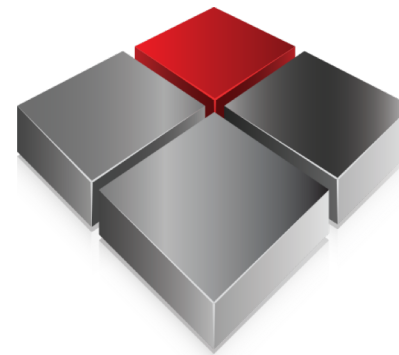


# IR PRESENTATION

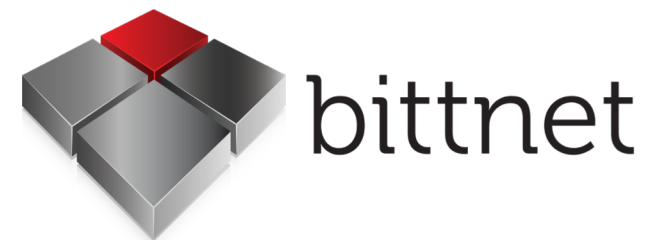
*June 2018*

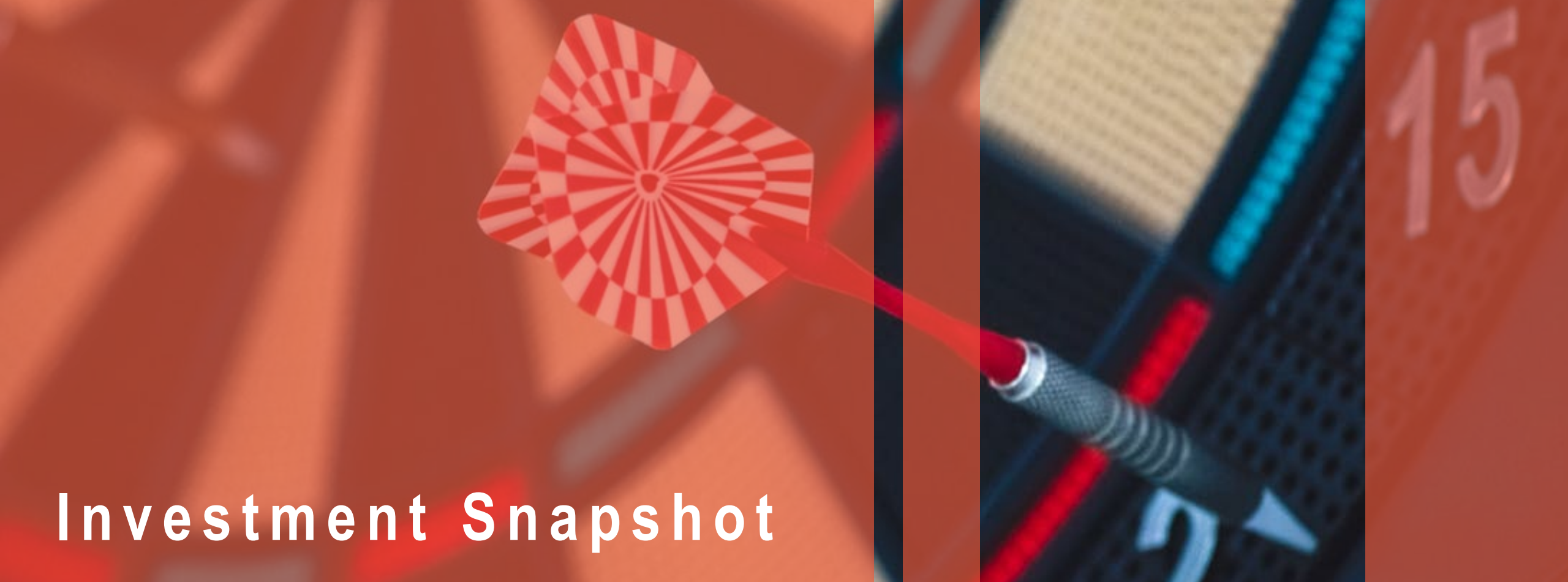


bittnet

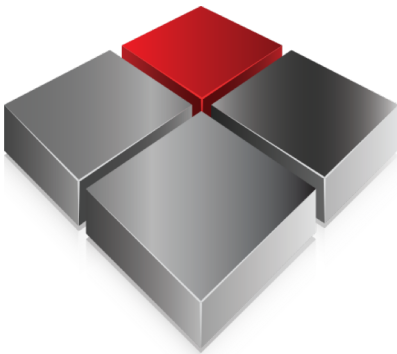
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# Investment Snapshot



bittnet

# Investment Snapshot



## First IT listed in Romania

In April 2015, Bittnet (ticker: BNET) was the first IT company to list on Bucharest Stock Exchange's AeRO. In 2017, BNET was **6<sup>th</sup> most traded** company on AeRO market.

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## Almost Sevenfold increase

In 3 years since listing (April 2015 until June 2018) Bittnet registered **6,5 times increase in valuation**, from EUR 1.5 million to EUR 9,82 million.\*

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## Trusted investors

Since listing in April 2015, BNET attracted **EUR 2,275 million** using capital market financing mechanisms.



## Improving financial results

Year by year, Bittnet has been improving its financial results, reaching in 2017 **EUR 9,2 million** in consolidated revenues (+215% compared to 2016) and **EUR 386K** in consolidated profit (+54%).\*

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## Stable dividend policy

Bittnet has a proven **dividend policy** that includes distribution of profits through free share allocation.

