



# ACTIVITY REPORT FOR S1 2024

16.09.2024

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: **01.01.2024 – 30.06.2024**

Date of the report: **16 September 2024**

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

Headquarters: **Eufrosin Poteca St. No. 40, 1'st 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 2024 was one of repositioning for Ascendia, in that the company returned to its traditional revenue and expense structure of proprietary products (LIVRESQ, CoffeeLMS and eJourneys) and their related services. There were no more significant one-off projects such as Edulib and eGarantie and the company repositioned itself following their completion in 2023, as it was natural to do.

The software market context in Romania is changing. The service area, especially in the area of external services, is slowing down, as expected, which can be seen especially in the layoffs made by many of the large software companies (also) operating in Romania. On the other hand, the industry is also repositioning itself thanks to the advance of artificial intelligence, which is proving to be a useful tool in practice, increasing the productivity of those who develop software and not only. Separately, the NRRP funds, a significant part of which also reaches the software industry, will be an important source of money for companies pursuing related projects over the next 1-2 years.

It is in this specific and general context that we have carried out our activity in the first semester of 2024. Overall, we consider it to have been a good one, the first semester being one in which we have prepared the ground for many future projects. So we have an increase in equity, an increase in sales related to the core business - service provision, including SAAS subscriptions - which can be clearly seen compared to H1 le 2022 (against which revenues are around 67% higher), and cash and cash equivalents have increased significantly. However, compared to H1 2023, total income decreased in H1 2024, which was driven by the fact that in H1 2023 we had significant Edulib and eGarantie related receipts. Therefore, compared to H1 2023, revenue in H1 2024 decreased by about 33% in H1 2024, which resulted in a loss in H1 2024. The dynamics of receipts in H1 are in line with the overall industry dynamics, which in H1 receipts significantly less than in H2. **This, but also the fact that there is a very wide funnel of projects coming our way, leads us to maintain at the date of this report the revenue and expenditure budget values forecast for 2024.**

Turning to the operational side, in H1 2024 we launched an extension to our e-learning product **eJOURNEYS**. The new product contains around **36% more content** compared to the previous one. The entire package now contains 266 e-learning modules, organized by various themes, which can be delivered on our platform, Coffee Learning Management System (LMS), as well as on any other LMS platform of the customer.

The **LIVRESQ** e-learning content editor has benefited and continues to benefit from updates, especially in the area of **Artificial Intelligence**. Both it and the **CoffeeLMS** platform are under continuous development and will be further extended. The main targeted developments are: a UI update for LIVRESQ to increase the speed of adoption among inexperienced users, and CoffeeLMS will benefit from the commercial production launch of the **multi-tenant architecture**, which will lead to an increase in performance coupled with a decrease in running costs.

The first half of 2024 also brought Ascendia two important recognitions:

- 2024 - 2023 EMEA Fast 500 Winner - The Deloitte EMEA Fast 500 program is an objective industry ranking that identifies and recognizes the fastest-growing technology companies in Europe, Middle East and Africa (EMEA); ranking 286th out of thousands of companies surveyed.
- 2024 - "Fast 50 Central Europe" for 2023 - Winner in the "Impact Stars" category for Romania. Ascendia is recognized as a leading technology company in the Deloitte Technology Fast 50 2023 Central Europe program, which identifies companies that have a profound impact on society.

And because it's important not only what we pursue going forward, but also how we plan to implement in order to ensure the company's growth, we are considering the following approach in the commercial area going forward:

- Increasing revenues from the **core business - sales to companies** - increasing the sale of our own products and services will be done by increasing the customer portfolio and increasing the ticket to each of them (up-sale, cross-sale);
- Increased revenues from the **solutions sold to the beneficiaries of PNRR projects** - directly, but also through partners, whose network is already proving extremely useful, the company's objective is to extend this model externally;
- Increasing revenues through **non-reimbursable funding sources** - in this respect we aim to submit various projects as useful/relevant lines of business open up, both at national and European level. There are 2 European projects underway and even if they are not very large in financial terms, they show us that we can do such projects externally. Also, the company already has several projects submitted, for which it is waiting for the response from the evaluators;
- **Increasing commercial revenues from large projects**, in which Ascendia has the role of consortium leader or partner, in this respect the company is pursuing various open calls, both nationally and externally. They are hard to win, but important if we get it right.

