Company name	BITTNET SYSTEMS S.A.
Registered office	Soimus Street, No.23, Building 2, Apartment 24, District 4, Bucharest
Point of business conduct	Iuliu Maniu Blvd., 7-11, 1st Floor, District 6, 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 0.10 RON each

Bittnet preliminary results for fiscal year 2015

Contents

Message from the CEO

Our first year as a public company listed on the Aero Market of Bucharest Stock Exchange coincides with the best year that Bittnet has had so far from both a financial and operational point of view. Shares have been traded in a number of 148 sessions during 2015 and a total of 7% of shares have changed owners in this time. We thank the shareholders for this implied vote of confidence, which confirms our trust in the plans that we have communicated but also the team that works daily to build a significant Romanian brand.

We hope that the company's results will reach or surpass shareholders' expectations. As such, the strong growth of profitability came as a confirmation of the aggressive growth strategy that the company followed. The company's net profit in the fiscal year 2015 is 5 times the one recorded in 2014. At this moment, February 18th, the company's PER indicator has a value of 6.7 compared to 37.2 at the moment of listing. We will continue to follow the same strategy of aggressive growth in 2016.

2015 has been a year of accelerated transition:

- from the status of a privately owned company (even if a very transparent one) to the new status of public company
- from a company with mostly local presence to a company with a national coverage, focused on the newest technological trends: cloud, cybersecurity, data center
- from a mixed sales model to a gross margin sales approach aiming at a better aligning of shareholders' interests with the sales force interests

I am pleased to inform you of the company's accomplishments of this year:
- the implementation of a new management structure and organization chart which will help sustain growth for the next 2-3 years
- a strong increase of the sales force and the support roles for it - activity that will continue in 2016
- the first successful year of our regional office in Cluj, pilot-project that proved to be a good strategic decision and at the same time a learning experience that will help us develop future regional offices in 2016
- creation of an operational fundament for scalability - standardization and integration of operations through modern IT instruments, which guarantee transparence, reduce errors, reduce costs and are scalable.

Perhaps the most important accomplishment is that all these financial and operational achievements took place in a volatile business environment, due to several political and macroeconomic changes, including the fluctuation on the Romanian labor market (for our clients and partners alike). In such an environment prudence when deciding acquisitions has also characterized private owned companies, which represented our target in 2015.

We intend to continue our organizational development strategy in the perspective of 2016-2017, given that the identified growth factors have confirmed it in 2015. We will continue to focus on important projects, paying close attention to delivering gross profitability of each project. We think that for 2016, the trends that were identified in 2015 - cloud, cybersecurity, virtualization and datacenter will continue to be the source of business growth. We intend to focus our efforts and resources on achieving the position of the most relevant IT partner in these areas. We commit to do so through consolidating our one-stop-shop position, which guarantees our IT training market leader position as well as in the integration business where we will focus on services with high added value - consultancy and cloud migration, information security solutions and offering IT services through a "managed services" approach.

We do not exclude the possibility of acquisitions or opportunities of consolidation if these opportunities prove themselves consistent with the company's model and values.

General company info

Bittnet was founded in 2007 by Mihai and Cristian Logofatu, as a continuation of the growth story of a young and enthusiastic team of IT professionals that started working together between 2000-2004, providing Cisco Networking Academy and Microsoft Academy courses to students and pupils.

The company is registered with the Trade Registry under the number J40/3752/2007. In February 2009 the Company changed its legal status into a joint-stock company, following an increase in the share capital using the profits generated in 2008.

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

In 2015 the company attracted a new capital infusion from the Polish investment fund Carpathia Capital SA and became a listed company at the Bucharest Stock Exchange, the AeRO – ATS market, symbol BNET, becoming the first IT company in Romania listed on the Stock Exchange.

From the very beginning, the company has focused 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 Web Services, etc.

IT Training

Bittnet is the IT training market leader in Romania, with a growing 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 is an important source of its competitive advantage. Furthermore, we are continuously recruiting new talent and developing human capital resources.

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 mixed 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.

We offer the largest portfolio on the market: the training portfolio consists of more than 1,500 courses. From this portfolio the most important trainings are for the major vendors: Cisco, Microsoft, Microsoft Office, Amazon Web Services, ITIL, Linux, VMware, Oracle, Citrix, IBM, RedHat, Adobe, Avaya, Dell - SonicWall, EMC, HP, Juniper, etc.

The business training portfolio holds project management, ITIL & IT services management, business intelligence, CRM, ERP, Agile and others. 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.

IT solutions

Our IT Integrator business line means providing customers with the IT Services and Solutions they need from initial assessment, to design phase, implementation and testing resulting in turnkey projects for companies with various IT needs:

- Network infrastructure (routing, switching, Wi-Fi assessment, optimization, consultancy)
- Cybersecurity (network security, data center security, endpoint security, IPS, Advanced Malware Protection, Next Generation Firewall, Web and email Security)
- Network management (monitoring and alerts, centralized management, traffic analysis)

- Cloud services and migration (private, public or hybrid clouds, from one version to another, step-by step migration or relocation)
- Datacenter and virtualization (computing, storage, networking, backup, power, virtualization platforms, VDI)
- Employee's mobility including Bring Your Own Device – BYOD
- Unified communications and collaboration (IP telephony, DECT phones, instant messaging, on-line presence, web-conference)
- Video conference including Telepresence (for desktop, for board-room, for conference-room, for smartphones, tablets, notebooks or workstations, integration with smartboards)
- Software licenses (Microsoft, Adobe, Cisco, Bitdefender, Dell, VMware, Veeam)
- General consultancy
- Maintenance and support services
- Hands-on, customized trainings for specific solutions

Bittnet is ready to offer their customer also cloud-based services:

- Microsoft Office 365
- Microsoft cloud provisioning (Azure)
- Cisco cloud infrastructure (Meraki)
- Cisco cloud video-conference (Webex)
- Cisco cloud web security (ScanSafe)
- Cisco cloud energy management (Joulex)
- Google Apps

