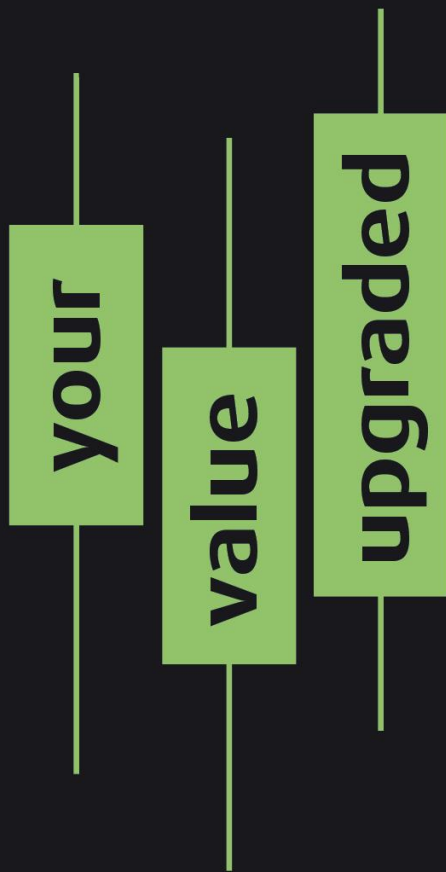


# IR PRESENTATION

May 2019

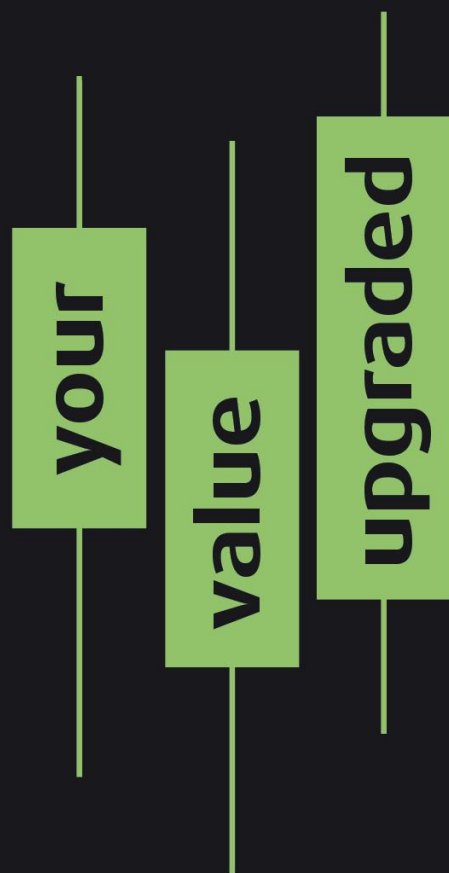


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# Investment Snapshot

# 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.



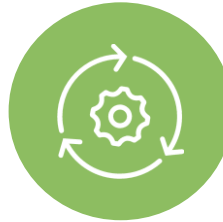
## Improving financial results

Year by year, Bittnet has been improving its financial results, reaching in 2018 **EUR 11,1 million** in consolidated revenues (+20% compared to 2017) and **EUR 1,02 million** of net profit (+164% vs 2017). For 2019, BNET targets revenues of RON 120 million (EUR 25 million).



## Sevenfold increase

In 4 years since listing (April 2015 until May 2019) Bittnet registered **fourteenfold increase in valuation**, from RON 7,5 million (EUR 1,7 million) to RON 105 million (EUR 22 million).\*



## Liquidity and price increase

In 2018, BNET was **the most liquid stock** on the AeRO market and recorded over 3,500 transactions. The valuation of the company grew by 55% in 2018 alone.



## Trusted base of investors

Since listing in April 2015, BNET attracted over **EUR 10 million** using capital market financing mechanisms, out of which estimated EUR 6 million was raised during five corporate bonds placements, primarily to fuel M&A activity.



