



IR PRESENTATION

November 2018

bittnet

Table of Contents

1.	Investment Snapshot	3
2.	Business Overview	5
3.	BNET Evolution	14
4.	Financial Data & Key Indicators	22
5.	Contact Details	29



15

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 H1 2018, BNET was the **3rd most traded** company on AeRO market.



Sevenfold increase

In 3,5 years since listing (April 2015 until November 2018) Bittnet registered almost **eightfold increase in valuation**, from EUR 1,5 million to EUR 11,4 million.*



Trusted base of investors

Since listing in April 2015, BNET attracted **EUR 3,275 million** using capital market financing mechanisms, out of which EUR 2,9 million was raised during three corporate bonds placements, primarily to fuel M&A activity.



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%).* By 2020, BNET targets revenues of RON 100 million (EUR 21,5 million), goal which is expected to be reached already by the end of 2019.



Liquidity

In H1 2018, BNET was third most traded company on the AeRO market as 25,5% of the company's free-float was traded in that period.



Rewarded for quality

Winner of **multiple awards** for growth and innovation, most recently recognized as having the Best IR Team in CEE during CEE Capital Markets Awards that took place in Warsaw.

*Data as of November 5th, 2018

* Results include **Dendrio's** performance.



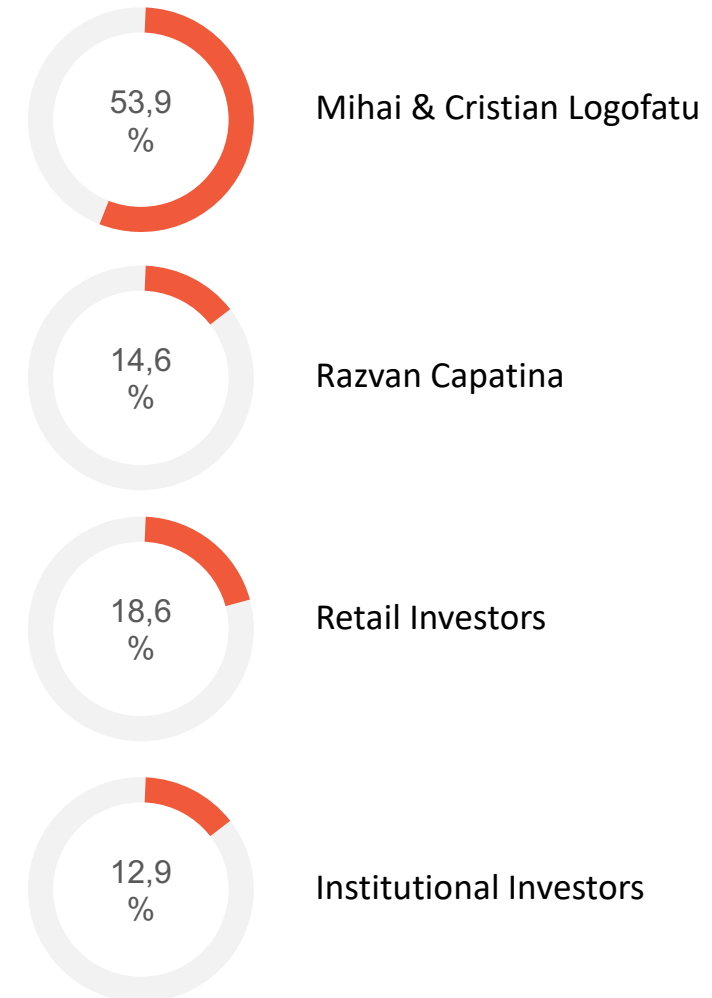
Business Overview

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 **capital infusion from Razvan Capatina**, in exchange for a 24% 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 2018, the company has followed a patented model, **distributing to its shareholders the accrued profits** in the form of free shares, a process which is expected to continue in the next years.
- In 2016, 2017 and 2018, Bittnet has had **three issuances of corporate bonds**, BNET19, raising €950,000 in July 2016, BNET22, raising €1,000,000 in September 2017 and BNET23, raising €1,000,000 in July 2018.
- The company has a **stable dividend policy**, which includes capitalization of profits through a distribution of free shares. In 2017, the allocation ratio was 1 free share per each BNET share held while in 2018, the allocation ratio was **3 free shares per each 5 shares held**.
- In 2017, the company **acquired GECAD NET** from Romanian entrepreneur Radu Georgescu, thus becoming the only "multi-cloud" integrator on the Romanian market, 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**.
- In 2018, the company has continued its M&A activity, acquiring 51% stake in ERP provider ELIAN Solutions in July 2018 and 25% stake in game-based learning platform Equatorial in August 2018. In October 2018, the company has announced its intention to acquire IT&C integration division of Crescendo International SRL, an investment which is subject to approval of EGSM, which will take place on December 17th, 2018.

