



Annual Report 2014

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ANNUAL REPORT 2014

DRAWN UP UNDER ARTICLE 1121 OF THE ASF (FINANCIAL SUPERVISORY AUTHORITY)
REGULATION NO. 1/2006

Annual report in accordance with	Article 112 from the ASF Reglementation No. 1/2006
For the financial exercise	01.01.2014 - 31.12.2014
Report date	30 April 2015
Company name	BITTNET SYSTEMS S.A.
Registered office	Soimus street no. 23, building 2, apartment 24, District 4, Bucharest
Telephone/Fax number	021.527.16.00 / 021.527.16.98
Single Register Code at the Trade Registry Office	21181848
Order Number to Trade Registry Office	J40/3752/2007
Market on which the issued securities are traded	AeRO ATS
Subscribed and paid up share capital	450 438,30 RON
Main characteristics of the securities issued by the company	4.504.383 common shares with face value of 0.1 RON each

LETTER FROM THE CEO OF COMPANY



2014 has been a successful year in which our company has increased revenue and operating income which are all good signs of strong financial position from which we will continue to create value with our clients in 2015. It can be considered a year of transition and seasoning for the company and the team, a year in which we tackled projects of different nature, even projects outside our borders, proving that we can deliver outside of our geographic area.

It has been a year of changes that prepared the company for the capital attraction, listing at the stock market and created a new foundation to sustain the predicted growth for 2015-2017. Even so, it has been a year of dynamic growth from both a turn-over and profit point of view that confirms the decisions and direction that the company has adopted.

Our team is our main differentiator on the local market due to the professionalism and enthusiasm through which our team members dedicate their time to this project but also through their abilities and competencies which place us as the leader of the IT training market and in the top 10 most relevant network integration service providers.

We focused on building upon our technical competencies by bringing in new colleagues as full-time engineers and trainers or as part of the ecosystem of our collaborators. This effort has become visible already through a greater capacity of delivery but will be even more visible during 2015 when we expect to materialize the opportunities built in 2014. We believe in a continuous effort of discovering and attracting human capital that can integrate and grow within the Bittnet spirit and the education project Credis represents an important strategic resource for this effort. Besides the aforementioned efforts of increasing the delivery capacity we also decided to build a new operational management structure that can sustain the growth potential for the period 2015-2017.

In October 2014 we opened the first regional sales office in Cluj as a starting point for our expansion at a nation-wide level. The office in Cluj serves the needs of our clients in the Transilvania region but the city was also chosen because Bittnet won an auction for IT services for the period 2015-2016. The volume of business estimated by the client convinced us that having a physical presence would be an important differentiator and would allow us to consolidate our long-term relations with the client, which is part of our business philosophy.

In March 2014 we successfully finalized the “Development of Bittnet Systems SA company” project, a irredeemable Regio funding worth 600.000 RON. The success of the project is measured by exceeding the proposed objectives and performance indicators before the deadline.

Although in Romania 2014 was affected by the political events in the second half of the year, events which affected the private business environment, Bittnet’s main sector of activity, by the fact that a significant amount of foreign investments were postponed for 2015, we managed to exceed the financial results of 2013.

In 2014 we also started an ample process of organizational change at an operational level. The redefinition of our organizational culture, as a result of exercises with external consultants, allowed us to identify and be aware of our vision, mission and values as a company together with our current team, which backs-up the affirmations regarding the transition that the company went through in 2014.

We re-confirmed that we live in a very interesting time in which we cannot talk about evolution or progress without taking into consideration IT progress. As such the mission of the company is to continue to build competencies and offer turnkey solutions to aide our clients in attaining their future goals.

At an operational level we introduced new IT instruments (CRM – Customer Relationship Manager and ERP – Enterprise Resource Planning) in order to help standardize and automate customer relations and assure the scalability of the company. This initiative will continue in 2015 so as to cover all the internal processes to guarantee transparency and financial control.

2014 brought changes to the sales team as well: we brought in new members in the main team, which “regenerated” us, and makes us feel confident for 2015. The direct sales team is the company’s main distribution pipeline for its services and products.

In order to sustain the accelerated growth pace, at the end of 2014 we started negotiations with the Polish investment fund Carpathia Capital SA. The negotiations ended with an investment of 150.000 EUR and the listing of the company on the Bucharest Stock Exchange on the AeRO market at the beginning of 2015.

The company was included in the Top Romanian Entrepreneurs as a result of participating in the Annual Entrepreneur’s Competition organized by EY.



Also, Bittnet was included in the Top Technology Fast 500 by Deloitte for the EMEA zone on rank 333



The Bittnet attitude

The Bittnet local market managed to differentiate itself through the attitude with which it addresses each new situation. This attitude is based on the values and principles that the employees of the company share, or, better said, the organizational culture is what defines our general business conduit.

Objectively speaking, this attitude means that we have a general desire to “deliver what we promised on time” rigorously respecting the promises made to our clients.

Simply said we make a promise and we keep it!

In the process of sales we offer our clients the following benefits:

- We are a **unique point of contact** for anything that represents an infrastructure or IT training project (starting with understanding the need of the client and transposing that need into a tailored solution or a program, designing the solution to the smallest details, deliver as well as implementing and maintaining the solution for its entire life duration). The backbone of this statement is the continuous investment in the development of the technical team on as many complementary technologies from an important number of vendors and at the highest level of specialization. To use a phrase which we hear a lot from our clients: “You have the most competent technical team we had the pleasure of working with”.
- We are a **“trusted technical advisor”** because we are authorized and recommended by the most important and known IT vendors at an international level through “preferred” statuses which make proof that we can implement complex solutions.
- We are easy to communicate with because we are proactive, available and prompt in our answer from both a commercial and operational point of view, because we learned how important these things are in the success of the project, even if they are sometimes overlooked by others.
- We hold **relevant project management competencies** which allows us to tackle seemingly complex projects by breaking them down into smaller components which we can easily and efficiently execute in such a way that the end result is a completely functional solution that answers the customer’s need.
- We are a group of **extremely flexible** people (which in time also became a criteria for hiring) and we are preoccupied with the success of our projects.
- We have **financial solutions tailored to all type of needs** of our clients (direct acquisition, operation and financial leasing, term of payment, commercial assurance etc.)
- We are an **entrepreneurial company** for which the operational management is guaranteed by the majority stock holders, which is why the long-term interests of the company are the same with those of our clients. We have a long-term thinking in everything that we do. We wish to build an entity that will be present on the market even after 20 years and as such every action and decision that we make, takes into account the direct and indirect gains that we expect in the long run in prejudice of fast short-term gains.

These proofs determines us to say that we are the smallest large company and the largest small company, a simple but relevant combination for our customers.

The Bittnet attitude is a result of the values that makeup the organizational culture of the company and represents the acceptance of the reasons for which our clients choose Bittnet. The process of acceptance is based on the research of one of Bittnet’s founders for the past 3 years, Mihai Logofatu. For more information on this subject please see subchapter 1.1.4 Marketing and PR activities.

ANALYSIS OF THE COMPANY'S ACTIVITY

After 7 years of professional activity in which they have put together a team that delivers IT training for students, Mihai and Cristian Logofatu, have founded Bittnet Systems SA – a project dedicated to the Business to Business market – on the 22 February 2007. The main strong-point of the company has always been a young, enthusiastic technical team with rich experience in training achieved by teaching at the Credis Academy beginning with the year 2000.

The society has been registered at the Register of Companies as a public company with Romanian shareholders, under the number J40/3752/2007.

In February 2009 the Company changed its legal status into a joint-stock company, and for that it increased the share capital using the profit generated by the Company in 2008.

In 2012 the company had another capital infusion through a “Business Angel”-like action, received from Razvan Capatana.

In 2015 the company attracted a new capital infusion from the Polish investment fond Carpathia Capital SA and became a listed company at the Bucharest Stock Exchange, the AeRO – ATS market, symbol BNET.

Description of the company's main commercial activity

From the beginning, the company has decided to focus on delivering IT training and integrated network solutions, based on the technologies of the market leaders like Cisco, Microsoft, Dell, Oracle, HP, VMWare, Google, Amazon etc.

IT Training

Bittnet is the IT training market leader from Romania, with a team with more than 15 years of experience and over 13.000 trained students. Throughout these years Bittnet has delivered more than 30.000 hours of IT training. The company has the largest team of trainers in Romania which assures the conservation of its competitive advantage relative to its competition.

Bittnet offers a wide range of IT courses. Each course can be held in two flexible ways: intensive (5 days/week, for 8 hours/day) or in a mixt format (courses of 2/4/6 hours depending on the client's needs). Each student receives access to a set of dedicated equipment, the official curriculum as well as online and offline exams.

The largest portfolio on the market: the training portfolio holds over 1500 courses. From this portfolio the most important trainings are for the major vendors: Cisco, Microsoft, Microsoft Office, VMware, Linux, Oracle, Amazon Web Services, Citrix, IBM, ITIL, mile2, -edHat, Adobe, Avaya, Dell - SonicWall, EMC, HP, Juniper, SAP.

This portfolio covers numerous subjects of interest from the IT industry like Microsoft Office (Excel, Word etc.), Linux, networking, programming, operating systems, cyber-security, telephony, video, virtualization, data centers, data storage, databases, web design, etc.

The business training portfolio holds project management, ITIL & IT services management, business intelligence, C-M, E-P, Agile etc. Being able to deliver training in both English and Romanian, the company operates in a strategic partnership with Global Knowledge, the worldwide leader in IT training.

The IT solutions provided by Bittnet cover:

- Network infrastructure
- Network security
- Network management
- Datacenter, virtualization and cloud computing
- Employee's mobility including Bring Your Own Device – BYOD
- Unified communications and collaboration
- Video conference including Telepresence
- Software licenses

The company offers the following IT services:

- General consultancy
- IT evaluation
- Implementation and migration
- Maintenance and support
- Infrastructure optimization
- IT Training

Bittnet's competencies are certified at the highest level and acknowledged by the market leaders. The company's certifications include:

- Cisco Learning Partner
- Cisco Certified Silver Partner
- Microsoft Silver Learning Partner
- Microsoft Cloud Partner
- Microsoft Silver Datacenter Partner
- Oracle Authorized Education Reseller
- Oracle Silver Partner
- VMware Solution Provider Partner
- IBM Training Provider - via Global Knowledge
- Amazon Web Services Authorized Training Partner
- Dell SonicWall Preferred Partner
- Google Apps Authorized Reseller

Description of any fusion or significant re-organization of the commercial society, own branches or those of the owned society, during the financial exercise.

The society does not have any branches, does not hold parts or shares in other commercial societies. The society did not go through any fusion, acquisition or re-organization in 2014.

Description of acquisition and/or alienation of assets.

During 2014 Bittnet has acquired immaterial assets worth 112,318.32 RON. This has to do with the launch of an implementation project for a new integrated CRM+ERP system, which will be finalized in the financial year 2015.

Until 2014 the company used a cloud-based CRM system for customer management, from the American company Salesforce.com and for the book-keeping an in-house developed system, using the "LAMP"

technology (Linux, apache, mysql and php) hosted in a datacenter. This system was backed-up by an accounting program used by the company that covers the externalized book-keeping services.

During the year 2014 Bittnet decided to migrate to a customer management system (CRM - Customer Relationship Manager) offered by the American company Microsoft, called Dynamics CRM Online. The migration was chosen based on the TCO (total cost of ownership) analysis – which proved to favor the Dynamics CRM online system compared to the Salesforce.com one. Additionally the Dynamics CRM online system allowed us to implement multiple functionalities which can proactively assist the sales team in their professional activity. The main focus was to create an automated process for sales based on a NEXT/NEXT/NEXT flux which guarantees that each member of the sales team follows the same steps, obtains a predefined set of information from clients and generates a complete offer in a maximum of 8 seconds.

Last but not least, the CRM system from Microsoft allowed the company to adopt a new ERP (Enterprise Resource Planning) system, also from the Microsoft company. This system – Microsoft Dynamics NAV – allows the replication of all the functionalities of the previous system (issue invoices to clients, register invoices to suppliers, overview of payments and earnings for projects (profit centers)) as well as allow the issuing of financial statements directly from the system eliminating the “doubling” of the information in the externalized book-keeping company. The new system reduces the work time required to process excerpts through automated import, reduce processing time for orders issued to suppliers by automating the acquisition process and allows the automated correlation of the series of bought products through invoices with the deliveries to the clients associated with the resale invoices etc.