Bittnet's competencies are certified and acknowledged by vendors. The company's certifications include:

- Cisco Learning Partner
- Cisco Certified Silver Partner
- Cisco Advanced Collaboration Architecture Specialization
- Cisco Advanced Data Center Architecture Specialization
- Cisco Advanced Enterprise Networks Architecture Specialization
- Cisco Advanced Security Architecture Specialization
- Microsoft Silver Learning Partner
- Microsoft Cloud Partner
- Microsoft Silver Datacenter Partner
- Dell SonicWall Preferred Partner
- Citrix Silver Solution Advisor
- Citrix Authorized Learning Center
- Google Apps Authorized Reseller
- Oracle Authorized Education Reseller
- Oracle Silver Partner
- HP Silver Partner
- Jabra Registered Partner
- Veeam System Integrator
- VMware Solution Provider Partner
- IBM Training Provider - via Global Knowledge
- Amazon Web Services Authorized Training Partner

Overview of results with profit allocation proposal

The financial results of the company confirm the management's approach to running the company given the specifics of the business. That is, we are in a knowledge business, which requires a great team of professionals, both on the sales, operations and technical implementation sides. This approach leads to a relatively high fixed costs structure. However, after the gross margin generated by the business surpasses the fixed costs threshold, most of the new gross margin generated instantly becomes profits. That is why the company has been successfully pursuing the 'high growth' model. In 2015 vs 2014, a 35% increase in total revenues (given similar gross margin percentages compared to 2014) had resulted in a much faster increase in gross profits, as expected. The numbers below are expressed in RON, thousands:

	2014	2015	YoY evolution
Total Revenues	8,374	11,270	+35%
IT Integration	5,680	6,950	+22%
IT Training	2,690	3,690	+37%
Financial (from BVB listing)	0	630	
Total Expenses	8,100	10,100	+25%
Net Profit	212	1,030	+386%
Income tax	56	187	
Interest Expenses	119	173	
Depreciation and Amortization	169	153	
EBIT	387	757	+96%
EBITDA	556	910	+64%
EPS	0.047	0.2287	+221%
PER	37.2 (at listing)	6.7 (at february 19th)	

Management's proposal for allocating these profits is the full reinvestment, as outlined in the business plan included in the Information Memorandum published at the BVB listing. Therefore, management will propose shareholders that the company increases its capital using the profits retained from the financial exercises between 2011 and 2015, issuing free shares to be distributed to current shareholders, in a proportion of 3 new shares for each 1 share, held at the reference date.

We intend to pursue the same aggressive growth strategy in 2016, based on the same three pillars of growth:

- expansion of the geographic coverage
- product portfolio expansion
- capitalizing on industry trends

During 2015 we have strengthened the findings of 2014 - that we have a very good opportunity to penetrate the western markets both with the training services and consultancy / implementation services focused on high profile

areas like data center, virtualization and the cloud. We have expanded the idea of 'regional development' beyond the borders of Romania, and have a dedicated position of Inside Sales Representative for Western Europe.

We will continue to focus on the high value added services that contributed to the growth of profitability in 2015, and as such have brought in an experienced new head of the technical team and have created a dedicated role of IT Integration Business Development Manager. The cloud will have a big focus from our entire team, and we aim to provide much more cloud related services in 2016, including actually delivering "as a Service", solutions based on an owned or rented IT infrastructure as opposed to just providing customers with hardware solutions. We intend to pursue a migration towards a "managed services" approach.

In order to be able to stay at the forefront of technological development - and as such to continue to be very relevant to our partners - our strategy also has to ensure a good financial stability of the company's finances. Management intends to propose to shareholders a number of solutions that will help us deliver this desiderate, such as: the issuing of 3-5 year corporate bonds, the issue of preferential shares and the empowering of the administrator to reach new agreements and access new financing products from our banking partners.

Significant events

From the operational perspective, the most important achievement was the enlargement of the team of experts, both on the sales side and on the technical / engineering side. In a year characterized by huge staff fluctuations in the teams of all the IT market players (vendors, importers / distributors, resellers / integrators, training centers), Bittnet was able to not only withstand the market conditions, but come out at the end of the year with a larger and stronger team than the one at the beginning. During the first semester, we have focused on expanding the sales team, and after achieving that, during the second half of the year we turned to the technical team. We began 2015 with 2 senior engineers certified by Cisco with expert level (less than 50 in total across Romania) and 4 Cisco Certified Instructors resources, while the beginning of 2016 finds us with 6 expert level engineers (CCIE), a BVP-Business value practitioner and 9 Cisco certified instructors. We also started 2016 with 2 AWS certified trainers and 5 more in the process of getting certified, one Citrix Certified Instructor, one ITIL certified Instructor and we've reached the number of 7 Microsoft Certified Trainers, the best in their industry, one Java instructor and one senior programming trainer.

Below is a recap of the significant events reported by the company in the period elapsed between the listing on the BVB and the present report:

- In 2015 Bittnet was included on the **Technology Fast 50 Top in EMEA,** list created by Deloitte, for the second year in a row (position 33 out of 50, as opposed to position 333 out of 500 in 2014). Only 10 other IT companies in Romania have made it into this top last year.
- The company has constantly worked on expanding its offering, **broadening the vendor portfolio**, both from the Training perspective and from the Services and Solution Integration perspective. During 2015, the company received several new certifications: Dell SonicWall Authorized Training Partner certification, Citrix Silver Solution Advisor certification (and Learning Center?) and ITIL authorized training center status, as well managed to maintain the status of all the legacy vendors.
- **Signing of a significant training services contract**: on January 27, 2016, Bittnet informed its shareholders about a signing of a significant contract for delivering training services with an estimated value of EUR 240.000, without any obligation from beneficiary to place orders to achieve it during the contract. The contract is a framework contract with 2 years duration and automatic renewal. The contract is under strict Non-Disclosure clauses regarding the customer identity.
- **Addendum to a revolving overdraft credit line contract**: on January 4, 2016, Bittnet informed its shareholders about signing of an addendum to the revolving overdraft credit line with Banca Transilvania SA. The only change in terms of the contract was the next renewal date – December 20, 2017. The value of the credit line remained unchanged – RON 1.000.000, as well as the collateral structure: Guarantee from FNGCIMM – RON 700.000; Assignments of the accounts receivables from certain customers; Personal

guarantees from the founders – Mihai Logofatu and Cristian Logofatu; General guarantee with the amounts in the Company's accounts open at Banca Transilvania SA.

