



ACTIVITY REPORT FOR S1 2023



05.09.2023

Company listed on the SMT-AeRO market
of the Bucharest Stock Exchange

Symbol: ASC

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

IDENTIFICATION DATA

Semesterly Report: **BVB Regulation on AeRO Market, Law 24/2017, ASF Regulation 5/2018, EU Regulation no. 596/2014**

For the period: **01.01.2023 – 30.06.2023**

Date of the report: **05 September 2023**

Name of the company: **Ascendia S.A.**

Headquarters: **Eufrosin Poteca St. No. 40, 1st Floor, Sector 2, Bucharest, Romania**

Address for correspondence: **Bdu. Dacia Nr. 99, 4th Floor, Sector 2, Bucharest, Romania**

Phone number: **+40371089200**

Unique Registration Code at the Trade Registry Office: **RO21482859**

Order number in the Trade Register: **J40/6604/2007**

The subscribed and paid-up capital: **1.172.180,10 RON**

Number of shares issued and characteristics: **11.721.801 shares with a nominal value of RON of 0,1 RON**

The regulated market on which the issued securities are issued: **AeRO ATS al BVB**

1. ASCENDIA**1.1 MESSAGE TO SHAREHOLDERS**

Dear shareholders,

The first half of 2023 is in line with the trajectory the company has been on for the past few years. We recorded the **best first half in our history**, both in terms of total revenue, turnover and net profit.

In the first half of the year, we focused on expanding our marketing and sales departments, working hard to capture opportunities in our market.

Our efforts in this direction continued to produce results. In the first half of 2023 we recorded **revenues of 6,2 million lei, an increase of 109%** compared to the first half of 2022. Also, in the first half of this year we recorded a **net profit of 730 thousand lei**, compared to the first six months of 2022 where we closed with a net loss of 474 thousand lei.

It is worth noting that in terms of turnover, over the last 3 years we have recorded a compound annual growth rate - CAGR - of 117%!

Revenue in the first half of 2023 was mainly based on receipts from large companies and from receipts related to the Edulib (Digital Library) project. We decided to join this initiative to have the chance to make a real change in the education system. Edulib will bring modern online learning tools to children and teachers in Romania. This project was also important for us because we rarely work on projects with public institutions as final beneficiaries.

From 2023 onwards, a new internal market opens up for ASCENDIA in the context of the NRP. We anticipate significant revenues by the end of 2025 through the numerous funding lines of the programme, under which the company's services and products can be purchased by various public and private beneficiaries. Unfortunately, however, these are difficult to forecast correctly in the BVC as the actual allocation date for those grants is unpredictable. In order to reach as many beneficiaries as possible with our offer, ASCENDIA has concluded contracts with some of the most representative distributors and resellers of IT solutions in Romania.

The first half of 2023 continued to attract new clients to ASCENDIA's portfolio, especially large **companies**. For the second half of the year, we expect requests for services in the e-learning area to continue at a high level, and the sales and marketing teams are working hard to promote them. We maintain our focus on the private sector, which is the core of our business. At the same time, given the increasing amounts of money ultimately directed by the public sector to education, and the success we expect Edulib to have, we are considering setting up an additional division dedicated to public procurement to further increase our results with more **one-off projects** in the public sector, such as Edulib, while improving the overall level of education in Romania, in line with our mission and vision.

We are proud that earlier this year our **LIVRESQ** solution was accepted into the **Microsoft for Startups Founders Hub** to accelerate the integration of OpenAI artificial intelligence technologies into its core functionality. Thus, OpenAI technologies, including those underlying ChatGPT, implemented in LIVRESQ help instructional designers and teachers develop e-learning courses and interactive lessons much easier and faster, substantially eliminating repetitive work and speeding up the development process. The new AI-enhanced features were launched in the second quarter of this year.

In February this year we launched an extension of the e-learning product **eJOURNEYS** developed in partnership with Trend Consult. The new product contains almost **double the volume** of content compared to the previous one. The whole package contains 42 topics divided into 195 e-learning modules that can be delivered both on our platform, Coffee Learning Management System (LMS), and on any other LMS platform of the client.

In addition, at the beginning of August, we signed a strategic partnership with **SAMSUNG** with the aim of contributing to the modernization and digitization of schools in Romania. The partnership aims to bring the advanced educational content creation functionalities of LIVRESQ directly to Samsung Flip interactive whiteboards. These tools will allow teachers to tailor content to the specific needs of students, create interdisciplinary lessons, integrate different multimedia resources and interact with students in a more dynamic and efficient way. In the digital age we live in, access to technology and digital educational resources can make all the difference to a student or teacher's success. Partnering with Samsung represents a tremendous opportunity to make a positive impact on education in Romania and we are happy to be able to contribute to shaping the future of education in the country. In addition, we are confident that the results we will achieve in the domestic market will open access to the external market through this partnership.

In terms of capital market activity, 2023 is the first year since the listing of our company on the Bucharest Stock Exchange that we have paid dividends to ASC shareholders. Therefore, on July 28, 2023, the **dividend payment** for the year 2022 was made to persons holding ASC shares on the record date of July 11, 2023. The gross dividend distributed was 0.1003 lei/share, the total amount of dividends paid being 1,176,184.03 lei. The decision to offer dividends to our shareholders is part of our plan to keep shareholders close to us in the long term by offering dividends when financial availabilities allow it, without influencing the company's investment plan. The ability to pay dividends also highlights our efficient cash flow management.

