

**Financial Results Report  
Preliminary**

2024 CONNECTIONS



**connections**

TECH HUMANITY FORWARD



## Current Report according to BVB Rulebook on AeRO market

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## Preliminary Compiled Financial Results 2024

Connections Consult SA informs stakeholders of the preliminary compiled and audited financial results for 2024

Respectfully,

Bogdan Liviu Florea & Radu Marcu co-CEO Connections

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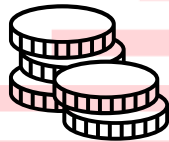


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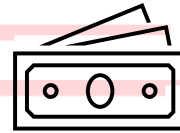


# 1. KEY INDICATORS

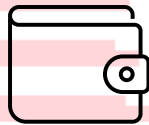
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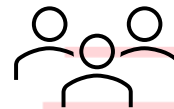
106 mil RON  
**INCOME**



10,22 mil RON  
**GROSS PROFIT**



8,83 mil RON  
**NET PROFIT**



311  
**EMPLOYEES & CPARTNERS**

## 2. MESSAGE FROM CEO'S

Dear Partners,

We are pleased to present the Preliminary Consolidated Financial Results Report for the group of companies controlled by Connections Consult SA (hereinafter referred to as "Connections" or the "Issuer") for the financial year 2024.

We are currently finalizing the evaluation of our performance for 2024. The annual audit is in its final stage and is expected to be completed between March 17 and 21. Subsequently, we will submit for approval to the General Meeting of Shareholders both the 2024 financial statements and the Revenue and Expenditure Budget for 2025.

Before writing this message to you, we reread what we published in previous years. We were tempted to begin by saying that 2024 was a year full of uncertainties and geopolitical and economic turbulence, but that is exactly how our message started two years ago. We realized that, as an organization, we have already integrated this dynamic and act strategically and resiliently to position ourselves successfully during this period.

Therefore, 2024 was a year in line with the decade we are in and forced us, at Connections, to test the limits of our adaptability and creativity. It may seem surprising, but it was the best year in the group's history, marked by **achieving a double-digit gross profit margin, a goal set last year** — but especially by how we responded to the economic reality and the measures implemented within the organization.

We are building a company that emphasizes transparency, entrepreneurship, responsibility, trust, teamwork, continuous learning, and antifragility.





- **We have made significant investments in Artificial Intelligence (AI) and cybersecurity**, continuing the projects already started in optimized versions (we reevaluated the internal software development process and adapted it to client needs and the skills of our team members) and have solidified the company's objectives and values.
- **We reached the estimated values for both gross profit and net profit**, but we did not generate the expected revenues in the budget forecast (BVC). We closed 2024 with 106 million RON in revenue, compared to the estimated 129 million RON, but with a gross profit similar to the budget approved by the General Meeting of Shareholders. The profit margin increased to 10%, exceeding expectations and surpassing the margin of 2023 (both were 8%).
- Regarding projects, **we continued developing fintech competencies and delivered services for the implementation of open banking systems in the Middle East**. In the AI domain, we have started (we will finalize in a few weeks) a project based on an LLM system, which will be used by thousands of users monthly.
- **Our AI project based on the LLM is expected to bring a 15% increase in operational efficiency for our clients and reduce response time to customer requests by up to 40%**. These improvements will not only strengthen our relationships with existing clients, but will also position us as leaders in the implementation of AI solutions in our industry.

All of this stems from entrepreneurship, which is the essential pillar of our internal culture. The ability to take individual responsibility and push things forward is crucial, and we will not compromise on this under any circumstances. The new identity we developed last year, which will be communicated to the public on the occasion of Connections' 20th anniversary in the second quarter of 2025, will also include the company's objectives—objectives focused on the four major categories of stakeholders: investors, clients, employees, and society.





Looking ahead, we are confident that our strategic investments in AI, cybersecurity, and fintech will enable us to capture new market opportunities and expand our global presence. **We forecast a 20% revenue growth in 2025,** driven by these initiatives and the increasing demand for our innovative solutions.

Our entrepreneurial culture and company values not only guide our business decisions but also inspire and motivate our employees. In 2024, we **saw a 25% increase in internal initiatives proposed by employees and a 92% talent retention rate,** demonstrating the strength of our organizational culture.

In conclusion, I want to emphasize that our success is the direct result of the collective efforts of our dedicated team, the trust of our clients, and the continued support of our investors. We look forward to 2025 with optimism, ready to capitalize on future opportunities and continue delivering value to all our stakeholders.

Thank you for your continued trust and support!