Also, the new ERP system is completely integrated with the CRM system, thus eliminating the “doubling” of invoice information, the risk of human error between the sales and the billing departments and assures real-time integration for projects (profit centers).

This investment will be finalized during the financial year 2015.

During the financial year 2014 no assets were alienated.

Description of the main results of the evaluation of the company's activity

General evaluation elements

In 2014 revenues rose to an all-time high of RON 8,18m, a 22,7% increase compared to 2013. About 70% (RON 5,74m) of the revenues were attributable to the first business line, namely IT solutions, implementation and consulting services, the remaining 30% (RON 2,43m) to the second business line – IT Training. The Company recognized a positive trend of a growing number of returning customers, whose count in 2014 was the highest to this day. Returning customers' share in revenues amounted to 64,2% for the year.

Operating profit (EBIT) for 2014 reached the level of RON 373,2k, an improvement of 9% year over year. With depreciation and amortization amounting to RON 169,3k, the value of EBITDA was RON 542,5k, a 7,3% increase compared to 2013. The rate of growth of EBIT (and EBITDA) was significantly reduced by other operating expenses. However taking lower financial expenses into consideration, the increase of net income amounted to 23,9% when compared to 2013, giving a value of RON 209,7k, the highest result in the Company's history.

Total assets as of the end of 2014 amounted to RON 5,50m, a 21,9% increase in relation to the end of 2013. Current assets constituted the vast majority of total assets (92%, RON 5,06m), with RON 3,25m in accounts receivable, RON 0,99m in inventories and RON 0,8m in cash. Fixed assets and prepaid expenses values were respectively RON 370,5k and RON 68,7k.

Shareholders' equity amounted to RON 861,8k at the end of 2014, a 30,3% increase year over year, which was a result of an increase of paid in capital, retained earnings and profit for the year 2014. Other main liabilities items were: current liabilities (RON 3,56m, 9,1% increase), long term liabilities (RON 657,8k, not present in 2013) and deferred revenues (RON 417,2k, 28,9% decrease).

Profit and loss account [RON]	2012	2013	2014
Turnover	3 811 893	6 666 337	8 179 532
Operating expenses	3 761 631	6 476 894	7 960 691
Operating result	126 693	341 545	373 195
Financial result	66 612	211 447	269 112
Gross result	66 612	211 447	269 112
Net result	52 075	169 278	209 672

The company mainly serves the internal Romanian market, any exports are done through projects. As such, for 2014, the share of exports in the turn-over was 4%.

Market Share

The company activates in two major segments of the IT market: IT training and integration of IT solutions.

Due to the lack of independent reports regarding the IT training market in Romania the Company relies on own estimates for its share in the market. The Company has the widest and deepest coverage in the training market by having expert unique resources.

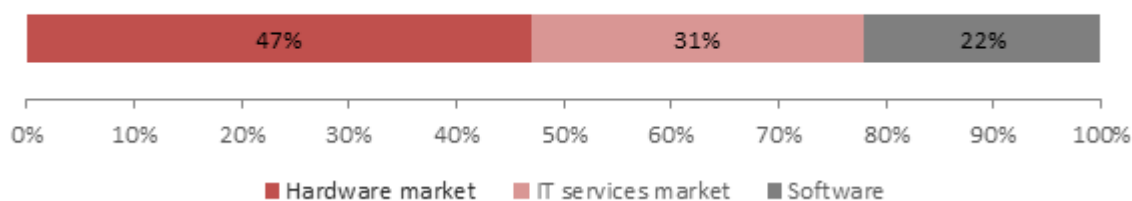
The Company sees itself as a **IT training market leader** and justifies it by:

- Competing in the most training market segments
- Not competing with the same competitors in more than 2 market segments
- Being either the market leader or the second largest provider in each market segment. For example, for the Cisco official trainings, the company estimates a market share of $\pm 70\%$. On the other hand, in Microsoft training, the company holds a market share of $\pm 12\%$ out of 10 partners in Romania, receiving the information of being “second”
- There are market segments where there are no competitors (e.g. Amazon Web Services training partner)

When focusing the attention on the integration market (IT professional services), the very diversified range of services of the Issuer makes it impossible to determine percentages of market share. Independent research reports such as PMR “ICT market in CEE and CIS Report” or the ones by IDC, claim that the Romanian IT market has a value of 1 billion euro in 2014.

In 2014 computer hardware remained the largest segment within the IT market in Romania – it had a share in market value of over 47%. IT services had a market share of more than 31%, while software followed with approximately 22% market share. The main reason for this structure is the investment orientation of IT spending in the country. Romanian IT companies still earn most of their sales from the implementation of new IT systems (or upgrades and expansion); hardware is the largest budget expense in these IT projects.

IT market structure in Romania - 2014



Source: PMR “ICT market in CEE and CIS Report”

Considering the estimation of the total IT market of 1 billion euro in 2014, the company’s market share in the IT solution integration (hardware, software and services) segment is insignificant, registering a value of less than 1%.

It should be kept in mind that this analysis is based on estimates of the IT market which include the buying of equipment such as PCs, tablets, mobile phones, printers etc. by both the population as well as companies.

Evaluation of the company's technical expertise

Main outlets for each product and service and distribution methods;

The main outlet in 2014 for Bittnet's products and services has been, similar to previous years, Romania, with a share of 96% of revenues from clients within the country's borders. The share of 4% of revenues from foreign clients shows a slight increase compared to 2013 when it registered a value of 2.7%. In 2014 revenues from "exports" come from renting the services of network security experts to clients from the EU.

The main distribution method is through direct sales through the sales team but in the future, based on the efforts from the end of 2014, we expect that 5% to 10% of revenues from IT training to be generated through the website. Each member of the sales team is given a portfolio of clients. A series of proactive actions of positioning Bittnet's solutions and services has been made in order to obtain this portfolio.

Another relevant share in total revenues is due to our strategic partnerships with key players on the IT market which can be seen as competitors but through which we managed to deliver services to their customers. The general attitude of the company through total transparency, fairness and respect for promises made to these partners has led to a natural, organic growth of business volumes attained with the help of these partners and as such we are confident in stating that in the years to come the number and models of strategic partnerships will represent an important growth pylon.

Description of the main products manufactured and/or services rendered by mentioning:

Network infrastructure

Network infrastructure refers to the hardware and software resources of an entire network that enables network connectivity, communication, operations and management of an enterprise network. Network infrastructure provides the communication path and services between users, processes, applications, services and external networks/the Internet.

Infrastructure is found in all enterprise IT environments. The entire network infrastructure is interconnected, and can be used for internal communications, external communications or both. A typical network infrastructure includes Hardware (routers, switches, wireless access points, cables) and Software (operations and management, operating systems, firewall, security applications, antivirus).

Network security

Securing a network is an ongoing process due to the evolution and spread of the informatics attacks from both inside and outside. Inside attacks are not always intentioned, they can be made unconsciously by exploiting the vulnerability of a network. It is important to have a network security policy and the security should be integrated with all devices in the network.

Security solutions focus on what happens before an attack and during an attack, and on what measures will be taken after the attack. As attackers and hackers become more sophisticated, it's no longer about preventing a known attack. The focus has shifted to detecting and responding to new, previously unknown types of attack.

The Company offers the following network security solutions:

- Firewalls
- Sensors for detection and prevention of attacks
- Anti-spam and anti-virus
- Virtual Private Network solutions
- Network Access Control
- Security management
- Physical security

Network Management solutions

Functions that are performed as part of network management include controlling, planning, allocating, deploying, coordinating, and monitoring the resources of a network, predetermined traffic routing to support load balancing, cryptographic key distribution authorization, configuration management, fault management, security management, performance management, bandwidth management, route analytics and accounting management.

Data for network management is collected through several mechanisms, including agents installed on infrastructure, synthetic monitoring that simulates transactions, logs of activity, sniffers and real user monitoring. In the past network management mainly consisted of monitoring whether devices were up or down; today performance management has become a crucial part of the IT team's role which brings about a host of challenges — especially for global organizations.

Datacenter, virtualization and cloud computing

Virtualization provides IT organizations with a significant opportunity to improve management and automation across the datacenter. As IT organizations face growing business demands and budget pressures, automating labor-intensive, human tasks offers an ability to "do more with less" and increase the productivity of existing staff.

Datacenter solutions involve virtualization (the use of a *host* software, which creates a simulated computer environment, a *virtual machine*, for its *guest* software) in order to offer flexibility (the ability to relocate virtual machines from one hardware to another, as well as the ability to easily increase or decrease hardware resources available to a virtual server), the ability to easily provision new virtual servers (without the need for hardware purchases).

Cloud computing (and the migration to the cloud) means using the infrastructure (physical and logical) needed for virtualizing servers from a specialized provider, across the internet. This differs from the original idea of own datacenter / dataroom (private cloud) in that the platform is owned by a third party, and the customer only uses the functionalities.

The company offers consulting, design, implementation and maintenance services related to building and operating virtualized server solutions, own datacenters and migrating to cloud solutions.

Enterprise mobility including BYOD

Mobility solutions allow employees to work using any compatible device, anytime from anywhere, with maximum security. Thus client's business is flexible and easily adapts to changes.

- Mobility solutions include:
- Wireless networks
- IP Soft Phones
- Virtual Private Network Access
- Teleworker

“Bring your own device” – BYOD – is a concept that allows employees of companies to access company data and resources using hardware owned by the employees (PCs, laptops, mobile phones, tablets, etc.). This concept allows staff to do work related activities from anywhere, at any time, but, on the other hand, opens up security issues (data leakage). That is why companies deciding to implement such policies need the guidance and implementation services of experienced security consultants.

The company offers start-to-end consulting and implementation services for the above concepts.

Unified communication and collaboration

Unified communication (UC) is the integration of real-time, enterprise, communication services such as instant messaging (chat), presence information, voice (including IP telephony), mobility features (including extension mobility and single number reach), audio, web & video conferencing, fixed-mobile convergence (FMC), desktop sharing, data sharing (including web connected electronic interactive whiteboards), call control and speech recognition with non-real-time communication services such as unified messaging (integrated voicemail, e-mail, SMS and fax). UC is not necessarily a single product, but a set of products that provides a consistent unified user-interface and user-experience across multiple devices and media-types.

In its broadest sense, UC can encompass all forms of communication that are exchanged via a network to include other forms of communication such as Internet Protocol Television (IPTV) and digital signage communication as they become an integrated part of the network communication deployment and may be directed as one-to-one communication or broadcast communication from one to many.

UC allows an individual to send a message on one medium, and receive the same communication on another medium. For example, one can receive a voicemail message and choose to access it through e-mail or a cell phone. If the sender is online according to the presence information and currently accepts calls, the response can be sent immediately through text chat or video call. Otherwise, it may be sent as a non-real-time message that can be accessed through a variety of media.

The company offers complete services and solutions in the Collaboration and Unified Communication fields. Examples include: setting up call-centers, with call recording, auto call forwarding, auto logging, etc. Other examples include setting up automated video-conferencing solutions that work as enterprise video-calls, using secure (encrypted) communication channels.

Software Licenses

The Company offers a wide range of software licenses from market leaders in their fields, covering the whole spectrum of computer programs:

- Operating systems (like Microsoft Windows 8 or Microsoft Windows Server)
- Database servers (Oracle software, Microsoft SQL server)
- Virtualization software (VMware, Microsoft Hyper-V)
- Productivity software (Microsoft Office)
- Sales automation software (Dynamics CRM software licenses)
- Cloud Software (Google Apps, Microsoft Office 365, Zoho productivity suite)

IT Services

Consultancy services

Bittnet offers architecture (design), implementation and integration services covering the major ICT domains and delivery models to help customers plan and build IT solutions and optimize their IT environment.

The consulting services identify solution designs for integrating new technologies and optimizing customer's current IT environment in line with their business development strategy. Bittnet has extensive architecture competencies, from network, communications, and datacenters to end-user computing, applications, service management, and security.