Also, during 2023, the budget was allocated and the amounts necessary for the payment of interest on the ASC27 bond coupons issued by our company were paid on time.

Thank you all for your confidence in ASCENDIA and our development plans and I invite you to read more about the company's performance in the first six months of 2023 in the following pages of this report.

Cosmin Mălureanu

CEO ASCENDIA S.A.

1.2. COMPANY ACTIVITY

Ascendia is a leading provider of digital learning solutions in the Romanian market, developing innovative e-learning solutions for various fields such as education, corporate training, healthcare and entertainment.

Since the company was founded in 2007, the Ascendia team has developed a multitude of e-learning products and offered a range of services specific to this field. The company has produced digital courses for a wide range of age groups, from pre-schoolers to large corporate employees in need of specialized training. It has also developed digital courses for schools (in subjects such as 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 company's main products are:

- **CoffeeLMS** (www.coffeelms.com) - Enterprise Learning Management System platform, dedicated to large companies/corporations;
- **eContent** – aimed at training employees in large companies/corporations and developing customized solutions, both the service area and the "off the shelf" product **eJourneys**, developed in partnership with Trend Consult SRL;
- **LIVRESQ** (www.livresq.com) –an e-learning authoring tool that allows all content creators in the education sector, from publishers to teachers, instructional designers and business specialists, to create interactive digital content in an easy way.

In addition to these, there are other departments that play a smaller role in the company's activity and that add to the range of educational products and services offered by the company and its market presence:

- **Timlogo** (www.timlogo.ro) – Speech therapy e-learning portal for children;
- **The EduTeca Collection** (for pre-schoolers) and EduTeca printed and digital textbooks (for schoolchildren);
- **Dacobots** (www.dacobots.com) –Educational games portal for children aged 4 to 12;
- **E-learning** (www.elearning.ro) – the e-learning news portal eLearning Romania.

Ascendia's key differentiators in the e-learning market are:

- Proven experience in cooperation with **+62 leading companies**
- Experience in **developing soft & hard skills for corporate employees**
- Over **11,000 hours** of e-learning content created
- Full in-house teams of **software developers**
- Content development and localization in **multiple languages**
- **Increased transparency** thanks to listing on the BVB since 2016

1.3. ADMINISTRATORS AND EXECUTIVE TEAM

The company is managed by a Sole Director, Cosmin Mălureanu, for a term of four years, starting 22 March 2020. The executive management of the company is provided by:



COSMIN MĂLUREANU

General Director (CEO)



ALEX MĂLUREANU

Marketing Director (CMO)



DANIEL COMĂNESCU

Financial Director (CFO)



ADRIANA MĂLUREANU

Director of Programmes and Structural Funds



GABRIEL LAZĂR

R&D Director

1.4. ACTIVITY ON THE BUCHAREST STOCK EXCHANGE

Ascendia (**ASC**) shares were admitted to trading on the SMT segment of the Bucharest Stock Exchange on July 7, 2016. In the first half of 2023, there were no changes to the rights of the share holders. The Company's shareholding structure as of 30 June 2023 looked as follows:

SHAREHOLDER	SHARES	PERCENTAGE
Cosmin Mălureanu	6,364,060	54.2925 %
Alex Mălureanu	2,791,776	19.1611 %
Natural Persons	2,246,027	23.8170 %
Legal entities	319,938	2.7294 %
TOTAL	11.721.801	100 %

The company also has a corporate bond issue listed on the SMT-AeRO market under the symbol **ASC27**. The value of the issue was RON 4,489,500, the nominal value of the bond being RON 100. The annual interest rate, payable semi-annually, is 10%.

Payment of the first coupon, amounting to RON 5.00 gross/bond, was made on 2 March 2023 to the accounts of bondholders registered in the Bondholders' Register on the reference date 16 February 2023. The second coupon payment, amounting to RON 5.00 gross/bond, was made on 4 September 2023 to the accounts of bondholders registered in the Bond Register on the reference date 21 August 2023.

The third coupon is due on 2 March 2024 and the Company does not foresee any problems with its payment.

1.5. SIGNIFICANT EVENTS IN S1 2023 AND BEYOND THE REPORTING PERIOD

▪ **INTEGRATION OF ARTIFICIAL INTELLIGENCE TECHNOLOGIES FROM OPENAI**

On **February 7, 2023**, the Company informed the market that the LIVRESQ solution has been accepted into the Microsoft for Startups Founders Hub to accelerate the integration of OpenAI artificial intelligence technologies into its core functionality. The new AI-enhanced functionalities were launched in Q2 2023. These new integrations across LIVRESQ are an important step in strengthening the Company's position as one of the leaders in the e-learning market.

▪ **EJOURNEYS COURSE PACKAGE EXTENSION LAUNCH**

On **10 February 2023**, the Company informed the market of the launch of the eJourneys e-learning product extension developed in partnership with Trend Consult, the new product being almost double the content volume of the previous one.