Thus H1 2024 was a semester of repositioning, after the completion of two major projects in 2023, projects that spanned several years. As I said, the activity has been good and the results will be seen starting in H2 2024.

**Cosmin Mălureanu**

**CEO ASCENDIA S.A.**

## 1.2. COMPANY ACTIVITY

Ascendia is a one-stop shop in digital education and one of the leaders in the Romanian e-learning industry. By combining technology with customized solutions, we offer products and services that respond to current market needs, helping to streamline learning and training processes.

Recognizing the diversity of educational needs, we produce e-learning solutions for a wide range of age groups, from pre-schoolers to employees of large companies in need of specialized training.

With our results-oriented approach, we are constantly expanding our presence on the national and international market, strengthening our position as a reliable partner in digital education.

An important pillar of the company is our investment in research and development, where we explore new methods and technologies to enhance the learning experience. In doing so, we aim to create interactive and engaging environments that stimulate performance and facilitate the assimilation of knowledge.

We also emphasize collaborations with educational institutions, non-governmental organizations and international partners. By promoting equal access to education and supporting lifelong learning, we contribute significantly to transforming the educational landscape and preparing individuals for the challenges of a knowledge-based society.

### The company's main products are:

- **LIVRESQ** ([www.livresq.com](http://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.
- **CoffeeLMS** ([www.coffeelms.com](http://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;

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](http://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](http://www.dacobots.com)) –Educational games portal for children aged 4 to 12;
- **E-learning** ([www.elearning.ro](http://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 2024. 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 2024 looked as follows:

SHAREHOLDER	SHARES	PERCENTAGE
Cosmin Mălureanu	6,393,500	54,5437 %
Alex Mălureanu	2,248,627	19,1833 %
Natural Persons	3,023,655	25,7951 %
Legal entities	56,019	0,4779 %
<b>TOTAL</b>	<b>11.721.801</b>	<b>100 %</b>

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 4 March 2024 to the accounts of bondholders registered in the Bondholders' Register on the reference date 19 February 2024. The second coupon payment, amounting to RON 5.00 gross/bond, was made on 2 September 2024 to the accounts of bondholders registered in the Bond Register on the reference date 19 August 2024.

All coupons have been paid on time and the company will continue this good practice.

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

### ▪ LAUNCH OF ARTIFICIAL INTELLIGENCE BASED COURSE GENERATOR IN LIVRESQ AT BETT UK

On February 5, 2024, Ascendia, a leading developer of e-learning solutions, announces the official launch of the Artificial Intelligence-based interactive lesson and e-learning course generator as a feature in the LIVRESQ editor. The debut took place at the largest educational technology event, Bett UK, held in London, January 24-26, 2024. The launch reinforces Ascendia's position as a pioneer in the adoption of artificial intelligence in education. The introduction of this functionality in LIVRESQ represents a major advance in the digital education sector. The new component effectively supports not only teachers but also educational institutions, from ministries of education to large institutions, in the rapid and scalable generation of thousands of educational resources, compliant with mandatory structures and templates. The tool comes in response to the growing need for the relevance of digitization in education, providing a leading solution for the creation of personalized educational materials tailored to the digital age. The AI generator has the ability to analyze and understand the learning objectives of a course, proposing multimedia content accordingly. For example, the creator can customize the duration of the material, subject matter, age of students or learners, tone of the material, language, and topics relevant to the target audience.

### ▪ ASCENDIA, PARTNER IN THE EU EMPASS EMPLOYMENT SKILLS PROJECT

On February 7, 2024, we announced the selection of Ascendia as a partner in a new European Union (EU) funded project under the Erasmus+ Forward Looking Program, EMPASS: The Employment Skills Pass, a quality standard for a faster transition from education to employment. This innovative initiative aims to equip young people with the tools and qualifications they need to thrive in the dynamic labor market. The 14-partner consortium, led by Junior Achievement Europe, Europe's largest provider of entrepreneurial education, work readiness and financial health programs, is developing a new micro certificate that will enable young Europeans to develop and validate essential employability skills while meeting the evolving demands of employers across Europe.