- **Signing a significant equipment and installation services contract**: on December 23, 2015, Bittnet informed its shareholders about the delivery of a project involving IT&C equipment and installation services with a value of RON 1,439,000, under strict Non-Disclosure clauses regarding the customer identity.

- **Dan Berteanu – new member of the the advisory board of Bittnet**: on November 9, 2015, Bittnet informed its shareholders about the addition of Dan Berteanu – a training and sales expert and a renowned local entrepreneur - to the Advisory Board of Bittnet. Dan Berteanu has a sales and team management experience of over 20 years. He has fulfilled management roles in large companies with Romanian activities in several fields: consumer retail, FMCG, chemicals, industrial maintenance and consultancy. Well known trainer and local entrepreneur, Dan Berteanu currently runs his own company – Equatorial – which delivers workshops for middle and top management employees.

- **Launch of a new product – ITIL authorized training center status**: on November 3, 2015, Bittnet informed its shareholders about receiving the ITIL authorized training center status. The ITIL standards are the most widely accepted standards for IT support companies, which in turn are a relevant customer category for the Issuer. Furthermore, the consolidation of the market position as one-stop-shop IT training partner is part of the development strategy for 2015–2017. Both during 2014 and 2015, the Issuer has addressed ITIL training requests from its customers by reselling the services of other authorized partners. With the new status of authorized training center for ITIL trainings, the Issuer will be able to respond to customer requests using its own resources. This ensures both better chances of winning projects by means of differentiation versus competitors and the premises of increased profitability on this type of trainings.

- **Signing of a credit ceiling contract**: on September 16, 2015, Bittnet informed its shareholders about signing of a contract regarding a "trade finance" credit product with NexteBank SA. The product has the form of a credit ceiling of RON 1.000.000, from which individual draws will be made upon submitting confirmed purchase orders from bank pre--approved customers, in projects for which the payment terms required by customers cannot be met by Company's suppliers. The guarantees for this contract are: Assignments of the accounts receivables that will be generated by individual projects financed with this product; General guarantee with the amounts in the Company's accounts open at NexteBank SA; personal guarantee from the Administrator – Mihai Logofatu. The credit ceiling has a maturity of June 15th 2016, if not renewed. This product was later used in order to finance the acquisition of merchandise that was required for implementing the significant installation services contract signed in December 2015.

- **Launch of a new product - Dell SonicWall Authorized Training Partner certification:** on August 21, 2015 Bittnet informed its shareholders about achieving the Dell SonicWall Authorized Training Partner certification. This certification is an extension of the recognition of the Company's technical capabilities of positioning Dell SonicWall solutions to end customers. Dell is a global producer of IT solutions and SonicWall is a leading brand of Network Security products. Bittnet has been positioning SonicWall solutions as a Dell Preferred Partner since 2013. The new training line further consolidates the Company's status as one stop shop training partner for the Romanian IT market, being the only Authorized Training Partner for Dell SonicWall in Romania.

- **Signing a significant equipment and software contract**: on July 28, 2015 Bittnet informed its shareholders about signing of a contract for delivering IT&C equipment and software to STIROM S.A. with an estimated value of EUR 200.000. The contract is a framework contract with a one year duration and automatic renewal. Deliveries will be based on specific confirmed purchase orders, with no obligation on the part of STIROM to reach or to surpass the estimated amount.

- **Signing a significant wifi installation services contract**: on July 2, 2015 Bittnet informed its shareholders about signing of a contract for delivering wifi installation services with Cronus eBusiness SRL, with an estimated value of EUR 200.000. The contract is a framework contract, with multiple anticipated deliveries during the second semester of 2015 based on specific purchase order, with no obligation on the part of Cronus to reach or to surpass the estimated amount.

- **Signing of an overdraft credit line contract**: on June 15, 2015 Bittnet informed its shareholders about signing of a "overdraft" credit line contract with NexteBank SA. The credit line has a value of RON 1.200.000. The guarantees for this contract are: letter of guarantee from FNGCIMM -- RON 840.000; cash deposit of

the Company – RON 360.000; personal guarantee from the Administrator – Mihai Logofatu. The credit line has a maturity of 1 year and has to be repaid on June 15th 2016, if not renewed. The credit line will be used for financing the current activity -short term projects.

- **Launch of new products - Citrix Silver Solution Advisor certification**: on June 5, 2015 Bittnet informed its shareholders about achieving the Citrix Silver Solution Advisor certification. This certification is a recognition of the Company's technical capabilities of positioning Citrix solutions to end customers. Citrix is a global producer of high end IT solutions for virtualization, security and mobility & collaboration. The addition of a new world--class vendor in the Company's portfolio is part of the Company's development strategy of continuous expansion of the products and services portfolio following industry--wide trends. The new product lines that the Company has added to its portfolio are: AppDNA, CloudBridge, CloudPlatform, CloudPortal Business Manager, CloudPortal Services Manager, GoToMeeting, GoToTraining, GoToWebinar, Melio, NetScaler, NetScaler Gateway, ShareFile, VDI--in--a--Box and Workspace Suite.
- **Debut of Bittnet on the AeRO market**: on April 15, 2015 Bittnet Systems S.A. debuted on the AeRO market of the Bucharest Stock Exchange as the first IT company in Romania. The reference price was RON 1.46, while the opening price was RON 1.73.
- **Raising of additional capital from a financial investor**: on March 9, 2015 Bittnet Systems S.A. raised additional capital with an intention to further increase selling capacities and to grow revenues in the future by selling shares representing 10% of the share capital and total votes at the General Meeting of Shareholders to Carpahia Capital, a Polish venture capital fund investing in the sector of small and medium-sized enterprises in Romania. The purchase price for 450,439 shares of SC Bittnet Systems SA amounted to the total value of EUR 150,000 (approximately RON 665,000), that is EUR 0.33 (approximately RON 1.46) per share, and was fully paid with cash.