▪ **OGMS FROM 28.04.2023**

On **24 March 2023**, the Sole Director of the Company decided to convene the Ordinary General Meeting of Ascendia Shareholders for 28 April 2023. At the AGM, the shareholders approved, among other things, the distribution as dividend of RON 1,176,184.03 from the net profit for the financial year 2022 to the Company's shareholders, as well as the approval of the Income and Expenditure Budget for 2023.

▪ **SIGNING A FRAMEWORK CONTRACT WITH THE COUNCIL OF EUROPE**

On **15 May 2023**, the Company announced to investors the signing of a Framework Agreement with the Council of Europe. The Framework Contract covers the provision of services for the development and maintenance of e-learning modules and associated training services and is valid until 30.04.2026, with the possibility of extension for a further 2 years.

▪ **AI ENHANCER LAUNCH OF ARTIFICIAL INTELLIGENCE FUNCTIONALITY IN LIVRESQ - AI ENHANCER**

On **June 15, 2023**, the Company launched AI Enhancer, an artificial intelligence functionality for the Company-owned LIVRESQ educational content creation platform. This step comes in the context of the Company's inclusion in the Microsoft for Startups Founders Hub program to accelerate the integration of OpenAI artificial intelligence technologies into LIVRESQ's core functionality.

▪ **DIVIDENDS PAYMENT FOR 2022**

On **28 July 2023**, the Company paid the dividends for the year 2022 to the shareholders of the Company registered in the Register of Shareholders kept by the Central Depository S.A. on the record date 11 July 2023.

▪ **SIGNING OF A STRATEGIC PARTNERSHIP WITH SAMSUNG**

On **August 2, 2023**, the Company announced to investors the signing of a Partnership Agreement with Samsung Electronics Co. The objective of this partnership is to increase the quality of education in Romania by integrating hardware with relevant software for education. Thus, LIVRESQ licenses will be made available for all Samsung Flip interactive whiteboards used in various educational institutions: from kindergartens, schools and high schools to universities and libraries.

▪ **COMPLETION OF THE FIRST SESSIONS FOR THE "FIRST AID, A CHANCE FOR LIFE" CAMPAIGN**

On August 29, 2023, the Company announced to investors the successful completion of the first phase of the "First Aid, a Chance at Life Campaign." In the first phase of the campaign, the Company was responsible for providing the first aid course in e-learning format free of charge to the staff of educational institutions to increase their level of preparedness in emergency situations. More than 5,600 people enrolled in the interactive first aid course in this first phase, which ran from 20 June to 31 July 2023.

2. ECONOMIC AND FINANCIAL SITUATION

2.1 PRESENTING AN ANALYSIS OF THE CURRENT ECONOMIC AND FINANCIAL SITUATION COMPARED TO THE SAME PERIOD LAST YEAR

In accordance with the amendment of Art. 28 para. (2) of the Accounting Act no. 82/1991, published by Act no. 238/2020, half-yearly accounting reports are submitted only by entities with a turnover of more than EUR 1 million on 31 December of the previous year. In view of the turnover recorded on 31 December 2022, i.e. RON 9,067,922, Ascendia S.A. has submitted to ANAF the financial reports for the first half of 2023.

The presentation of the company's economic and financial situation is based on the data from the half-yearly accounting report as at 30 June 2023 prepared in accordance with the requirements of Accounting Law No. 82/1991 and OMFP 2195/2023 for the approval of the accounting reporting system as at 30 June 2023 for economic operators. The data contained in the half-yearly reports on which this report is based are a faithful reflection of the existing data in the company's accounts.

In the first six months of 2023, the Company recorded **operating revenues** of RON 6,2 million, an **increase of 109%** compared to S1 2022, mainly due to the **151% increase in turnover** from RON 1,4 million in S1 2022 to RON 3,6 million in S1 2023. The increase in turnover was driven by increased commercial activity through the attraction of new private sector clients, for which the company delivered projects during S1 2023, as well as the execution of contracts signed in previous years. Importantly, the turnover generated in S1 2023 continues the positive trend of the last 3 years, with turnover growing at an impressive compound annual growth rate (CAGR) of 117%.

As for expenses, they increased by 60% to RON 5,3 million, significantly slower than the 151% increase in turnover. The largest share of expenses was represented by staff costs, which reached RON 3,7 million, following a 96% increase. This is due to the increase in the size of the team compared to the reference period, but also to salary increases made during the period under review. The second largest contribution to expenses was represented by other operating expenses, which reached RON 1,1 million, following a 9% increase in S1 2023 compared to the first six months of 2022. This item mainly includes external benefits expenses. Depreciation, amortization and value adjustments were RON 517 thousand, following a 25% increase in S1 2023 due to investments made in the development of own products. Tangible expenses decreased by 23% in S1 2023 to RON 23 thousand.

In S1 2023, Ascendia recorded its **highest first-half net profit in its history**, in the context of its highest half-year revenue in history. Given the general cyclicity of the business, where Ascendia has generally generated losses in the first half of the year, it is worth noting that this is the second time in the last 5 years that the company has posted a first half profit.