BNET shareholding structure*:




* As of November 5th, 2018

Executive Management



MIHAI LOGOFATU

CEO & Founder 



CRISTIAN LOGOFATU

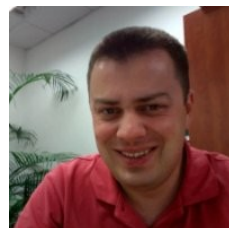
CFO & Founder 

Advisory Board

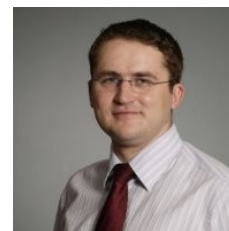
The company currently does not have a Supervisory Board and is run under the Sole Administrator model. The role of the sole administrator is currently being held by Mihai Logofatu, the CEO. Since 2012, Bittnet has put together an Advisory Board, composed of people with good reputation and vast experience 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:

- **September 2018:** Winner in «Top IR Department in the CEE» category at the CEE Capital Markets & Fintech Awards.
- **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.

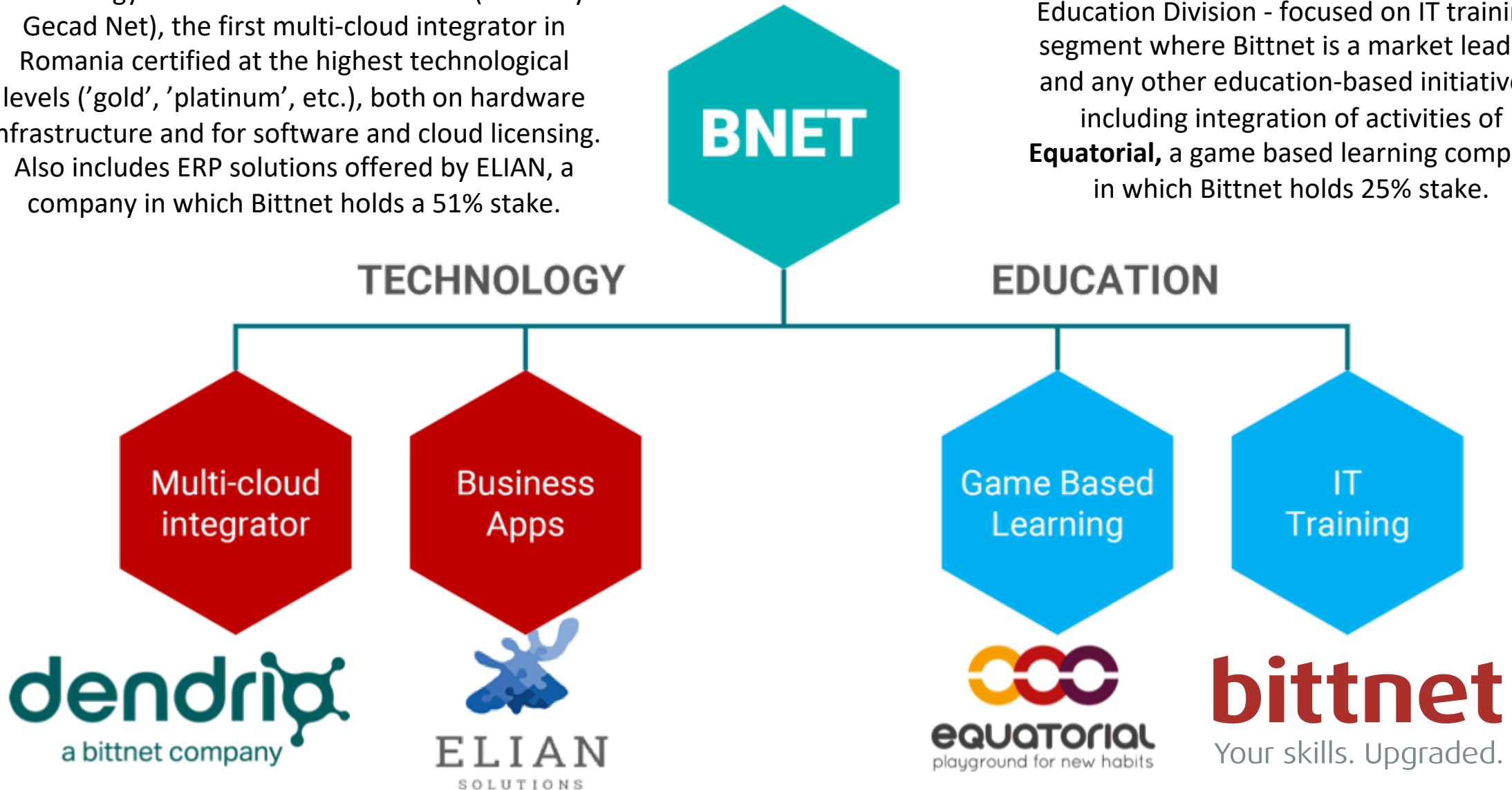
Selected certifications:



Business Structure

Technology Division - includes **Dendrio** (formerly Gecad Net), the first multi-cloud integrator in Romania certified at the highest technological levels ('gold', 'platinum', etc.), both on hardware infrastructure and for software and cloud licensing. Also includes ERP solutions offered by **ELIAN**, a company in which Bittnet holds a 51% stake.