# Analysis of the activity: Key Points and Highlights

Sales Team

During 2015 we have made a number of operational changes intended to improve the sales process and outcomes, both by using better management and by improving the alignment of interests of all stakeholders.

The changes were:

- The full adoption of a new CRM, with processes designed to help the sales team to successfully close new opportunities. The tool also produces standardized sales offers, and it takes a sales representative between 2 and 8 seconds to create a 5 page sales quote detailing all characteristics and benefits of our proposal.
- We have changed the sales bonusing formula to only take into account the gross margin generated by each salesperson, regardless of the type of project from which the gross margin was created, and regardless of the revenues of the project. Also, the bonus is continuously accelerated as the gross margin generated grows, so as to obtain the full alignment of interest between the sales and the shareholders points of view. Thus, we focused on high value opportunities, both for trainings and services, instead of chasing high revenue but low value opportunities. In many cases, the high revenue - low margin projects have higher financial risks attached.
- We have significantly developed the 'sales support' functions (as prescribed in numerous HBR articles and studies about >>*What differentiates great sales team from regular ones*<< : face time with the manager and a healthy sales support department. The number of roles in this department has increased from 1 to 4.
- Mihai Logofatu took over the sales management process in order to oversee the transformation process. This has ensured a 100% transmission of company objectives to the sales team, and a better oversight of processes in terms of compliance and key differentiators.

As a result, the sales team has improved both the number of Opportunities identified ("opened" in the CRM) - an increase of 13% - but, more importantly, in the percentage of "Won" opportunities (projects) - from 32% to 55% out of the opportunities identified:

Sales Opportunities Opened in 2015 vs 2014

- 2014: Lost 453, Won 211
- 2015: Lost 343, Won 411
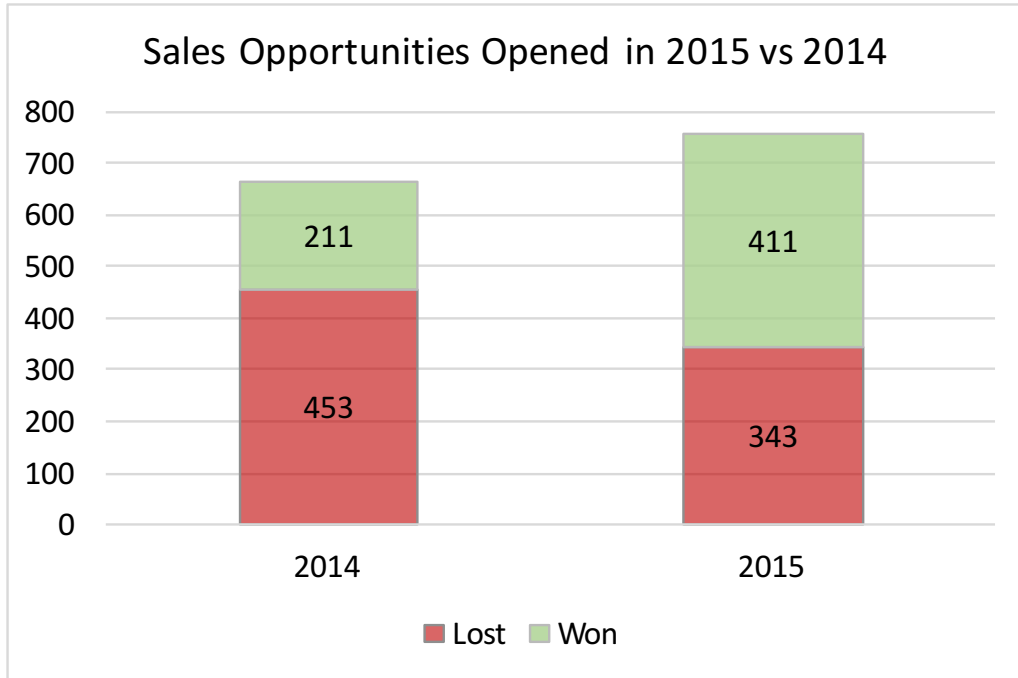
As a number, the total "won" opportunities almost doubled in 2015 versus 2014. Another very important metric that shows the improvement in the sales process is the shortening in "Close Duration", which mean "how fast do we get a final decision from customers?". The quicker the responses come, the more opportunities the team can address in a specified timeframe. The improvement in the case of "won" opportunities is 10%, but it is very significant in the case of "lost" opportunities - which means that the time allocated to a certain "losing" project has been cut by 60% - effectively doubling the time available to the sales team to identify and nurture new opportunities.