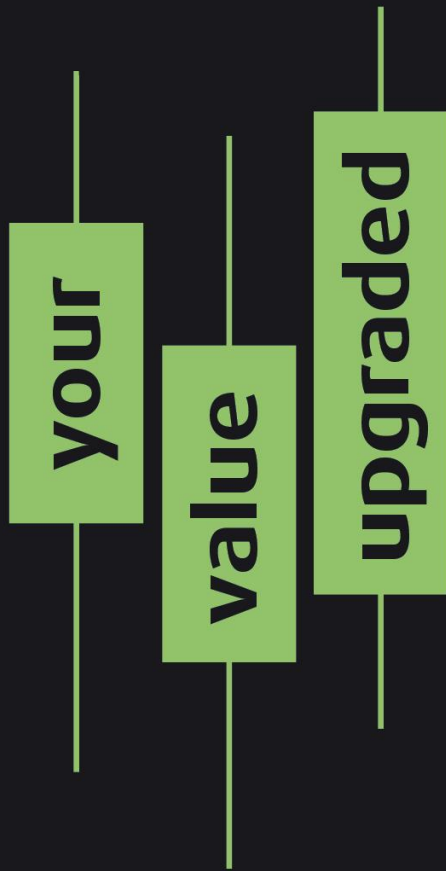
## Rewarded for quality

Winner of **multiple awards** for growth and innovation - the Best IR Team in CEE during CEE, Top 5 in 2018 EY Entrepreneur of the Year Romania, BVB award for the most active company on stock exchange in 2018.

**bittnet**  
group

\*Data as of May 21st, 2019

# Business Overview



# Bittnet's History

**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.

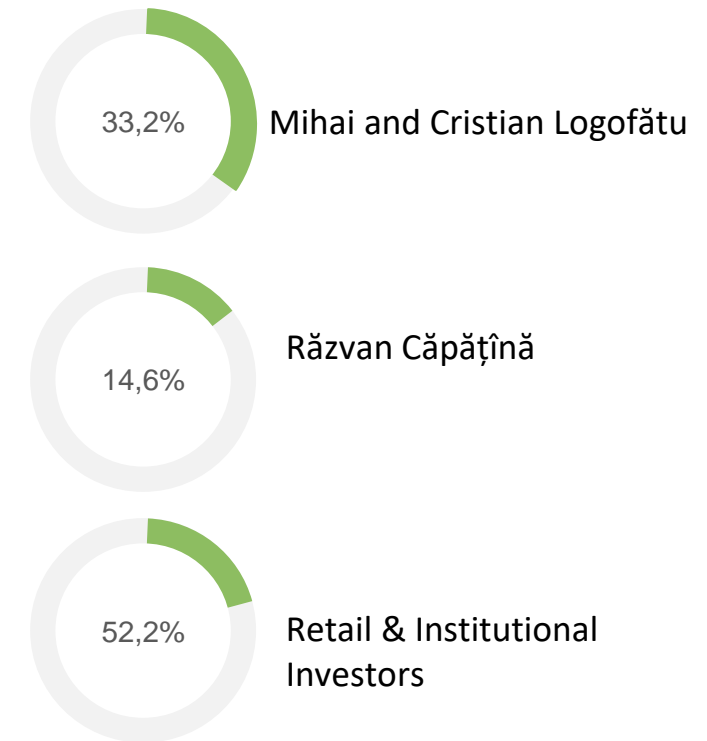
**In 2012, Bittnet received a capital infusion from Ia Răzvan Căpățînă,** in exchange for a 24% stake in the company. In 2015, the company attracted EUR 150K from a Polish investment fund, Carpathia Capital SA in exchange for a 10% stake and was subsequently listed on Bucharest Stock Exchange's AeRO market, becoming the first IT company listed on a Romanian exchange.

**Bittnet had 5 issuances of corporate bonds** between 2016 and 2019: BNET19, BNET22, BNET23, BNET23A and BNET23C.

**The company has a stable dividend policy.**  
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. For 2018 profits distribution, the proposed allocation ratio is 1 free share per each BNET share held.



Bittnet Shareholding Structure



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\* As of April 2nd, 2019.