Bogdan Liviu Florea & Radu Marcu

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## 3. ABOUT CONECTIONS

Connections is a flagship company in technology, placing professionalism at the forefront, with 20 years of experience in the most digitalized technology markets in Central and Eastern Europe. Entrepreneurial spirit and antifragility are the pillars through which Connections approaches each project, in a responsible manner. We believe in the potential of every team member and infuse professionalism into every line of code developed.

Throughout the past 20 years, Connections has cultivated trust, transparency, and a spirit of continuous learning for each colleague, and these principles place us alongside the most important leaders in technology who are building the foundations of digital transformation in society.

Connections' mission is to pave the way for a future where technology amplifies human potential and evolves alongside it, inspiring each community to live better and more authentically. We support the digital transformation of society and shape it to unlock human potential

### 3.1 BRIEF HISTORY

Since its listing on the Bucharest Stock Exchange (BVB) in 2021, Connections has evolved into an integrated group, focusing on strategy, business development, and performance monitoring across the entire group.

Today, the group includes Connections Consult SA, Connections Technologies SRL, Outsourcing Support Services SRL, Bruschi Services SRL (acquired in October 2021), as well as subsidiaries in Bulgaria, Serbia, the United Kingdom, and the United States. Additionally, since 2022, Connections holds a 25% minority stake in the Ed-tech company 10Plus Future Education SRL, highlighting our commitment to contributing to shaping the future through technology and education.







2005

### **STARTUP PHASE**

Connections was founded in Bucharest, Romania, with a focus on software development and IT infrastructure support. The company initially grew by acquiring 1-2 key clients, who contributed to strengthening the customer base.

2010

### **BUSINESS GROWTH**

Growth through referrals: Connections defined its positioning in the local market and began building practices to support further expansion. This period marked the foundation for future growth.

2016

### **INTERNATIONAL EXPANSION**

Regional and international growth: Connections expanded its presence in Bulgaria, Serbia, Austria, Germany, and the Netherlands. At the same time, it strengthened operations in Romania, reaching 250 consultants and 4 million EUR in revenue.

2017

### **RPA BUSINESS PILLAR**

Introduction of RPA (Robotic Process Automation): Connections launched the RPA business line, marking the company's entry into the field of automation services. This expansion laid the foundation for future innovations in AI, big data, and automation.

2021

### **CONSOLIDATION OF INTERNATIONAL PRESENCE & LISTING ON THE BUCHAREST STOCK EXCHANGE**

The company marked an important milestone by listing on the Bucharest Stock Exchange (BVB), thereby strengthening its long-term commitment to innovation and development.

Also, in 2021, Connections reached a milestone of 300 consultants/FTEs and solidified its international presence, with 20% of total revenue coming from foreign markets. The company continued to invest in research and development to support automation services, integrating RPA, AI, and big data analytics to improve clients' business processes.



## 3.2 BUSINESS LINES | PRODUCT AND SERVICE PORTFOLIO

As a result of market developments and in line with the growth of internal capabilities, the Software Development, Outsourcing, and RPA business lines were grouped into a Digital Transformation vertical, with four secondary lines: Custom Software Development, Business Process Automation, Technology Consulting, and Products.

Thus, the Connections service and product portfolio in 2024 was as follows.

Digital transformation services were delivered to clients in both the public and private sectors, for both international markets and Romania.

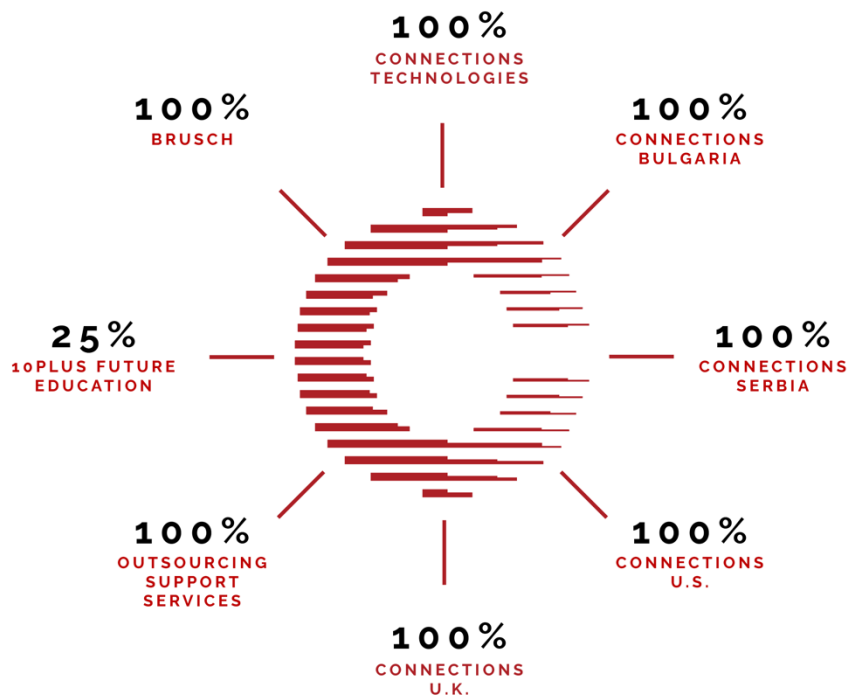
The **product portfolio** included:

1. Contabot – Virtual accountant
2. Id Scanner – Tool for extracting data from identity cards
3. Quick Merlin (2022) – Tool for extracting data from financial statements
4. NextGen (2022) – Low-code platform for accelerating software application development
5. Apollo/OneApp – Project management application for consultancy





### 3.3 STRUCTURE OF THE GROUP IN 2024



### 3.4 BRIEF DESCRIPTION OF ACTIVITIES

Connections assists clients on their journey toward real digital transformation. The Business Process Management (BPO) division focuses on optimizing, reshaping, and preparing business processes for digitalization. The Digital Transformation vertical carries out the actual implementation of tools, while the Infrastructure Support business line ensures the necessary foundation for the new system to operate.

In this way, with an integrated approach, the Group has all the necessary competencies in place for a successful migration from the traditional economy to Industry 5.0, the 5th industrial revolution, where creativity will merge with technology, ensuring a solid balance between human innovation power and machine execution strength.

## 4. ANALYSIS OF THE CONNECTIONS GROUP ACTIVITY IN 2024

### 4.1 FINANCIAL RESULTS ANALYSIS OF THE CONNECTIONS GROUP

In 2024, the Connections Group recorded revenues of 106 million RON, compared to the initial budget of 129 million RON. The difference is attributed to the exit of three projects from the pipeline – two lost tenders after multiple rounds of contestations and one project canceled.

Although the total value of the unrealized projects is considerable, their evolution reflects the company's ability to adapt to market challenges and the success achieved in adjusting the project portfolio. The project pipeline was completed through efforts during the year, and additionally, we paid special attention to efficiently managing expenses to ensure operational continuity even in the context of revenue adjustments.

**The financial results reflect the group's ability to respond quickly and make beneficial strategic adjustments. Thus, even in an economic environment with market volatility, the group protected its financial stability, ultimately achieving a double-digit gross profit margin of 10% for the first time since the 2021 listing, exceeding the margin estimated in the budget. Even in absolute terms, both the gross and net profit are close to the initial estimates, which gives us optimism for the coming years.**

	Compiled Made 2024 (RON)	Compiled Estimate 2024 (RON)	Compiled Made 2023 (RON)
Operating income	106,072,715	129,444,612	177,036,108
Operating expenses	(95,709,049)	(118,042,155)	(163,280,332)
Operational result	10,363,666	11,402,457	13,755,776
Financial result	(294,225)	(141,900)	(79,020)
Gross Profit	10,232,816	10,534,796	13,441,360
Net Profit	8,839,379	8,849,229	11,243,499
<b>Gross Margin</b>	<b>10%</b>	<b>8%</b>	<b>8%</b>



	Rezultate 2024 vs Estimat 2024	Rezultate 2024 vs 2023
Total Income	82%	60%
Operating expenses	81%	59%
Operational results	91%	75%
Gross Profit	97%	76%
Net Profit	100%	79%

## REVENUES

The project contracting pace influenced the revenue level, highlighting the importance of proactive strategies adopted in this area. A sustainable revenue level was achieved by focusing on high-value projects and expanding the client portfolio.

## GROSS PROFIT

Gross profit was carefully managed, balancing investments with operational efficiency. The financial position was strengthened through the efficient allocation of resources and cost-reduction measures. The direct impact on gross profit came from the selection of projects and the improvement of internal processes. Despite challenges from market fluctuations, the implemented strategies allowed the company to maintain a competitive profitability level.

## GROSS MARGIN

The business model enabled an increase in the gross margin compared to previous years. This reflects the efforts to streamline and optimize operations throughout the year, being the direct result of a long-term strategy. Control over expenses, resource management and evaluation, as well as the optimization of internal processes, had a positive impact on the margin.

## 4.2 IMPORTANT EVENTS WITHIN CONNECTIONS IN 2024

### **STOCK OPTIONS PLAN – DEVELOPMENT**

At the AGEA meeting on September 27, 2023, it was decided to increase the SOP ceiling from 3% to 13%. The rationale behind this decision is to create a legal framework for a SOP valid for the next 3-5 years, ensuring that both the shares resulting from the capital increase and those purchased on the market can be granted to employees based on the results of annual performance evaluations in the coming years, without requiring further actions to initiate a new SOP program.