Education 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 in which Bittnet holds 25% stake.



IT Training

- Bittnet is the **IT training market leader** in Romania, with a growing team, more than 15 years of experience and over 21,000 trained students.
- The company **has the largest team of trainers** in Romania.
- 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 (including 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.
- Starting with 2016, Bittnet has **joined the largest association of 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 increased by 25%** compared to the previous year, trend which is expected to continue in 2018.
- Our clients include reputable companies such as, *inter alia*: Cegeka, EY, Enel, Honeywell, ING, Metro Systems, OMV Petrom or Vodafone.



IT Solutions



- 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 very 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. Being the only multi-cloud integrator means that the company can provide its clients access to a number of different clouds, including those provided by key global players, such as: Amazon Web Services, Microsoft Azure, Google Cloud Platform or Cisco Cloud Solutions.
- Following the acquisition in Q4 2017 of 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.
- Providing and installing complete IT equipment at the moment of opening offices of **Pole to Win** in Romania.
- Providing and installing complete IT equipment for **Eurosport Romania** studios for the period of Winter Olympics.



International Expansion

- Large potential ahead: 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 selling the **exceptional expertise of our experts**.
- Export has been identified as one of the strong points for **growth and development** in the coming years and the company sees double digit growth potential in the next 5 years in this area.
- 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 evolution

- In H1 2018, Bittnet was the **3rd most traded stock** on AeRO market;
- **53,8%** increase Y-O-Y*;
- The company has currently **500+ shareholders**;
- Included in the **AeRO Premium segment** of the market, alongside 16 other issuers;
- Since listing in 2015, the company has capitalized its profits through distribution of free shares to the shareholders. For distribution of 2017 profits, the allocation ratio was **3 bonus shares per each 5 shares held**.

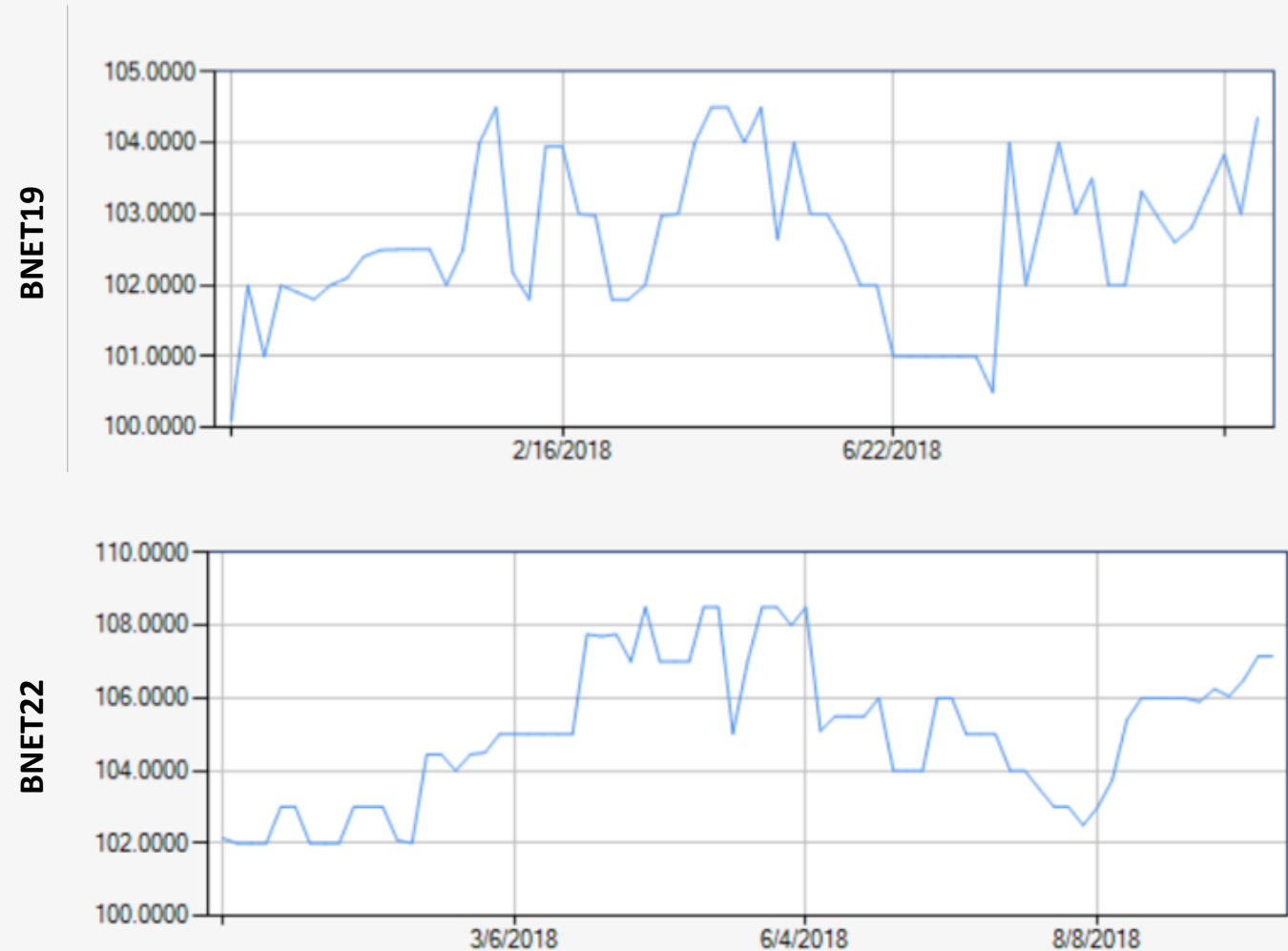
ISIN	ROBNETACNOR1
Share price (5.11.2018)	RON 1.0900 / EUR 0,234
Market cap (5.11.2018)	RON 53,094,785 / EUR 11,390,797
No. of outstanding shares	48,710,812