# Executive Management

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**MIHAI LOGOFĂTU** 

CEO & Founder Bittnet Group



**CRISTIAN LOGOFĂTU** 

CFO & Founder Bittnet Group



**CRISTIAN HERGHELEGIU** 

VP Technology Bittnet Group  
CEO Dendrio



**DAN BERTEANU** 

VP Education Bittnet Group



**IULIAN MOTOI** 

CEO ELIAN Solutions



**DIANA ROSETKA** 

Managing Partner Equatorial

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## 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 NEGUȚ 



ANDREI PITIȘ 



DAN ȘTEFAN 



DAN BERȚEANU 

Prior to the transfer to the Main Market, which is expected at the end of 2019, the management intends to have the Board of Governors, consisting of 5 members, in place. The Board members will be elected during EGSM.



## Selected recognition:

- **March 2019:** Rewarded by Romanian Business Leaders Foundation for the most innovative business model during RBLS Summit 2019.
- **February 2019:** Finalist of EY Entrepreneur of the Year Romania edition (5th position).
- **February 2019:** Winner «Issuer with the most active usage in 2018 of capital market financing opportunities» during 2019 Inauguration of Bucharest Stock Exchange Year Awards.
- **December 2018:** Winner «Most Traded Company on AeRO Market» at 2018 Romanian Broker's Association Annual Gala.
- **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.