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	S1 2022	S1 2023	%Δ
Operating income	2,984,241	6,225,139	109%
Operating result	(308,786)	945,365	406%
Gross result	(462,335)	730,242	258%
Net result	(473,588)	730,242	254%

Overall, the results recorded as of 30.06.2023 reveal a significant increase in the company's economic activity compared to the reference period, the company recording a 2.5-fold increase in turnover, finalized by marking a net profit of 730,242 RON.

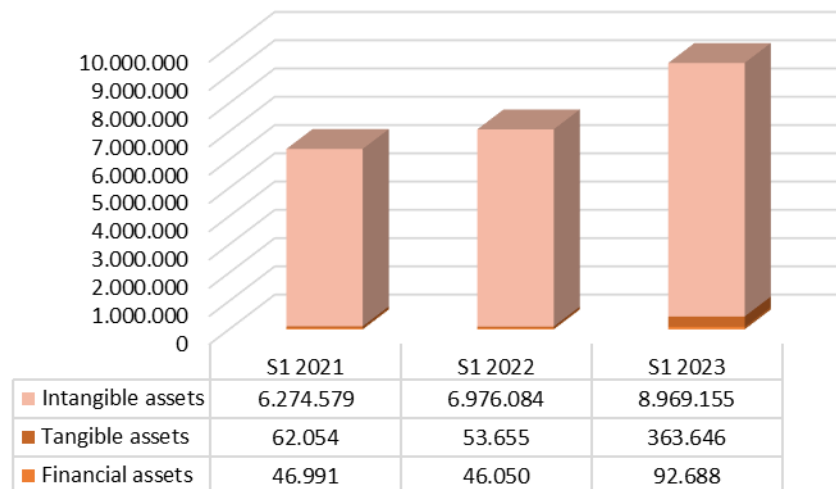
2.1.1 BALANCE SHEET ITEMS: ACTIVITIES THAT CONTAIN 10% OF THE TOTAL ACTIVE; NUMERICAL AND OTHER LIQUID OPTIONS; REINVESTED PROFITS; TOTAL ACTIVE CURRENT; SITUATION OF SOCIETY'S DAMAGES; TOTAL CURRENT LIABILITIES;

We present below the changes in the structure of balance sheet items in S1 2023 compared to S1 2022.

FIXED ASSETS

Total fixed assets of RON 9,425,489 at the time of S1 2023 show an increase of approximately 33.20% compared to the reference period, S1 2022, when RON 7,075,789 was recorded.

The evolution and structure of fixed assets (RON)



This increase was achieved by recording the following changes in the asset structure:

- **Intangible fixed assets** increased in total assets by RON 1,993,071 to RON 8,969,155. This is **an increase of approximately 28.57%** compared to the reference period.
- The **value of property, plant and equipment increased by approximately 577.75%** from RON 53,655 in S1 2022 to RON 363,646 in S1 2023 due to new purchases of fixed assets;
- **Financial fixed assets increased by 101.28%** compared to the reference period S1 2022, reaching RON 92,688 in S1 2023.

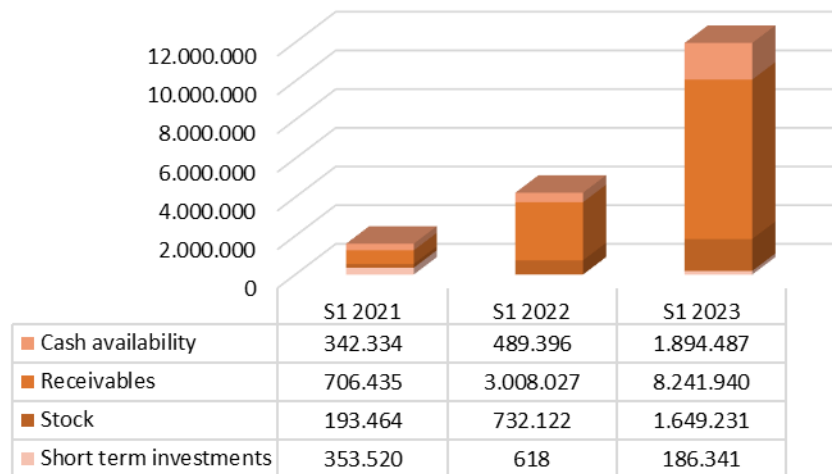
CURRENT ASSETS

The total value of current assets in S1 2023 is RON 11,971,999, an increase of about 183.01% or RON 7,741,836 compared to S1 2022 when they were RON 4,230,163. This increase is a direct result of the increase in sales volume.

The following changes occurred on the current assets structure:

- **Increase in cash in bank accounts** by approximately 287.11%, from RON 489,396 in S1 2022 to RON 1,894,487 in S1 2023;
- **Significant increase in the value of receivables by about 173.99%**, i.e. RON 5,233,913, compared to the same period of the previous year, from RON 3,008,027 in S1 2022 to RON 8,241,940 in S1 2023;
- **Increase in the value of inventories** by approximately **125.27%**, from RON 732,122 in S1 2022 to RON 1,649,231 in S1 2023; this value includes work in progress.
- **Increase** in the value of **short-term investments** from RON 618 in S1 2022 to RON 186341 in S1 2023.