Source: FT Markets | *Data as of November 5th, 2018.

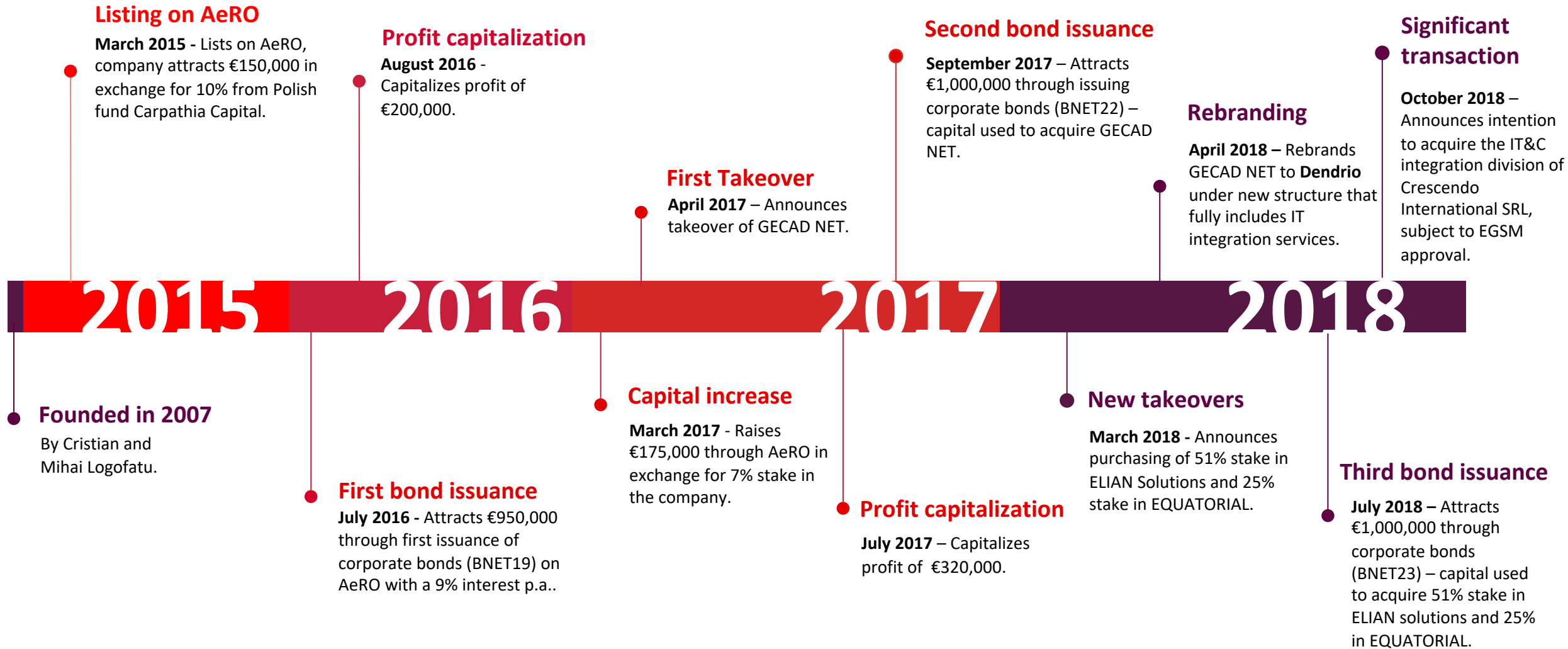


BNET liquidity – equity and debt

- For BNET shares, in H1 2018, BNET was third most traded company on the AeRO market as **25,5% of the company's free-float** was traded in that period.
- BNET19 and BNET22 bonds were also very liquid since the total value of the trades registered with **BNET bonds in H1 2018 was RON 1.2 million** (EUR 0,25 million), which represents between 13% and 14.2% of the total issues. This means that the daily turnover for this instruments was at a level of $\pm 0.11\%$ of the total issues, which is a good value, especially taking into consideration that the daily value for this type of transactions in the US is estimated at 0.35%.
- As of H1 2018, Bittnet shares had **500+ shareholders** while all 3 issues of Bittnet bonds had **200+ bondholders**.
- **BNET23 bonds** in the value of €1,000,000 are expected to float on the Bucharest Stock Exchange's ATS market in Q4 2018.



2015-2018 Key developments timeline



M&A track record

- The company already has a track record when it comes to M&A activity on the local market, having acquired 100% stake in GECAD NET (currently known as **Dendrio**) in September 2017, 51% in ELIAN Solutions in July 2018 and 25% stake in Equatorial Gaming in August 2018.
- Following the first 3 months under Bittnet's management, thanks to cost-saving and optimization measures, GECAD Net managed to close 2017 as **the first fiscal year in the past 3 years with a profit of RON 145K** and a turnover of RON 21,5 million.
- In July and August 2018, Bittnet signed investment contracts for acquiring 51% stake ELIAN Solutions, an ERP provider, and 25% stake in Equatorial Marathon, a game-based learning platform, thus strengthening the company's products and services portfolio.
- In October 2018, the company has announced reaching an agreement to take over the IT&C integration division of Crescendo International, subject to shareholders' approval. If agreed upon during December EGSM, the transferred business will be integrated into **Dendrio**.
- All 3 acquisitions were financed through **corporate bonds** issuances (BNET22 and BNET 23). The fourth acquisition, of Crescendo's IT&C integration division, will be financed either through another round of corporate bonds or through a bank loan.