## Selected certifications:

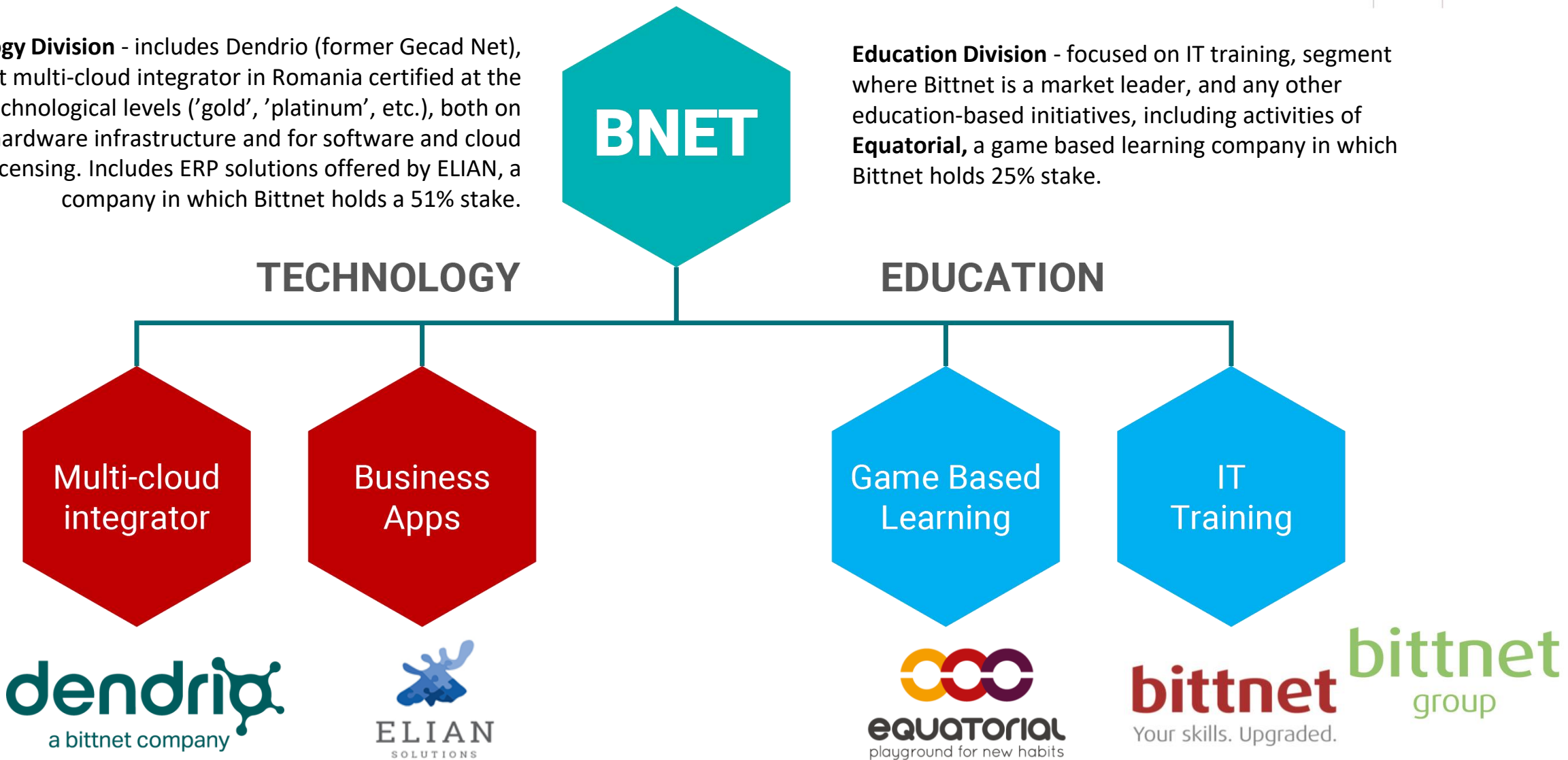


# Business Structure



**Technology Division** - includes Dendrio (former 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. 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 activities of **Equatorial**, a game based learning company in which Bittnet holds 25% stake.

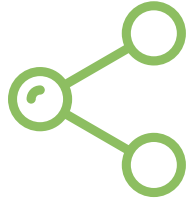


## IT Training

- 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 2018, IT Training brought **revenues of RON 8,28 million** (+3% compared to 2017).



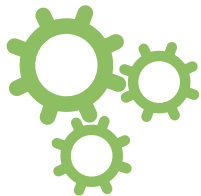
# IT Solutions



Division resulting from a merger of Bittnet and its IT solutions division with GECAD NET (today Dendrio), a company specialized in **commercializing and implementing software applications**, which provides appropriate licensing options, integrated IT services and professional security solutions.



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.



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.



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 (Amazon Web Services, Microsoft Azure, Google Cloud Platform or Cisco Cloud Solutions).



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.



In 2018, integration services brought **revenues of RON 36,35 million** (+10% compared to 2017) while cloud revenues were at RON 2,55 million (+60% compared to 2017).