In 2024, over 20 colleagues signed option contracts, bringing the total number of those holding CC shares to nearly 30. In 2025, the share transfer contracts will be finalized, validating the ownership of trading instruments.

### **REBRANDING**

The rebranding process took place throughout 2024 and will be communicated to investors and the public in Q2 2025. Defining a new identity represents a milestone in the 20th anniversary of Connections and not only involves a new visual identity, but also a resetting of our values and objectives, impacting investors, clients, employees, and society at large.

### **AI AND CYBERSECURITY**

We invested in artificial intelligence projects that will have a significant public impact and, at the same time, developed, in partnership with two companies in Romania, two cybersecurity products that we hope to fund this year through research grants, aiming to continue their development into what we believe will be two innovative products in the cybersecurity market. The total investment in these products exceeds 4 million RON.

### **INTERNAL PROCESSES**

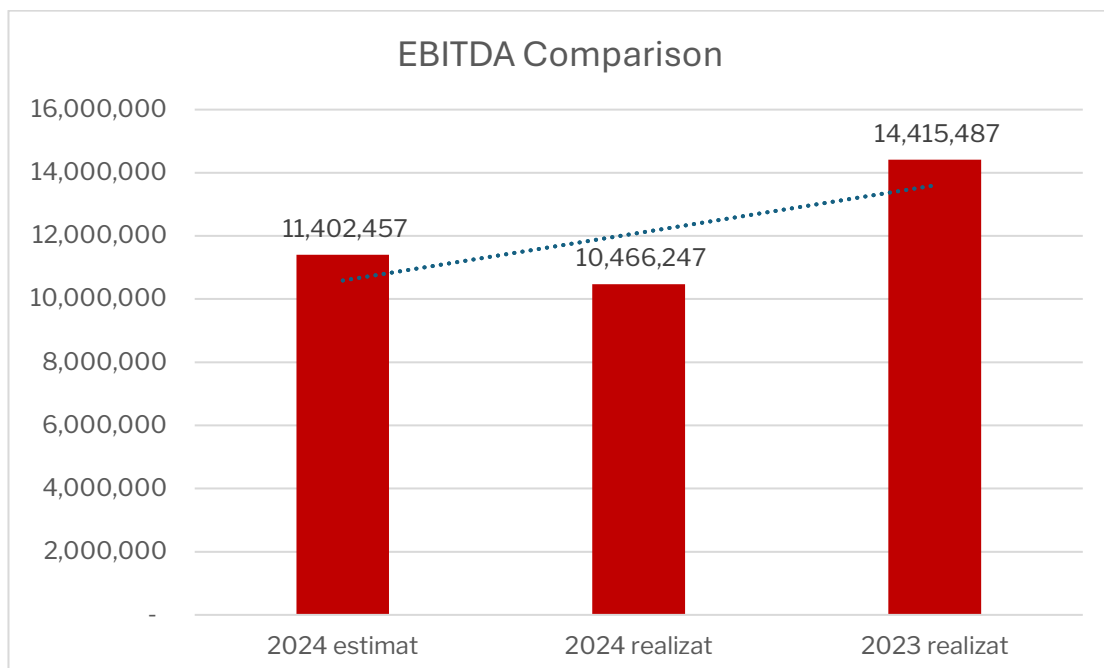
We have designed and implemented an internal resource allocation system that will allow us to balance between project work and outsourcing, thus maximizing their use and operational efficiency.



## 4.3 OPERATIONAL INDICATORS

EBITDA achieved in 2024 reflects operational efficiency and adaptation to market conditions through the company's ability to generate operational profit despite the revenue adjustments. The evolution of EBITDA demonstrates the group's resilience and its ability to effectively manage the challenges faced throughout the year. The financial management regarding maintaining a healthy balance between revenues and costs, as well as decisions related to projects and investments, allowed the company to achieve an absolute EBITDA level of 91% of the estimated value.

This also means surpassing the profitability growth rate initially projected at 8.83%, which, in 2024, reached, for the first time in the company's history, double digits (10%) in terms of gross margin.





## 5. MANAGEMENT STATEMENT

Bucharest, March 7, 2025

I confirm, based on the best available information, that the financial results for the period between January 1, 2024, and December 31, 2024, provide an accurate and fair representation of the assets, liabilities, financial position, and the income and expenses of Connections Consult S.A. Furthermore, the management report provides an accurate and fair representation of the significant events that occurred in 2024 and their impact on the company's financial statements.

Bogdan Florea  
Chairman of the Board, Connections Consult S.A.

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