- The company does not exclude further acquisition as long as they serve the purpose of strengthening's **the company's position in the market** as well as expanding the Group's services portfolio.

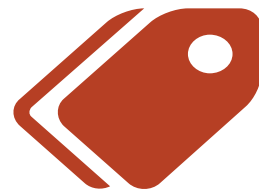
The logo for bittnet, featuring the word "bittnet" in a lowercase, red, sans-serif font.The logo for dendrio, featuring the word "dendrio" in a teal, lowercase, sans-serif font with a stylized tree-like graphic to the right, and the tagline "a bittnet company" in a smaller teal font below it.The logo for equatorial, featuring three interlocking circles in yellow, red, and purple above the word "equatorial" in a bold, lowercase, sans-serif font, with the tagline "playground for new habits" in a smaller, lowercase, sans-serif font below it.The logo for ELIAN SOLUTIONS, featuring a stylized blue graphic of a person or figure above the word "ELIAN" in a bold, uppercase, sans-serif font, with the word "SOLUTIONS" in a smaller, uppercase, sans-serif font below it.

2018-2020 strategy: the road to 100mn revenues



TEAM OBJECTIVES

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



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; target – RON 100 million in revenues by 2020.



CUSTOMER OBJECTIVES

- ❖ Expand geographic coverage across Romania, improve local recognition;
- ❖ Expand the product portfolio (upsell and cross-sell);
- ❖ Continue consolidation of the leadership position on the IT training market;
- ❖ Capitalize on industry trends (cloud, cybersecurity, managed services);
- ❖ Continue improving customer satisfaction and retention;
- ❖ Acquire market share in western markets.



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.

Key goals for 2018



MAINTAIN THE LEADERSHIP POSITION ON THE LOCAL 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.



FOLLOW SAME STRATEGY FOR MULTI CLOUD INTEGRATION 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.

Business growth directions

Cloud

The cloud adoption by Romanian companies is accelerating and Bittnet has been focusing on it in the last years. 2018 H1 saw 6-fold increase in number of projects



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

'Sale' of the exceptional expertise of our experts by delivering effective training for clients from the EU as well as outside of Europe, including the USA. Benefit from the impressive number of certifications obtained.