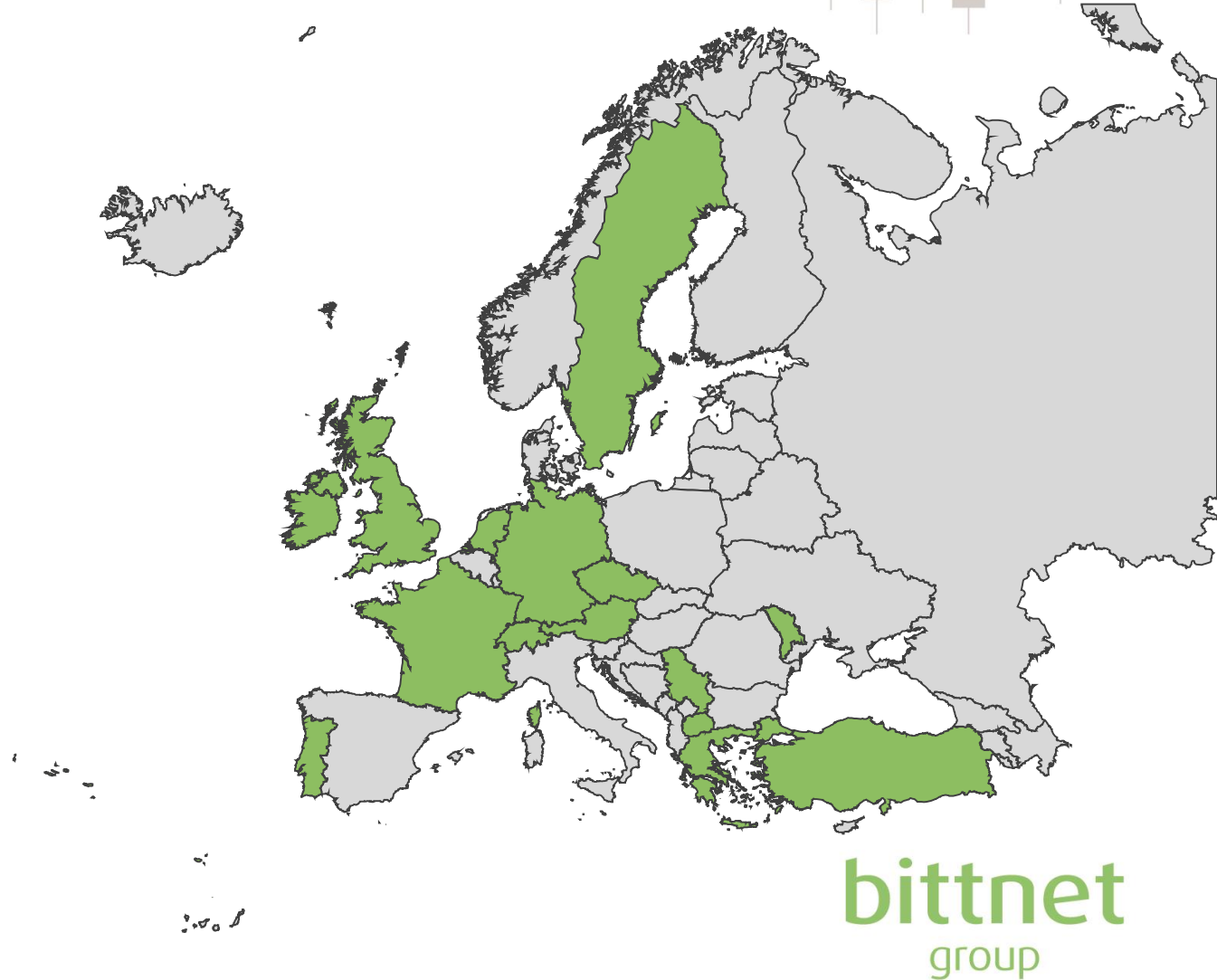
# Examples of IT integration projects

- 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.



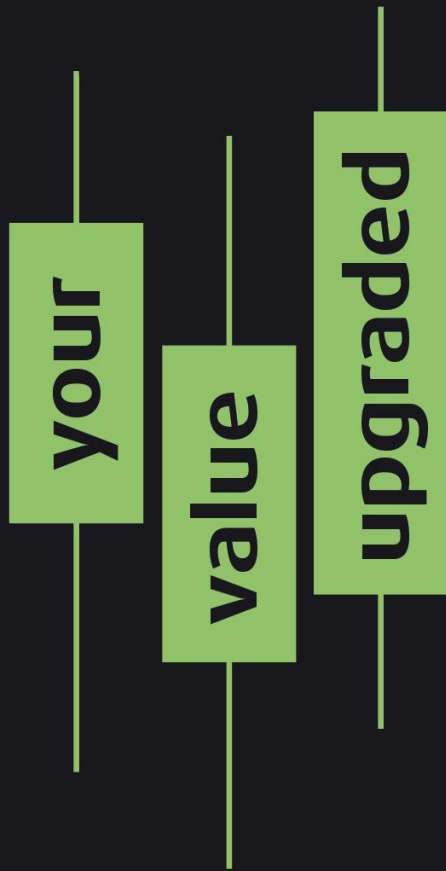
# International Expansion

- Large potential ahead: in 2018, exports grew with 136%, **overpassing EUR 1,5 million** (RON 7 million).
- In 2018, Bittnet delivered services to **18 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 **expertise of Bittnet Groups' 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