The evolution and structure of current assets (RON)



CURRENT DEBT

The company's short-term liabilities (less than 1 year) in S1 2023 **increased by approximately 72.96%** to RON 2,743,916 in S1 2023, compared to RON 1,586,457 in S1 2022. It should be noted that the company paid in advance the amounts due to the state budget that were subject to a payment instalment.

TOTAL ASSETS MINUS CURRENT DEBT

The **increase** in assets has resulted in an increase in **total assets minus current liabilities** of **RON 3,066,678, approximately 94.85% higher** than the reference period when it was RON 9,483,846, recording a value of RON 18,478,992 on 30.06.2023.

DEFERED INCOME

Deferred income **increased in S1 2023 by RON 1,448,308, approximately 55.27%**, to RON 4,068,881, compared to S1 2022, when it was RON 2,620,573. Deferred income consists of the depreciation of assets received/realised from grants and reversed to income.

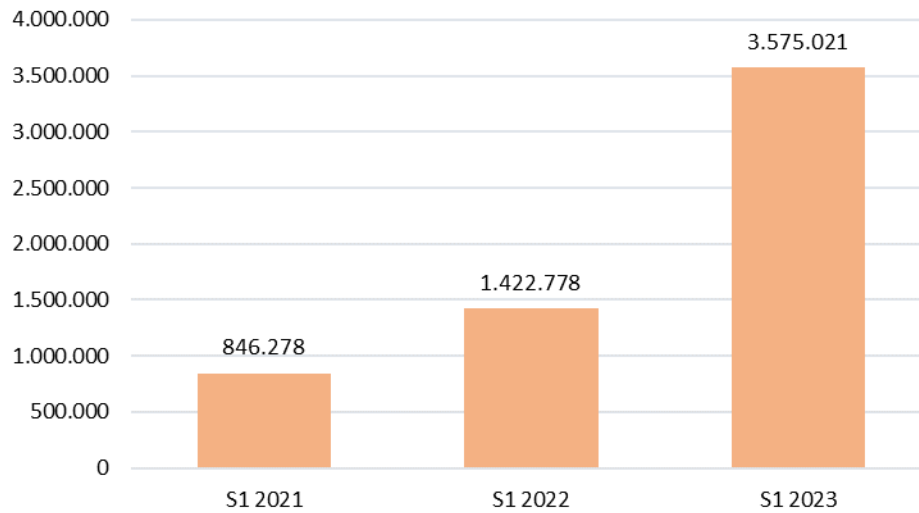
TOTAL EQUITY

Compared to the reference period, total equity **increased by approximately 61.11%**, i.e. RON 3,921,048, reaching RON 10,336,817 in S1 2023, compared to RON 6,415,769 in S1 2022.

2.1.2 PROFIT AND LOSS ACCOUNT: NET SALES; GROSS INCOME; ELEMENTS OF COSTS AND EXPENDITURE WITH A LEVEL OF 20% IN NET ASSETS OR IN GROSS INCOME; RISK PROVISIONS AND MISCELLANEOUS EXPENSES; REFERENCE TO ANY SALE OR MISSING OF AN ACTIVITY SEGMENT IN THE LAST 6 MONTHS OR NECESSARY TO BE CARRIED OUT ON THE NEXT 6 MONTHS; DIVIDENDS DECLARED AND PAID;

Total sales (turnover) were RON 3,575,021 in S1 2023. This recorded a net increase of RON 2,152,243, which is approximately 151.27% higher than the same period of the previous year, when RON 1,422,778 was recorded. It can be seen that the upward trend in sales continues, as was also noticeable in the previous year. In S1 2023, the highest sales value recorded by the company for the first half of the year in the last 5 years was achieved, this value significantly surpassing the commercial receipts of the reference period of the previous year.

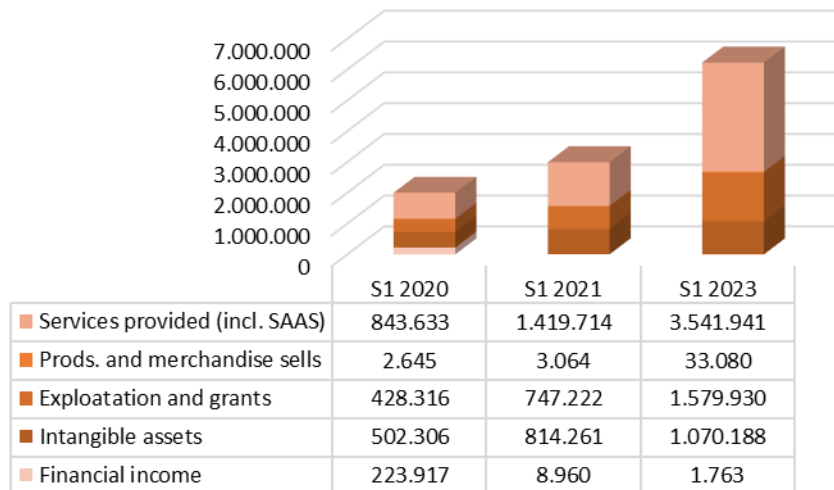
Sales evolution (RON)



Income and sales analysis

Total revenue in S1 2023 was RON 6,226,902, an increase of RON 3,233,701 compared to S1 2022 - representing an **increase of approximately 108.03%** compared to the reference period, when it was RON 2,993,201, due to the increase in revenue from production sold but also from other operating income.