Financial Data & Key Indicators



bittnet

2017 Revenues structure

bittnet



IT TRAINING

Bittnet is the IT training market leader in Romania, with a growing team, more than 15 years of experience and over 21,000 trained students. Since its establishment, Bittnet has delivered more than 50,000 hours of IT training.

% of 2017 revenues generated: 18,6%.

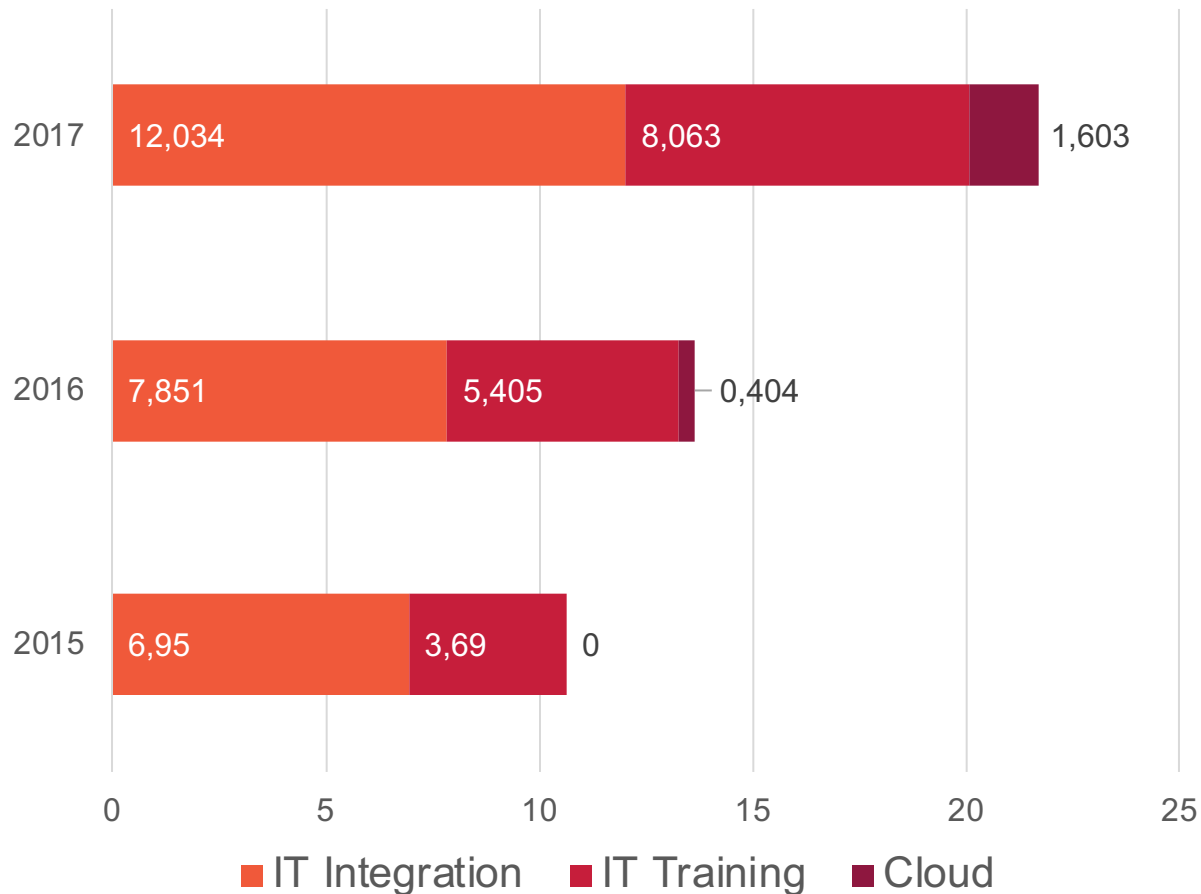
IT SOLUTIONS

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: 81,4%, out of which 3,7% was brought by cloud services alone.