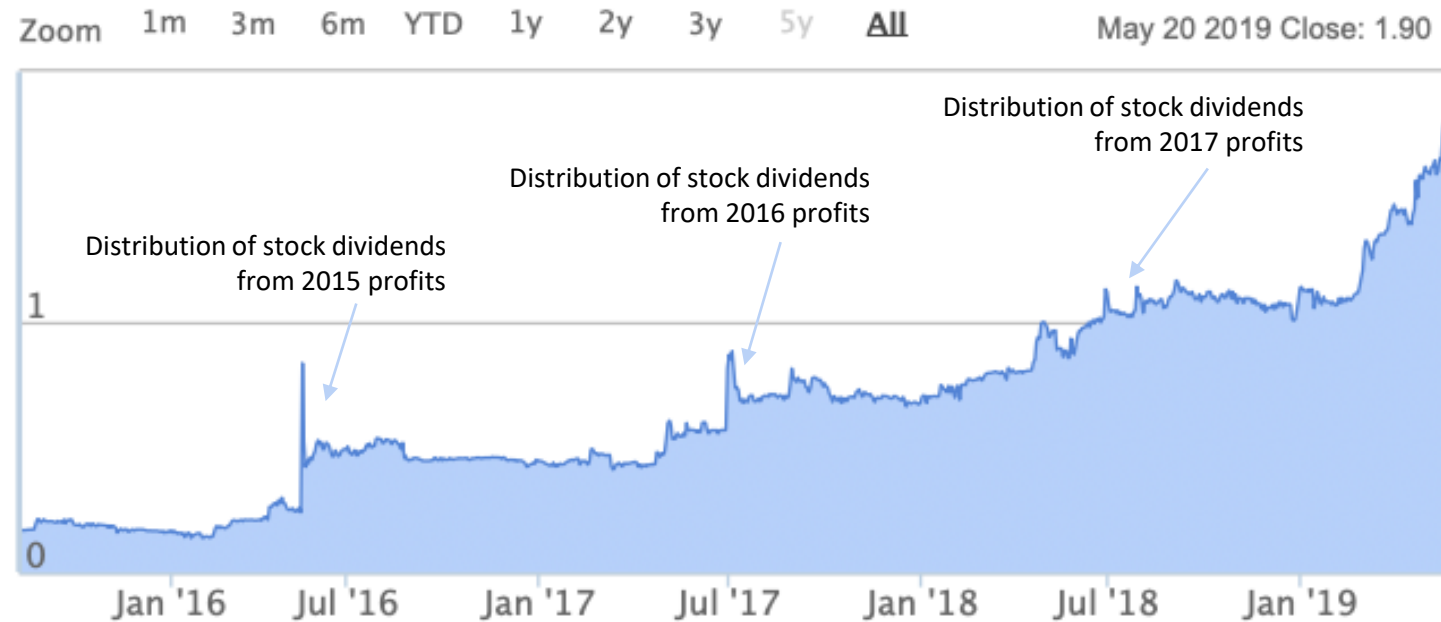


# BNET stock evolution

- In 2018, Bittnet was the **most traded stock** on the AeRO market;
- **55%** increase in stock price in 2018 alone; 1400% increase in market cap in 4 years.
- The company has currently **600+ 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 2018 profits, proposed the allocation ratio is **1 bonus share for each 1 share held**.

ISIN	ROBNETACNOR1
Share price (21.05.2019)	RON 1.91 / EUR 0,4
Market cap (21.05.2019)	RON 104,943,090 / EUR 22,031,519
No. of outstanding shares	55,233,205