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## Rewarded for quality

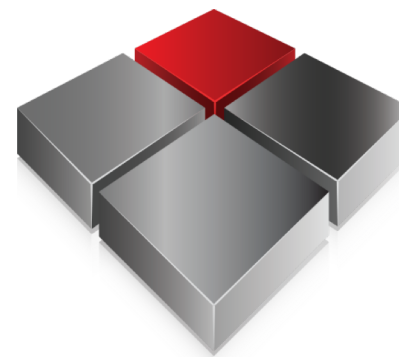
Winner of **multiple awards** for growth and innovation, highest investor relations standards and showcasing innovation in corporate financing.

\*Data as of June 4<sup>th</sup>, 2018

\* Results including GECAD NET performance.



# Business Overview

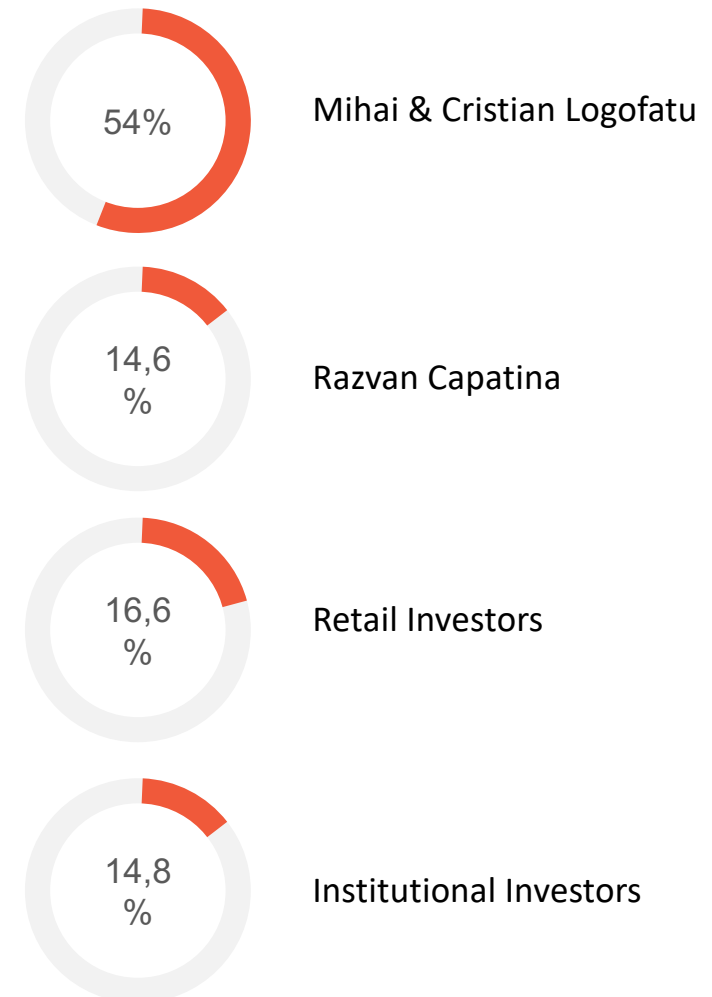


bittnet

# About Bittnet

- **Founded in 2007 by brothers Mihai and Cristian Logofatu**, changed its status to a joint stock company (SA) following an increase in share capital using profits generated in 2008.
- In 2012, Bittnet had achieved a new **capital infusion from Razvan Capatina**, in exchange for a stake in the company.
- In 2015, the company attracted **EUR 150K from a Polish investment fund**, Carpathia Capital SA in exchange for a 10% stake and was subsequently listed on Bucharest Stock Exchange's AeRO market, becoming the first IT company listed on a Romanian exchange.
- Between 2016 and 2017, the company has followed a patented model, **distributing to its shareholders the accrued profits** in the form of free shares, which will continue also in 2018.
- In 2016 and 2017, Bittnet has have had **two issuances of corporate bonds**, BNET19, raising €950,000 in July 2016 and BNET22, raising €1,000,000 in September 2017. For 2018 the company plans a new issuance of both corporate and convertible bonds.
- At the end of 2017, the company managed to **attract new capital through the stock exchange mechanisms**, starting 2018 with 30,444,258 outstanding shares.
- In 2017, the company **acquired GECAD NET** from Romanian entrepreneur Radu Georgescu, thus becoming the only "multi-cloud" integrator, consolidating its position as a highly certified company by the world's leading IT vendors, focusing on cloud and cybersecurity. In April 2018, GECAD rebranded to DENDRIO.

## BNET shareholding structure\*:



\* As of June 4th, 2018

# Executive Management



**MIHAI LOGOFATU**

CEO & Founder



**CRISTIAN LOGOFATU**

CFO & Founder

## Advisory Board

The company currently does not have a Supervisory Board and is run under the Sole Administrator model. The role of the sole administrator is currently being held by Mihai Logofatu, the CEO. Since 2012, Bittnet has put together an Advisory Board, composed of people with good reputation and vast experience in the business world. The Board meets at least 4 times a year, when internal management reports submitted and the Board members offer advice and guidance to the management. The members of the Advisory Board are:

**SERGIU NEGUT**

**ANDREI PITIS**

**DAN STEFAN**

**DAN BERTEANU**

## Selected recognition:

- **February 2018:** Winner «Issuer with the most active usage in 2017 of capital market financing opportunities» during 2018 Inauguration of Bucharest Stock Exchange Year Awards.
- **April 2017:** Rewarded by Bucharest Stock Exchange in the «Made in Romania» project as an issuer of reference on the AeRO Market.
- **April 2017:** Included in Top FT1000, ranking of Europe's fastest growing companies amongst only 5 other Romanian companies.
- **September 2016:** Winner «Listing of the year on a lightly regulated exchange» at Central and Eastern Europe Capital Markets Awards.
- **December 2014:** Included in Technology Fast 500 Top in EMEA by Deloitte, taking 333 position.
- **November 2014:** Mihai Logofatu included in EY Entrepreneur of the Year Romania ranking.