Key indicators

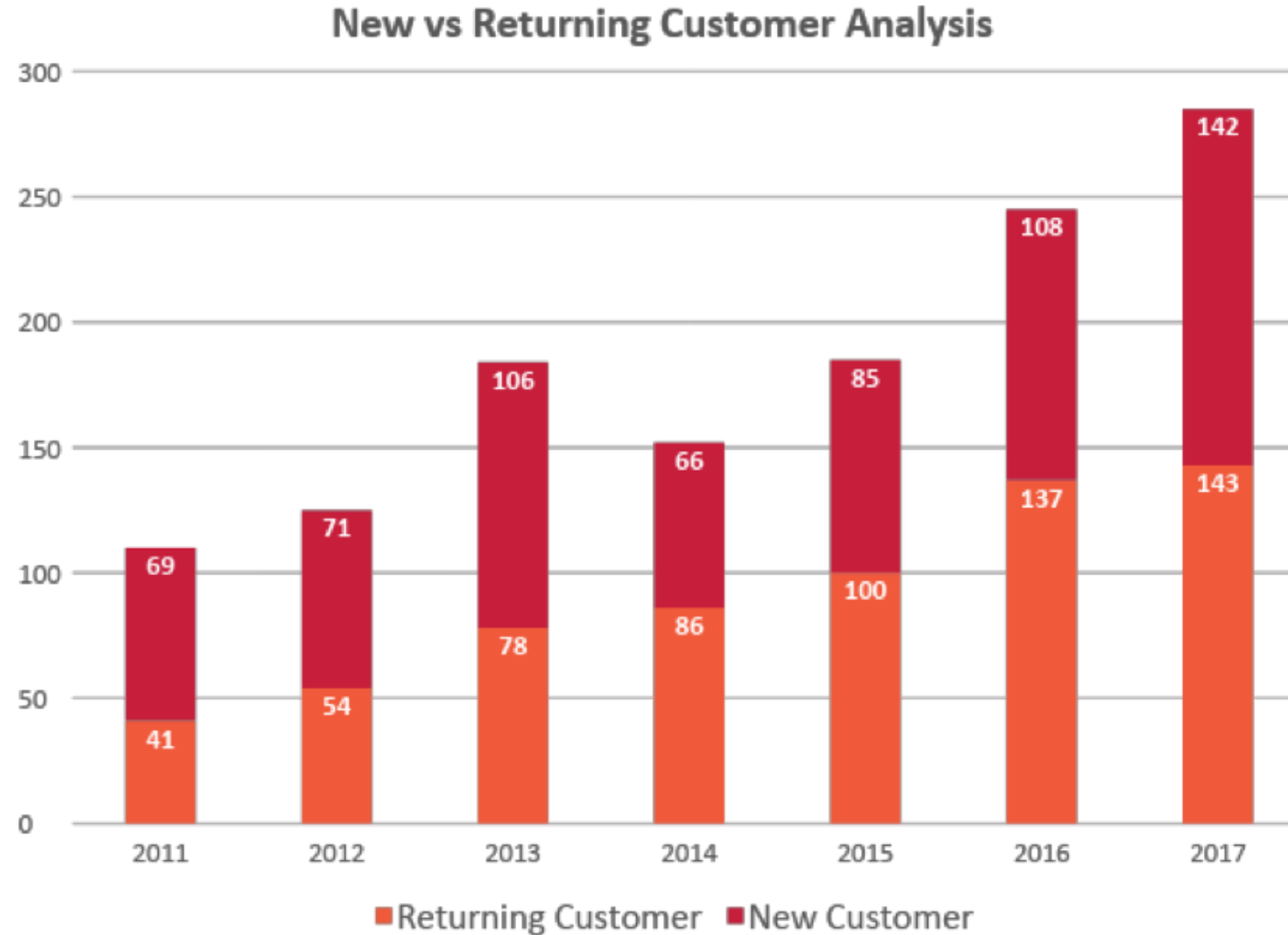
Development of the Main Business Lines *[in K, RON]*



- 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. Customer retention is fuelled by new customers' acquisitions.
- 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.



Financial evolution

- In 2017, Bittnet's **individual turnover increased with almost 60%**, reaching RON 21.7 million, while **Dendrio** 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.
- **35% net profit growth**, from RON 1.18 million to RON 1.59 million, representing the best net result in the company's history.