Average Opportunity Close Duration - Days

- 2014: Lost 293, Won 117
- 2015: Lost 63, Won 57
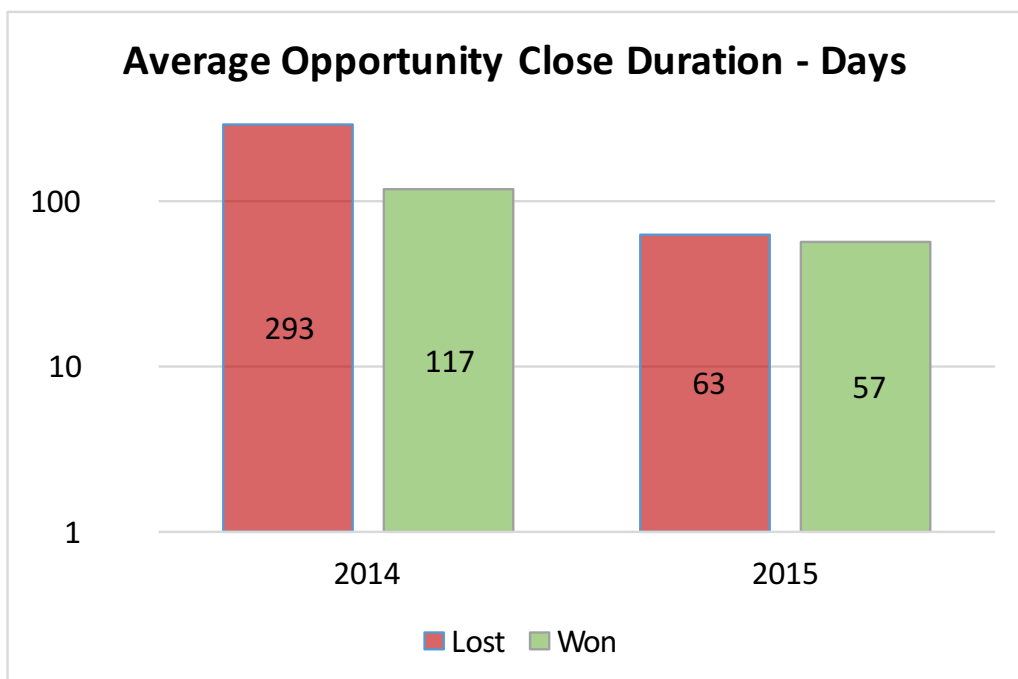
Technical Team

The most significant challenge the entire industry has faced in 2015 was the fluctuation of personnel (the so-called 'staff turnover' or 'churn'), in the face of the opening of labour and IT markets in Western Europe, which was also aggravated by the fact that IT is close to 'one world / one market'.
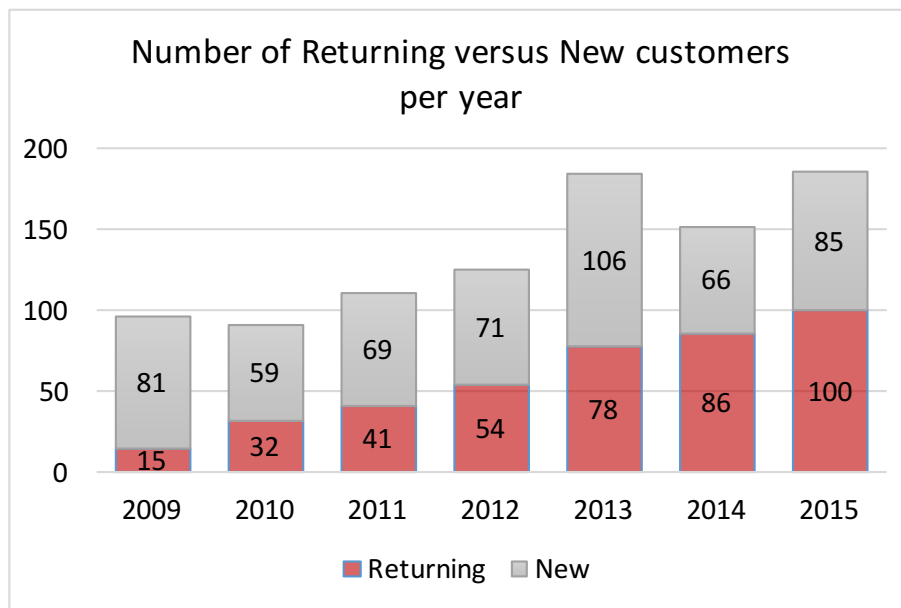
Bittnet has been confronted with this problem too - as well as all the other companies that we do business with. Two decisions that we have made in 2015 have helped us solve this issue in a winning way:

1. the addition of an internal HR role, filled by a skilled new colleague with vast experience in recruiting and dealing with IT professionals. The HR role has two objectives:
    a. full time, around the clock recruiting - search for new talent to include in our roster of technical prowess.
    b. creating and managing a pleasant, engaging and healthy work environment focused on constantly promoting the values on which the company culture is built: competence, performance, integrity, flexibility and fun.
2. the listing on the Bucharest Stock Exchange, which has allowed us to obtain a very good employer profile, and helped us to distinguish ourselves as an open and transparent company - an image that was very appreciated by all the new hires of 2015.
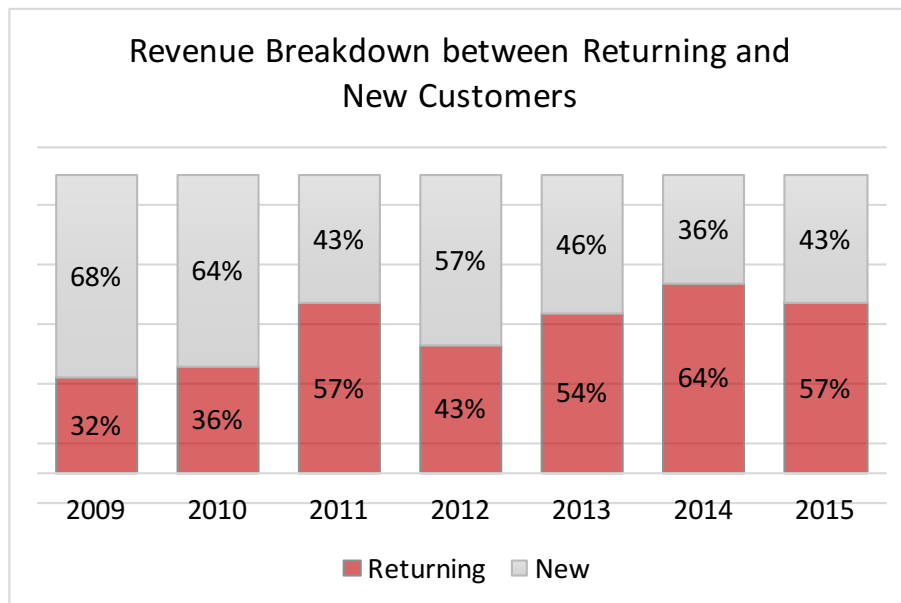
In these conditions we have managed to significantly expand the strength of our technical team, both by adding expertise, and new talent. This has allowed us to start 2016 with a lot more certifications and qualifications, both from the IT integrator perspective (5 new Cisco Certified Internetwork Experts, one of them Double CCIE Certified, Citrix, Juniper and Checkpoint certified engineers) and the Training Center perspective (5 new Cisco Certified Instructors in 2015, 2 AWS certified trainers and 5 in the process of getting certified, 2 more Microsoft Certified Trainers reaching a total of 7 Microsoft Certified Trainers best in their industry, one Java trainer, 1 Citrix Certified trainer, one senior programming trainer, one ITIL certified trainer.).