### ▪ OGSM & EGSM FROM 29.04.2024

On April 30, 2024, at the OGSM, the shareholders approved: the financial statements for 2023, the discharge of the Director, - the income and expenditure budget for 2024, the appropriation of profits to reserves and the record date; at the EGSM, the shareholders approved: an Extraordinary Reward Plan, exclusively dedicated to employees/employees with at least 3 years of seniority in the company, aimed at allocating a maximum of 703. 308 shares for subscription or/and in the form of free bonus, a program for the repurchase by the Company of a maximum of 117,218 of its own shares, under the following conditions: duration of the repurchase program of 18 months from the date of the registration of the AGEA Resolution. The price/share to be paid by the Company shall be at least equal to RON 0.1/share and at most equal to RON 6.5/share. The distribution of the acquired shares to employees will be made within 12 months from the date of repurchase by the Company.

### ▪ SIGNING A CONTRACT WORTH MORE THAN 1 MILLION LEI WITH BACĂU CITY HALL

On May 20, 2024, we announced the signing of a significant contract with the Municipality of Bacău. The contract worth 1,068,120 lei excluding VAT involves the delivery of LIVRESQ licenses within the project "Equipping with furniture, teaching materials and digital equipment for pre-university educational units and related units in the Municipality of Bacău". The project is financed from the PNRR funds for education and is part of a range of such projects to be operationalized by the city hall as part of the strategy to improve educational services.

### ▣ ASCENDIA SELECTED AS MEMBER OF THE EUROPEAN COMMISSION EXPERT GROUP ON DIGITAL EDUCATIONAL CONTENT

On July 1, 2024, we announced that we have been selected as a member of the European Commission's Digital Educational Content (DEC) Expert Group. The group aims to improve the quality, safety, reliability and inclusiveness of digital educational content across the European Union. As the only company in this expert group, Ascendia will contribute its expertise in creating learning management systems, educational content publishers and standardized e-learning content for ministries of education, schools, universities and companies with a large number of beneficiaries.

## ASCENDIA AND UIPATH SIGN PARTNERSHIP FOR UIPATH ACADEMIC ALLIANCE

On July 16, 2024, we announced the signing of a partnership with UiPath to support the UiPath Academic Alliance program. This collaboration aims to use the CoffeeLMS learning management system developed by Ascendia for the digital training of UiPath students and future employees in Europe. "The CoffeeLMS platform will play a key role in the UiPath Academic Alliance program," said Florin Grigorescu, Principal Program Manager for Academic Alliance at UiPath. "It will facilitate access for students, teachers and universities across Europe to a vast set of educational resources and dedicated courses. The platform will offer a range of courses covering essential topics in Automation and Artificial Intelligence, standardizing and streamlining the learning process. Moreover, it will create a solid bridge for users, helping them transition from students to competitive job candidates. This initiative supports the training of well-trained future professionals who can contribute significantly to technological developments in their fields."

## 2. ECONOMIC AND FINANCIAL SITUATION

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

The presentation of the economic and financial situation of the company is based on the data in the half-yearly accounting report as at June 30, 2024 prepared in accordance with the requirements of the Accounting Law No. 82/1991 and OMFP 3100/2024 for the approval of the accounting reporting system as at June 30, 2024 of economic operators. The data contained in the half-yearly reports on which this report is based are a faithful reflection of the data existing in the company's accounts.

In the first six months of 2024, the Company recorded **operating revenues** of RON 4.1 million, **a decrease of approx. 33%** compared to H1 2023, mainly due to the **33% decrease in turnover** from RON 3.6 million in H1 2023 to RON 2.4 million in H1 2024. The decrease in turnover was due to the change in the structure of the executed projects compared to H1 2023 (when Edulib was completed and a significant part of the related revenues materialized then), on the one hand, and the invoicing of some sales made after the deadline of 30.06.2024, on the other hand. The latter will be recorded in the second semester activity account.

**Operating expenses decreased by 19%** to RON 4.3 million. The largest share of expenses was **personnel costs**, which fell to RON 2.9 million. This is due to the change in the team structure compared to the previous reporting period, following the closure of two major projects, Edulib and eGarantie, during 2023. The next expense category with a large share of total expenses was other operating expenses, which amounted to RON 0.7 million, down 34% in H1 2024 compared to the first six months of 2023. This item mainly includes **external services expenses**. Depreciation, amortization and value adjustments increased to RON 612 thousand, following a 12% increase in H1 2024 in investments made in the development of own products. Material expenses also decreased by approximately 10% in H1 2024, amounting to RON 21 thousand.

