with a Product Design school, which facilitates the attraction of talent.

Since the beginning, clients have quickly recognized the value that Ixperi offers in the way it works and the expertise it brings, thus working with clients in various industries, from Fintech to Health & Fitness, Beauty & Wellness, Hospitality, social media, and Crypto, managing to expand in multiple geographic areas, from the US to Europe and Asia.

[E-SPRES-OH] (Espresoh Tech SRL)

[e-spres-oh] is a software company from Timisoara that is specialized in developing innovative end-to-end projects. With over a decade in business, [e-spres-oh] delivers complex software products and services to customers worldwide.

[e-spres-oh] is a mature company with management with a solid background in Business Analysis, Product Ownership, and Software Development. The team comprises more than 40 programmers, UX/UI designers, Project Managers, employees, and permanent collaborators, with experience developing software applications using state-of-the-art technologies. Relying on scalability, flexibility, cross-functionality, and autonomy, [e-spres-oh] teams can deliver the entire spectrum of software services needed to develop a successful product through an Agile methodology perfected over the years.

[e-spres-oh] currently has clients in fields such as Marketing, Legal, Property Maintenance, Real Estate, Fintech, and (Family) Safety, and in the past has worked with clients in fields such as Education, Transport (Aviation & Car Rentals) and City Management.

[e-spres-oh]'s primary clients are from the United States, with a smaller European share.

DIGITAL TAILORS (Overwatch Studios SRL & Littleland SRL)

Digital Tailors is a product marketing company for startups and technology companies. The agency works only with products in the IT&C industry. It offers complete product marketing services, from the design and conception stage of the product to validation, market testing, positioning, and launch strategy.

A team of 10 people supports the agency's activity and a suite of collaborators, offering integrated marketing services, including content marketing, social media marketing, performance marketing, design & graphics, project management, consulting, and product workshops marketing.

The agency's portfolio includes B2B and B2C clients from business verticals such as developer tools, business apps, blockchain, educational apps, and entertainment apps. The agency's portfolio includes clients from Romania, Germany, and the USA, all products addressing the global market.

KEY EVENTS IN H1 2022

GENERAL MEETING OF SHAREHOLDERS DATED FEBRUARY 7, 2022

On **February 7th, 2022**, the Ordinary and Extraordinary General Meetings of Softbinator Technologies' Shareholders took place. For both meetings, the legal and statutory quorum was constituted at the first convocation.

During the GMS, the shareholders voted to change the Company's Board of Directors. Thus, the termination of the mandate as a member of the Board of Directors of IVYLON MANAGEMENT SRL was approved. Also, the appointment to the Board of Directors of IMPETUM MANAGEMENT SRL, represented by Andrei Valentin Cionca, was approved. The mandate for the position expires on April 16th, 2025.

SIGNIFICANT CONTRACT

On **March 31st, 2022**, Softbinator terminated and signed a significant software development contract with the same business partner (but a different company), a US e-commerce company. The value of the contract is 2,701,440 lei and is valid until March 31, 2023.

GENERAL MEETING OF SHAREHOLDERS FROM APRIL 13, 2022

On **April 13th, 2022**, the Ordinary and Extraordinary General Meetings of Softbinator Technologies' Shareholders took place. For both meetings, the legal and statutory quorum was constituted at the first convocation.

During the GMS, the shareholders voted in favor of approving: the 2021 Annual Report and the individual financial statements, the distribution of the net profit for 2021, the 2022 Revenue and Expenditure Budget, the Remuneration Policy for the members of the Board of Directors.

Also, Softbinator's shareholders approved during the EGMS the company's share capital increase operation with 924,021 lei, from the value of 102,669 lei, to the value of 1,026,690 lei, through the issuance of 9,240,210 new shares. Thus, each shareholder which held CODE shares on the registration date established by the EGMS received 9 bonus shares for every 1 share held. The registration date for this transaction was August 4, the ex-date, August 3, and the payment date was August 5.

During the EGMS, the shareholders voted in favor of the implementation of the "Stock Option Plan" program, for the incentive of employees and key persons in the form of the option to purchase shares at a preferential price.

RECEIPT OF CIIF FROM FSA FOR THE INCREASE OF THE SHARE CAPITAL

On **May 4th, 2022**, the share capital of Softbinator was increased with 26,690 new shares, which were issued following the Resolution of the Extraordinary General Meeting of Shareholders of Softbinator Technologies dated 13.04.2022. The increase of the Company's share capital from the amount of 100,000 lei to the amount of 102,669 lei was carried out for the purpose of acquiring WiseUp, a local developer of software products. The operation was registered by the Trade Register on 15.02.2022.