Image source: Stockopedia | \*Data as of May 21st, 2019



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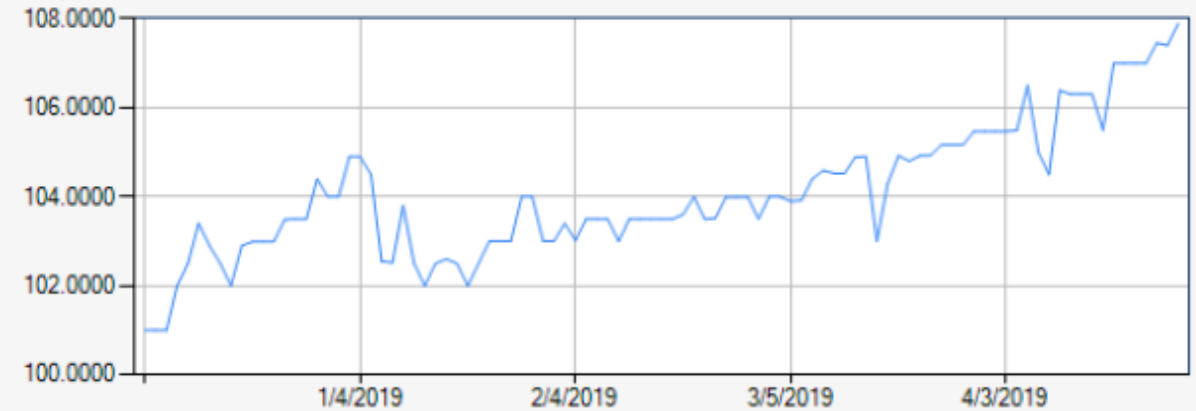


## BNET liquidity – equity and debt



- In February 2019, Bittnet **called back the BNET19** bond issuance, in order to reduce the indebtedness of the company.
- Currently the company has 4 issuances – BNET22, BNET23, BNET23A and BNET23C floated on the AeRO market. Especially BNET22 and BNET23 are very liquid and are currently trading **above the nominal value**.
- In 2018, Bittnet shares had **600+ shareholders** while all 3 issues of Bittnet bonds had **200+ bondholders**.
- **BNET23C bonds** in the value of €2,000,000 floated on the Bucharest Stock Exchange's ATS-Bonds market on April 17th 2019.

BNET23



BNET22



# Key developments timeline



## Listing on AeRO

**March 2015** - Lists on AeRO, company attracts €150,000 in exchange for 10% from Polish fund Carpathia Capital.

## Profit capitalization

**August 2016** - Capitalizes profit of €200,000.

## First Takeover

**April 2017** - Announces takeover of GECAD NET.

## Second bond issuance

**September 2017** - Attracts €1,000,000 through issuing corporate bonds (BNET22) – capital used to acquire GECAD NET.

## Rebranding

**April 2018** – Rebrands GECAD NET to **Dendrio** – first multi-cloud integrator in Romania.

## Significant transaction

**October 2018** – Announces intention to acquire the IT&C integration division of Crescendo International.

## Crescendo M&A bonds

**December 2018/January 2019** – Attracts €4,000,000 through bonds BNET23A and BNET23C.

## Founded in 2007

By Cristian and Mihai Logofatu.

## First bond issuance

**July 2016** - Attracts €950,000 through first issuance of corporate bonds (BNET19) on AeRO.

## Capital increase

**March 2017** - Raises €175,000 through AeRO in exchange for 7% stake in the company.

## Profit capitalization

**July 2017** – Capitalizes profit of €320,000.

## New takeovers

**March 2018** - Announces purchasing of 51% stake in ELIAN Solutions and 25% stake in EQUATORIAL.

## Third bond issuance

**July 2018** – Attracts €1,000,000 through BNET23 bonds for M&A in ELIAN and EQUATORIAL.

## Capital increase

**December 2018 & February 2019** – Capital increase: €700,000 in 2018 and €820,00 in 2019.

## BNET19 repayment

**January 2019** – callback and repayment of BNET19 bonds.

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group

## 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 and the IT&C integration division of Crescendo International at the end of 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. The approval of EGSM was given in December 2018 and by the end of 2018, the transaction was finalized, and the division was **integrated into the activity of Dendrio**.
- All 4 acquisitions were financed through **corporate bonds** issuances - BNET22 for GECAD, BNET23 for ELIAN and Equatorial and BNET23A for Crescendo's IT&C integration division.
- 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.

**bittnet**  
Your skills. Upgraded.

**dendrio**  
a bittnet company

  
**eQUATORIAL**  
playground for new habits

  
**ELIAN**  
SOLUTIONS

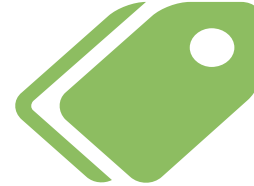
**bittnet**  
group

# 2019 strategy – the road to the Main Market



## 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 another 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 120 million in revenues in 2019.