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	S1 2023	S1 2024	%Δ
Operating income	6.225.139	4.158.795	-33%
Operating result	945,365	(121.596)	-113%
Gross result	730,242	(248.740)	-134%
Net result	730,242	(248.740)	-134%

Overall, the results recorded as at 30.06.2024 reveal the reduction of the company's economic activity compared to the first half of last year in the context of the completion of the two large projects mentioned (Edulib and eGarantie), respectively the invoicing of certain sales after the reference interval, which led to the recording of a net loss of RON 248,740.

**It should be emphasized, however, that we have returned to the revenue structure prior to the existence of the**



two large projects, with all the cyclicity related to the software market. Practically, the company's activity in the first semester of 2024 was based exclusively on the sale of its own products (LIVRESQ, CoffeeLMS and eJourneys) and related services, with no significant revenues from extraordinary (one-off) sources. Compared to H1 2022 (when no Edulib-related revenues had been received), in 2024 the revenues of the core business (provision of services including SAAS subscriptions) are about 67% higher, which shows a significant increase in the core business, hardly noticeable when compared to H1 2023, where these revenues were higher precisely because they included part of the Edulib-related revenues.

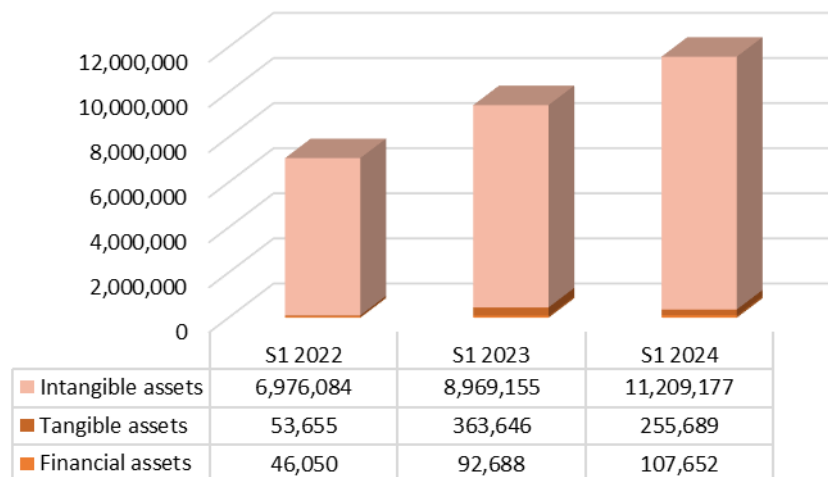
2.1.1 BALANCE SHEET ITEMS: ACTIVITIES THAT CONTAIN 10% OF THE TOTAL ACTIVE; NUMERICAL AND OTHER LIQUID OPTIONS; REINVESTED PROFITS; TOTAL ACTIVE CURRENT; SITUATION OF SOCIETY'S DAMAGES; TOTAL CURRENT LIABILITIES;

We present below the changes in the structure of balance sheet items in S1 2024 compared to S1 2023.

### **FIXED ASSETS**

**Total fixed assets** of RON 11.572.518 at the time of S1 2024 show an increase of approximately **22,78%** compared to the reference period, S1 2023, when RON 9.425.489 was recorded.

*The evolution and structure of fixed assets (RON)*



This increase was produced by the following changes in the structure of assets:

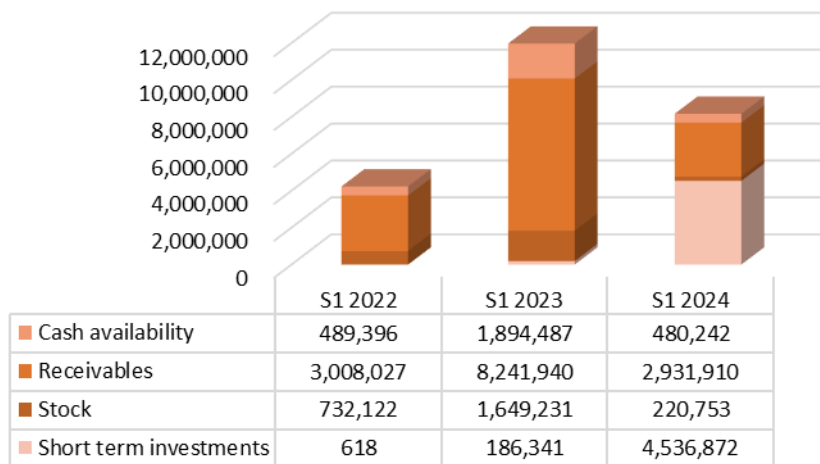
- **Intangible fixed assets** recorded an increase in total assets of RON 2,240,022, reaching RON 11,209,177. This **increase of about 25%** compared to the reference period was mainly due to the capitalization of costs incurred in the further development of own products.
- The value of **tangible fixed assets decreased by approximately 29.69%** from RON 363,646 in H1 2023 to RON 255,689 in H1 2024, due to the sale of some fixed assets;
- **Financial fixed assets increased by 16.14%** compared to the reference period H1 2023, reaching RON 107,652 in H1 2024.

## **CURRENT ASSETS**

The total value of current assets in H1 2024 is RON 8,169,777, a decrease of about 31.76% or RON 3,802,222 compared to H1 2023 when they amounted to RON 11,971,999. The following changes occurred on the current assets structure:

- Decrease in cash in bank accounts by approximately 74.65%, from RON 1,894,497 in H1 2023 to RON 480,242 in H1 2024;
- Decrease in cash in bank accounts by approximately 74.65%, from RON 1,894,497 in H1 2023 to RON 480,242 in H1 2024;
- Decrease in the value of receivables by about 64.43%, i.e. RON 5,310,030, compared to the same period of the previous year, from RON 8,241,940 in H1 2023 to RON 2,931,910 in H1 2024
- Decrease in the value of inventories by approximately 86.61%, from RON 1,649,231 in H1 2023 to RON 220,753 in H1 2024, due to the reduction in services in progress
- Increase in the value of short-term investments, from RON 186,341 in H1 2023 to RON 4,356,872 in H1 2024 representing an increase of 23.38 times.

***The evolution and structure of current assets (RON)***



## **CURRENT DEBT**

The company's short-term debt (less than 1 year) in H1 2024 decreased by approximately 54.67% to RON 1,243,879 in H1 2024 from RON 2,743,916 in H1 2023.

## **TOTAL ASSETS MINUS CURRENT DEBT**

The result between total assets minus current liabilities recorded a decrease of RON 812,452, approximately 4.4% lower than the reference period when it was RON 18,478,992, registering a value of RON 17,666,540 as at 30/06/2024.

## **DEFERED INCOME**

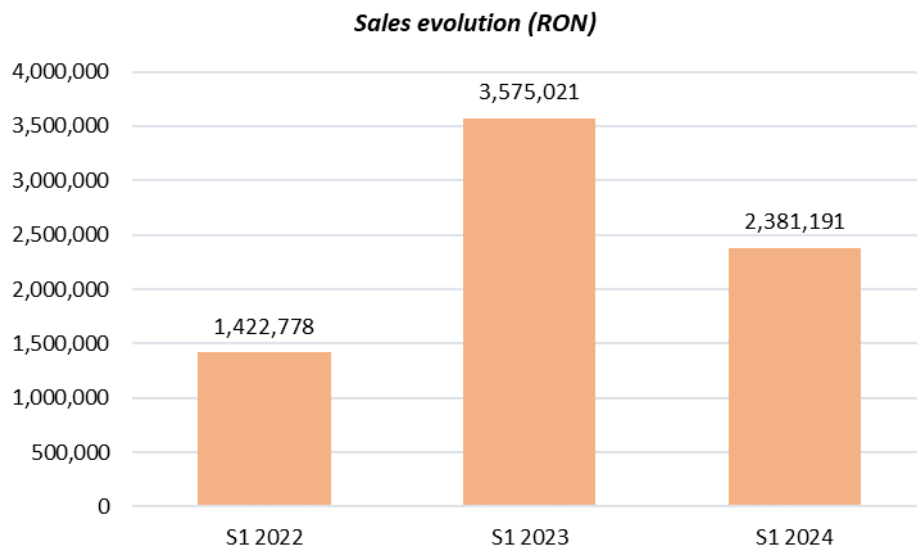
Deferred revenues decreased in H1 2024 by RON 682,413, by about 16.77%, reaching RON 3,386,468, compared to H1 2023, when it was RON 4,068,881. Deferred revenue consists of depreciation expense on assets received/realized/depreciation of assets received/realized/funded from grants and reversed to revenues.