OPENING A WORKING SPACE IN SILICON VALLEY, USA

On **May 19th, 2022**, Softbinator opened a workspace in Silicon Valley, USA, which will be followed by the setting-up of a limited liability company. Softbinator aims for over 70% of new clients joining the company by the end of 2022 to come from the US market.

E-SPRES-OH ACQUISITION

On **June 22nd, 2022**, Softbinator completed the acquisition of E-spres-oh, a local company specialized in software development, consulting, testing and UI/UX. The transaction price was USD 600,000, paid in cash, plus company shares representing the equivalent of 2022 earnings multiplied by 2.2.

DIGITAL TAILORS ACQUISITION

On **June 23rd, 2022**, Softbinator completed the acquisition of Digital Tailors, a product marketing company. The transaction price was USD 300,000 and will be paid in both cash and shares of the Company.

NEW HEADQUARTERS

On **June 30th, 2022**, Softbinator announced the company's new headquarters, located in 1-5 Costache Negri Street, 4th floor, district 5, Bucharest. At the new headquarters, the Softbinator team benefits from a work space of approximately 1,000 sqm that will allow collaboration, connection, concentration, learning, exposure to the organizational culture between team members, being also near the Cotroceni neighborhood, Cismigiu and Izvor parks, but also university hubs such as the Polytechnic University and the University of Bucharest, both of which play an essential role in the Company's educational and recruitment strategy.

CONCLUSION OF A SIGNIFICANT CONTRACT

On **July 13th, 2022**, Softinator signed a significant software development contract with an undisclosed e-commerce entity located in the U.S. The contract value is USD 322,560 and is valid until July 12, 2023.

CONCLUSION OF A SIGNIFICANT CONTRACT

On **August 5th, 2022**, Softinator signed a significant contract for software development with a B2C company, which is located in Silicon Valley, USA. The value of the contract is 1,869,867 lei (without VAT) and is valid until March 24, 2023.

SHARE CAPITAL INCREASE

On **August 5th, 2022**, the share capital increase operation was completed by capitalizing the profits from previous years. Accordingly, CODE shareholders received bonus shares in their trading accounts in proportion of nine (9) newly issued shares for every (1) share held. Following the share capital increase operation, the share capital of Softbinator Technologies SA of 1,026,690 lei is divided into 10,266,900 registered shares with a nominal value of 0.1 lei per share.

ANALYSIS OF THE FINANCIAL RESULTS

CONSOLIDATED P&L ANALYSIS

Since the listing on the AeRO market of the Bucharest Stock Exchange, Softbinator Technologies emphasized that it would carry out a significant M&A campaign to build an ecosystem – a group of companies, provider of complex solutions. Thus, in less than one year, Softbinator integrated under its umbrella five companies over which the company has control. However, Softbinator does not meet the criteria that make the preparation of consolidated financial statements mandatory according to OMF 1802/2014. Still, the management considers it relevant to present the results of the entire group, drawn up according to the principles of consolidation.

The revenues, as well as the net profit generated by the Group are double compared to the individual performance, thus validating Softbinator's M&A model. The consolidated operating income generated in the first six months of 2022 amounted to 16.8 million lei. Half of this amount was generated by Softbinator (an individual result of 8.3 million lei), followed by [Es-pres-oh] (4.9 million lei), WiseUP (2.4 million lei), Ixperi (1 million lei), and Digital Tailors (0.5 million lei). The intra-group transactions, which were excluded from the consolidation of revenues, in a total of 341 thousand lei, are also excluded from the third-party expenses upon the consolidation.

In terms of the operating result, all the companies from the Group registered a positive evolution in the first half of the year, ending H1 2022 with a consolidated result of 3.6 million lei. The financial result was positive, amounting to 1 million lei, which resulted in a gross profit of 4.6 million lei and a net profit of 4.1 million lei.

In terms of profitability, the margin at the Group level was 24%, however, the margin differed between companies. The lowest margin was registered by [Es-pres-oh]. This is since the [Es-pres-oh] offices are based in Timisoara, and the costs related to rent, utilities, and maintenance could not be transferred to the mother company, as was the case of other entities, where Softbinator's new offices at the Opera Center serve all the companies from the Group. On the other hand, Littleland SRL generated a net margin of 96% - this company represents the consulting business line of Digital Tailors. Thus, this entity has no other costs apart from the taxes due.