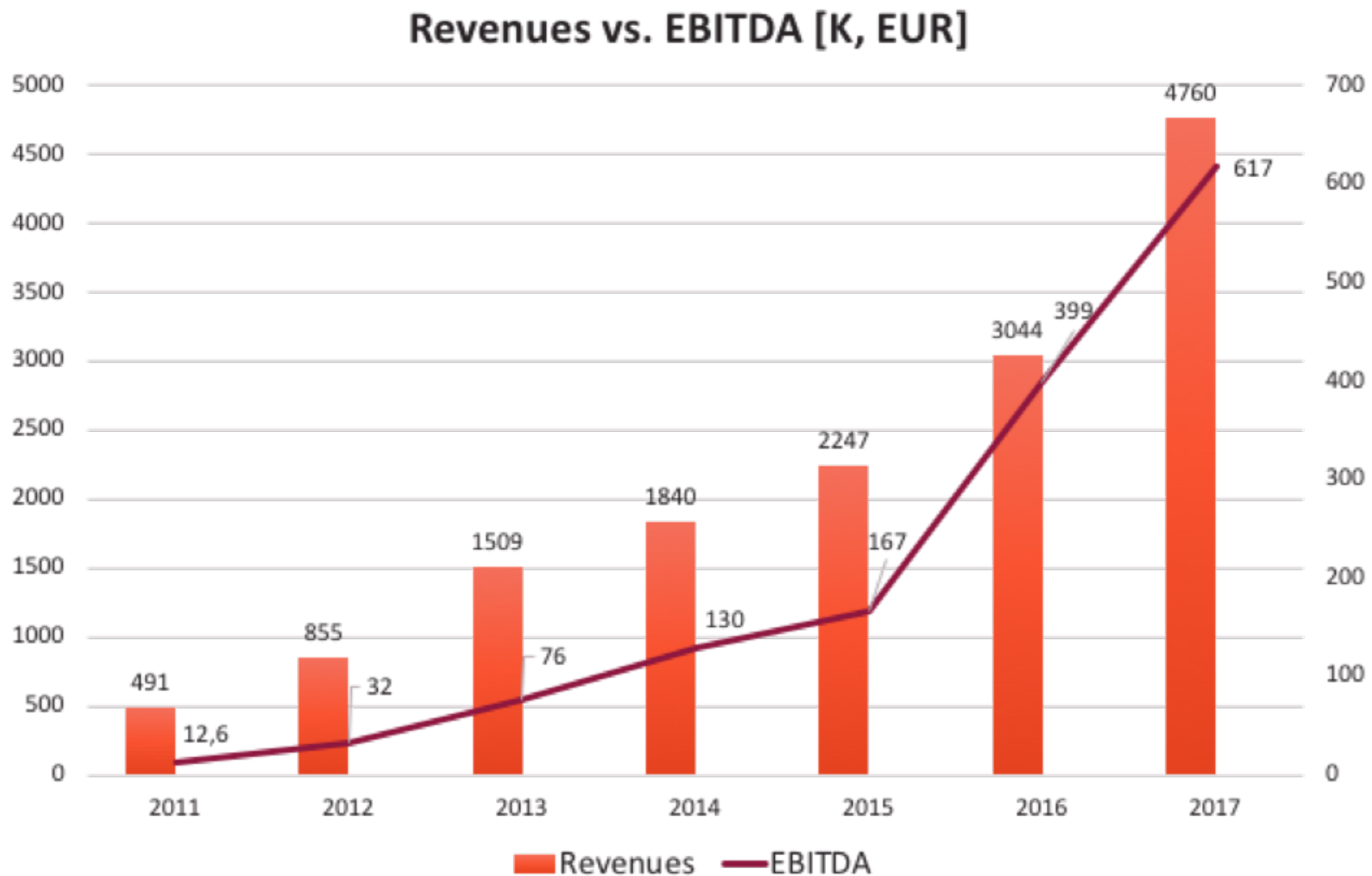
<i>[in K, RON]</i>	2015	2016	2017	Evolution FY17 / FY16
Revenues (of which)	9,992	13,695	21,745	59%
IT Integration	6,950	7,851	12,034	53%
IT Training	3,690	5,405	8,063	49%
Cloud	0	404	1,603	297%
Total costs (of which)	-10,100	-12,222	-20,155	65%
Total COGS	-6,309	-7,300	-11,600	59%
Indirect Costs	-2,570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

H1 2018 results and targets for 2018

- In H1 2018, **revenues of RON 23,125 million were recorded, an increase of 34%** compared to the same period of 2017 (excluding one atypical and unrepeatable event from H1 2017) while the profit doubled from RON 207K to RON 433K in H1 2018, as well as EBITDA which reached RON 1,4 million.
- The two key business lines, IT training as well as Integration & Cloud, **grew respectively by 8,5% as well as 37%** when compared to H1 2017.
- Bittnet, as well as many other IT companies, is strongly **influenced by the seasonality**. This is caused by the specific nature of the clients that the company addresses, namely those, which generally operate on annual budgets, investments plans etc. Throughout the years, the company has noticed an increase in the volume of the business in Q4.

<i>Profit and loss account [in K, RON]</i>	Forecasted 2018	Reported H1 2018	% of realization
Revenues	47,000	23,125	49,20%
Operating expenses, including:	-43,000	-22,077	51,34%
Depreciation and amortization	-80	-52	-64,77%
Operational profit	4,000	1,275	31,87%
Financial result, including	-1,150	-544	47,36%
Financial expenses	-1,150	-718	62,47%
Gross Profit	2,850	605	21,24%
Net Profit	2,394	411	17,17%
<i>Number of shares</i>	51 755 239	52 581 893	103,53%
<i>Net result per share [in RON]</i>	4,63	0,81	17,49%

Performance throughout the years





Contact Details

IR Contact:

Cristian Logofatu
Chief Financial Officer
investors@bittnet.ro

www.bittnet.ro

HQ:

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

bittnet