## **TOTAL EQUITY**

Compared to the baseline period, total equity increased by approximately 2.35% or RON 242,791 to RON 10,579,608 in H1 2023 from RON 10,336,817 in H1 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 volume (turnover) was RON 2,381,191 in H1 2024. This registered a net decrease of RON 1,193,830, being approximately 33.39% lower than the same period of the previous year, when RON 3,575,021 was recorded. This decrease was due to the change in the structure of the projects compared to the first semester of 2023, on the one hand, and on the other hand, the invoicing of some sales made after the deadline of 30.06.2024. These will be recorded in the activity account for the second semester.

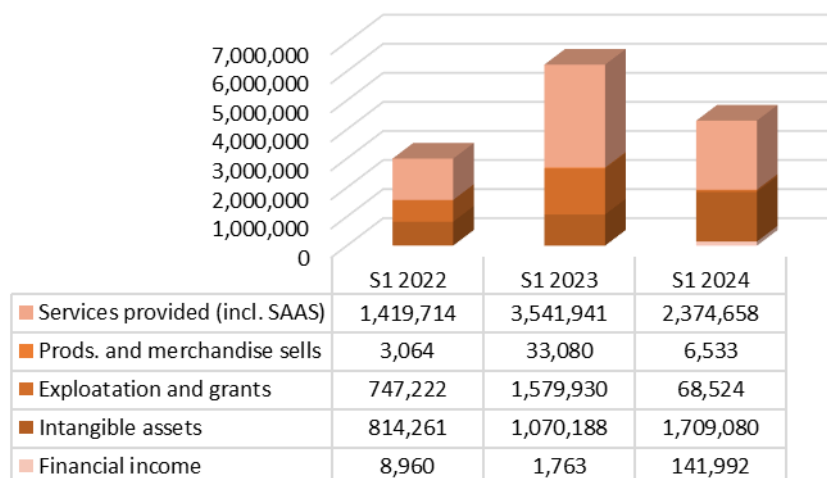


**Income and sales analysis**

Total revenues in H1 2024 amounted to RON 4,300,787, a decrease of RON 1,926,115 compared to H1 2023 - representing a decrease of approximately 30.93% compared to the reference period, when they amounted to RON 6,226,902, as a result of the decrease in revenues from production sold but also from other operating revenues.

**It is worth noting that compared to H1 - 2022, in H1 - 2024 trading activity is up by about 67%. This underscores the increase in core business, in the absence of special, contextual projects (such as Edulib and eGarantie, which brought in significant revenues in previous years).**

**Evolution and structure of revenues (RON)**



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

- Revenues from services (IT and custom software activities, including SAAS) amounted to RON 2,374,656, a decrease of approximately 32.95%, or RON 1,167,285, compared to the same period last year. These revenues accounted for approximately 55.21% of total sales in the first half of 2024;
- Revenues from the sale of finished and related products, merchandise, and miscellaneous activities in H1 2024 recorded a decrease of almost 5 times reaching RON 6,533, compared to H1 2023, when it was RON 33,080;
- Income from operations and production in progress was down by about 95.67%, reaching RON 68,526 in H1 2024, compared to RON 1,579,930 in H1 2023. This revenue decreased due to the completion of services in progress related to the Edulib project which represented a significant amount in 2023;
- Income from the production of intangible fixed assets increased by approximately 59.7%, reaching RON 1,709,080 in H1 2024, RON 638,892 higher than in H1 2023. This revenue category mainly includes developments of own products;
- Financial income increased (80.54 times) compared to the reference period, reaching RON 141,992 in H1 2024, compared to RON 1,763 in H1 2023.