PROFIT AND LOSS ACCOUNT H1 2022 (lei)	SOFTBINATOR TECHNOLOGIES SA	WISE TECH UNIT SRL	IXPERI PRODUCT DESIGN SRL *	ESPRESSO TECH SRL	LITTLE LAND SRL	OVERWATCH STUDIOS SRL	CONSOLIDATED
Operating income	8,276,908	2,420,136	1,014,084	4,864,219	115,144	425,190	16,774,289
Operating expenses	6,974,653	1,787,233	565,053	3,945,492	1,691	280,840	13,213,570
Operational result	1,302,255	632,903	449,031	918,727	113,453	144,350	3,560,719
Financial result	871,862	46,828	(7,689)	92,660		(131)	1,003,530
Total income	9,245,965	2,487,739	1,026,864	5,005,952	115,144	425,190	17,965,462
Total expenses	7,071,848	1,808,008	585,522	3,994,565	1,691	280,971	13,401,213
Gross result	2,174,117	679,731	441,342	1,011,387	113,453	144,219	4,564,249
Net result	1,880,307	655,530	430,244*	837,915	109,999	139,967	4,053,962

**75% of the net result of Ixperi Product Design SRL belongs to Softbinator Technologies S.A., 25% being related to minority interests.*

INDIVIDUAL P&L ANALYSIS

In the first half of 2022, Softbinator Technologies generated total revenues of 9.2 million lei at the individual level, a 20% increase compared to the individual performance in H1 2021, while total costs amounted to 7.1 million lei, a 16% increase YoY. The excellent performance and continuous cost control generated a gross result of 2.2 million lei, a 34% increase, and a net result of 1.9 million lei, a 35% increase YoY.

Operating income amounted to 8.3 million lei in H1 2022, registering a 9% increase compared to the previous year. The net turnover was 8 million lei, of which 7.7 million lei corresponded to the main activity, while 0.2 million was obtained from related services: training, BPO, and software consulting. The increase in turnover was driven by the seven new contracts gained in H1 2022, the majority for US-based clients. Three of these projects have activity in the blockchain area, and the others are in the medical, social media, and video editing tools segment. Revenues from the production of tangible assets amounted to 0.3 million lei, registering a 1% decrease compared to H1 2022, representing Softbinator Magic Stack's development.

Operating expenses grew slower than the revenues, registering a 16% increase year-on-year, and total costs amounting to 7 million lei. The largest contribution to these costs was staff expenses, which grew 11% compared to the previous semester, reaching 3.6 million lei. Of these costs, 3.2 million lei were costs for developers, and 0.4 million lei were costs for operational staff. The second most significant cost was represented by third-party expenses, which almost doubled, reaching 2.6 million lei. Of these amounts, 52% were costs from the subcontracting of software development services, and 17% were expenses with the Board of Directors.

Other types of expenses contributed less than 5% to the total costs. Rent, utilities, and maintenance expenses decreased by 26%, reaching 0.3 million lei, due to the strong negotiation by the company regarding the rent discounts for the new headquarters at the Opera Center. Besides that, this position also includes expenses related to equipment leasing, utilities, and maintenance for the workspace. Transportation and travel expenses reached 0.2 million lei and included expenses related to travel to the USA, but also those generated by the participation in various networking events, professional training for employees, and travel for the M&A campaign. Depreciation and amortization expenses increased by 27%, reaching 0.2 million lei. In contrast, material expenses increased up to 87 thousand lei, due to investments in materials and renovation of the new workspace in Opera Center.

The operating result decreased by 20%, reaching 1.3 million lei. Still, the financial income increased almost 11-fold, reaching 1 million lei, representing income from dividends received from the group's companies due to the M&A activity, amounting to 0.8 million lei, income from exchange rate differences and interest income. The financial costs remained at the same level as those in the first semester of 2021, amounting to 0.1 million lei, of which 30K lei represented interest for the IMM Invest loan and loans for two cars, while 69K lei were expenses from exchange rate differences. These resulted in a positive financial result of 0.9 million lei versus a financial loss of 3K lei in H1 2021.

PROFIT AND LOSS ACCOUNT (LEI)	H1 2021	H1 2022	%
Operating income	7,626,200	8,276,908	9%
Operating expenses	5,997,701	6,974,653	16%
Operating result	1,628,499	1,302,255	-20%
Financial result	(2,932)	871,862	29,836%
Total income	7,717,623	9,245,965	20%
Total expenses	6,092,056	7,071,848	16%
Gross result	1,625,567	2,174,117	34%
Net result	1,392,225	1,880,307	35%

CONSOLIDATED BALANCE SHEET ANALYSIS

At a consolidated level, total assets amount to 26.5 million lei, where the largest contribution was made by Softbinator Technologies, followed by [Es-pres-oh], which contributed mainly with trade receivables of 1.1 million lei and with a cash position of 0.4 million lei, followed by WiseUP – with trade receivables of 0.8 million lei and a cash position of 0.3 million lei. Overall, all entities in the Group had a solid cash position, while the level of trade receivables reflects activity and shows outstanding invoices.