## Selected certifications:





# Business Structure



## IT TRAINING DIVISION

Division focused on IT training, segment where Bittnet is a market leader, and any other education-based initiatives, including integration of activities of Equatorial, a game based learning company.

## IT SOLUTIONS DIVISION

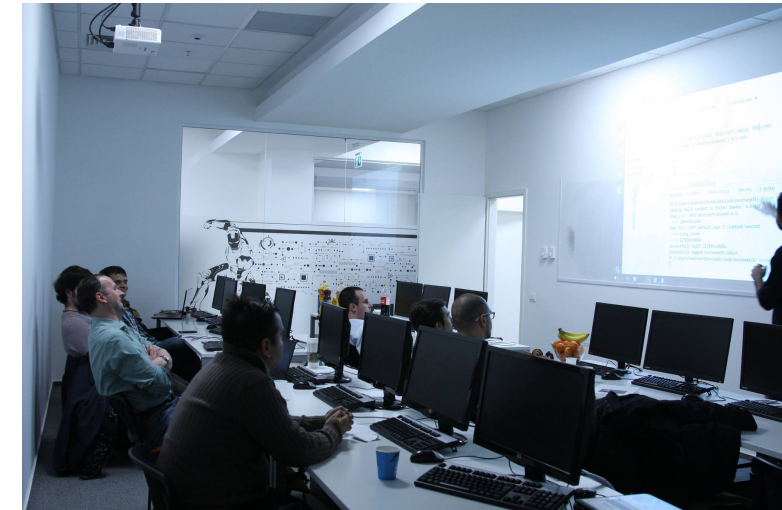
The integration division that in April 2018 rebranded to DENDRIO and which is offering both Bittnet and former-GECAD NET integration solutions. This newly-named division has a shared products, services and solutions portfolio and its team is larger and more skilled than before, allowing for bigger workload, both from technical and sales standpoint. In the near future, also Elian, the new planned investment of Bittnet, will be integrated into this division.

## INTERNATIONAL DIVISION

Division that started to take shape over the last two years and that is expected to generate increasing % of revenues and thus deserves an autonomy. The tasks under this division include opening new offices abroad, expanding sales and delivery capacities across borders.

# IT Training

- Bittnet is the **IT training market leader** in Romania, with a growing team, more than 15 years of experience and over 20,000 trained students.
- The company **has the largest team of trainers** in Romania and throughout the years, has delivered more than 50,000 hours of IT training.
- Bittnet offers **the largest training portfolio on the market**, which 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 trainings in both English and Romanian, the company operates in a **strategic partnership with Global Knowledge**, the worldwide leader in IT training.
- Starting with 2016, Bittnet has **joined the largest association of Microsoft training partners – LLPA**, which allows the company to strongly expand both export earnings and delivery of courses in any language, anywhere in Europe.
- In 2017 the **number of students significantly increased** compared to the previous year, trend which is expected to continue in 2018.