The consultancy services are staged processes that consist of the following steps:

Preparation

The first step in any IT infrastructure project is identifying business needs and the technologies to meet these needs.

Design

This step involves the assessment of the current situation and recommendations to accommodate new solutions. The Company is outlining the network architecture and if required will run a demonstration to test its functionality. Bittnet Systems also provides advice in choosing the best solutions to meet requirements both technically and financially.

Planning

The Company presents the detailed proposed solution, the equipment involved and configurations needed, together with an implementation plan and acceptance tests. Also in this stage Bittnet System works together with client to create an action plan with the activities and responsibilities of each party, milestones and deadlines of the project.

Implementation services

The implementation services consist of several stages listed below:

Installation, configuration, testing

This step involves equipment transportation, installation, configuration and testing. Everything is tested without being integrated in the existing infrastructure to avoid damages that may occur. After testing the system functionality, the client also should validate that the infrastructure is working properly. The next step is very important and is based on information gathered in previous steps – training for the IT staff.

Operating

The migration process to the new solution is gradual in order to reduce network downtime and minimize disruptions in the employees' work. At this stage the Company is continuously communicating with client's employees to ensure that continuous functioning of all services and applications is used by them.

Optimization

At this stage the new solution is implemented and verified if it works properly. Any solution implemented needs constant monitoring and maintenance to proactively identify faults that may occur. The Company is analyzing and optimizing various processes to increase client's employees' productivity. These enhancements are designed to adapt even more to the needs of client's network.

Maintenance and Support services

The Company's intervention team offers on-site and off-site support that includes equipment replacement, updating systems and fixing all problems covered by the support contract agreed. For all implementation projects done, Bittnet offers a support and maintenance option – which means that Bittnet guarantees the restoration of the initial functionality of the solution, using backup techniques.

Support services are typically recurring contracts, which offer customers the peace of mind that their network or IT systems functionality will survive any kind of situation. This means that Bittnet uses expert knowledge to react to changes in the customer's IT environment and re-establish the desired functionality, either by simple hardware replacement or by advanced policy and configuration restore operations.

IT training

In an economy driven by knowledge workers, educating and training of employees represents an investment towards achieving improved short-term performance as well as long-term success of the organization.

For example human capital and intellectual property are the attributes that provide competitive differentiation for companies in all industries. The valuation of knowledge-based companies is far greater

than the cumulative total of their tangible assets because it is understood that there is significant value in their gifted and highly-trained workforce and business practices, processes, and other intangible assets.

Bittnet Training services provide structured learning and development frameworks that start with the customers' business strategy to increase human capital value within the organization. Bittnet identifies training needs based on gaps between current skills and the desired standards for specific job roles that require realignment due to organizational changes, new IT applications or new service offerings.

Training road maps and prioritization are developed to optimize training budgets, to manage staff development and post training assessment with a clear measurement of performance improvement helps ensure a return on investment.

The Company offers a wide range of IT training courses. Each course can be carried out in two flexible forms: intensive (5 days/week with 8h/day) or blended mode (meetings of 2/4/6 hours as per client's request). Each course participant receives dedicated bundle equipment, access to official curriculum, online and offline examinations.

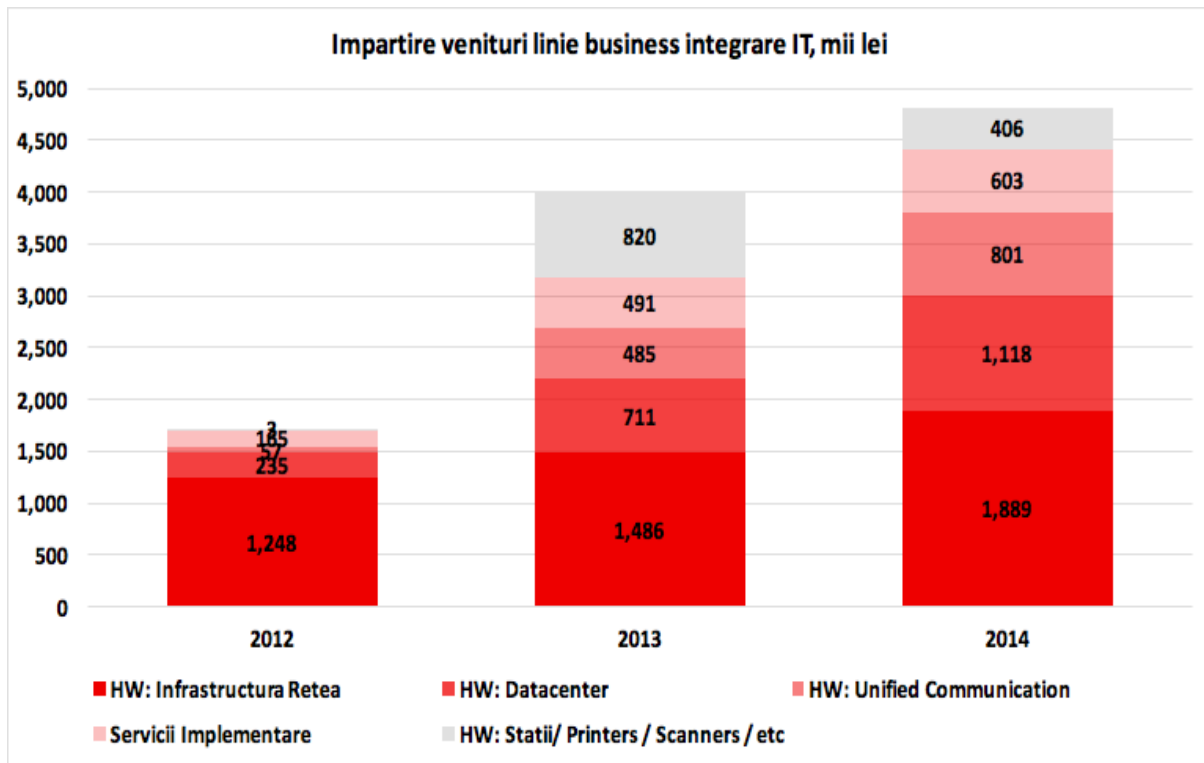
Largest portfolio on the market: the training portfolio contains more than 1500 courses. The core training portfolio is focused on Cisco, Microsoft, Microsoft Office, VMware, Linux, Oracle, Amazon Web Services, Citrix, IBM, ITIL, mile2, RedHat, Adobe, Avaya, Dell - SonicWall, EMC, HP, Juniper, SAP. The entire training portfolio covers numerous IT topics of interest like Microsoft Office (Excel, Word, etc), Linux, networking, programming, operating systems, cyber security, telephony, video, virtualization, data-center, data storage, databases, web design, etc.

The business skills training portfolio feature project management, ITIL & IT service management, business intelligence, CRM, ERP, Agile, etc. Being able to deliver courses both in Romanian and English language the company is working under a strategic partnership with GlobalKnowledge, the worldwide leader in IT and business skills training.

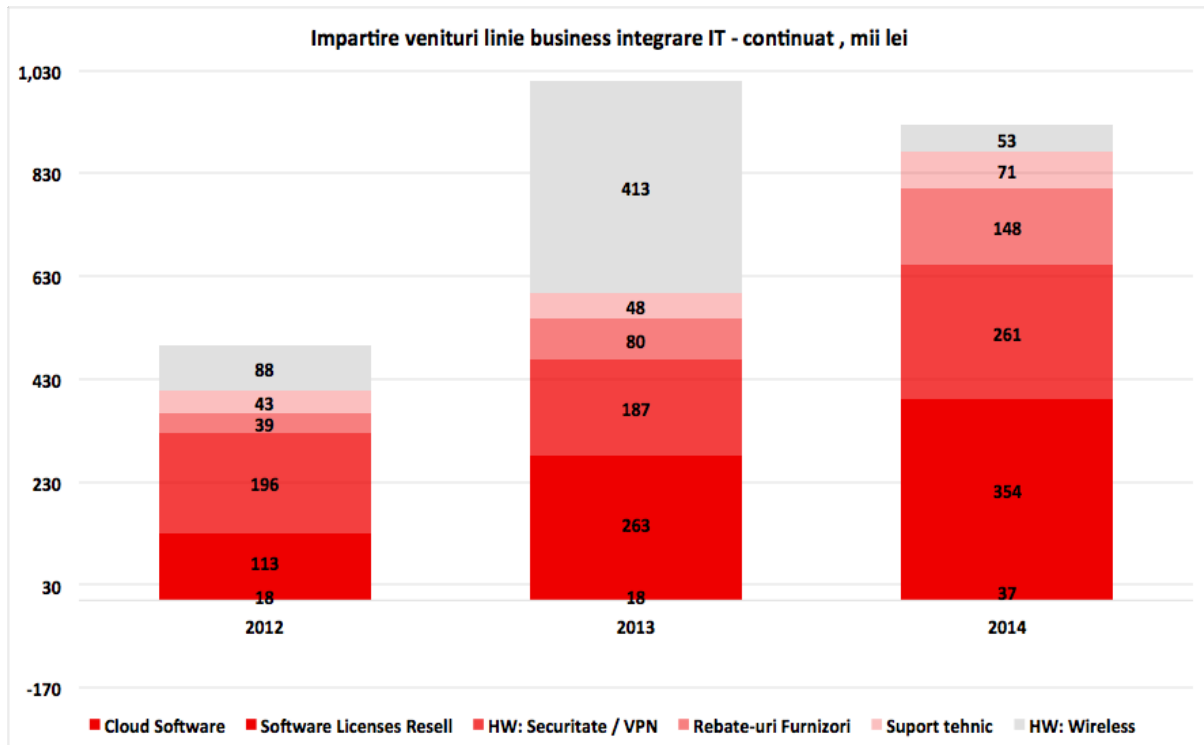
The weight of each product or service type in the income and in the total company turnover for the last three years;

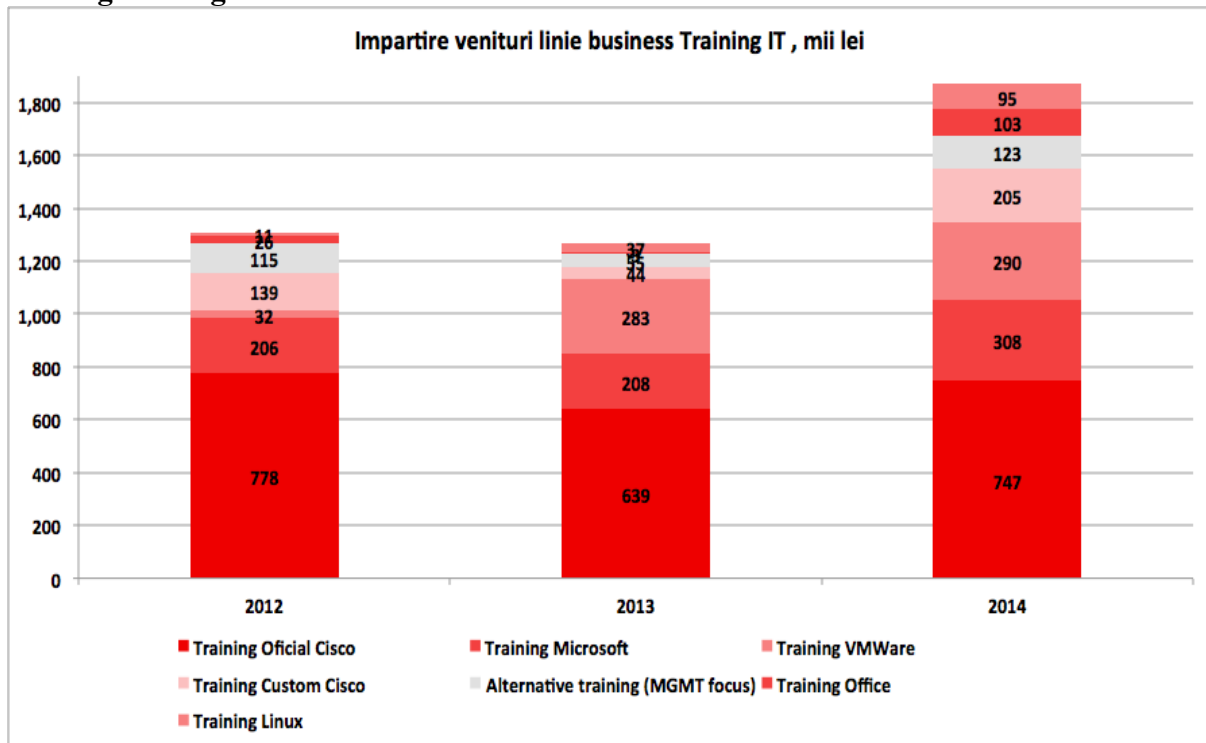
The IT solution integration line will always register a higher share in total turnover because of the nature of the business which includes the delivery of equipment (high turnover, small margin). Also, as absolute values in turnover, the IT solution integration business line has a better chance of fast growth which would lead to an increase of its share in the total turnover.