At the level of debts, those at the consolidated level amounted to 13 million lei, of which 11.2 million lei are current and long-term debts of Softbinator, and the remaining amount mainly represents other short-term debts of the entities from the Group, representing salaries and taxes due on June 30, 2022. In addition, WiseUP had bank loans amounting to approximately 0.4 million lei. As for the equity capital, it primarily belongs to Softbinator Technologies, to which is added the profit for the financial year of the other entities, totaling 13.6 million lei.

BALANCE SHEET AS OF 30.06.2022 (LEI)	SOFTBINATOR TECHNOLOGIES SA	WISE TECH UNIT SRL	IXPERI PRODUCT DESIGN SRL	ESPRESSO TECH LLC	LITTLE LAND SRL	OVERWATCH STUDIOS SRL	CONSOLIDATED
Fixed assets	14,500,678	350,866	132,854	71,300	-	9,317	14,940,663
Current assets	7,949,565	1,087,021	549,713	1,540,775	112,335	159,134	11,398,543
Pre-paid expenses	181,598	8,622	4,071	13,815	-	-	208,106
TOTAL ASSETS	22,631,841	1,446,509	686,638	1,625,890	112,335	168,451	26,547,312
Current liabilities	11,015,940	709,612	256,380	787,255	2,095	28,244	12,676,386
Non-current liabilities	201,230	62,280	-	-	-	-	263,510
Provisions	-	18,847	-	-	-	-	18,847
Total liabilities	11,217,170	790,739	256,380	787,255	2,095	28,244	12,958,743
Equity	11,414,671	655,770	430,258	838,635	110,240	140,207	13,588,569
TOTAL EQUITY AND LIABILITIES	22,631,841	1,446,509	686,638	1,625,890	112,335	168,451	26,547,312

The following indicators are presented to illustrate the evolution from June 30th, 2021, for which the results of Softbinator Technologies S.A. are presented, to June 30th, 2022, when the foundations of the Softbinator group have already been consolidated:

BALANCE SHEET (LEI)	SOFTBINATOR TECHNOLOGIES SA 30.06.2021	SOFTBINATOR GROUP 30.06.2022	%
Fixed assets	934,663	14,940,663	1599%
Current assets	3,464,988	11,398,543	329%
Pre-paid expenses	114,028	208,106	183%
TOTAL ASSETS	4,513,679	26,547,312	588%
Current liabilities	1,762,962	12,676,386	719%
Non-current liabilities	208,865	263,510	13%
Provisions	8,616	18,847	219%
Total liabilities	1,980,443	12,958,743	654%
Equity	2,533,236	13,588,569	536%
TOTAL EQUITY AND LIABILITY	4,513,679	26,547,312	588%

INDIVIDUAL BALANCE SHEET ANALYSIS

In H1 2022, assets at the individual level increased by 66%, reaching 22.6 million lei. This was determined by a 190% increase in fixed assets, which reached 14.5 million lei. The increase was driven almost exclusively by financial assets, which grew 225%, from 4 million lei to 12.9 million lei, due to the M&A activity in H1 2022 and increased holdings in other entities. It is also an effect of the additional 0.5 million lei from fixed assets under-investment, which represents the improvements made to Softbinator Magic Stack since the date of the last reception and the implementation of an ERP system in the company. Intangible assets decreased 31%, down to 0.4 million lei, representing Softbinator Magic Stack, while tangible assets increased 31%, up to 0.7 million lei, representing work equipment, fitting out the new office, and two cars.

Current assets decreased by 6% since the beginning of the year, reaching 8 million lei. The main position under this category is the cash and cash equivalents, which increased 17% since the beginning of this year, reaching 4.8 million lei due to the growing business and the excellent level of collections from clients. Receivables recorded a 28% decrease since the beginning of the year, reaching 3.2 million lei. Other assets amount to 0.2 million lei, a 71% increase, representing VAT to be recovered and guarantees from the former office that need to be recovered. Pre-paid expenses increased by 3%, up to 0.2 million lei, and represent, in particular, expenses for contracts related to annual subscriptions for work tools and those related to rent and insurance for equipment.

The liabilities increased 284% since the beginning of the year, from 2.9 million lei to 11.2 million lei, driven by a 327% increase in current liabilities, which reached 11 million lei. This increase resulted from the current liabilities, which increased sixfold, reaching 9.8 million lei. The current liabilities include also the paid amounts related to the contracts for the acquisitions of stakes in companies through the M&A activity in 2022, which will be settled in the proportion of 63% through the granting of shares. The current liabilities include also other liabilities such as June salaries, payroll tax expenses, and corporate income tax. Current bank debts have been stable since the beginning of 2022, amounting to 0.8 million lei, of which 91% represents the IMM Invest credit line. Liabilities to suppliers amounted to 0.4 million lei and represented the debts for the current month. Non-current liabilities decreased by 14% since the beginning of the year and amounted to 0.2 million lei, representing the credit for the two cars.