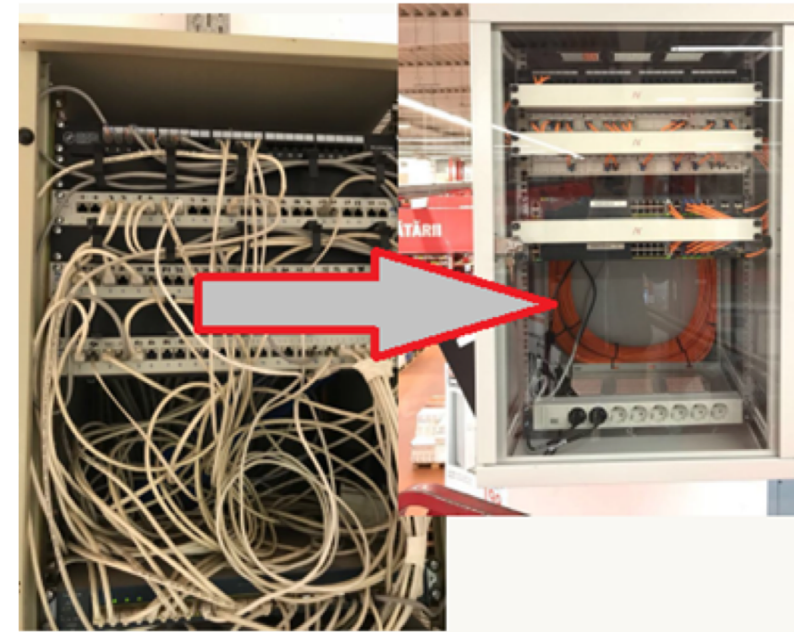


# IT Solutions / DENDRIO

- Division resulting from a merger of Bittnet and its IT solutions division with GECAD NET, a company specialized in **commercializing and implementing software applications**, which provides appropriate licensing options, integrated IT services and professional security solutions. The company has a tradition of over 25 years in the IT field, having gained over the years numerous awards and certifications from the world's leading software vendors.
- The **IT solutions provided under the DENDRIO brand cover**: network infrastructure, security and management, datacentre, virtualization and cloud computing, enterprise mobility including BYOD (Bring Your Own Device), unified communications and collaboration, video conference including telepresence as well as software licenses.
- The company offers the **following IT solutions**: general consultancy services, IT assessment services, implementation and migration services, maintenance and support services, infrastructure optimization services and IT training services.
- DENDRIO is **one of the few companies certified in Romania** at the Microsoft Licensing Solution Provider level - the highest level of certification for partners, which sell Microsoft platforms, and has Gold certifications for implementing Microsoft's Software as a Service solutions, as well as for implementation of cloud infrastructure solutions - Microsoft Azure.
- DENDRIO is **the only "multi-cloud" integrator in Romania**, consolidating its position as a highly certified company by the world's leading IT vendors, focusing on cloud and cybersecurity.
- Following the acquisition in Q4 2017 of what was formerly known as GECAD NET, after 3 months under Bittnet's management, the cost savings and increased supply of high value-added products and services resulted in **2017 being the first fiscal year in the past 3 years that GECAD ended with a profit**, reaching turnover of RON 21.5 million and a net profit of RON 145,000. The company also saw significant increases for major business lines (17% increase for Microsoft products and 20% increase on assisted product line).

# Examples of IT integration projects

- Installation and continuous management of over 1,500 wireless access points in all **Carrefour** and **BILLA** shops in Romania.
- Developing telepresence solution (video conferencing 4k) for connecting **UiPath**'s offices from 3 different continents.
- **Pole to Win** Providing and installing complete IT equipment at the moment of office opening in Romania.
- Providing and installing complete IT equipment for **Eurosport Romania** studios for the period of Winter Olympics.





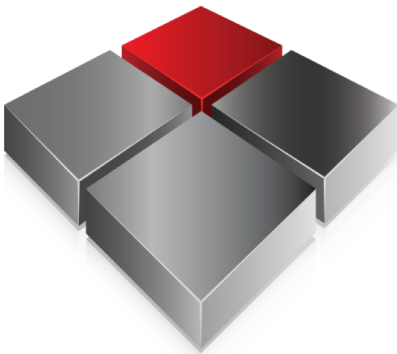
# International Expansion

- In 2017, revenues coming from exports increased with 75%, reaching **EUR 520 000**, 11% of total revenues generated that year.
- In 2017 Bittnet delivered services to **30 foreign clients** coming from 15 European countries as well as from the USA, Canada, Philippines and Turkey.
- Revenues from exports come primarily from **'rental' of experts and delivering effective training** for clients from the EU.
- Export has been identified as one of the strong points for **growth and development** in the coming years.
- Bittnet is a member of **LLPA Association**, the alliance of the largest and the most representative IT training partners in Europe and is engaged in international summits and events that help the company identify new partners in the EU.





# BNET Evolution



bittnet

# BNET stock price evolution

- In 2017, Bittnet was the **6<sup>th</sup> most traded stock** on AeRO market;
- In the last 6 months (December 5<sup>th</sup> 2017 – June 4<sup>th</sup> 2018), Bittnet has been the **2<sup>nd</sup> most traded stock** on AeRO in terms of value and volume and the absolute most traded stock when it comes to the number of trades;
- **72,58%** increase Y-O-Y\*;
- The company has currently **500+ shareholders**;
- Included in the **AeRO Premium segment** of the market, alongside 16 other issuers.

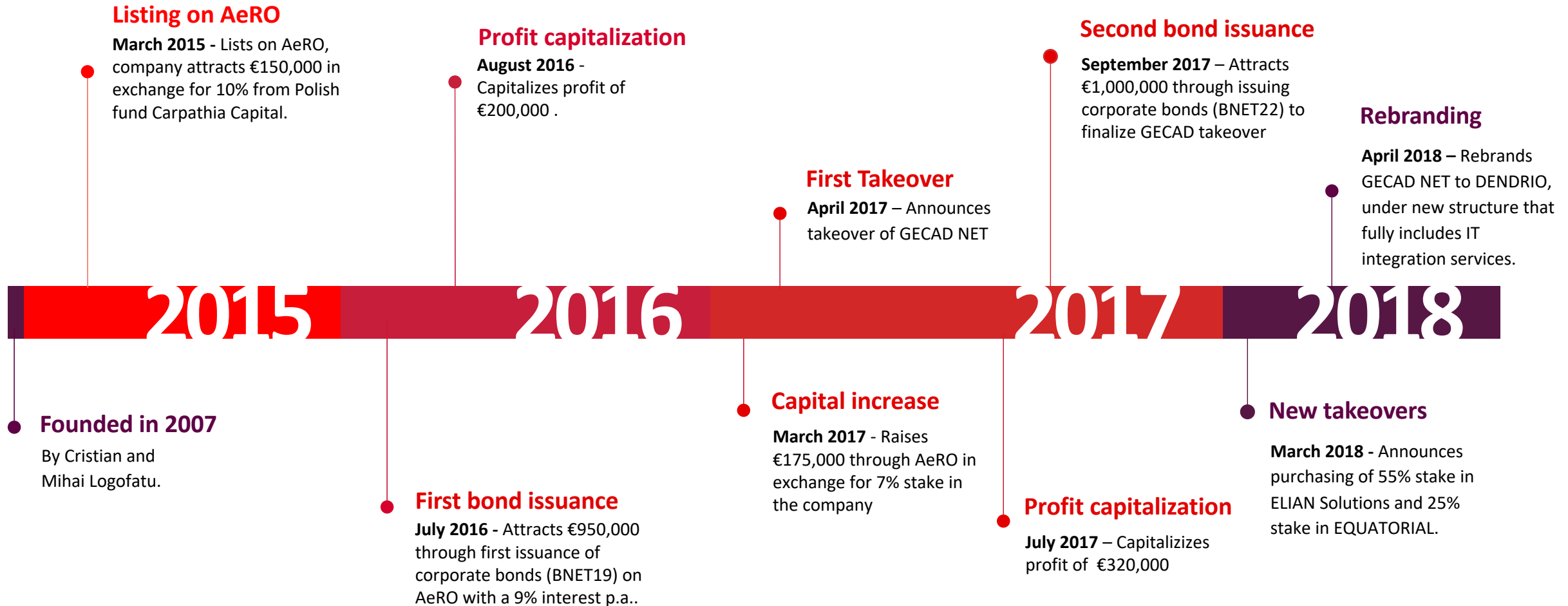
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|                           |                                |
|---------------------------|--------------------------------|
| ISIN                      | ROBNETACNOR1                   |
| Share price (25.05.2018)  | RON 1.5 / EUR 0,32             |
| Market cap (25.05.2018)   | RON 45,666,387 / EUR 9,817,416 |
| No. of outstanding shares | 30,444,258                     |