Analyzing more closely each business line we can notice the following evolution for the most important components.

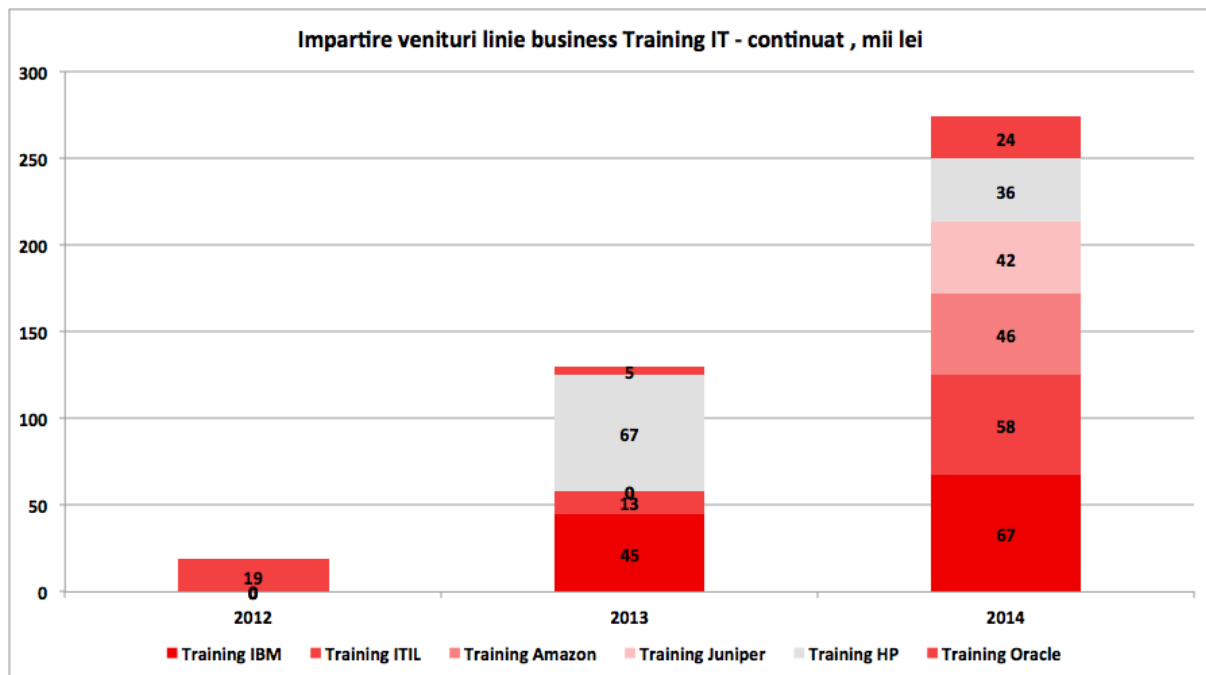


and secondary products and services



IT training earnings


And for secondary products



New products considered for which a substantial amount of assets shall be involved during the next financial year as well as the development stage of these products.

Each new product that is added to the company's portfolio is a result of a specific demand from our clients. As such, there is no new product for which a substantial amount of resources will be allocated, each additional product is brought into our portfolio in a "breakeven condition".

- **Strengthening the leader position** on the IT Training market with intention of maintaining the perception of a 'one stop shop' provider of IT training in Romania. The Company plans to continue to aggressively grow training products portfolio and focus on:
 - deepening the team's knowledge and ability in the areas that are already covered (being able to deliver more courses of the current vendors)
 - widening the team's knowledge in additional areas
 - adding new product lines
 - adding new delivery options
 - broadening the portfolio by adding end user trainings
- Capitalizing on the wide industry trends including BYOD (Bring Your Own Device), cloud services, nearshoring (transfer of business and IT processes to companies in a nearby country, as opposed to offshoring to India or China) to Romania
- Continuous development and creation of strategic partnerships with companies of similar or complementary profiles, which open a potential 'reseller channel' and enable each party to provide supplementary services to their customers

Evaluation of the provision of technical and material resources (domestic and imports)

For the IT solution integration business line, the company "stocks up" on:

- IT equipment and licenses (hardware and software) – which are resold as merchandise to clients. The merchandise is bought from importers and distributors – companies with a physical presence in Romania. For none of the equipment or licenses is there a situation of "single importer" and as such there is no risk associated with having only one supplier. Bittnet keeps in touch with multiple distributors having significant business with each one.
- Course manuals and official virtual labs from our partner Global Knowledge. Bittnet is in a strategic partnership with Global Knowledge beginning with 2009, being the only Global Knowledge partner in Romania. The long time relation and the vastness of the supplying company (the largest IT company in the world) makes us consider it a safe source. Additionally Bittnet also has relations with other suppliers that offer similar services.
- Subcontracted services from partners be it companies or independent subcontractors (freelancers). There is no unique supplier here either, Bittnet working with several partners in each area of activity.
- All the aforementioned relations are based on partnerships with IT producers (Cisco, Microsoft, Oracle, VMWare, Dell, HP, etc.). These partnerships offer Bittnet access to the offer and discount systems of the producers and the distributors/importers "transfer" these price conditions from the producers. The relations with the IT solution producers are kept through periodical renewal of our company's competencies and certifications. Each of these relations are important for Bittnet and each year we take the necessary actions to keep our status in relation with our partners.

The large majority of products and services which Bittnet offers and require a partnership with suppliers are not subject to price risks because the price lists of the majority of producers are posted for the duration of a year in advanced and these companies are large enough and have the necessary processes to sustain the prices for an entire year. At the same time Bittnet places orders to its suppliers only based on the demand of the customer and as such the period in which the price can vary is very short (maximum of 1 day). Considering these two points we believe that the fluctuation in price of materials and resources is not a risk for the company.

The company does not operate with inventory, placing orders to suppliers only based on firm demands from the customer.

Information regarding the safety of supply sources, the prices of raw materials and the raw materials inventory.

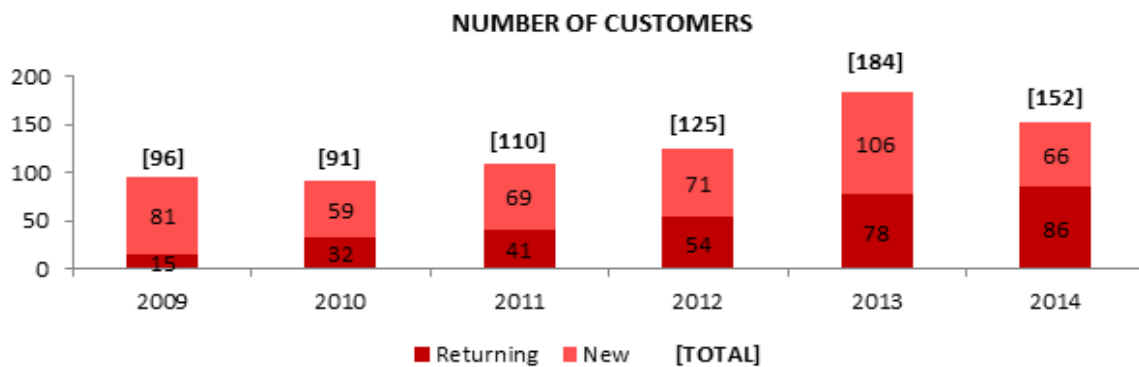
Evaluation of the sales activity

Description of the sales evolution on the domestic and/or international market and the medium and long term sales estimates;

In 2014 sales continued their ascending evolution from previous years. Turnover has risen from 6.6 million RON to almost 8.2 million RON. During 2014 the turnover was obtained from 152 clients, a declining number compared to 2013 when it was 184.

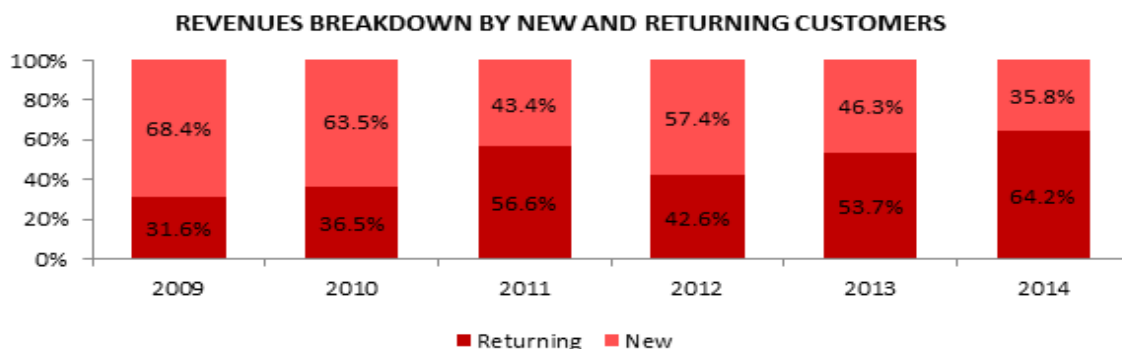
The increase in turnover proves that the bonus method chosen at the beginning of the year was a correct one. The new formula placed more emphasis on the gross value of the client. The outcome was more focus on customers and projects with high potential of differentiation, where Bittnet can create and deliver added value.

The table below presents the number of customers served including a breakdown by new and returning customers. Since 2009 the count of returning customers is greater year by year which is a positive trend recognized by the Company, demonstrating the trust it was able to gain – resulting in increasing business repeatability.



Source: Issuer

The table below presents a breakdown of revenues by new and returning customers. Returning customers' share in revenues amounted to 64,2% for the year 2014 which was the highest number in the Company's history. The average value of a service provided to a returning customer amounted to RON 62k compared to RON 45k for a new customer, these values in 2013 were RON 45k and RON 28k respectively.



Source: Issuer

As in previous years the statement “Recurrent clients trust us more and therefore, on average, buy more than new clients” has proven to be true. From this point of view the Company’s strategy remains unchanged: we focus on developing our relations with existing customers while dedicating time and resources to attract new clients, which we can then familiarize with Bittnet’s products and services so that they can become recurrent customers as well.

As such we can briefly explain the way in which we build the Company’s sales activity: the Bittnet sales team is composed of in-house employees as well as reseller partners or middlemen (external legal entities). Because of the nature of the products and services delivered by Bittnet, our clients are in general small, medium and large companies. Over 90% of our clients fit the description “more than 5 million euro turnover and more than 100 employees”.

These companies are characterized by complex processes of acquisition, inter-department organization etc. In this situation the B2B sale activity is best handled by “individual” relations – the so called account manager. In other words the sales team (internal and external) address clients directly, presenting and positioning products and services to the relevant people in the acquisition process. The sale activity is supported by Marketing and PR activities which are designed to ease the beginning of a discussion between the client and the Bittnet salesperson. Marketing and PR activities have to generate awareness in the IT market regarding Bittnet and it is an important tool for generating results. As such we also include a dedicated chapter in this report.

Marketing and PR

The Marketing and PR actions carried out in 2014 were ample and had a big impact in the creation and consolidation of the Bittne brand. The company carried out direct marketing campaigns as well as events that helped positioning of the Company in the market, increase notoriety, attract new clients and finally generate leads.

In 2014 Bittnet continued the marketing efforts started in 2013 with the short-term objective of generating leads for the sales team and long-term objective of building the image and brand of Bittnet in the minds of potential clients as well as investors.

In order to attain the short-term objective, the marketing team has brought a new member on board, dedicated to demand generation. At the same time the number of activities increased compared to 2013. The team started using CRM and collaborated with the sales and technical team in building and enlarging the sales pipeline. This way, the marketing team can measure the impact of the campaigns carried out as well as their success.