The equity increased 6% in H1 2022, reaching 11.4 million lei. The difference was driven by a 900% increase in subscribed and paid-up share capital, which increased from 0.1 million to 1 million due to the capitalization of profits from past years and the distribution to investors of 9 free shares for every one share held. The share premium remained constant, amounting to 1.7 million lei, representing the share premium for the acquisition of WiseUP, while the legal reserve increased to 0.8 million lei.

BALANCE SHEET (LEI)	31.12.2021	30.06.2022	%
Fixed assets	5,000,353	14,500,678	190%
Current assets	8,474,515	7,949,565	-6%
Pre-paid expenses	177,002	181,598	3%
TOTAL ASSETS	13,651,870	22,631,841	66%
Current liabilities	2,579,902	11,015,940	327%
Non-current liabilities	233,629	201,230	-14%
Provisions	103,975	-	-100%
Total Debts	2,917,506	11,217,170	284%
Equity	10,734,364	11,414,671	6%
TOTAL EQUITY AND LIABILITIES	13,651,870	22,631,841	66%

FINANCIAL RATIOS AS OF 30.06.2022

Profitability ratio

EBITDA margin	EBITDA Turnover	18.4%
Net profit margin	Net profit Turnover	23.6%
Return on equity	Net profit Equity	16.5%
Return on assets	Net profit Total assets	8.3%
Work productivity	Turnover Average number of employees	134,804 lei

Capitalization ratio

Solvency ratio	Equity Total assets	50.4%
Debt ratio	Borrowed capital > 1 year Equity	0.02

CONSOLIDATED PROFIT AND LOSS STATEMENT

PROFIT AND LOSS ACCOUNT H1 2022 (LEI)	SOFTBINATOR TECHNOLOGIES SA	WISE TECH UNIT SRL	IXPERI PRODUCT DESIGN SRL	ESPRESSO TECH LLC	LITTLELAND SRL	OVERWATCH STUDIOS SRL	strengthen
Operating revenue, of which:	8,276,908	2,420,136	1,014,084	4,864,219	115,144	425,190	16,774,289
Net turnover, of which:	7,953,449	2,420,132	1,014,083	4,859,559	115,144	425,190	16,446,165
Net turnover corresponding to the predominant activity	7,734,501	2,420,132	1,014,083	4,859,559	115,144	425,190	16,227,217
Income from the production of intangible assets	308,846	-	-	-	-	-	308,846
Other operating income	14,613	4	1	4,660	-	-	19,278
Operating expenses, of which:	6,974,653	1,787,233	565,053	3,945,492	1,691	280,840	13,213,570
Material expenses	86,885	72,299	351	1,644	-	806	161,985
Expenses with rent, utilities, maintenance	296,756	12,008	-	118,828	-	-	427,592
Transportation and travel expenses	237,475	1,882	25	207	-	-	239,589
Third party expenses	2,634,161	1,026,082	404,380	2,814,622	1,691	243,337	6,782,881
Personnel expenses	3,563,996	633,178	160,158	923,460	-	34,960	5,315,752
Depreciation expense and amortization	160,172	41,781	138	21,205	-	1,737	225,033
Other operating expenses	(4,792)	3	1	65,526	-	-	60,738
Operating result	1,302,255	632,903	449,031	918,727	113,453	144,350	3,560,719
Financial income	969,057	67,603	12,780	141,733	-	-	1,191,173
Financial expenses	97,195	20,775	20,469	49,073	-	131	187,643
Financial result	871,862	46,828	(7,689)	92,660		(131)	1,003,530
Total revenues	9,245,965	2,487,739	1,026,864	5,005,952	115,144	425,190	17,965,462
Total expenses	7,071,848	1,808,008	585,522	3,994,565	1,691	280,971	13,401,213
Gross result	2,174,117	679,731	441,342	1,011,387	113,453	144,219	4,564,249
Income tax/other taxes	293,810	24,201	11,098	173,472	3,454	4,252	510,287
Net result	1,880,307	655,530	430,244	837,915	109,999	139,967	4,053,962