Source: FT Markets | \*Data as of June 4<sup>th</sup>, 2018



# 2015-2018 Key developments timeline





# 2018 – 2020 strategy

## 02

### CUSTOMER OBJECTIVES

- ❖ Expand geographic coverage across Romania, improve local recognition;
- ❖ Expand the product portfolio (upsell and cross-sell);
- ❖ Continue consolidation of the one-stop-shop position;
- ❖ Capitalize on industry trends (cloud, cybersecurity, managed services);
- ❖ Continue improving customer satisfaction and retention;
- ❖ Increase penetration of western markets.

## 04

### SHAREHOLDER OBJECTIVES

- ❖ Adhere to the highest standards in relation to transparency, reporting, communication with investors;
- ❖ Continue following model which combines capitalization of profits through distribution of free shares and offering investors new shares at favorable price;
- ❖ Prepare for potential transfer to BVB's Main Market.



## 01

### TEAM OBJECTIVES

- ❖ Invest in employees and increase as well as diversify their technical competences;
- ❖ Continue automating certain procedures;
- ❖ Increase operational excellence;
- ❖ Ensure full integration of newly acquired companies;
- ❖ Implement Stock Option Plan.

## 03

### FINANCIAL OBJECTIVES

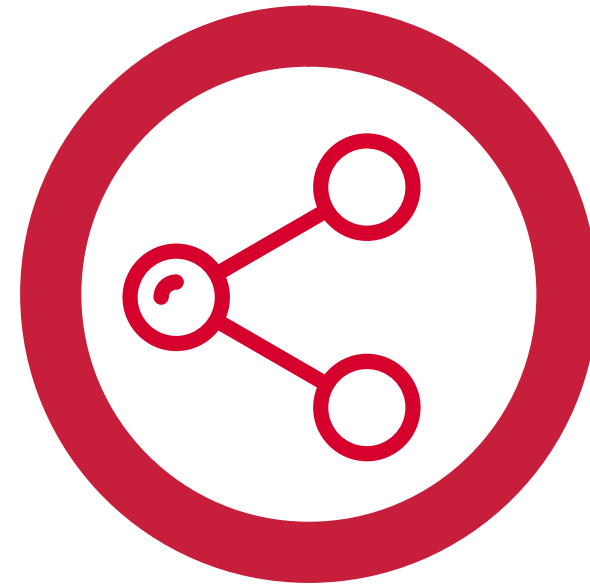
- ❖ Continue to diversify and grow revenue streams;
- ❖ Continue to follow model which combines full capitalization of profits in parallel with the increase in new contributions;
- ❖ Increase revenues and boost profitability by capitalizing on industry trends.

# Key goals for 2018



## **CONTINUE CONSOLIDATION OF THE ONE-STOP-SHOP POSITION IN THE MARKET**

Maintain the market leadership in the IT training field while focusing on the key trends: cloud, cybersecurity, managed-services projects and exports, which are the main sources of business growth.



## **INTEGRATE THE SAME STRATEGY IN THE INTEGRATION OF BUSINESS SERVICES**

Obtain the market leader position, by paying special attention to providing high value-added services such as cloud consulting and migration, ensuring IT security and providing IT solutions in managed services.

# Future business growth directions

## Cloud

The cloud adoption by companies in the Romanian business landscape offers an opportunity, it is an emerging trend which Bittnet has been focusing on in the last years and has also invested in its promotion and increasing knowledge in this area.



## Managed Services

The future of the IT consumption paradigm in the world, and the reconfirmation of the company's technical and organizational capacities.



## Cybersecurity

All kinds of services needed by businesses since all companies face continuous threats to their information systems and data.

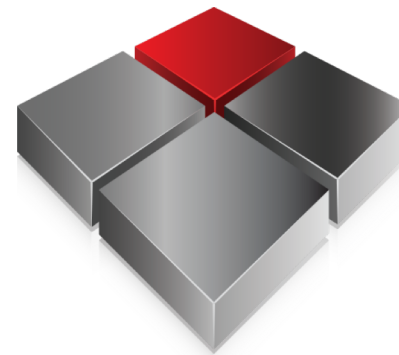


## Exports

'Rental' of experts and delivering effective training for clients from the EU as well as outside of Europe, including the USA.



# Financial Data & Key Indicators



bittnet



# 2017 Revenue structure



## IT TRAINING

Bittnet is the IT training market leader in Romania, with a growing team, more than 15 years of experience and over 20,000 trained students. Since its establishment, Bittnet has delivered more than 50,000 hours of IT training.