Throughout the year the team has conducted direct marketing activities (direct mailing, telemarketing) dedicated to technologies responsible for increasing the productivity of companies and reduce costs while keeping a high level of data security. Mainly they were campaigns dedicated to telepresence and security solutions carried out in collaboration with Cisco. These campaigns facilitated the interaction between Bittnet and new clients. This way the sales pipeline was increased as well as the number of clients.

In order to increase notoriety and visibility on the market, Bittnet has brought in the services of a PR agency. Together with Tagline (the selected PR agency), the company managed to design a communication strategy and started having a constant presence in written and televised media. With the help of this collaboration, Bittnet started building a credible image and defined itself as a strong brand on the local market, differentiating itself from its competitors.

In 2014 the company participated in conferences and events which were organized in partnership or alone as follows:

- Has organized its own event **IT Training Fest** in Bucuresti, Timisoara, Cluj-Napoca and Iasi. These events are unique on the market because they offer the participants the chance to interact with the newest technologies, to directly work with equipment, with a hands-on approach to the solutions of the main IT producers on the market. This way the participants are not presented products but learn new things that they can use at their working place. These events organized by Bittnet helped the company enable no collaborations with IT vendors and consolidate relations with current partners.
- Has participated at **Cisco Connect 2014**, marking the fifth consecutive year as a partner of the event. We're talking about an ample event with great exposure and communication, with participants ranging from distributors, integrators and clients.
- Has offered technical support to the **Business Days** conferences in Timisoara, Bucuresti, Cluj-Napoca and Iasi.
- Has offered technical support to the thematic events **Even Mammoths can be Agile...** destined for the IT environment initiated by the partner Colors in Projects in Bucuresti, Cluj-Napoca and Iasi.
- Has offered technical support to the biggest gaming event in **Romania DreamHack Bucharest 2014**.

From the point of view of online marketing activities, Bittnet has put in significant work into optimizing the website www.bittnetsystems.ro as well as creating content and keeping existing content up to date so as to offer clients information regarding the newest products and services. The training section of the website is the most visited and as such a dedicated page for the course schedule was created. Google Adwords campaigns were carried out to promote classes organized in certain periods of the year designed to increase the number of booked spots in the classes. Newsletters is another way in which we communicate with our clients.

In order to offer support to the sales team, communication and presentation materials were created and updated as well as case studies that reflect the certifications, products and services that Bittnet has added to its portfolio. The marketing department has also made a study regarding the competition on the IT training sector of the market and identified the strong and weak points in contrast with its competitors on the market in Romania.

Because of the financial results but also because of the intense marketing and communication activities, Bittnet has attracted the attention of the media. As such the company was included in Romania's Top Entrepreneurs by EY as well as ranking 333 in the Deloitte Technology Fast 500 top for the EMEA zone.

All the Marketing and PR activities destined to create a strong brand around Bittnet will continue in 2015, the marketing department continuously carrying out demand generation activities that together with the activities of the other departments leads to an increase in sales pipeline.

For 2015 we have planned to greatly improve the image and functionalities of our website in order to better answer the needs of our visitors as well as making it easier for the marketing department to carry out their lead generation activities.

Customer satisfaction study

Same as in previous years we ended 2014 with a market study regarding Bittnet customer satisfaction, study which is at its third edition. A target group of 50 clients was chosen (new clients in our portfolio as well as recurrent, traditional clients). The group contains clients of different sizes and from different geographical positions which directly interacted with our sales and technical teams.

Making use of a short questionnaire during either telephone conversations or direct meetings, keeping the same structure as in 2012 and 2013, Mihai Logofatu thanked clients for their collaboration in 2014 with Bittnet.

For the first question “We delivered everything that we promised” – the majority of respondents answered “yes” in 95% of the cases. Even so in the few cases where we identified a trace of uncertainty we elaborated on the subject and discovered that the source of the problem is the incomplete nature of expectations from the beginning of the project. If for training things are clear and easy to understand when it comes to solution implementation there is a gap in the Bittnet-Client communication due to a misunderstanding of technical terms.

For the question “Why did you chose us?” we can find a series of answers from previous years among which:

- High level of expertise for the technical team.
- Promptitude in answering questions for both sales and technical team members. Good response time.
- Recommendations from other clients or a good history of the direct relation. Recommendations from vendors or the reputation earned especially in the field of training. More clients pointed out as a reason for choosing Bittnet’s services the good history of the direct relation which is consistent with the increasing number of returning customers, an indicator who’s value we followed closely in the previous years.
- Professional and responsible attitude with which we tackled every issue for which we were solicited.
- Flexibility and availability.
- Good communication and transparency.

It is worth mentioning that these answers were not predefined nor was the questionnaire a multiple choice one, as such the answers were offered freely by the clients and were presented as such without being modified.

A difficult question is “Would you pick us again now that you know how we do our job?”

The answers to this question confirm the answers to the previous question. The clients explicitly consider that they made a correct choice which they will repeat in the future and even more are willing to recommend us to other clients as well.

The following question “What should we change in 2015 in order to become more relevant to them?” confirms the already good level of customer satisfaction shown in the answers to the previous questions. The list starts with “do not change something that is already working” and continues with a series of small operational suggestions which will make the object of an internal analysis.

Probably the most often identified expectance of the customer is to better foresee their specific problems and proactively address them. They wish for us to have a better understanding of their particular domain of activity and come forward with propositions and demonstrations of solutions that can help their business.

We believe that this is an inflexion point for our business from the point of view of our credibility in the market and more exactly, to step out of the “prompt supplier” paradigm and into the “trusted adviser”

paradigm. This high level of credibility and the demand identified on the market, together with our capacity of delivering end-to-end solutions offer a good foundation for growth in 2015.

Perhaps the most important question is regarding our clients' desire to continue working with us in 2015, question to which most of them answered that we are their first choice for 2015 as well.

This answer confirms our statistics regarding our historic with partners in the past: each year more and more clients are satisfied with Bittnet's performance that they return the next year as well and the average value of projects increases in comparison with previous years.

Description of the competition within the company's field of activity, of the market share, of the company's products or services and of its main competitors;

The analysis of the company's main competitors should be broken down in two because of the two business lines in which matters differ strongly.

The Company sees itself as a IT training market leader and justifies it by:

- Competing in the most training market segments
- Not competing with the same competitors in more than 2 market segments
- Being either the market leader or the second largest provider in each market segment. For example, for the Cisco official trainings, the company estimates a market share of $\pm 70\%$. On the other hand, in Microsoft training, the company holds a market share of $\pm 12\%$ out of 10 partners in Romania, receiving the information of being "second"
- There are market segments where there are no competitors (e.g. Amazon Web Services training partner)

When focusing the attention on the integration market (IT professional services), the very diversified range of services of the Issuer makes it impossible to determine percentages of market share. The main competitors among of other players in the IT and training market are:

Main competitors	Description
Avnet Technology Solutions	Avnet Technology Solutions distributes computing technologies for businesses, software and services. Avnet Technology Solutions is an operating group of Avnet, Inc. (NYSE: AVT). The company offers solutions as: computer components, security & networking solutions, server & infrastructure, server based computing, services, software, storage, document management technologies, virtualization.
Brinel	For over 23 years in IT, Brinel offers IT solutions through the integration of applications and technology software, hardware, network equipment and services. Brinel has offices in Cluj Napoca, Bucharest, Oradea and Sibiu.

Cronus eBusiness	<p>With more than 10 years of experience in the Information Technology field, Cronus eBusiness is an important Systems Integrator on the domestic market. Cronus eBusiness provides a complete services package in the field of ICT infrastructures: Integration Services, Managed Network Services and Managed Desktop Services. The company is one of the 6 Cisco Gold Partners in Romania, Riverbed Gold Partner, Solarwinds Gold Partner, Fortinet Gold Partner.</p>
Datanet Systems	<p>Datanet Systems is a member of Soitron group of companies. The company is one of the 6 Cisco Gold Partners in Romania. The current portfolio of Datanet Systems comprises services for areas as communication infrastructure, data center and virtualization, unified communications, customer interaction and information security. Datanet Systems is one of the communication technology providers for banking and financial organizations, large, medium and small companies, public institutions and telecom operators in Romania. The company also provides Cisco courses.</p>
Eta2U	<p>Eta2U is an important provider of IT products and services, leading system integrator and IT solutions in western Romania. The big part of the business is on distribution, not on reselling IT products. Eta2U is also a training center focused on Microsoft, Cisco, Oracle, Java, Linux courses.</p>
Frontal Communications	<p>Established in 1994, Frontal Communications is a reliable IT&C solution and system integrator, having expertise and know-how in System Integration, Professional Services, Managed Services and Data Center Solution. The main focus of the company is on the public sector. Frontal is one of the 6 Cisco Gold Partners in Romania and also VMware partner.</p>
Kapsch Romania	<p>Kapsch is a system integrator and supplier of end-to-end telecommunications solutions for fixed and mobile network operators, railway operators, urban transport organizations and companies seeking real-time asset management solutions.</p>
New Horizons	<p>New Horizons Bucharest is an authorized training provider for many industry-recognized software and certification organizations. New Horizons creates solutions that fit individuals, businesses and governments as: career training for individuals, business solutions, enterprise solutions, government solutions, room rentals.</p>
Pro Management	<p>Pro Management learning center is forming power-users, CAD specialists, network administrators or database, system engineers, senior programmers, business analysts, software architects and project managers.</p>

Description of any significant dependency of the company on a single customer or on a group of customers whose loss would have a negative impact on the company's income;

In the description of the sales structure, the concentration of the turnover and the risk of losing significant customers, we should be aware of:

- The fact that the company does not have contracts with multiple, recurrent deliveries. Our type of product is better suited for “framework contract with punctual orders”.
- The recurrence of the customers, the fact that the returning of these clients to buying from Bittnet is the result of combining two factors: our technical capacity of delivering products and services with a high level of specialization and the quality with which we carry out these services.
- Because of these factors, with the passing of time, the relations with our “reseller-type” partners but with other clients as well solidify, Bittnet gaining more and more confidence in the eyes of its partners which in turn translates into bigger projects.

These factors together lead to a concentration of sales to an important number of clients. Even though the company served more than 150 clients in 2014, 5 of these clients make up 52,1% of the turnover. The following table presents the clients with the highest share in the company's turnover within the limits of the confidentiality clauses of the contract. The structure of our clients is dominated by the IT sector. As such, in 2014, 4 of the most important 5 clients for the company operated in the information technology industry.

The main reason for this is the partnership model that the company implements. Besides direct sale to clients, the company uses a “reseller” partners which contact the client. The company then splits the sales activity but eventually the client comes back to Bittnet for the delivery of the solutions together with hardware delivery, implementation services, maintenance and training services. This leads to the concentration of “final clients” under the “shadow” of a reseller.

Clients with the highest share in the total turnover	2012	2013	2014
Integration project reseller (“channel partner” for Bittnet)	0,05%	0,10%	21,58%
Telecommunications sector client	1,29%	8,16%	11,33%
Training reseller (IT Company)	0,00%	0,00%	8,82%
DIY superstore through IT reseller partner	0,00%	10,80%	5,98%
Integration project reseller (“channel partner” for Bittnet)	0,00%	0,00%	4,39%

Evaluation of issues related to the company's employees/staff

During 2014 the average number of employees was 9. The following table explains the breakdown of each department at the end of the fiscal years.

Department	2012	2013	2014
Sales	4	5	4
Technical	2	2	3
Marketing	1	1	2
Delivery	0	1	1
Management	Does not receive remuneration	Does not receive remuneration	Does not receive remuneration

The company externalizes a series of activities to independent subcontractors. At the end of 2014 the issuer was cooperating with 14 contractors.

All of the company's employees are higher education graduates. The company's employees are not organized in a union. In the company's history there has never been a conflict between the management and the employees.

It is worth mentioning that the IT industry is defined by a continuous desire to evolve and learn, by a young spirit and proactive professional attitude which our employees also share.

Evaluation of issues related to the impact of the issuer's main activity on the Environment

Bittnet's professional activity does not have an impact on the environment. Working in the services sector, our activity focuses on acquiring knowledge and transferring it to our clients be it either through training or through consultancy, design and implementation services.