CONSOLIDATED BALANCE SHEET

BALANCE SHEET INDICATORS AS OF 30.06.2022 (LEI)	SOFTBINATOR TECHNOLOGIES SA	WISE TECH UNIT SRL	IXPERI PRODUCT DESIGN SRL	ESPRESSO TECH LLC	LITTLELAND SRL	OVERWATCH STUDIOS SRL	strengthen
Fixed assets, of which:	14,500,678	350,866	132,854	71,300	-	9,317	14,940,663
Intangible assets	357,299	123,743	-	-	-	-	481,042
Tangible assets	655,702	199,227	3,166	71,300	-	9,317	938,712
Financial assets	12,940,592	27,896	-	-	-	-	712,339
Goodwill	-	-	-	-	-	-	12,131,797
Fixed assets under investment	547,085	-	129,688	-	-	-	676,773
Current assets, of which:	7,949,565	1,087,021	549,713	1,540,775	112,335	159,134	11,398,543
Receivables	3,196,188	764,541	238,504	1,117,848	-	110,547	5,427,628
Trade receivables	2,992,361	750,677	235,298	1,064,306	-	41,501	5,084,143
Other assets	203,827	13,864	3,206	53,542	-	69,046	343,485
Cash and cash equivalents	4,753,377	322,480	311,209	422,927	112,335	48,587	5,970,915
Pre-paid expenses	181,598	8,622	4,071	13,815	-	-	208,106
TOTAL ASSETS	22,631,841	1,446,509	686,638	1,625,890	112,335	168,451	26,547,312
Current liabilities, of which:	11,015,940	709,612	256,380	787,255	2,095	28,244	12,676,386
Third party providers	444,412	198,069	65,848	376,219	two hundred	520	1,085,268
Debt with affiliated companies	-	-	123,140	-	-	-	0
Bank debt	815,745	312,142	-	-	-	-	1,127,887
Debt to shareholders	-	-	3,584	2,700	-	-	6,284
Other short-term liabilities	9,755,783	199,401	63,808	408,336	1,895	27,724	10,456,947
Non-current liabilities, of which:	201,230	62,280	-	-	-	-	263,510

Bank debt	201,230	62,280	-	-	-	-	263,510
Provisions	-	18,847	-	-	-	-	18,847
Total Debts	11,217,170	790,739	256,380	787,255	2,095	28,244	12,958,743
Equity, of which:	11,414,671	655,770	430,258	838,635	110,240	140,207	13,588,569
Subscribed and paid-up share capital	1,026,690	200	12	600	200	200	1,026,690
Share premium	1,747,331	-	-	-	-	-	1,747,331
Legal reserves	770,343	40	2	120	40	40	770,585
Gains related to equity instruments	5,990,000	-	-	-	-	-	5,990,000
Profit or loss carried forward	-	-	-	-	1	-	1
Profit or loss for the period	1,880,307	655,530	430,244	837,915	109,999	139,967	4,053,962
TOTAL EQUITY AND LIABILITIES	22,631,841	1,446,509	686,638	1,625,890	112,335	168,451	26,547,312

INDIVIDUAL PROFIT AND LOSS STATEMENT

PROFIT AND LOSS STATEMENT (LEI)	H1 2021	H1 2022	%
Operating revenue, of which:	7,626,200	8,276,908	9%
Net turnover, of which:	6,704,947	7,953,449	19%
Net turnover corresponding to the predominant activity	6,680,624	7,734,501	16%
Income from the production of intangible assets	311,269	308,846	-1%
Other operating income	609,984	14,613	-98%
Operating expenses, of which:	5,997,701	6,974,653	16%
Material expenses	23,446	86,885	271%
Expenses with rent, utilities, maintenance	399,314	296,756	-26%
Transportation and travel expenses	2,479	237,475	9,479%
Third party expenses	1,343,584	2,634,161	96%
Personnel expenses	3,199,865	3,563,996	11%
Depreciation expense and amortization	126,175	160,172	27%
Other operating expenses	902,838	(4,792)	-101%
Operating result	1,628,499	1,302,255	-20%
Financial income	91,423	969,057	960%
Financial expenses	94,355	97,195	3%
Interest expenses	28,537	28,621	0%
Other financial expenses	65,818	68,574	4%
Financial result	(2,932)	871,862	29,836%
Total revenues	7,717,623	9,245,965	20%
Total expenses	6,092,056	7,071,848	16%
Gross result	1,625,567	2,174,117	34%
Income tax/other taxes	233,342	293,810	26%
Net result	1,392,225	1,880,307	35%