The significantly expanded delivery capacity was perfectly exemplified in the week of November 16th to 20th, when we have delivered a number of 9 simultaneous courses in 6 different cities across Romania: http://www.bittnetsystems.ro/news-cifre-record-pentru-bittnet-liderul-pietei-de-training-it-din-romania-88

Another important metric that shows the performance of the technical team is the very high percentage of returning customers that has always characterized us since the very beginning. Especially grafted on top of the change in staff, this result shows that the procedures and the culture of the company are a strong and real differentiator that make the Bittnet brand.

Number of Returning versus New customers per year

Year	Returning	New
2009	15	81
2010	32	59
2011	41	69
2012	54	71
2013	78	106
2014	86	66
2015	100	85

As previously observed, the returning customers have developed a trust in our services, and generally spend more when they return. In 2015, the trend has continued, with the average yearly revenue for returning customers was EUR 15.000 as compared to EUR 13.500 for 2014. The general revenue breakdown between Returning and New customers remained in line with the general expectations. The increase in number and revenue percentage from New customers is mainly due to the expansion of the sales team, combined with the expansion of marketing activities, which naturally generate new customers.

Revenue Breakdown between Returning and New Customers

| Year	Returning	New
2009	32%	68%
2010	36%	64%
2011	57%	43%
2012	43%	57%
2013	54%	46%
2014	64%	36%
2015	57%	43%

Marketing Team

We operate in the Business to Business ("B2B") model, with our products and services having long sales cycles, and being dependent on the sales team managing to build customer relationships based on trust and performance. The marketing department has the role to facilitate and improve the work of the sales department in finding and engaging new customers. Furthermore, the marketing department has to ensure a good visibility of Bittnet in the market, striving to put us in the "top of mind" position when customers think of a trusted IT partner (both in training terms and in IT integration terms). That is why in 2015 we organized and participated in several B2B events, all addressed to IT professionals, like IT Training Fest, AWSome day, Bittnet Partner's Days, etc. Our activity has

generated contact with more than 400 potential customers, which we engaged via lead generation campaigns. Also this is the Marketing department's way of supporting the company's continuous strive for portfolio diversification. Through our presence at these events we make sure our current clients as well as potential ones are aware of our expanding expertise and certifications.

The company's own event IT Training Fest has known in 2015 the biggest success since its inception. We had over 150 unique participants at the edition held in Bucharest, signing up to our hands-on training sessions as well as 6 different partners to the event (Citrix, Oracle, Dell, Veeam, Colors in Project, UTI Academy). We believe that the way to make Bittnet visible on the market is not just about our relation with our clients but with our partners as well. Their presence in such a high number at IT Training Fest makes us believe that we are seen as a trustworthy, competent and reliable partner which is what we want them to tell potential clients about us as well. In June 2015 we also had an ITTF edition in Cluj, with 6 workshops on Citrix, Cisco, Oracle and AWS.

During 2015 we took part in all relevant IT vendor events (like Cisco Connect, Microsoft Summit, Oracle University Summit, AWS - ATP Council, etc) and we organized two editions of AWSome day - in Bucharest and Cluj, with a total attendance of 480 persons.

A significant part of our activity in 2015 was oriented on our online presence, which we have constantly improved, and set up for a big overhaul in 2016. This makes us confident in the decision of significantly upgrading our website for the current year as well as in the results that this will generate.
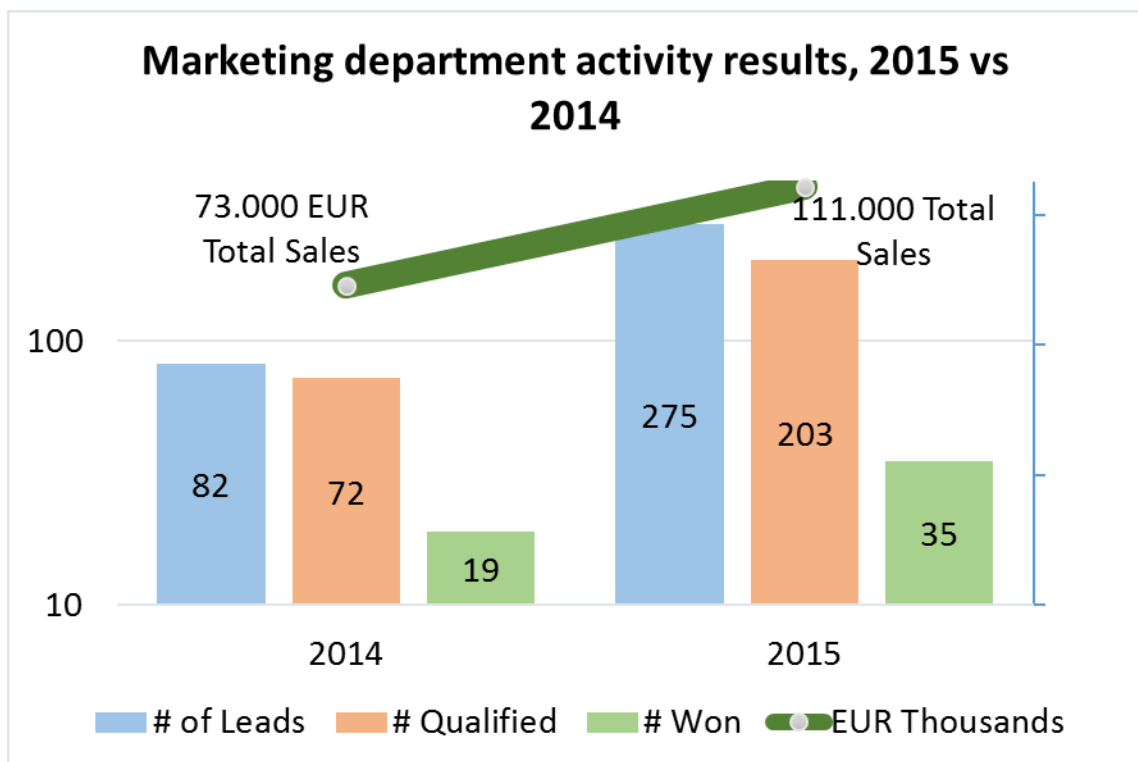
In terms of sales numbers, the Marketing team has generated for 2015 the following results:

- A total number of 275 marketing leads versus 82 in 2014
- 203 of them were qualified into sales opportunities versus 72 in 2014
- 35 of the qualified opportunities were WON versus 19 in 2014
- The total EUR amount of won opportunities was 111.212 EUR versus 73.281 EUR in 2014

Beyond the numbers generation the department's main goal is to innovate, listen to customers and help the sales team address their needs, being proactive and flexible with customer requests.

IT Training Center Achievements

New vendors and renewals:

- In 2015 we have renewed our partnership with: Microsoft, Amazon Web Services, Oracle and Cisco as the rest of our partnerships are still active (with the other vendors that we provide training for).
- ITIL was added to our portfolio by signing an agreement and becoming an Authorised Training Partner in Romania, one of the 3rd largest ITIL training providers in RO
- Citrix was added in the portfolio - Bittnet became the only Citrix training delivery partner
- Dell SonicWALL was also added to the portfolio

Students trained - a new level reached

- total per year: 1141
- students in open classes registered in the Public Schedule: 149
- students in closed dedicated classes: 919
- resold courses: 73

NUMBER OF STUDENTS BY CLASS TYPE

Dedicated Classes; 919

Resold Courses; 73

Open Classes; 149
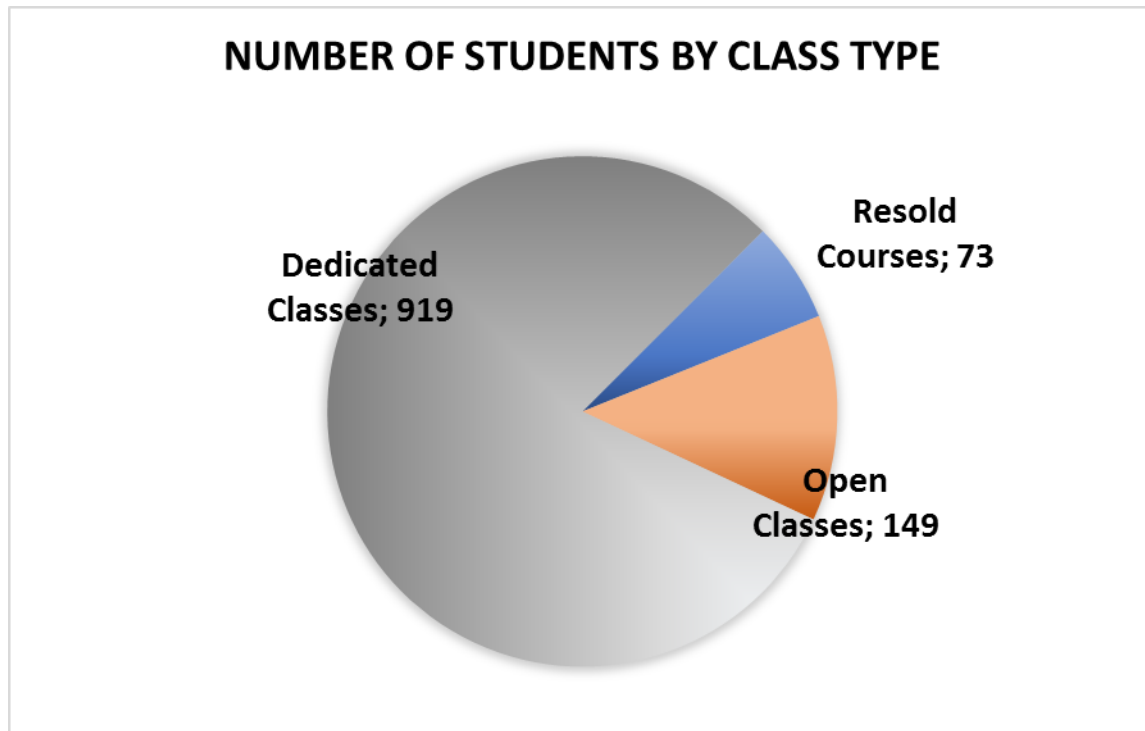
Financial highlights

The main drivers for the revenue growth were:

- Data center revenues : ±160% versus 2014
- Wireless / Mobility revenues: +107% versus 2014
- implementation / migration services : +65% versus 2014
- recurring technical support services: +48% versus 2014
- Amazon web services training: up 7 times versus 2014
- ITIL training: +99% versus 2014 - and much more profitable since we have obtained our own license
- Microsoft training: +104% versus 2014
- Exam scheduling revenues: +134% versus 2014
- The addition of Citrix training: RON 130.000
- Linux Training:+53% versus 2014
- Oracle Training: +48% versus 2014

The main driver for profitability growth was the new bonusing formula for the sales team. Before 2015, the formula contained an accelerator for meeting certain sales numbers, regardless of the gross margin of the projects, and another accelerator for meeting certain gross margin numbers. This approach had the unwanted consequence of sometimes closing some high revenue, low margin projects, that were accelerating the personal bonus of the sales representative, but not the overall well being of the company. Since 2015 however, we have refocused the formula to only take into account the gross margin generated by the projects, and have directly linked the gross margin required from any sales agent to the costs generated directly by that agent. The acceleration of the bonus now occurs with the increase in gross margin generated over certain thresholds, which we thought would better align the salesforce's interests with the interests of the company and its shareholders.