Evolution and structure of revenues (RON)



In their structure, **revenues** have changed as follows:

- Revenues from **services rendered** (IT and custom software activities, including SAAS) amounted to RON 3.541.941, an **increase of approximately 149.48%** or RON 2,104,558 compared to the same period last year. These revenues have a share of approximately 56.88% of the total sales recorded in the first half of 2023;
- Revenues **from the sale of finished and related products**, merchandise and miscellaneous activities in S1 2023 **increased almost 11 times to RON 33,080**, compared to S1 2022, when they were RON 3,064;
- **Operating income and production in progress were up by approximately 111.44% to RON 1,579,930** in S1 2023, compared to 747,222 in S1 2022. This includes investment grants - made up of expenses related to the depreciation of assets (realized or received through financing) and reversed to income, the amount of operating grants and income related to the cost of production in progress;
-

- Income from the production of intangible assets **increased by approximately 31.43% to RON 1,070,188** in S1 2023, RON 255,927 higher than in S1 2022. In this category of income are mainly the developments brought to the eGarantie platform;
- Financial income decreased** compared to the reference period, reaching RON 1,763 in S1 2023 compared to RON 8,960 in S1 2022.

Cost analysis

The trend in costs followed the upward trend in revenues, recording a value of RON 5,496,660 in S1 2023, an **increase of approximately 59.07%**, i.e. RON 2,041,124, compared to S1 2022 when their level was RON 3,455,536;

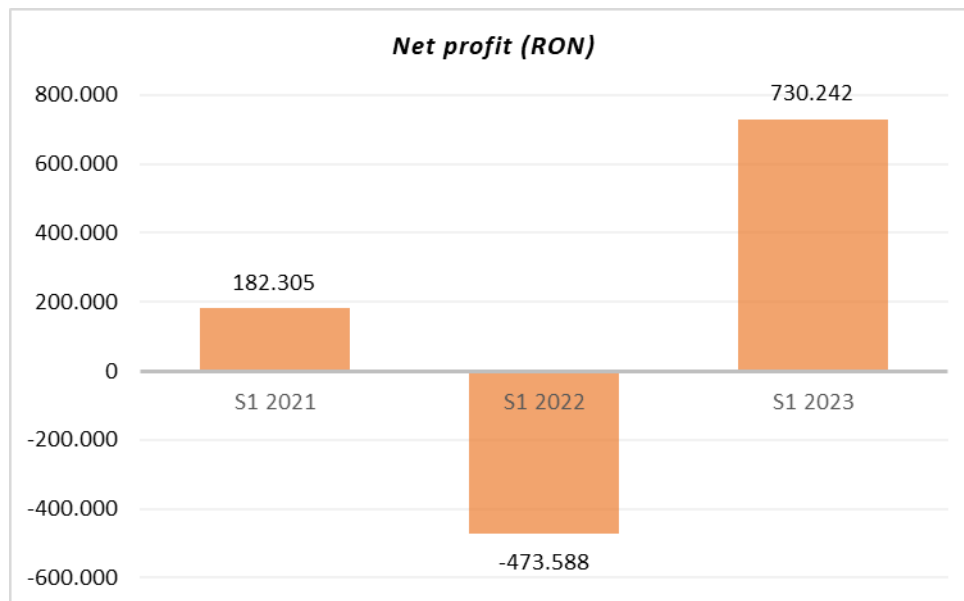
Among the cost elements with a majority share (approx.95%) in the total costs we present:

- Expenditure on **salaries**, increased by RON 1,799,130 to RON 3,671,195, registering in S1 2023 an increase of approximately 96.10% compared to the reference period, when it was RON 1,872,065. The share of salary costs in total costs is approximately 66.79%;
- External benefits expenses** of RON 1,031,397 increased by approximately 8.25% compared to RON 952,817 in S1 2022;
- Depreciation expenses on assets**, amounting to RON 517,229 in S1 2023, increased by approximately 25.38% compared to S1 2022 when they were RON 412,520.

Net Profit

Compared to the reference period, S1 2022, when a net loss of RON 473,588 was recorded, the company recorded a net profit of RON 730,242 on 30.06.2023, which is the **best financial result recorded by the company in the first half of the last 5 years**.

Analyzing the dynamics of the company's financial situation, in the first half of the last 5 years it can be seen that in S1 it usually records a loss. However, in 2023 the company managed to make a profit for the second time in the last 5 years.



Dividends declared and paid

According to AGA0017/27.04.2023 during the period under review the company distributed for the first-time dividends to shareholders in the gross amount of RON 1,176,184. These were paid in full on 28.07.2023.

On 02.03.2023 the company paid on time the interest due (half-yearly) to the holders of ASC27 bonds in the gross

amount of RON 224,475, related to the new issue launched on 02.09.2022 with maturity on 02.06.2027.