We are not engaged in any litigation and we do not foresee any litigation regarding the protection of the environment.

Evaluation of the research and development activity

The company is not involved in any research and development activity. The company attains know-how by assimilating the information in the official materials of the IT producer (course materials, product presentations) and by testing out different scenarios in labs. The company then makes proof of its competencies by obtaining certifications from the IT solutions producers.

The full list of certifications can be found on the company's website at this address: <http://www.bittnetsystems.ro/certifications>.

At the beginning of 2014 we started a process of optimization by implementing new information management systems (CRM and ERP) and a new infrastructure for the website. These systems are not developed by the company but adaptations of existing solutions to the specific needs of the company. The total investment in these systems was of 40.000 euro.

Evaluation of the company's risk management activity

The company is exposed to a series of series of general and specific risks associated with it's size and domain of activity.

Price risk

Price risk represents the risk that the price on the specific product or service market, offered by the company, may vary in such a way that existing contracts are no longer profitable.

This risk is consisted of two components: risk of price fluctuation that make up fixed costs for the project and risk of price fluctuation that make up variable costs of the project.

- The company carefully addresses the issue of price fluctuation at the level of variable costs by:
- The company does not operate with inventory, each order to the supplier is based on a firm demand from the client and as such the commercial margin is "locked in".
- The company does not have any contracts with fixed prices for successive deliveries over long periods of time.
- The company does not offer such contracts. In case of a demand for such a contract the company adds a "limit of price variation" clause.

The company carefully addresses the issue of price fluctuation at the level of fixed costs by:

- In the case of work force (employees or subcontractors): the company does not have any long term contracts with successive deliveries and fixed prices with clients and as such can offer at any time depending on needs. We estimate that an increase of costs regarding work force will similarly affect the industry not just the company.
- The leader position on the IT training market allows the company to obtain better prices
- The most important fixed cost is the rent for the bias point at Iuliu Maniu 7-11. This contract has a fixed price until January 2017 and the price includes utilities.

Exchange rate risk

An important element of the price risk is the exchange rate risk. The company aims to be neutral to the exchange rate risk. This is addressed by:

- The company does not make "cross currency" offers (offers in a different price either than the one in which it was bought).
- In case of such a demand we include a "variation limit" clause in the contract.
- All the selling prices from the contract are expressed in currency, with the billing in RON at the exchange rate from the date of the delivery.
- The company does not operate with inventory.

Liquidity risk

The liquidity risk is associated with owning immobilized or financial assets. The company's activity does not depend on owning financial and immobilized assets and transforming them into liquidities. The company's assets (equipment) is used in current activity (services). From the total assets the largest part consists of receivables and bank liquid. From this point of view, for the company, more important are the cash flow and credit risks.

Credit risk

The credit risk represents the risk for the company's debtors to not be able to honor their obligations in due date because of financial problems. The company is less exposed to this risk because of the specific nature of its products and services which address companies of a certain size and with a sturdy financial situation.

The company analyzes new clients using specialized tools (specific sites with the capability of analyzing a client's reliability) and has a strict procedure and documentation for orders and delivery of goods and services.

Although, the company has not identified a solution that completely eliminates the credit risk this being one of the most important risks for a company of our size.

Cash flow risk

The cash flow risk is associated with the fact that the company cannot honor its debts in due date.

In the company's activity this has two components which we closely follow:

- The synchronization of due date payments from our clients for a certain project with due date payments to the suppliers for that project. The company's procedures have a 0 priority for this synchronization (the due date for our client to be sooner than the due date to our supplier). This problem picks up on the form of back-to-back clauses when it comes to receiving invoices for subcontracted services or paying sale commissions. Additionally in order to address the issue in which clients with a strong negotiating power require due dates which the suppliers cannot hold, we actively look for solutions like factoring. As an example during 2014 the company had available and accessed 3 different facilities without regress from 3 different financiers.
- The risk of business seniority. Because of the specific nature of the clients which the company addresses (companies which operate on an annual budget, investment plans etc.), in the B2B IT industry segment, we noticed an increase in the volume of business in the fourth quarter. On the other hand the delivery capacity cannot easily be re-dimensioned and as such in case of a less-than-expected fourth quarter there is the risk for the company's profitability to not reach the set goals. Throughout the year this leads to the necessity of financing lines. The company actively seeks the extension of financing from banks in both short and long run. The company takes into account any financing tool for the long run which reduces the risk of cash flow. More so, the company desires to increase the volume of support services for 2015, which bring a constant monthly revenue which in turn reduces the "seasonal" risk.

Risk associated with key individuals

The Company's success depends to a significant degree on its ability to continue to attract, retain and motivate qualified personnel. Bittnet's business relies on highly qualified and adequately compensated engineers, which are limited in number and might receive position offers from competition. The Issuer's failure to manage its personnel needs successfully could have a material adverse effect on the business, financial condition, results of operations or prospects. The Company offers attractive compensation packages and dynamic career paths in order to attract, retain and motivate experienced and promising personnel.

Risk associated with significant clients

At the end of 2014 the Company's customer structure was highly concentrated. The main five customers generated 52,10% of revenues. The customer structure was dominated by companies from information technology sector (with four out of five largest clients). Moreover returning customers' share in revenues

amounted to 64,2% for the year 2014 which was the largest number in the Company's history. Highly concentrated customer structure creates risk associated with potential loss of one of main clients. Loss of a key customer may adversely affect the level of reported revenues and profits.

Risk associated with the rights to the trademark

The „Bittnet Systems” trademark is owned by a third party related personally to the Company's management (hereinafter also referred to as licensor). In 2010 the Issuer signed an agreement under which the Company can use the trademark by paying a percentage of turnover value generated in a given year.

The agreement was signed for 10-year length period (until 2020) and does not include and terms of notice for dismissal. The agreement contains contractual penalties, according to which for each day of delay in payments there are interest charged equal to 0,1% of payment value.

The aforementioned contractual provisions impose several risk factors on Company's activities. Due to the payment calculation method the increase in revenues will lead to higher value of payments made to the licensor. Moreover increased payments for usage of trademark will lower the impact of operational leverage and profits reported by the Company. As stated in Romanian Civil Code, because there are no terms of notice for dismissal, the licensor can terminate the contract and revoke the Company's rights to the usage of trademark within a reasonable period (which means minimum 15 days).

The Company is currently working on a updated version of the contract, to ensure a longer cancelation notice in the case of unilateral decision of the licensor.

Risk associated with realization of business development plan

The Issuer's strategic objective is to continuously develop relationships with clients. It cannot be excluded that the Issuer will not be able to expand the current client base and that the relationships with existing customers will be deteriorating. There is also risk that the Issuer will not be able to perform other elements of the strategy, that is: the expansion of sales team, launching a new local office in one of the main Romanian cities, strengthening the position of a leader of the IT Training market, expanding the customer base and to provide trainings to more potential customers, development and creation of strategic partnerships with companies of similar or complementary profiles will not be successful. In order to reduce the aforementioned risk the Issuer's Board intends to extend the product and services offer and improve marketing activities.

Risk associated with realization of the financial forecasts

Financial forecasts provided in the point 20.4 assume successful implementation of a growth strategy based on existing resources and business units. However, there is risk associated with the realization of the financial forecasts. Forecasts were created with due diligence, however they were not verified by the auditor. The actual data reported in future periodic reports may differ from forecasted values as a result of unforeseen factors in the environment of the Company. The Issuer will provide information according to the possibility of realization of financial forecast in each quarterly report.

Risk associated with interest rates

The Company is exposed to the risk of interest rate increase due to the raised credits and loans. Any increase in interest rates will be reflected as an increase of financial costs. The Company regularly monitors the market situation to predict the risk associated with interest rates.

Risk associated with the listing of the Company on the AeRO market – future price per share and transaction liquidity

The price of shares and the liquidity of transactions for companies listed on the AeRO market depend on the number and size of the buy and sell orders placed by investors. There can be no guarantee regarding the future price of shares and their liquidity after the debut on the AeRO market for the Company. There is no guarantee that after an investor has bought shares of the company he can sell them at a satisfying level of price.

Risk associated with direct investment in shares

Shareholders should be aware of the risk associated with direct investment in shares which is greater than the risk associated with public securities or shares in an investment fund, mainly because of the volatility and unpredictable nature of share prices, in both short and long-term.

Risk associated with changing law and tax in Romania

Changes in the Romanian legal or tax systems may affect the economic activity of the Issuer. Changes related to the adjustment of the Romanian legislation to EU regulations may affect the legal environment of business activity of the Issuer and its financial results. Lack of consistent rules and protracted procedure for obtaining administrative decisions may also restrict further development of the Issuer. In order to minimize the risk the Company regularly analyzes the changes in these regulations and their interpretations.

Estimates of the company's future activity

The development strategy of the Company for the short and medium term is based on the following pillars:

- **strengthening the position of a leader of the IT Training market** with intention of maintaining the perception of a 'one stop shop' provider of IT training in Romania. The Company plans to continue to aggressively grow training products portfolio and focus on:
 - **deepening the team's knowledge and ability in the areas that are already covered** (being able to deliver more courses of the current vendors):
 - enterprise networks
 - datacenter
 - virtualization
 - security
 - unified communications (telepresence, voice over ip, call management)
 - mobility (vpn, bring your own device)
 - cloud software and services (google apps, microsoft office 365, amazon web services)
 - middleware
 - databases
 - IT Service Management
 - **widening the team's knowledge in additional areas**, either by adding vendors in portfolios across the previously discussed architectures or by adding new technologies and delivery capabilities. In order to remain at the forefront of technological advances the Company continuously monitors the technology landscape in order to identify trends that might become popular in future,

- **adding new product lines** in the areas of software training and programming languages, software development tailored to the needs of specific customers,
- **adding new delivery options** other than direct face to face classroom training, i.e. virtual remote live training in order to satisfy customers' needs to get training faster, closer to workplace, without having to travel, and with lower general expenses. This would allow the Company to start delivering training outside the borders of Romania having such advantages as: decent level of English, excellent IT knowledge and attractive prices,
- **broadening the portfolio by adding end user trainings**, as opposed to trainings aimed at IT system administrators (in different areas of administration), these trainings don't have a predefined user base, meaning that the potential customer base is much larger. The concept is to cooperate with larger companies offering Microsoft end user trainings (including Visio, Project, office365, etc.) and launching an "IT Security for Users" type of training which falls into the requirements of a large number of the Company's enterprise customers,
- **capitalizing on the wide industry trends** including BYOD (Bring Your Own Device), cloud services, nearshoring (transfer of business and IT processes to companies in a nearby country, as opposed to offshoring to India or China) to Romania. These trends allow the Company to deliver new technology projects to its existing customers, to expand the customer base and to provide trainings to a lot more potential customers that relocate to Romania. Nearshoring of business and IT processes to Romania create a huge opportunity for:
 - providing new companies or their offices with IT infrastructure (desktops, laptops, network infrastructure as: switches, routers, wireless, phones, tablets, servers, security solutions, etc.),
 - providing new companies or their offices with the implementation services and the support and maintenance services for their IT infrastructure,
 - providing new companies with IT user training,
 - providing new companies with continuous IT administration training for their employees in IT support roles,
- **continuous development and creation of strategic partnerships** with companies of similar or complementary profiles, which open a potential 'reseller channel' and enable each party to provide supplementary services to their customers.

The above description is a general framework for development, nevertheless the Company strives to remain flexible and its priority is to adapt to changing market conditions and reality.

The financial forecast for 2015-2017 are:

Profit and loss account [RON]	2015	2016	2017
Turnover	19 800 000	26 100 000	30 375 000
Operating expenses, including:	18 742 500	24 601 500	28 530 000
Depreciation and Amortization	22 500	31 500	45 000
Operating result	1 057 500	1 498 500	1 845 000
Financial result, including:	886 500	1 293 300	1 598 760

Profit from sale of Treasury Shares*	613 000	0	0
Financial expenses	171 000	205 200	246 240
Gross result	1 499 500	1 293 300	1 598 760
Net result	1 259 580	1 086 372	1 342 958
Number of shares	4 504 383	4 504 383	4 504 383
Net result per share	0,28	0,24	0,30

The Issuer has prepared the financial forecast for 2015-2017 based on the following assumptions:

Factors dependent on the Company's activities:

- Realization of current pipeline (including contracts won during 2014 and not yet delivered)
- Expansion of sales team
- Full realization of development plan
- Stable access to external financing sources
- Maintaining a leadership position in IT learning solutions market in Romania
- All expenses are considered fiscally deductible

Factors beyond the Company's control:

- No changes in corporate tax rates, interest rates and fiscal code
- Stable economic situation in Romania
- Stable competitive environment

THE COMPANY'S TANGIBLE ASSETS

The location and main features of the production equipment owned by the company.

