

Financial Report

For Q3 2022

2B INTELLIGENT SOFT S.A.

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

SYMBOL: **BENTO**

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Disclaimer: The financial figures presented in the descriptive part of the report that are expressed in million lei (RON) are rounded off to the nearest integer and may result in small reconciliation differences.

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	Quarterly report – Q3 2022
For financial period	01.01.2022 – 30.09.2022
Report publishing date	16.11.2022

ISSUER INFORMATION

Name	2B Intelligent Soft S.A.
Fiscal code	16558004
Trade registry number	J40/1358/2006
Registered office	51 Primaverii Boulevard, 1 st District, Bucharest

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up capital	1,320,000 lei
Market on which the securities	MTS-AeRO Premium
Total number of shares	13,200,000 shares
Symbol	BENTO

CONTACT DETAILS FOR INVESTORS

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The interim individual financial results as of September 30th, 2022, presented on the following pages are **not audited**.



MESSAGE FROM THE MANAGEMENT

Dear shareholders,

We are happy to present the financial report for the first nine months of 2022, a period that continues the highly dynamic trend that defines our activity at the same pace we mentioned in the half-year report.

We are proud to report an increase compared to the same period of the previous year in the most important operational indicators that we track, registering an increase in the turnover of both the Software Development division and IT, Infrastructure, and Cloud projects. However, we are recording a decrease in the turnover associated with the resale of IT equipment compared to the same period in 2021, due to the late delivery of hardware equipment, in the context of the global semiconductor crisis that affects all players in this ecosystem. In the 4th quarter, we have already started to recover this difference, and we expect that by the end of the year, we will slightly exceed the estimated budget for 2022.



Another significant indicator that we follow and is growing is the share of recurring revenues in the total turnover, which reached a record value of 39% in the reported period. This growth signifies a favorable evolution of the stability of our business, as well as a confirmation of our strategy focusing on organically increasing the company's performance.

Thus, we ended the 3rd quarter of 2022 with an operating revenue of 19.2 million lei, a minor appreciation compared to the same period last year, and a net profit of 3.5 million lei.

In line with the development strategy that we presented in the listing memorandum for the AeRO market of the Bucharest Stock Exchange and that we support, we continue to capitalize on our intellectual value, manifested in the form of software products, such as Bento FSM and Bento MDM, investing the raised capital both in the technical development of the software solutions and in consolidating the market position, sales teams, and partnerships aimed at increasing the exposure of these products. In this sense, in the 3rd quarter of 2022, we completed the reorganization of the business development teams, and we are thus in the execution of the plans aimed at diversifying the pipeline of projects as well as the markets where we are present.

Thus, we invite you to register and participate in the event we are organizing on November 23, at the Crowne Plaza, in Bucharest, where you can get in touch with our team members and some of our most important partners. Registration is available [here](#).

Also, in the third quarter of the year, we started the project financed through the Competitiveness Operational Program (POC 2014-2020), which we also mentioned in the half-



year report. This will have an operational and financial impact starting in 2023. Regarding the current year, we estimate that we will end 2022 with financial results in line with the estimated budget, even in the context of the hardware delivery delays mentioned above.

We invite you to read more information about the performance of 2B Intelligent Soft S.A. (BENTO) in the nine months of 2022 on the following pages. In case of any questions related to our activity, be it business or the capital market, or if you want to be informed about other BENTO activities, please do not hesitate to contact us at investors@bento.ro.

Radu Scarlat, Chairman of the Board of Directors

Vlad Bodea, Member of the Board of Directors, co-founder



ABOUT 2B INTELLIGENT SOFT

DESCRIPTION OF ISSUER'S ACTIVITY

2B Intelligent Soft S.A. (BENTO) is a company that provides software development services and IT, Infrastructure, and Cloud services, being involved in various types of projects. The company covers all stages of project design and development, which include: project management, business analysis, design, full-stack software development, API, integration, testing, training, implementation, maintenance, and support.

In the approximately 17 years of activity, the company has accumulated substantial expertise in software design and IT systems integration, collaborating with organizations of all sizes in Romania, Switzerland, and the USA.

The development of BENTO was and still is based on the following motto: "We are BENTO, the Intellectually Curious." Thus, the learning process takes a primordial place within the BENTO team. Currently, the company is moving from a purely entrepreneurial approach towards a more structured and strategically planned growth-oriented approach.

Therefore, we pay special attention to how BENTO is organized to ensure the correct delivery of the company's products and services. In contrast, the company is highly concerned with how employees with high potential to grow are recruited, managed, and retained in the company.

The development, promotion, and implementation of its own standardized software products, a company's main concern in recent years, positions BENTO better than its IT&C sector competition.