### **Cost analysis**

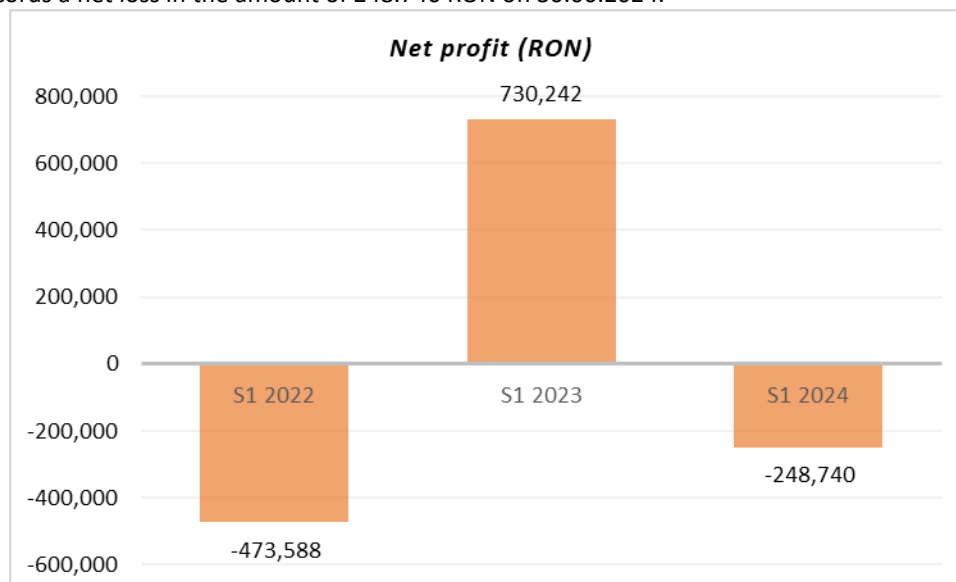
The **trend of costs followed the decreasing trend of revenues**, registering RON 4,549,527 in H1 2024, **decreasing by approximately 17.23%**, or RON 947,133, compared to H1 2023 when their level was RON 5,496,660;

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

- Salaries expenses, decreased by RON 733,282, to RON 2,937,913, registering in H1 2024 a decrease of approximately 19.97% compared to the reference period, when they amounted to RON 3,671,195. The share of salary costs in total costs is approximately 64.57%;
- External benefits expenses, amounting to RON 654,465 decreased by approximately 36.54% compared to the amount of RON 1,031,397 recorded in H1 2023;
- Asset depreciation and amortization expense, amounting to RON 611,952 in H1 2024, increased by approximately 18.31% as compared to H1 2023 when it was RON 517,229 reaching RON 141,992 in H1 2024, compared to RON 1,763 in H1 2023.

### **Net Profit**

Compared to the reference period, H1 2023, when a net profit in the amount of 730.242 RON was recorded, the company records a net loss in the amount of 248.740 RON on 30.06.2024.



### **Dividends declared and paid**

No dividends were distributed and paid during the period under review. On 02.09.2024 the company paid on time the interest due (semi-annually) to the holders of ASC27 bonds in the gross amount of RON 201,966, related to the bond 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***

**As indicated in the public communications, at the beginning of the year, an amount of 9.5 million lei was collected from uncollected receivables during 2022 and 2023, related to invoices from the Edulib project. This led to a significant increase in cash flow from operating activities. Thus, in the first half of the year we generated the most cash in Ascendia's history, which resulted in the company's cash and cash equivalents at the end of H1 2024 increasing by approximately 2.65 times, as can be seen in the summary cash flow statement:**

<b>TREASURY FLOWS (RON)</b>			
The element's name	Analyzed period		
	S1 2022	S1 2023	S1 2024
<b>Cash flows from operating activities</b>			
Receipts from customers	2.892.013	6.469.089	10.613.973
Interest Received + Course Differences + Other Receipts (Tax Recovery)	8.960	1.763	55.490
Payments to suppliers and employees	-2.472.964	-3.717.254	-3.480.679
Paid interest + bank fees + course differences	-30.594	-12.982	-5.995
Income tax paid / Micro enterprise tax	-26.213	-680.983	0
Salary duties + VAT + other taxes	-942.302	-2.569.648	-2.332.158
A) Net cash from operating activities	-571.100	-510.015	4.850.631
<b>Cash flows from investing activities</b>			
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	12	0	0
Dividends received	0	0	0
B) Net cash from investing activities	12	0	0
<b>Cash flows from financing activities</b>			
Receipts from the share issue / portfolio operations	0	0	0
Proceeds from share capital increase	880.202	0	0
Proceeds from capital premiums	3.137.145	0	0
Proceeds from long-term loans/bond issues	0	0	0
Proceeds from miscellaneous subsidies	272.506	522.449	128.340
Short-term loans	123.702	101.685	0
Sundry creditors (associates)	87.751	0	193.489
Finance lease payments/Bond debentures	-150.000	-544.981	-201.966
Dividends paid/ Redemption of matured bonds	-3.000.000	0	0
Payment of instalments on loans / Lines of credit / Repayments Sundry creditors (associated)	-902.748	-86.993	-1.792.922
C) Net cash from financing activities	448.558	-7.840	-1.673.059