The specific nature of the company's activity does not assume owning significant corporal assets. The owns calculus technique (laptops, servers, mobile phones) office furniture, multifunctional printers and network equipment organized as course labs and demonstration labs for technical solutions.

The majority of these assets were acquired with a irredeemable fund from Regio, code SMIS project 18446.

This equipment can be found at Iuliu Maniu 7-11 boulevard, first floor, district 6, Bucharest.

Description and analysis of the extent of the company's property wear-and-tear.

The IT equipment owned by the company has physical depreciation specific to an office - little. From the point of view of moral depreciation, due to the fact that at the time of acquisition they represented technologies "for the future" and because of the judicial use of virtualization technology, Bittnet has one of the best equipped training centers. This statement is confirmed by the fact that we rent equipped training rooms and IT infrastructure to companies from the IT industry for their internal trainings or to partners for resale.

Potential issues related to ownership rights over the company's tangible assets.

In accordance with the irredeemable funding contract Regio through which the IT equipment was bought, these cannot be sold, rented or be offered as warranty in the purpose of obtaining credits until the 31 of March 2017.

THE MARKET FOR THE SECURITIES ISSUED BY THE COMPANY

The markets in Romania and in other countries where the securities issued by the company are traded.

Securities issued by the company are listed at the Bucharest Stock Exchange on the AeRO - ATS market, symbol BNET, ISIN code ROBNETACNOR1.

Description of the company's dividend policy.

Mention of the dividends owed/paid/accrued within the last 3 years and, if necessary, the reasons for a possible reduction in dividends during the last 3 years.

The General Meeting of Shareholders annually adopts the decision regarding the allocation of profits. However, it is the company's intention to not pay dividends for the following two financial years (from the profits of 2015 and 2016).

Bittnet operates in a very dynamic industry - Information Technology. Until now we managed to attain significantly growing rates of profitability from both an EBITDA point of view as well as net profit.

However, the current size of the company together with the trend of consolidation present in all industries in the economy give us the feeling that "the only way to go is up". As such we intend to continue to invest all our resources into building up the company.

On the other hand, from the point of view of the shareholders, this policy of complete reinvestment of profits means a "no-dividend" policy. We intend to propose to the shareholders that we continue this investment policy for as long as prospects of growth for the company are greater than those of the general market. In the long run and in general the value generated by the company will reflect in the company's value itself - share price. The management feels that it can keep an above-the-market rate of growth for a significant period of time.

Our current operational capacity is of the nature that we can extract profits by accelerating the turnover growth. This is the management's intention: to continue the turnover growth in similar conditions of profitability expressed in gross margin. As such the company will generate more money that can sustain a general fixed structure of costs, in essence the "gross additional margin" contributing almost fully to the gross profit of the company.

Between 2011 and 2014 the Company has not distributed any dividends. In March 2015, during the preparation of the listing, the company has decided to use the undistributed profits from the fiscal years 2007-2011 as follows: RON 89.000 - allocated to a capital increase and RON 40234 to be paid as dividends to the shareholders on record between 2007 and 2011. As of April 30th 2015, the amount of RON 40.234 has only been allocated, but not effectively disbursed.

Description of any activity involving the company's purchasing its own shares.

During 2014 and 2015, following the desire to be listed at the Bucharest Stock Exchange, the company increased its share capital with money from undistributed profits for the period 2007-2014. The shareholders made no restraining regarding the resulted shares, allowing the company to use them in order to receive capital infusion by placing the shares to new investors.

In 2014 and 2015 the Company acquired its own shares (treasury shares). The treasury shares were acquired as follows:

- 333.330 treasury shares on the basis of the resolution no. 2 of General Meeting of Shareholders conveyed on November 18th, 2014. The shares were paid out of profits available for distribution.
- 117.109 treasury shares on the basis of the resolution no. 2 of General Meeting of Shareholders conveyed on February 25th, 2015. The shares were paid out of profits available for distribution.

On March 9th, 2015 the Company signed a sales-purchase contract with Carpathia Capital S.A. headquartered in Poznań, Poland. According to the contract the Company sold 450 439 treasury shares, having a nominal value of RON 0,10 each and a total value of RON 45 043,90 representing 10% of Bittnet Systems share capital and 10% of total number of votes at the General Shareholder Meeting. The sales price for 450 439 treasury shares amounted to the total value of EUR 150 000. The Company will spend the capital raised on expansion of sales team and intensification of marketing activities.

Company branches

The company does not have any subsidiaries.

The company's policy for bonds and/or other debt securities

The company did not float any bonds. At the end of the year the company had the following bank credits:

Credit at ProCredit Bank, for 350.000 RON with due date August 2017, with reimbursement in monthly rates

Credit at Raiffeisen Bank, for 350.000 RON with due date November 2017, with reimbursement in monthly rates

Credit at Banca Transilvania, for 50.000 RON, with due date February 2019, with reimbursement in monthly rates

Credit line at Banca Transilvania, revolving, without reimbursement until due date - January 2015. This credit line has been renewed and is now due date in February 2016.

COMPANY ADMINISTRATION

The company's administrator is Mihai Logofatu - founder of the company. The administrator's mandate has a duration of 4 years beginning with March 2015 until March 2019.

The operational management of Bittnet is represented by the two founders: Mihai Logofatu - CEO and Cristian Logofatu - CFO. Mihai and Cristian Logofatu are brothers.

Beginning with 2012, after the capital infusion from Razvan Capatana, Bittnet has put together a consultative Board, composed of people with good reputation and vast experience in the business world: Sergiu NEGUT, Andrei PITIS si Dan STEFAN.

The Board meets at least 4 times a year, when the members are presented internal management reports and the board members offer advice and guidance to the company management.

The experience of the board members has proved to be an invaluable resource and a strong support in developing the company for the past 3 years and Bittnet continues to rely on their help.

Mihai Logofatu – CEO & Founder

LinkedIn Profile

<https://www.linkedin.com/Mihai>

Education:

- 2012 PhD in Management from the University of Craiova
- 2009 Master degree in Computer Science – University of Bucharest
- 2007 Bachelor degree in Management – Academy of Economic Studies – Bucharest

Professional experience:

- 2007 – Present Bittnet Systems, CEO, Owner
- 2003 – Present Academia Credis Bucuresti, Manager
- 2001 – 2003 Academia Cisco a Universitatii din Bucuresti, Instructor

Percent of shares held in the Company

Mihai holds 1,456,113 shares which account for 32.33% of share capital and 32.33% of votes.

Additional Regulatory Disclosure Info

- Mihai is currently also performing professionally as Business Development Consultant for the Credis NGO
- Within the last three years the Mihai was not a member of managing or supervisory board or a partner in a commercial law companies and partnerships.
- Within the last five years Mihai has not been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships.
- Within the last five years there have been no cases of bankruptcy, compulsory administration or liquidation for entities in which Mihai was a member of managing or supervisory bodies.
- Mihai does not perform activities competitive to the activities of the issuer.

Cristian Ion Logofatu – CFO & Founder***LinkedIn Profile***

lnkdin.me/cristian

Education:

- 2006 Master degree in Computer Science – University of Bucharest
- 2003 Bachelor degree in Finance – Academy of Economic Studies – Bucharest

Professional experience:

- 2007 – Present Bittnet Systems, CFO, Owner
- 2003 – 2007 University of Bucharest – ODL Department, Economist
- 1999 – 2002 University of Bucharest – ODL Department, WebDesigner

Percent of shares held in the Company

Cristian holds 1,456,113 shares which account for 32.33% of share capital and 32.33% of votes.

Additional Regulatory Disclosure Info

- Cristian is currently also performing professionally as Executive Director for the Credis NGO
- Within the last three years the Cristian was not a member of managing or supervisory board or a partner in a commercial law companies and partnerships.
- Within the last five years Cristian has not been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships.
- Within the last five years there have been no cases of bankruptcy, compulsory administration or liquidation for entities in which Cristian was a member of managing or supervisory bodies.
- Cristian does not perform activities competitive to the activities of the issuer.

Sergiu Negut – Member of Advisory Board***LinkedIn Profile***

ro.linkedin.com/in/sergiu/ro

Education:

- 1990 – 1995 Universitatea “Politehnica” din Bucuresti, Master of Science, Computer Science
- 1992-1995 Academia de Studii Economice din Bucuresti, Bachelor degree, International Business Administration
- 2003-2003 INSEAD, Master of Business and Administration
- 2010-2010 Harvard Business School, Executive Course, Leading High Performance Healthcare Organizations

Professional experience:

- 2013 – Present Maastricht School of Management Romania, Associated Dean of Entrepreneurial Growth

-
- 2014 – Present Mindit Consulting, Partner
 - 2012 – Present SVP Consult, Owner
 - 2013 – Present 2Parale, Associate Partner
 - 2011 – Present frufu, Associate Partner
 - 2012 – 2014 Wanted Transformation Consultancy, Transformation Partner
 - 2006 – 2011 REGINA MARIA, The Private Healthcare Network, Deputy CEO & Board Member
 - 2005 – 2005 Amgen GmbH, Project Manager Business Development
 - 2004 – 2005 Amgen CEE, Project Manager CEE
 - 1998 – 2000 Windmill International, Country Manager
 - 1994 – 1998 Windmill International, Steel Trader

Percent of shares held in the Company

Sergiu holds 36 486 number of the Company's shares which account for 0,81% in share capital and 0,81% of total number of votes.

Additional Regulatory Disclosure Info:

-
- Sergiu is currently Associate Dean in Maastricht School of Business.
 - Currently Active partner in: SVP Consult, Intermedicas Worldwide SRL, Hart Human Resource Consulting SRL, 2 parale afiliere SRL, Mondo di pasta SRL, MINDIT Consulting SRL, Mindit Software SRL, Instore Media Retail SRL, Spark Education SRL. Previously active in: Wanted Transformation Consultancy
 - Within the last five years indicated person has not been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships.
 - Within the last five years there have been no cases of bankruptcy, compulsory administration or liquidation for entities in which the person was a member of managing or supervisory bodies.
 - Sergiu does not perform activities competitive to the activities of the issuer.

Andrei Pitis – Member of Advisory Board

Profil LinkedIn

ro.linkedin.com/in/andreipitis

Education:

-
- 1995 – 1996 Master degree in Computer Science, Universitatea “Politehnica” din Bucuresti

Professional Experience:

-
- 1995 – Present University Politehnica of Bucharest, Associate Professor
 - 2005 – 2010 IXIA, Senior Director
 - 2013 – Present Vector Watch, Founder & CTO
 - 2012 – Present ANIS, President
 - 2011 – Present Clevertaxi, Board Member

Percent of shares held in the Company

Andrei holds 36 486 number of the Company's shares which account for 0,81% in share capital and 0,81% of total number of votes.

Additional Regulatory Disclosure Info

-
- Member of the following NGOs: President of ANIS – the national association of software producers, Member of TechAngels and Member of Innovation Labs.

- Currently Active partner in: Vector Watch, Clever Taxi and TechMind (Simple Systems). Previously active in: I-rewind.
- Within the last five years indicated person has not been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships.
- Within the last five years there have been no cases of bankruptcy, compulsory administration or liquidation for entities in which the person was a member of managing or supervisory bodies
- Andrei does not perform activities competitive to the activities of the issuer.