The results of 2015 have proven this, with the gross margin generated by the business increasing in percentage as compared to the revenues. This focus on higher gross margin projects (which include trainings and implementation and support services - which have significantly increased in 2015 versus 2014 - *see above*) has lead to a faster increase in overall profitability than in revenues.

Balance sheet highlights

Assets evolution 2015 vs 2014, RON, thou
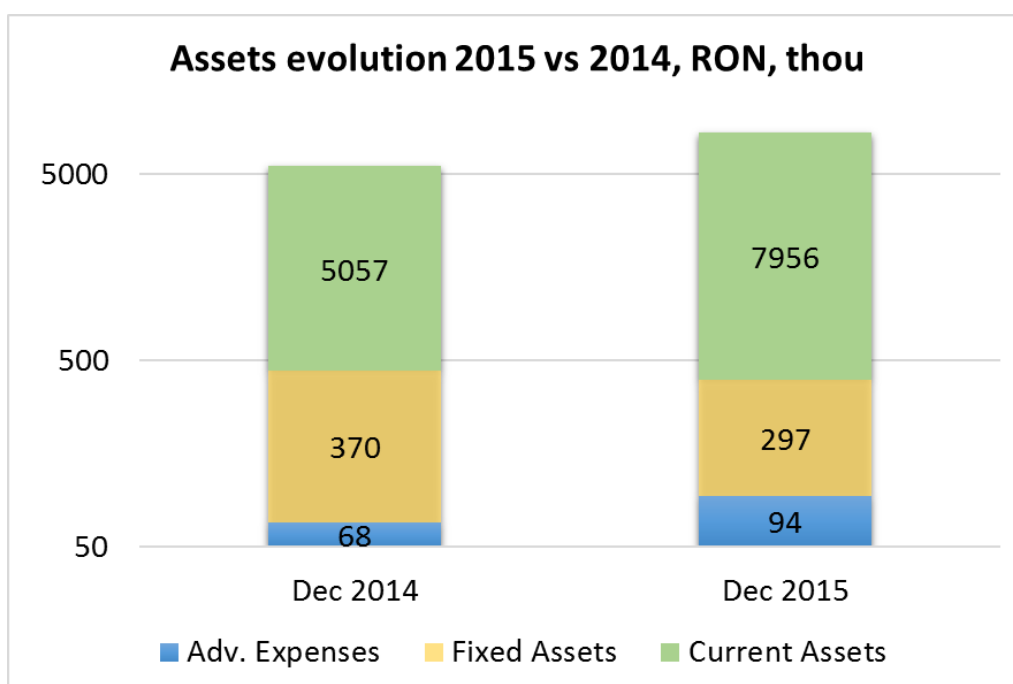
Total assets have increased by 52%, mainly driven by the 50% increase in Accounts Receivables and the 3x increase of Cash at Hand:

Current Assets Breakdown, 2015 vs 2014, RON - thou
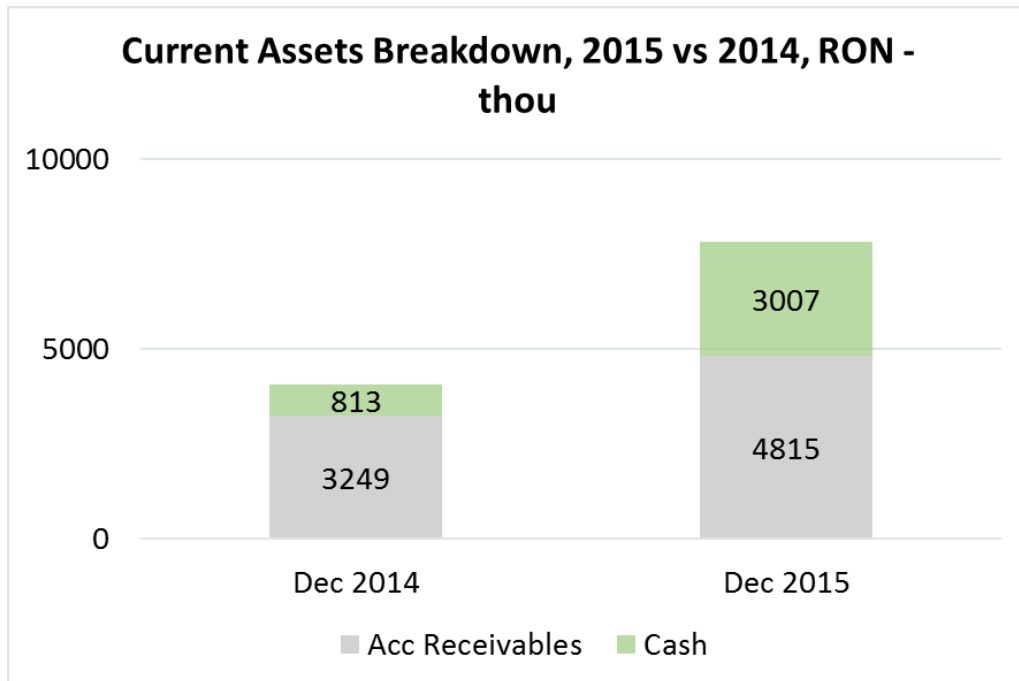
Shareholder equity

As a result of the profitable year, shareholder's equity has increased 2.2 times, from RON 860.000 to RON 1.920.000. Management's intention is to fully capitalize retained earnings, in order to strengthen the capital base of the company, and improve our financial stability.