2.1.3 ALL CASH FLOW CHANGES IN THE BASIS OF BASIC ACTIVITY, FINANCIAL INVESTMENTS AND ACTIVITIES, NUMBER OF CASHING AT THE BEGINNING AND END OF THE PERIOD

Compared to the cash position at the end of S1 2022 the company's cash at the end of S1 2023 increased by approximately 3.87 times, as can be seen in the cash flow summary:

TREASURY FLOWS (RON)			
The element's name	Analyzed period		
	S1 2021	S1 2022	S1 2023
Cash flows from operating activities			
Receipts from customers	826,381	2,892,013	6,469,089
Interest Received + Course Differences + Other Receipts (Tax Recovery)	0	8,960	1,763
Payments to suppliers and employees	-877,122	-2,472,964	-3,717,254
Paid interest + bank fees + course differences	-2,461	-30,594	-12,982
Income tax paid / Micro enterprise tax	-6,457	-26,213	-680,983
Salary duties + VAT + other taxes	-579,142	-942,302	-2,569,648
A) Net cash from operating activities	-638,801	-571,100	-510,015
Cash flows from investing activities			
Payments for the purchase of shares	0	0	0
Payments for the purchase of tangible/intangible assets	0	0	0
Proceeds from sale of tangible fixed assets	0	0	0
Interest received	0	12	0
Dividends received	0	0	0
B) Net cash from investing activities	0	12	0
Cash flows from financing activities			
Receipts from the share issue / portfolio operations	240,000	0	0
Proceeds from share capital increase	0	880,202	0
Proceeds from capital premiums	0	3,137,145	0
Proceeds from long-term loans/bond issues	0	0	0
Proceeds from miscellaneous subsidies	237,469	272,506	522,449
Short-term loans	402,474	123,702	101,685
Sundry creditors (associates)	56,335	87,751	0
Finance lease payments/Bond debentures	-150,110	-150,000	-544,981
Dividends paid/ Redemption of matured bonds	0	-3,000,000	0
Payment of instalments on loans / Lines of credit / Repayments Sundry creditors (associated)	-92,386	-902,748	-86,993
C) Net cash from financing activities	693,782	448,558	-7,840
D) Net increase in cash and cash equivalents (A + B + C)	54,981	-122,530	-517,855
E) Cash and cash equivalents at the beginning of the financial year	287,453	611,926	2,412,342
F) Cash and cash equivalents at the end of the financial year (D + E)	342,334	489,396	1,894,487

3. ANALYSIS OF THE COMPANY ACTIVITY

3.1 PRESENTATION AND ANALYSIS OF TRENDS, ELEMENTS, EVENTS OR UNCERTAINTY FACTORS WHICH AFFECT OR MAY RESULT IN LIQUIDITY OF THE COMPANY, COMPARED TO THE SAME PERIOD OF THE YEAR.

Compared to the S1 2022 reference period, Ascendia's liquidity metrics in S1 2023 showed a significant increase, maintaining the upward trend of previous years, resulting in a very good liquidity of the company, which is able to quickly pay its current and immediate debts.

LIQUIDITY RATE				
Calculated indicator	Formula	Analyzed period		
		S1 2021	S1 2022	S1 2023
Current liquidity rate	Current assets / current liabilities	1.55	2.67	4.36
Immediate liquidity rate	(Current Assets - Stocks) / Current Debt	1.36	2.20	3.76

The continuation of the upward trend of the economic activity, based on the increase in revenues from the sale of the following products: e-learning (LIVRESQ, CoffeeLMS and eJourneys) and related services, will also increase liquidity indicators in the long term.

The company is still a small company in a growth phase based on significant investments from both funding and own resources. There are therefore a number of risks that may affect its business, which investors should take into account when analyzing our company. As these risks have been explained in the 2022 Annual Report and are still relevant as part of the general and specific economic context in which we operate, we invite interested parties to review them, as the 2022 Annual Report is available both on the website of the Bucharest Stock Exchange and on the website www.ascendia.ro, in the section dedicated to investors.

3.2. PRESENTATION AND ANALYSIS OF THE EFFECTS ON THE FINANCIAL SITUATION OF THE COMMERCIAL SOCIETY OF ALL CAPITAL, CURRENT OR EXPECTED CAPITAL EXPENDITURE (DETERMINING THE PURPOSE AND SOURCES OF FINANCING THESE EXPENDITURE) COMPARABLE TO THE SAME PERIOD OF THE LAST YEAR.

The company's capital expenditure was significantly lower compared to S1 2022.

The company increased its fixed asset value both through new acquisitions (made with its own funds and grants) and through capitalization of costs (in the case of self-constructed platforms).

The purchases made were aimed on the one hand at updating and expanding Ascendia's equipment park (PC components, peripherals, etc.), and on the other hand at purchasing software licenses (or renewing some SAAS software subscriptions) necessary for the current activity.

3.3. PRESENTATION AND ANALYSIS OF EVENTS, TRANSACTIONS, ECONOMIC CHANGES SIGNIFICANTLY AFFECTING INCOME FROM THE BASIC ACTIVITY. DETERMINING THE MEASURE IN WHICH THE REVENUES HAVE BEEN ADVISED OF EACH IDENTIFIED ELEMENT. COMPARISON WITH THE CORRESPONDING PERIOD OF THE LAST YEAR.