INDIVIDUAL BALANCE SHEET

BALANCE SHEET (LEI)	31.12.2021	30.06.2022	%
Fixed assets, of which:	5,000,353	14,500,678	190%
Intangible assets	514,585	357,299	-31%
Tangible assets	500,923	655,702	31%
Financial assets	3,984,845	12,940,592	225%
Fixed assets under investment	-	547,085	-
Current assets, of which:	8,474,515	7,949,565	-6%
Receivables	4,409,494	3,196,188	-28%
Trade receivables	2,923,254	2,992,361	2%
Receivables with affiliated companies	167,071	-	-100%
Receivables representing dividends distributed during the financial year	1,200,000	-	-100%
Other assets	119,169	203,827	71%
Cash and cash equivalents	4,065,021	4,753,377	17%
Pre-paid expenses	177,002	181,598	3%
TOTAL ASSETS	13,651,870	22,631,841	66%
Current liabilities, of which:	2,579,902	11,015,940	327%
Third party providers	117,511	444,412	278%
Debt with affiliated companies	8,836	-	-100%
Bank debt	815,619	815,745	0%
Other short-term liabilities	1,637,936	9,755,783	496%
Non-current liabilities, of which:	233,629	201,230	-14%
Bank debt	233,629	201,230	-14%
Provisions	103,975	-	-100%
Total liabilities	2,917,506	11,217,170	284%
Equity, of which:	10,734,364	11,414,671	6%
Subscribed and paid-up share capital	102,669	1,026,690	900%
Share premium	1,747,331	1,747,331	0%
Legal reserves	20,534	770,343	3,652%
Gains related to equity instruments	5,990,000	5,990,000	0%
Profit or loss carried forward	258,069	-	-100%
Profit or loss for the period	2,630,895	1,880,307	-29%
Distributed profit	15,134	-	-100%
TOTAL EQUITY AND LIABILITIES	13,651,870	22,631,841	66%

INDIVIDUAL CASH FLOW

CASH FLOW (LEI)	30.06.2021	30.06.2022
Cash at the beginning of period	1,285,294	4,065,021
Cash at the end of period	1,261,912	4,753,377
Operating activity		
Cash inflows from:		
Customers	7,210,908	8,444,338
Cash outflows for:		
Inventory purchases	8,214	61,152
Operation and administration expenses	2,214,524	3,589,047
Salaries	3,065,058	3,415,895
Interest	31,606	28,621
Income tax	178,743	1,067,029
The net statement of cash flows from operating activity	1,712,763	282,594
Investment activity		
Cash inflows from:		
Share capital increases	63,000	-
Cash outflows for:		
Purchases of fixed assets	390,143	282,517
Loans granted/leasing	-	70,000
The net situation of cash flows from investment activity	-327,143	-352,517
Financial activities		
Cash inflows from:		
Loans	1,889,105	106,865
Dividends received	-	790,694
Cash outflows for:		
Payment of loans received	2,454,249	139,280
Dividends	843,858	-
The net statement of cash flows from financial activities	-1,409,002	758,279
Net statement of cash flows	-23,382	688,356

OUTLOOK FOR 2022

Softbinator Technologies' consolidated revenue and expenditure budget for 2022 was approved by shareholders at the Ordinary General Meeting of Shareholders held on April 13th, 2022. Considering the company's accelerated development in the first half of the year, the positive outlook for the remainder of the year, as well as the acquisitions of new companies in Q2 2022 (Overwatch Studios SRL & Littleland SRL, Espresoh Tech SRL), the management of Softbinator Technologies has decided to provide shareholders an update regarding the estimated results for the full year 2022.

The revised budget for 2022 is presented below:

	2022 approved budget	2022 revised budget	%
Operating income, of which:	26,062,000	32,160,000	23%
Net turnover	24,948,000	31,800,000	27%
Income from the production of intangible assets	1,014,000	310,000	-69%
Other operating revenues	100,000	50,000	-50%
Operating expenses, of which:	20,033,000	26,401,000	32%
Materials expenses	214,000	240,000	12%
Rent, utilities, maintenance expenses	979,000	979,000	0%
Transportation and travel expenses	500,000	500,000	0%
Third Party Expenses	5,322,000	12,400,000	133%
Staff costs	11,702,000	11,702,000	0%
Depreciation expense and value adjustments	360,000	460,000	28%
Other operating expenses	956,000	120,000	-87%
Operating result	6,029,000	5,759,000	-4%
Financial income	150,000	1,541,000	927%
Financial expenses	270,000	400,000	48%
Financial result	(120,000)	1,141,000	851%
Total income	26,212,000	33,701,000	29%
Total expenses	20,303,000	26,801,000	32%
Gross result	5,909,000	6,900,000	17%
Income tax/other taxes	1,003,040	750,000	-25%
Net result	4,905,960	6,150,000	25%

The above consolidated budget includes the results estimated by Softbinator Technologies SA and its subsidiaries at the date of publication of this report, namely: Wise Tech Unit SRL, Xperi Product Design SRL, Espresoh Tech SRL, Overwatch Studios SRL & Littleland SRL. The revised budget does not consider other potential new M&A transactions.

RISKS

The most significant risks related to the activity of Softbinator Technologies for the second half of the year are presented below. However, the risks presented in this section do not include all those risks associated with the issuer's business. Overall, there may be other risk factors and uncertainties that the company is unaware of at the time of writing and which may change the issuer's actual results, financial condition, performance and future performance and may result in a decrease in the company's share price. Investors should also carry out the necessary prior checks to make their own assessment of the investment opportunity.