BENTO Field Service Management, which targets companies that deliver services through field teams, or BENTO Mobile Device Management, which benefits any organization that owns or manages a sizeable fleet of mobile devices, are vital elements in the company's development strategy.

BENTO has experience carrying out complex projects in various sectors of activity, such as Utilities (Energy, Water, Oil, and Gas), Food Production, Agriculture, Industrial Engineering, Media, Advertising, and Insurance.

2B Intelligent Soft had 78 employees and collaborators as of September 30, 2022, compared to same period last year, when the number of employees and collaborators was 66.



KEY EVENTS IN Q3 2022 AND AFTER CLOSING OF THE REPORTING PERIOD

SIGNING OF SIGNIFICANT CONTRACT

On **July 22, 2022**, the Company announced the conclusion of a significant contract within the Competitiveness Operational Program (COP) 2014 - 2020 - Priority Axis 2 - "Information and Communications Technology (ICT) for a competitive digital economy".

The total value of the contract is 24,727,199.91 lei, of which approximately 15.1 million lei represent non-refundable financing. The Company's contribution in terms of co-financing the project, worth approximately 9.4 million lei, is made up of several components: a part comes from the profit related to the years 2021, 2022, and 2023, another part from the capital raised during the private placement from November 2021, as well as from the bank financing available to the Company.

According to the contract, the Company will develop a modular platform aimed at automating and optimizing processes within organizations where one or more modules of this platform will be able to be implemented by clients.

BENTO INVESTOR DAY

On **October 19, 2022**, the Company organized the first edition of the Bento Investor Day. During the event, the Company's management delivered a series of presentations on Bento and its evolution, development plans and answered all the questions asked by investors and shareholders.

THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS FROM 8.11.2022

On **November 8, 2022**, the Company's Extraordinary General Meeting of Shareholders took place, during which was approved the sale of the Company's stake in the share capital of Ambition Group LLC., registered in Delaware, under no. 4290169/1/24/2007, USA, respectively 76.20%, at the minimum price of 935,000 lei. The EGMS decision is available [HERE](#).



ANALYSIS OF THE FINANCIAL RESULTS

P&L ANALYSIS

In the first six months of 2022, BENTO generated operating revenue of 19.2 million lei, a 1% increase compared to the first nine months of 2021. From this amount, the turnover contributed 15,7 million lei, 14%, amid the delay in the delivery of hardware components in the context of the global semiconductor crisis.

The division by business line was as follows - the "Software Development" division (DEV) contributed 49% to the turnover of 9M 2022. DEV includes software development, implementation, and maintenance (these activities contributed 66% within this line of business) and services related to maintenance and evolution (activities in this category 34%). The second line of business, IT, Infrastructure, and Cloud (IT) consists of implementation services and hardware and software resale. This line of business contributed 51% to revenue generated in 9M 2022.

Even in the context of the decrease in turnover mentioned above, it is important to mention that the turnover associated with the projects of the Software Development division is increasing compared to the same period of the previous year, as is the turnover related to IT, Infrastructure & Cloud projects. Thus, the only category of projects in which a decrease was observed compared to last year's period is hardware equipment resale.

Of the total revenue generated in the first nine months of 2022, approximately 40% was recurring revenue, up slightly from 9M 2021. The company generally sees steady growth in the absolute value of recurring revenue, meaning those revenues associated with support and maintenance services. Recurring revenues have a substantial weight in the results of both divisions. They represent a stability factor for BENTO's activity, indicating the maturity of the services delivered.

Other operating revenue increased by 373%, up to 3.4 million lei. In 2021, operating revenue included the grant obtained, and in 2022 the capitalization of expenses related to the technological development of the two own products, Bento Field Service Management (FSM) and Bento Mobile Device Management (MDM), is included.

Expenses grew faster than revenue by 4%, reaching 15.4 million lei. The largest contribution was other operating expenses, which increased by 80%, up to 8.1 million lei. This category mainly includes expenses related to external services related to ongoing projects, collaborators, and Bento's service providers (external platforms and IT services and subscriptions, legal consultancy, accounting, advertising, communication services, etc.). They also include prepayments.

The second largest contributor to the costs were personnel expenses, which grew to 5,7 million lei, a 37% growth due to an increase in the employees from 54 as of 30.09.2021 to 70 as of 30.09.2022. The material costs decreased by 76%, down to 1.5 million lei. The decrease was driven by an 86% decline in goods expenses as the company delivered less hardware equipment, focusing on value-added services. At the same time, raw material expenses increased by almost 680%, up to 603k lei, due to the acquisition of the IT equipment from the supplier, which was configured by BENTO and integrated into a package of products and services offered to clients.