D) Net increase in cash and cash equivalents (A + B + C)	-122.530	-517.855	3.177.572
E) Cash and cash equivalents at the beginning of the financial year	611.926	2.412.342	1.839.542
<b>F) Cash and cash equivalents at the end of the financial year (D + E)</b>	<b>489.396</b>	<b>1.894.487</b>	<b>5.017.114</b>

### 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 reference period H1 2023, Ascendia's liquidity parameters in H1 2024 recorded an increase of 50.69%, maintaining the upward trend of previous years, which determines 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 2022	S1 2023	S1 2024
<b>Current liquidity rate</b>	Current assets / current liabilities	2.67	4,36	6,57
<b>Immediate liquidity rate</b>	(Current Assets - Stocks) / Current Debt	2.20	3,76	6,39

Continuing the upward trend in the business, based on increased revenues from the sale of our Education Technology (EdTech) products LIVRESQ, CoffeeLMS and eJourneys and related services, will also drive higher liquidity ratios in the long term as we grow the business. Ascendia is still at a stage of accelerated growth potential, based on significant investment from both operating profit and financing. This induces a level of volatility in the dynamics of our business, the risks are indicated in the annual reports, but the business is being managed in a judicious manner resulting in maximum resilience of the company.

#### 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 higher compared to H1 2023.

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 29.04.2024, the Budget was approved by the Annual Ordinary General Meeting of Shareholders.

ASCENDIA S.A.'s Income and Expenditure Budget for 2024 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 does not include income from any share capital increase operations.

The current budget did not include the potential revenues and expenses related to non-contracted projects that have already been submitted or will be submitted on financing lines from national/European funds, nor all the revenues and expenses related to commercial projects in the various phases of bidding.

The budget for FY2024 presented in the Annual Report for 2023 is reproduced below.

REVENUE AND EXPENDITURE BUDGET 2024 (RON)	
Category	Value
<b>Total Expected Revenues</b>	14,554,587
<b>Expected Total Expenses</b>	10,530,891
<b>Gross profit (before tax)</b>	4,023,696

There are delays in the actual financing of projects through the PNRR lines through which we anticipate that we will have an important part of the proceeds this year. The receipt of this money depends exclusively on the moment when the money related to the projects won by them will be actually allocated to the beneficiaries, projects in which various purchases will be made that include our services and products.

Regarding the delivery of LIVRESQ licenses through partners, as part of PNRR-funded endowment projects in schools in Romania, projects expected by Ascendia as early as 2023, sales started to pick up speed at the end of S1 and we anticipate that S2 2024 and S1 2025 will be very good semesters from this point of view. For H2 of 2024, we estimate that we will start delivering the services related to the "Skills in advanced technologies for SMEs" project for the Authority for the Digitization of Romania, with the majority of the training and related revenues expected from the contract with ADR being part of the BVC of 2025.

In H2 of 2024 we expect to make (at least part of) the purchases of e-learning content editor licenses related to the project to train 100,000 teachers in digital pedagogy. Given that LIVRESQ is a well-known and appreciated tool, it will most likely be chosen by many of the consortia implementing these trainings to implement this project. Being a project financed from the PNRR, although the contracting and implementation is already delayed compared to the schedule announced by the Ministry of Education, there are therefore risks regarding the effective term in which the purchases will be made, which could also be S2 2024 and S1 2025. Anytime it would be, we expect important sales of LIVRESQ licenses and not only through this project.

**As of the date of this report, we maintain BVC forecast for 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 30.06.2024 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: 16.09.2024**

### 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.).