**% of 2017 revenues generated: 18,6%.**

## IT SOLUTIONS

Through IT Integrator business line Bittnet provides customers the IT services and solutions that they need from initial assessment, to design phase, implementation and testing, resulting in turnkey projects for companies with various IT needs.

**% of 2017 revenues generated: 31,4%, out of which 3,7% was brought by cloud services alone.**

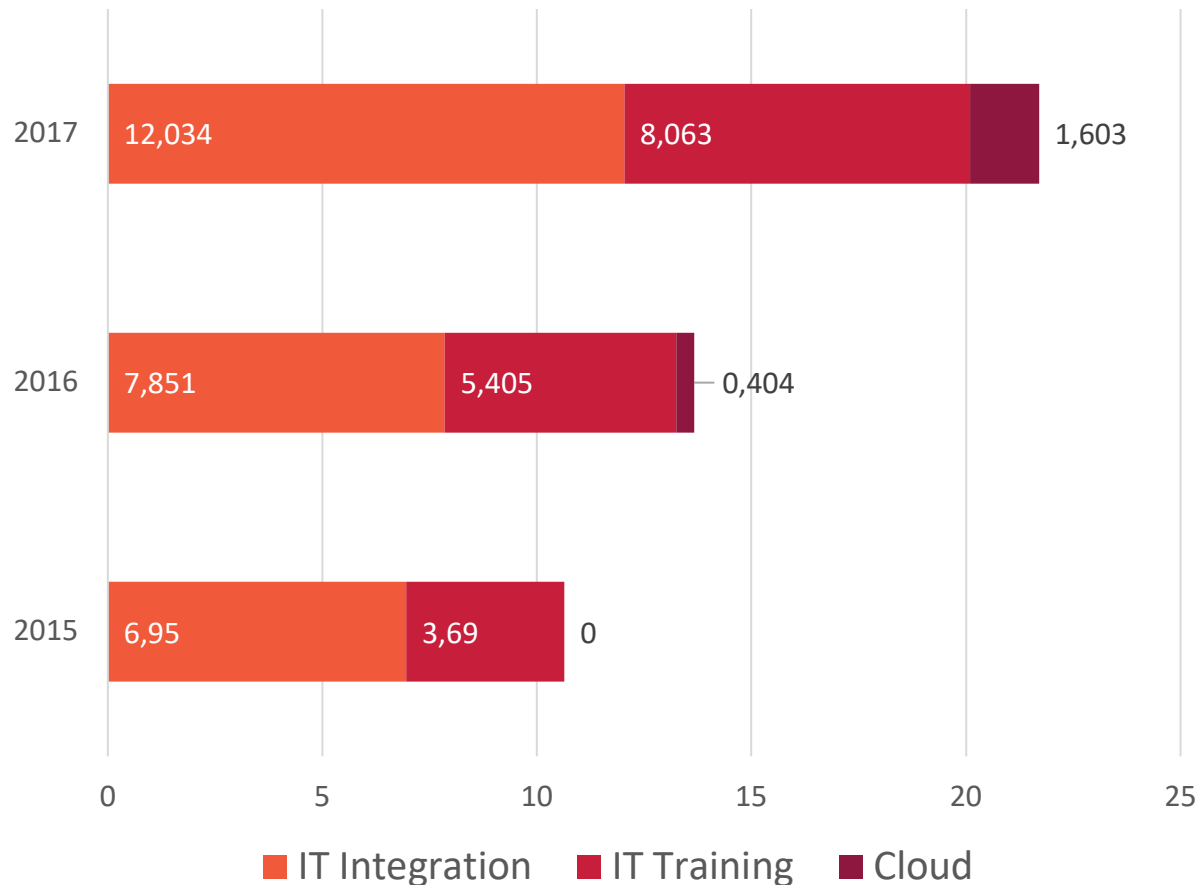
## GECAD NET

GECAD NET, company acquired by Bittnet in Q4 2017, specialized in commercializing and implementing software applications, which provides appropriate licensing options, integrated IT services and professional security solutions.

**% of 2017 revenues generated: 50%.**

# Key indicators

Development of the Main Business Lines  
[in K, RON]