Dan Stefan – Membru in Boardul Consultativ

LinkedIn Profile

dz.linkedin.com/in/danstefan

Education:

- 2001 – 2001 Master's Degree, International Business, University of Paris
- 2000 – 2001 Master's Degree, International Economics, Universite d'Orleans
- 1997 – 2001 Bachelor's Degree, International Trade, Academia de Studii Economice din Bucuresti

Professional experience:

- 2006 – Present Autonom Rent a Car, Executive Director and Owner
- 2007 – Present Autonom Lease, General Manager and Owner
- 2002 – 2006 IAC, Purchasing Consultant

Percent of shares held in the Company

Dan holds 36 486 number of the Company's shares which account for 0,81% in share capital and 0,81% of total number of votes.

Additional Regulatory Disclosure Info

- Dan does not perform any activities outside the Issuer which are significant for the Issuer.
- Currently Active partner in Autonom Rent a Car and Autonom Lease.
- Within the last five years indicated person has not been prohibited by the court to act as a member of managing or supervisory bodies in commercial law companies and partnerships.
- Within the last five years there have been no cases of bankruptcy, compulsory administration or liquidation for entities in which the person was a member of managing or supervisory bodies.
- Dan does not perform activities competitive to the activities of the issuer.

FINANCIAL AND ACCOUNTING STATEMENTS

Presentation of an analysis of the current economic and financial position in comparison with the previous 3 years:

BILANȚ

DESCRIERE	RÂND	31 DECEMBRIE 2012	31 DECEMBRIE 2013	31 DECEMBRIE 2014
		RON	RON	RON
A. ACTIVE IMOBILIZATE				
I.IMOBILIZĂRI NECORPORALE	1	9.245	0	98.493
II.IMOBILIZĂRI CORPORALE	2	174.491	323.318	179.073
III.IMOBILIZĂRI FINANCIARE	3	18.873	40.551	92.923
ACTIVE IMOBILIZATE - TOTAL	4	202.609	363.869	370.489

B. ACTIVE CIRCULANTE				
I. STOCURI	5	3.388	15.984	995.189
II.CREANȚE (Sumele care urmează să fie încasate după o perioadă mai mare de un an trebuie prezentate separat pentru fiecare element.)	6	2.135.222	4.022.250	3.249.575
III. INVESTIȚII PE TERMEN SCURT	7	0		

IV. CASA ȘI CONTURI LA BĂNCI	8	604.032	20.663	812.944
ACTIVE CIRCULANTE - TOTAL	9	2.742.642	4.058.897	5.057.708

C. CHELTUIELI ÎN AVANS	10	77.810	87.789	68.672
D. DATORII: SUMELE CARE TREBUIE PLĂTITE ÎNTR-O PERIOADĂ DE PÂNĂ LA UN AN	11	1.779.645	3.261.941	3.557.154
E. ACTIVE CIRCULANTE NETE/DATORII CURENTE NETE	12	1.040.807	882.028	1.567.397
F. TOTAL ACTIVE MINUS DATORII CURENTE	13	1.243.416	1.245.897	1.937.886
G. DATORII:SUMELE CARE TREBUIE PLATITE INTR-O PERIOADA MAI MARE DE UN AN	14	0	0	657.788
H. PROVIZIOANE	15	0	0	

I. VENITURI IN AVANS	16	751.101	587.021	417.184
1. Subvenții pentru investiții	17	751.101	584.304	415.355
2. Venituri înregistrate în avans	18	0	2.717	1.829
Sume de reluat într-o perioada de pana la un an	19	0	2.717	1.829
Sume de reluat într-o perioada mai mare de un an	20	0		
3. Venituri în avans aferente activelor primite prin transfer de la clienți	21	0		

Fondul comercial negativ	22	0		
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J. CAPITAL ȘI REZERVE				
I. CAPITAL	23	300.000	300.000	333.333
1. Capital subscris vărsat	24	300.000	300.000	333.333
2. Capital subscris nevărsat	25	0		
3. Patrimoniul regiei	26	0		
4. Patrimoniul institutelor naționale de cercetare-dezvoltare	27	0		

II. PRIME DE CAPITAL	28	1.250	1.250	1.250
III. REZERVE DIN REEVALUARE	29	0		
IV. REZERVE	30	31.212	41.784	60.359
Acțiuni proprii	31	0		33.333
Câștiguri legate de instrumentele de capitaluri proprii	32	0		
Pierderi legate de instrumentele de capitaluri proprii	33	0		

V. PROFITUL SAU PIERDEREA REPORTAT(Ă)				
SOLD C	34	111.108	159.853	309.066
SOLD D	35	0		

VI. PROFITUL SAU PIERDEREA EXERCITIULUI FINANCIAR				
SOLD C	36	52.075	169.278	212.643
SOLD D	37	0		0
Repartizarea profitului	38	3.330	10.572	18.575
CAPITALURI PROPRII - TOTAL	39	492.315	661.593	864.743
Patrimoniul public	40	0		
CAPITALURI - TOTAL	41	492.315	661.593	864.743

CONTUL DE PROFIT ȘI PIERDERE

DESCRIERE	RÂ ND	31 DECEMBRI E 2012	31 DECEMBRI E 2013	31 DECEMBRI E 2014
		RON	RON	RON
1. Cifra de afaceri netă	1	3.811.893	6.666.337	8.179.532
Producția vândută	2	1.855.334	2.311.434	3.256.157
Venituri din vânzarea mărfurilor	3	1.956.559	4.383.588	4.923.375
Reduceri comerciale acordate	4	0	28.685	

Venituri din dobânzi înregistrate de entitățile radiate din Registrul general și care mai au în derulare contracte de leasing	5	0		
Venituri din subvenții de exploatare aferente cifrei de afaceri nete	6	0		

2. Venituri aferente costului producției în curs de execuție				
Sold C	7	0		
Sold D	8	0		

3. Producția realizată de entitate pentru scopurile sale proprii și capitalizată	9	0		
4. Alte venituri din exploatare	10	76.431	152.102	154.354
- din care, venituri din fondul comercial negativ	11	0		
VENITURI DIN EXPLOATARE – TOTAL	12	3.888.324	6.818.439	8.333.886

5. a) Cheltuieli cu materiile prime și materialele consumabile	13	98.798	161.601	190.804
Alte cheltuieli materiale	14	74.291	95.329	77.022
b) Alte cheltuieli externe (cu energie și apă)	15	0		615
c) Cheltuieli privind mărfurile	16	1.712.033	3.690.347	4.459.307
Reduceri comerciale primite	17		3.872	18.462

6. Cheltuieli cu personalul	18	365.697	433.489	436.073
a) Salarii și indemnizații	19	286.182	342.431	345.724
b) Cheltuieli cu asigurările și protecția socială	20	79.515	91.058	90.349

7.a) Ajustări de valoare privind imobilizările corporale și necorporale	21	107.050	164.182	169.327
a.1) Cheltuieli	22	107.050	164.182	169.327
a.2) Venituri	23	0		
b) Ajustări de valoare privind activele circulante	24	19.949		
b.1) Cheltuieli	25	19.949		
b.2) Venituri	26	0		

8. Alte cheltuieli de exploatare	27	1.383.813	1.935.818	2.646.005
8.1. Cheltuieli privind prestațiile externe	28	1.382.157	1.933.551	2.635.894
8.2. Cheltuieli cu alte impozite, taxe și vărsăminte asimilate	29	0	26	80
8.3. Alte cheltuieli	30	1.656	2.241	10.031
Cheltuieli cu dobânzile de refinanțare înregistrate de entitățile radiate din Registrul general și care mai au în derulare contracte de leasing	31	0		
Ajustări privind provizioanele	32	0		

Cheltuieli	33	0		
Venituri	34	0		
CHELTUIELI DE EXPLOATARE – TOTAL	35	3.761.631	6.476.894	7.960.691
PROFITUL SAU PIERDEREA DIN EXPLOATARE:				
- Profit	36	126.693	341.545	373.195
- Pierdere	37	0	0	0

9. Venituri din interese de participare	38	0		
- din care, veniturile obținute de la entitățile afiliate	39	0		
10. Venituri din alte investiții și împrumuturi care fac parte din activele imobilizate	40	0		
- din care, veniturile obținute de la entitățile afiliate	41	0		
11. Venituri din dobânzi	42	20	958	309
- din care, veniturile obținute de la entitățile afiliate	43	0		
Alte venituri financiare	44	39.254	35.915	39.544
VENITURI FINANCIARE – TOTAL	45	39.274	36.873	39.853

12. Ajustări de valoare privind imobilizările financiare și investițiile financiare deținute ca active circulante	46	0		
- Cheltuieli	47	0		
- Venituri	48	0		

13. Cheltuieli privind dobânzile	49	56.879	102.371	118.990
- din care, cheltuielile în relația cu entitățile afiliate	50	0		
Alte cheltuieli financiare	51	42.476	64.600	24.946
CHELTUIELI FINANCIARE – TOTAL	52	99.355	166.971	143.936
PROFITUL SAU PIERDEREA FINANCIAR(Ă):				
- Profit	53	0	0	0
- Pierdere	54	60.081	130.098	104.083

14. PROFITUL SAU PIERDEREA CURENT(Ă):				
- Profit	55	66.612	211.447	269.112
- Pierdere	56	0	0	0

15. Venituri extraordinare	57	0		
16. Cheltuieli extraordinare	58	0		
17. PROFITUL SAU PIERDEREA DIN ACTIVITATEA EXTRAORDINARĂ:				
- Profit	59	0	0	0
- Pierdere	60	0	0	0
VENITURI TOTALE	61	3.927.598	6.855.312	8.373.739
CHELTUIELI TOTALE	62	3.860.986	6.643.865	8.104.627
PROFITUL SAU PIERDEREA BRUT(Ă):				

- Profit	63	66.612	211.447	269.112
- Pierdere	64	0	0	0

18. Impozitul pe profit	65	14.537	42.169	56.469
19. Alte impozite neprezentate la elementele de mai sus	66	0		
20. PROFITUL SAU PIERDEREA NET(Ă) A EXERCITIULUI FINANCIAR:				
- Profit	67	52.075	169.278	212.643
- Pierdere	68	0	0	0

SITUAȚIA FLUXURILOR DE TREZORERIE

DESCRIERE	RÂ ND	31 DECEMBRI E 2012	31 DECEMBRI E 2013	31 DECEMBRI E 2014
		RON	RON	RON
+ Profit sau pierdere	1	52.075	169.278	212.643
+ Amortizări și provizioane	2	107.051	164.182	169.327
- Variația stocurilor (-/+)	3	+ 3.043	+ 15.596	+ 979.205
- Variația creanțelor (-/+)	4	+ 723.754	+ 1.887.028	- 772.675
+ Variația datoriilor comerciale (-/+)	5	+ 1.065.984	+ 1.275.918	- 318.131
+ Variația altor datorii (-/+)	6	+ 50.879	- 37.424	+ 536.358
+= Flux de numerar din activitatea de exploatare	7	+ 549.191	- 327.670	+ 393.667
- Investiții efectuate - total, din care:	8	247.840	325.442	206.735
+= Flux de numerar din activitatea de investiții	9	- 247.840	- 325.442	- 206.735
+ Variația sumelor datorate instituțiilor de credit (=)-total, din	10			
+ Credite pe termen scurt (sub un an)	11	+ 126.429		+ 734.774
+ Credite pe termen mediu și lung	12	-		0
+= Flux de numerar din activitatea de finanțarea	13	+ 126.429		+ 734.774
- Variația altor elemente de activ (-/+)	14	- 5.378	+ 9.979	- 49.905

+ Variația altor elemente de pasiv (-/+)	15	+ 106.687	+ 7.922	- 179.330
+= Flux de numerar din alte activități	16	+ 112.065	+ 69.743	- 129.425
+ Disponibilități bănești la începutul perioadei	17	64.187	604.032	20.663
+= Flux de numerar net	18	+ 539.845	- 583.369	+ 792.281
+ Disponibilități bănești la sfârșitul perioadei	19	604.032	20.663	812.944

CORPORATE GOVERNANCE PRINCIPLES

Bittnet Systems SA became a public company listed on the AeRO Market administered by the Bucharest Stock Exchange on 15 April 2015.

The intention of the Administrators is to gradually implement all recommendations set out in Corporate Governance Principles for the companies admitted to trading on the AeRO – BVB Market for Equities.

Substantial part of the principles of the principles has been adopted since 15 April 2015.

SIGNATURES

CEO and Administrator
Mihai Alexandru Constantin Logofatu