The risk associated with key people

The success and ability to deliver projects to clients depends very much on the staff's skills, motivation and loyalty. The Romanian IT market is very competitive and, consequently, the industry brings with it a degree of risk regarding the retention of employees / collaborators. Operating in this booming industry that requires, among other things, advanced technical knowledge, the Issuer depends on the recruitment and retention of management and developers and pays special attention to this key factor (The Issuer has been declared Employer of the Year 2020 by University of Bucharest Senate). As with any company, the possibility cannot be ruled out that in the future the company will not be able to retain its key personnel involved in the company's activities or will not be able to attract other qualified members of the management team or key people, which would affect market position as well as its future development. Thus, as the loss of management and key employees could have a material adverse effect on the Company's business, financial position and results of operations, the Company intends, inter alia, to implement ESOP (*Employee Stock Option*) as a way to reduce this risk.

Competition risk

Changing the strategy by existing competitors or entering new ones on the market, especially outside Romania, with significant budgets to finance aggressive growth, will intensify competition and put pressure on the company's activity, with the risk of a decrease of business or profit.

Reputational risk

It is a risk inherent in the Issuer's activity, the reputation being particularly important in the business environment. Reputation risk is inherent in the business of Softbinator Technologies. The ability to retain and attract new customers also depends on Softbinator Technologies' brand recognition and reputation for the quality of services on the market. A negative public opinion about Softbinator Technologies could result from actual or perceived practices in the cybersecurity market in general, such as negligence in the provision of services or even the way Softbinator Technologies operates or is perceived to operate. In order to reduce this risk, the Issuer allocates attention and resources in order to develop contractual relationships with customers and suppliers that are exactly respected, shows permanent transparency in fulfilling the obligations thus assumed, and also benefits from the guidance of CA members with long experience in building and maintaining a reputation in the industry.

The risk associated with the business development plan

The Company's strategic objective is to continuously develop customer relationships. The possibility that Softbinator may not be able to expand its current customer base or the possibility that relationships with existing customers may deteriorate cannot be ruled out. There is also a risk that the Company will not be able to meet other elements of the strategy it has defined, namely: expanding the sales force, establishing local offices in the main cities

of the country, expanding the customer base and providing training for a larger number of potential customers, and developing and creating strategic partnerships with companies with similar or complementary profiles will not prove successful. To reduce this risk, the Company intends to continue to expand its product and service offering and improve its marketing activities.

Price risk

Price risk 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. To this end, the Issuer includes in contracts contractual clauses that reduce this risk (contingency / renegotiation clauses). In the case of labor prices (employees or subcontractors), the company does not have long-term contracts, with successive deliveries and fixed prices with customers, so it can bid at any time taking into account the current situation. The company estimates that any increase in labor costs will similarly affect the entire industry, not just the company.

Cash flow risk

This is the risk that the company will not be able to meet its payment obligations at maturity. A prudent cash flow risk management policy involves maintaining a sufficient level of cash, cash equivalents and financial availability through properly contracted credit facilities. The company monitors the level of expected cash inflows from the collection of trade receivables, as well as the level of expected cash outflows for the payment of trade payables and other debts. Thanks to this business model, which includes the provision of monitoring services under a fixed monthly fee, the company is able to maintain a healthy cash flow.

Counterparty risk

Counterparty risk - this is the risk that a third party natural or legal person will not fulfill its obligations under a financial instrument or under a client contract, thus leading to 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.

The risk associated with IT systems

The efficiency of the Company's business depends to some extent on the IT systems used by it. A malfunction or breach of the Company's information systems could disrupt the Company's business, could lead to the disclosure or misuse of confidential or proprietary information, damage to the Company's reputation, increase its costs or could result in other losses. The materialization of any of the above deficiencies could have a negative effect on the Company's business, financial condition and results of operations.

DECLARATION OF THE BOARD OF DIRECTORS

Bucharest, September 2nd, 2022

The undersigned, Andrei Pitis, as a representative of the Chairman of the Board of Directors of Softbinator Technologies SA, a company headquartered in Bucharest, Costache Negri 1-5 Street, 4th Floor, District 5, unique registration code 38043696, serial number at the Trade Registry Office J40/13638/2017, I declare on my own responsibility, knowing the provisions of art. 326 The new Criminal Code, regarding the false statements, the following:

- To the best of my knowledge, the accounting reporting has been prepared in accordance with applicable accounting standards and provides a fair and consistent image of the Company's assets, liabilities, financial position, profit and loss account;
- To the best of my knowledge, the Half-Year Report for the period 01.01.2022 - 30.06.2022, sent to the capital market operator - BVB - as well as to the Financial Supervisory Authority, presents correctly and completely the information about the Company.

Andrei PITIȘ

Representative of Simple Advisers SRL, Chairman of the Board of Directors