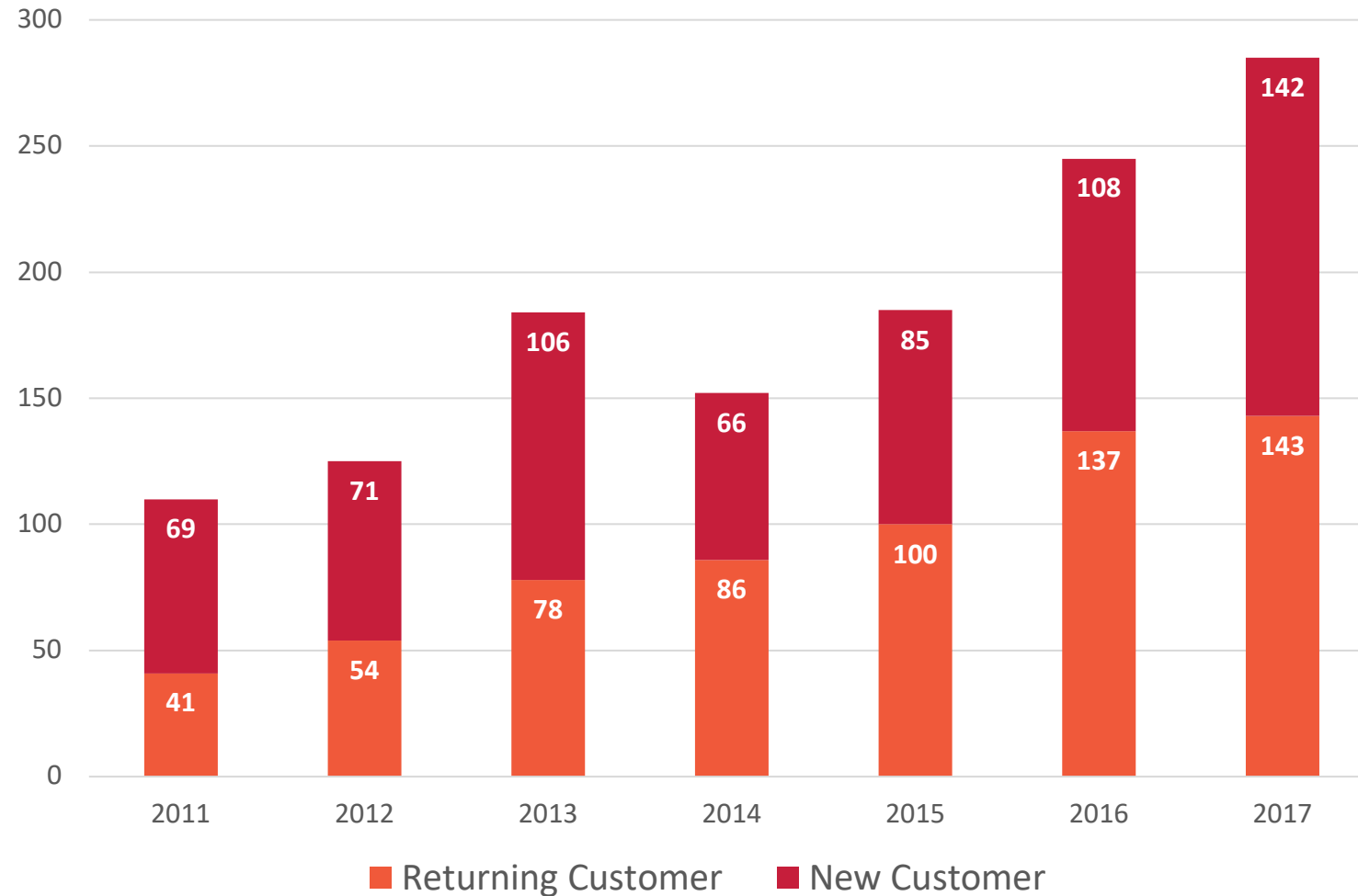


- Both business lines, training as well as the integration and cloud migration, have **yielded revenues and rising profits in 2017**.
- The **IT integration** business line registers higher share in total turnover, due to its specifics, which include the delivery of goods (high turnover, small gross margin).
- The **cloud integrator** activity represents a focus for the company and shows the highest percentage increase as compared to 2016, of 297%.
- Throughout 2017, the number of projects involving **cloud migration services** increased significantly - up to 60, a trend which is expected to continue in the 2018-2020 period.
- Considering that **IT integration** includes revenues from cloud solutions, this business line is also likely to increase further at an accelerated rate.
- Taking into consideration ever-expanding product portfolio of **IT training**, there is an expectation to continue capturing more value from the IT training business. In 2017, the IT Training business line has increased by 49% (compared to 46% in 2016).

# BNET Customer analysis

- In 2017, both the number of returning customers and the number of new **customers has been the highest in the history** of the company.
- Company is constantly focused on improving **customer satisfaction and retention** based on the key values recognized by our partners: flexibility and professionalism.
- While Bittnet has always been characterized by a large number of returning customers, throughout the years the returning clients have a developed trust in services which can be measured in **increased yearly revenue** they bring to Bittnet (RON 90K in 2017 vs RON 55k in 2016).
- In 2018 focus is on **upsell and cross-sell**, strategy strongly powered by the GECAD NET takeover as well as other acquisitions planned for 2018.