With regard to the general and specific economic context, several aspects are highlighted that have influenced and have the potential to continue to negatively influence the company's business projections: a) in general, IT labour costs are increasing and staff are becoming less and less trained, b) labour legislation is unpredictable and may at any time bring additional expenses that are impossible to anticipate, c) in the field of public education we observe the increasing interference of politics and d) the global geopolitical context may negatively influence the companies' activity in the medium and long term, a situation that would negatively affect the company's revenues on some business lines, as it affected them in 2020. However, we believe that the company's business will grow in the medium to long term as e-learning tools are increasingly used.

Separately, projects financed by various non-reimbursable funds can be of great help in expanding the company's economic activity. The date of submission, evaluation and contracting, if won, and the related payments are unpredictable. This leads to uncertainty in projecting financial receipts related to potential such projects, with the possibility of losing or deferring some or all potential revenues.

There are no events, transactions or economic changes with significant influence on the Company's business other than those previously specified throughout this document.

3.4. BUDGETS, AT LEAST FOR THE CURRENT YEAR, AND, IF EXISTS, FOR A 3-5 YEAR PERIOD, INCLUDING HYPOTHESES

On 27.03.2023, Ascendia published the Revenue and Expenditure Budget for fiscal year 2023. The Budget was subsequently approved by the Annual Ordinary General Meeting of Shareholders held on 28.04.2023.

ASCENDIA S.A.'s Income and Expenditure Budget for 2023 was 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 contracting, as well as taking into account the dynamics of the company's team, the dynamics of salaries and investments expected, the marketing and sales actions already undertaken/planned and the sales targets for both its own products and the portfolio of services offered, in the unpredictable geo-political context given by the evolution of the war on the country's borders. The income and expenditure budget for 2023 does not include income from any share capital increase operations.

The budget for 2023 presented in the Annual Report for 2022 is reproduced below.

REVENUE AND EXPENDITURE BUDGET 2023 (RON)	
Category	Value
Total Expected Revenues	18,405,466
Expected Total Expenses	10,279,152
Gross profit (before tax)	8,126,314

Please note that there are delays in the actual funding of projects through the PNRR lines through which we anticipate that we will have a significant share of receipts this year. The collection of this money depends exclusively on the moment when the beneficiaries will actually receive the money related to the projects they have won, projects in which various purchases will be made including services and products offered by ASCENDIA. It is worth pointing out that if the purchases are not contracted in 2023, they will certainly be contracted and delivered in 2024.

4. CHANGES AFFECTING THE COMPANY'S CAPITAL AND MANAGEMENT

4.1. DESCRIPTION OF CASES IN WHICH THE COMMERCIAL SOCIETY HAS BEEN UNABLE TO MEET FINANCIAL OBLIGATIONS IN THE PERIOD OF THE PERIOD.

During the period under review, ASCENDIA S.A. was able to meet its financial obligations, having the necessary resources to fully finance the activities carried out. There were no cases in which the company was unable to meet its financial obligations during the period under review.

4.2. DESCRIPTION OF ANY CHANGES IN THE RIGHTS OF THE MOBILE TENDERERS ISSUED BY THE COMMERCIAL SOCIETY

There were no changes in the rights of holders of securities issued by the company during the period under review.

5. SIGNIFICANT TRANSACTIONS

5.1 IN CASE OF ACTION ISSUERS, INFORMATION CONCERNING MAJOR TRANSACTIONS CONCLUDED BY THE ISSUER WITH THE PERSONS WHO CONDUCT IN CONVINCED OR WHETHER SUCH PERSONS HAVE BEEN IMPLIED IN THE RELEVANT PERIOD.

During the reporting period the company did not enter into significant transactions with persons acting in concert.

6. SIGNATURES AND ANNEXES

6.1 THE REPORT SHALL BE SIGNED BY THE AUTHORIZED REPRESENTATIVE OF THE BOARD OF DIRECTORS, BY THE MANAGER / EXECUTIVE DIRECTOR OF THE SOCIETY AND BY THE CHIEF ACCOUNTANT.

This report presents accurate and complete information about the company. The half-yearly accounting report as at 30.06.2023 has been prepared in accordance with the 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 not been audited.

This report gives a true and fair view of the significant events that occurred during the first six months of the financial year and their impact on the company's financial statements.

Daniel Comănescu – CHIEF ACCOUNTANT ASCENDIA S.A

Cosmin Mălureanu - CEO AND SOLE ADMINISTRATOR ASCENDIA S.A.

Date: 05.09.2023

6.2 ANNEXES - THE REPORT WILL BE ACCOMPANIED BY COPIES OF THE JUSTIFICATIVE DOCUMENTS FOR ALL CHANGES TO THE ARTICLES OF INCORPORATION OF THE COMPANY, AS WELL AS OF THE MANAGEMENT STRUCTURES (ADMINISTRATION, EXECUTIVE ETC.).

The following annexes are attached to this report (Romanian version only):

- Annex 1 - Balance sheet for the first half of the financial year 2023