Depreciation expenses increased by 32%, up to 148K lei, because assets (computers, laptops, telephones, vehicles, etc.) worth 227 thousand lei were purchased.



The operating result decreased by 11%, up to 3.7 million lei. The financial revenues increased 231%, up to 528k lei, as they are influenced by the fact that the company collects amounts from clients in USD. During the analyzed period, the RON/USD exchange rate appreciated, and there was a favorable exchange rate difference in the revaluation of bank accounts. In parallel, financial expenses increased 244%, up to 96K lei, representing the unfavorable exchange rate difference due to the balance with suppliers in foreign currency.

The financial result for the first nine months was positive, amounting to 432K lei, a 228% increase compared to last year. The gross result for 9M 2022 is 4.2 million lei, a decrease of 4%. The profit tax decreased 9%, down to 681k lei, and the net result for the first nine months of 2022 amounted to 3.5 million lei, a 3% decrease compared to the same period last year, almost in line with the evolution of the operating revenue.

PROFIT AND LOSS ACCOUNT INDICATORS (LEI)	30/09/2021	30/09/2022	Δ %
Operating income	19,091,133	19,193,702	1%
Operating expenses	14,858,454	15,446,205	4%
Operating results	4,232,679	3,747,497	-11%
Financial result	131,544	431,733	228%
Gross result	4,364,223	4,179,231	-4%
Net result	3,616,967	3,498,583	-3%

BALANCE SHEET ANALYSIS

Total assets increased by 19% in the first nine months of 2022, reaching 20.6 million lei, growth mainly determined by an increase of approximately 17,4 million lei (+10%) in current assets. Fixed assets increased by 116%, up to 3.3 million lei, due to a 100% increase in assets under construction, up to 1,66 million lei, representing costs related to the development of Bento's solutions. Financial assets remained at the same level since the beginning of the year, representing shares in a foreign company, which are to be sold in the 4th quarter at a minimum price of 935,000 lei, according to the EGMS decision from November 8, 2022.

The increase in current assets was determined by a 1,912% increase in inventories, up to 2.2 million lei. This increase is mainly determined by costs related to the development of software solutions of 1.8 million lei. Receivables have increased by 5% since the beginning of the year, with a value of 9.8 million lei, and are mainly made up of trade receivables, totaling 9.2 million lei. At the reporting date, the receivables are still within the due date, except for a balance of receivables for which the company has entered into installment payment arrangements and is collecting them at a slower rate as per the existing arrangement.

Other receivables, which increased by 6%, reaching 399k lei, represent commercial receivables from clients, other social receivables (medical leaves), and various debtors. The cash and cash equivalents decreased by 15% as the Company continued the investments in inventories. The company continues to have an excellent cash position of 5.4 million lei, reflecting the sound level of receipts and advances from clients and better payment terms negotiated with suppliers.

The total liabilities were 6.2 million lei as of 30.09.2022, a 16% increase since the beginning of the year. The total liabilities position is made almost entirely of current liabilities, the company having only some long-term leasing, in the total amount of 323k lei. Regarding current liabilities, liabilities to third-party suppliers increased by 85%, up to 2.6 million lei. As



of 30.09.2022, these liabilities are due and will be paid on time. Liabilities to shareholders decreased by 43%, reaching 1.5 million lei, which represents the balance of unpaid dividends from previous years. The decrease occurred following the payment of a part of this balance between January and September 2022. Other current liabilities grew 69%, up to 1.7 million lei, representing the amounts owed as taxes to the state and salaries for September 2022, all of which were settled in October 2022.

Equity increased by 21% in 9M 2022, reaching 14.5 million lei, an increase determined mainly by the profit obtained in 9M 2022. Due to the capitalization of the share premiums and the subsequent distribution of bonus shares in proportion of 2 shares for every share held, the subscribed and paid-up capital tripled, while the share premium account decreased 16% down to 4.7 million lei.