## New vs Returning Customer Analysis



# Financial evolution

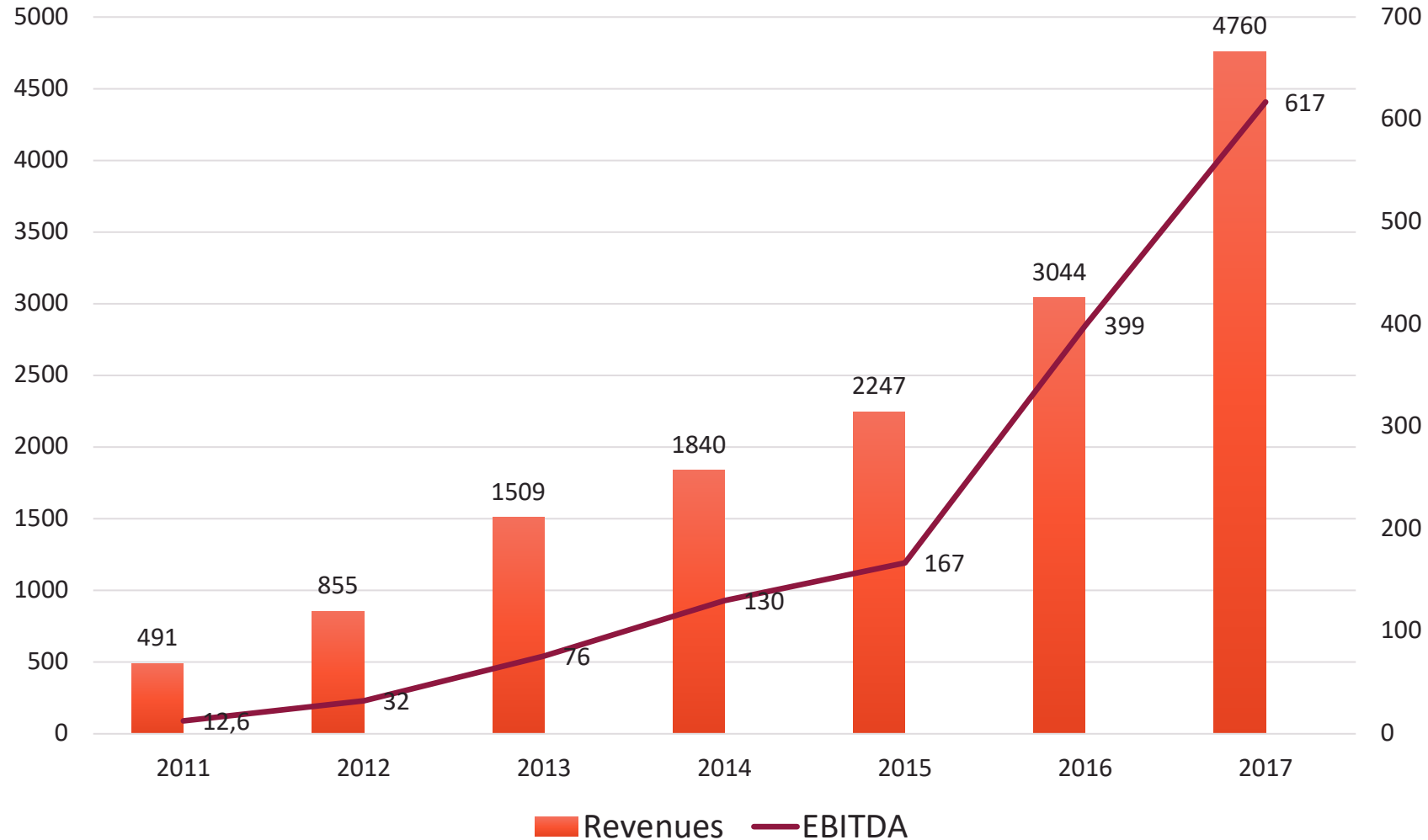
- Bittnet's **individual turnover increased with almost 60%**, reaching RON 21.7 million, while GECAD NET added another RON 21.3 million to the group's turnover, reaching a total of RON 43 million.
- The **operating profit (EBIT) for the year 2017 reached RON 2.7 million**, a 60% increase compared to the previous year.
- Depreciation and amortization expenses were up to 82,000 RON, generating an **EBITDA value of 2.8 million RON**, an increase of 65% compared to 2016.
- The **net profit increased from RON 1.18 million to RON 1.59 million**, representing the best net result in the company's history.

| <i>[in K, RON]</i>                                  | <b>2015</b>  | <b>2016</b>   | <b>2017</b>   | <b>Evolution<br/>FY17 / FY16</b> |
|---|--------------|---------------|---------------|----------------------------------|
| Revenues (of which)                                 | 9,992        | 13,695        | 21,745        | <b>59%</b>                       |
| IT Integration                                      | 6,950        | 7,851         | 12,034        | <b>53%</b>                       |
| IT Training   | 3,690        | 5,405         | 8,063         | <b>49%</b>                       |
| Cloud   | 0            | 404           | 1,603         | <b>297%</b>                      |
| Total costs (of which)                              | -10,100      | -12,222       | -20,155       | <b>65%</b>                       |
| Total COGS  | -6,309       | -7,300        | -11,600       | <b>59%</b>                       |
| Indirect Costs                                      | -2,570       | -4,682        | -7,323        | <b>56%</b>                       |
| Operational Profit                                  | 919          | 1,713         | 2,822         | <b>65%</b>                       |
| Interest  | -173         | -328          | -832          | <b>154%</b>                      |
| Amortization  | -153         | -114          | -82           | <b>-28%</b>                      |
| Revenues from listing on BVB in 2015                | 630          | n/a           | n/a           | <b>n/a</b>                       |
| Gross Profit  | 1,221        | 1,383         | 1,908         | <b>38%</b>                       |
| Net profit  | 1,033        | 1,180         | 1,590         | <b>35%</b>                       |
| <i>Consolidated net profit (including GecadNet)</i> | <i>1,033</i> | <i>1,180</i>  | <i>1,807</i>  | <b>53%</b>                       |
| <i>Consolidated revenues (including GecadNet)</i>   | <i>9,992</i> | <i>13,695</i> | <i>43,423</i> | <b>217%</b>                      |



# Performance throughout the years

## Revenues vs. EBITDA [K, EUR]



# Contact Details

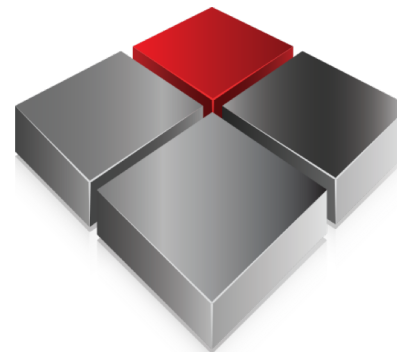
## IR Contact:

Cristian Logofatu  
Chief Financial Officer  
[investors@bittnet.ro](mailto:investors@bittnet.ro)

[www.bittnet.ro](http://www.bittnet.ro)

## HQ:

Plaza Romania Offices, 1st floor  
Timisoara Boulevard, No. 26  
District 6, 061331  
Bucharest, Romania



**bittnet**