BALANCE SHEET INDICATORS (LEI)	31/12/2021	30/09/2022	Δ %
Fixed assets	1,513,220	3,267,976	116%
Current assets	15,740,801	17,362,067	10%
Prepaid expenses	18,390	7,577	-59%
Total assets	17,272,411	20,637,620	19%
Current liabilities	5,083,202	5,848,482	15%
Non-current liabilities	221,905	323,252	46%
Total liabilities	5,305,107	6,171,734	16%
Equity	11,967,304	14,465,886	21%
Total equity and liabilities	17,272,411	20,637,620	19%



PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT INDICATORS (LEI)	30/09/2021	30/09/2022	Δ %
Operating revenue, of which:	19,091,133	19,193,702	1%
Turnover	18,361,420	15,741,792	-14%
Other operating revenues	729,713	3,451,910	373%
Operating expenses, of which:	14,858,454	15,446,205	4%
Material costs, of which:	6,086,522	1,487,012	-76%
<i>Expenses with raw materials</i>	<i>77,306</i>	<i>603,314</i>	<i>680%</i>
<i>Energy and water expenses</i>	<i>5,548</i>	<i>5,209</i>	<i>-6%</i>
<i>Other material expenses</i>	<i>26,979</i>	<i>48,092</i>	<i>78%</i>
<i>Expenses on goods</i>	<i>5,976,688</i>	<i>830,397</i>	<i>-86%</i>
Personnel expenses	4,144,772	5,673,841	37%
Depreciation and impairment expenses	112,320	147,903	32%
Other operating expenses	4,514,840	8,137,449	80%
Operating result	4,232,679	3,747,497	-11%
Financial revenues	159,505	527,790	231%
Financial expenses	27,960	96,057	244%
Financial result	131,544	431,733	228%
Total revenues	19,250,637	19,721,493	2%
Total expenses	14,886,414	15,542,262	4%
Gross result	4,364,223	4,179,231	-4%
Income tax	747,256	680,648	-9%
Net result	3,616,967	3,498,583	-3%



BALANCE SHEET

BALANCE SHEET INDICATORS (LEI)	31/12/2021	30/09/2022	Δ%
Fixed assets, of which:	1,513,220	3.267.976	116%
Intangible assets	0	1.148	100%
Tangible assets	578,220	665.970	15%
Financial assets	935,000	935.000	0%
Assets under construction	0	1.665.858	100%
Current assets, of which:	15,740,801	17.362.067	10%
Inventories	111,772	2.248.372	1912%
Receivables	9,305,298	9.751.750	5%
<i>Trade receivables</i>	<i>8,700,176</i>	<i>9.152.479</i>	<i>5%</i>
<i>Receivables from affiliated entities</i>	<i>27,066</i>	<i>17.662</i>	<i>-35%</i>
<i>Shareholder receivables</i>	<i>200,086</i>	<i>200.087</i>	<i>0%</i>
<i>Other receivables</i>	<i>405,036</i>	<i>399.184</i>	<i>6%</i>
Cash and cash equivalents	6,323,731	5.361.944	-15%
Prepaid expenses	18,390	7.577	-59%
TOTAL ASSETS	17,272,411	20.637.620	19%
Current liabilities of which:	5,083,202	5.848.482	15%
Payables to supplies	1,397,834	2.581.023	85%
Amounts owned to affiliated entities	41	0	-100%
Amounts owned to shareholders	2,657,419	1.526.947	-43%
Other current liabilities	1,027,949	1.740.512	69%
Non-current liabilities, of which:	221,905	323.252	46%
Financial leasing	221,905	323.252	46%
Total liabilities	5,305,107	6.171.734	16%
Equity, of which:	11,967,304	14.465.886	21%
Share capital subscribed and paid in	440,000	1.320.000	200%
Share premium account	5,560,000	4.680.000	-16%
Legal reserves	117,078	117.078	0%
Profit carried forward	1,397,109	4.850.226	247%
Profit for the period	4,540,717	3.498.583	-23%
Distribution of profit	87,600	0	-100%
Total equity and liabilities	17,272,411	20.637.620	19%



KEY FINANCIAL RATIOS

Current ratio as of 30.09.2022

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{17,362,067}{5,848,482} = \mathbf{2.97}$$

Debt to equity ratio as of 30.09.2022

$$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100 = \frac{0}{14,465,886} \times 100 = \mathbf{0\%}$$

$$\frac{\text{Borrowed capital}}{\text{Employed capital}} \times 100 = \frac{0}{14,465,886} \times 100 = \mathbf{0\%}$$

Borrowed capital = Credits over 1 year

Employed capital = Borrowed capital + Equity

Fixed assets turnover as of 30.09.2022

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \frac{15,741,792}{3,267,976} = \mathbf{4.82}$$



DECLARATION OF THE MANAGEMENT

Bucharest, November 16th, 2022

We confirm to the best of our knowledge that the unaudited individual financial results for the six-month period ended September 30th, 2022, give a true and fair view of 2B Intelligent Soft S.A. assets, liabilities, financial position and profit and loss, as required by the applicable accounting standards, and that the Director's Report gives a true and fair view of the important events that occurred during the first nine months of 2022 and their impact on the company's financial statements.

Radu Scarlat

Chairman of the Board of Directors