## 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 a sound transfer to BVB's Main Market.

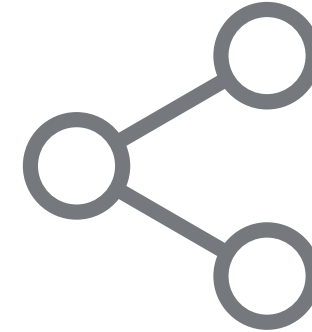
## Key goals for 2019

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### **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.

# Financial Data & Key Indicators

# 2018 Revenue and Net Profit Structure



bittnet  
group

TECHNOLOGY

EDUCATION



REVENUES

RON 27,75M (+27%)

RON 3,98M (+10%)

RON 26,48M (+21%)

RON 3,22M (+400%)

NET PROFIT

RON 1,13M (+500%)

RON 188K (+75%)

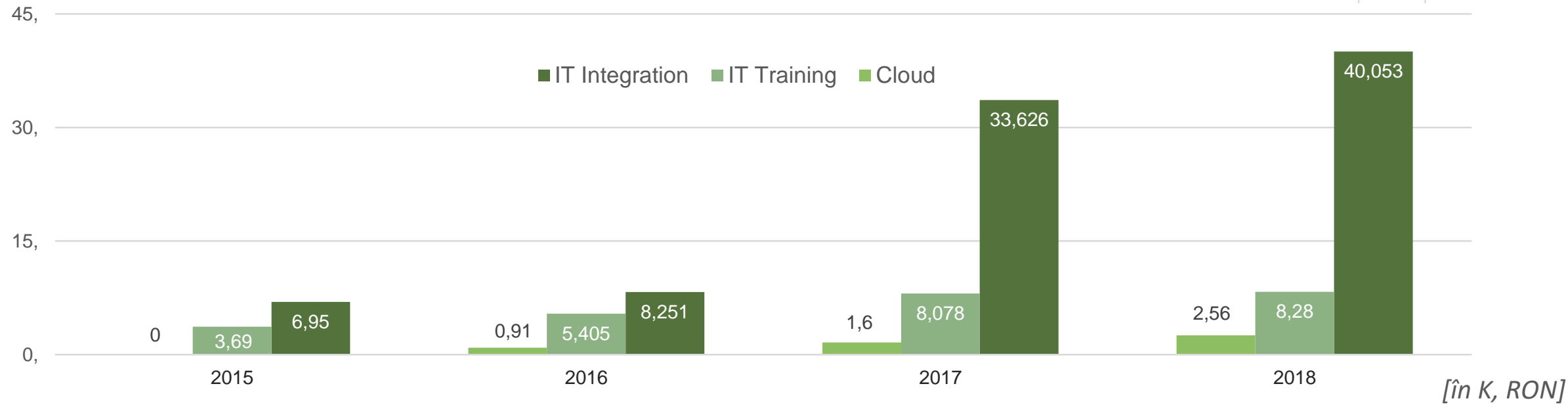
RON 3,68M (+131%)

RON 217K  
(vs. 83K losses)

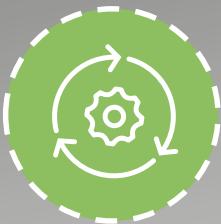
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Please note that the financial results of Equatorial and Elian Solutions are not included in the consolidated results of the Group. The above figures represent the performance per business, not the business line, and the Bittnet Training results include some revenue from the IT&C integration line that has not yet been fully transferred to Dendrio.

# Key indicators – development of the main business lines



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 a high percentage increase as compared to 2017, of 60%. Throughout 2018, the number of projects involving **cloud migration** services increased significantly, a trend which is expected to continue in 2019-2020.



Taking into consideration ever-expanding product portfolio of **IT training**, there is an expectation to continue capturing more value from the IT training business.



# Financial evolution



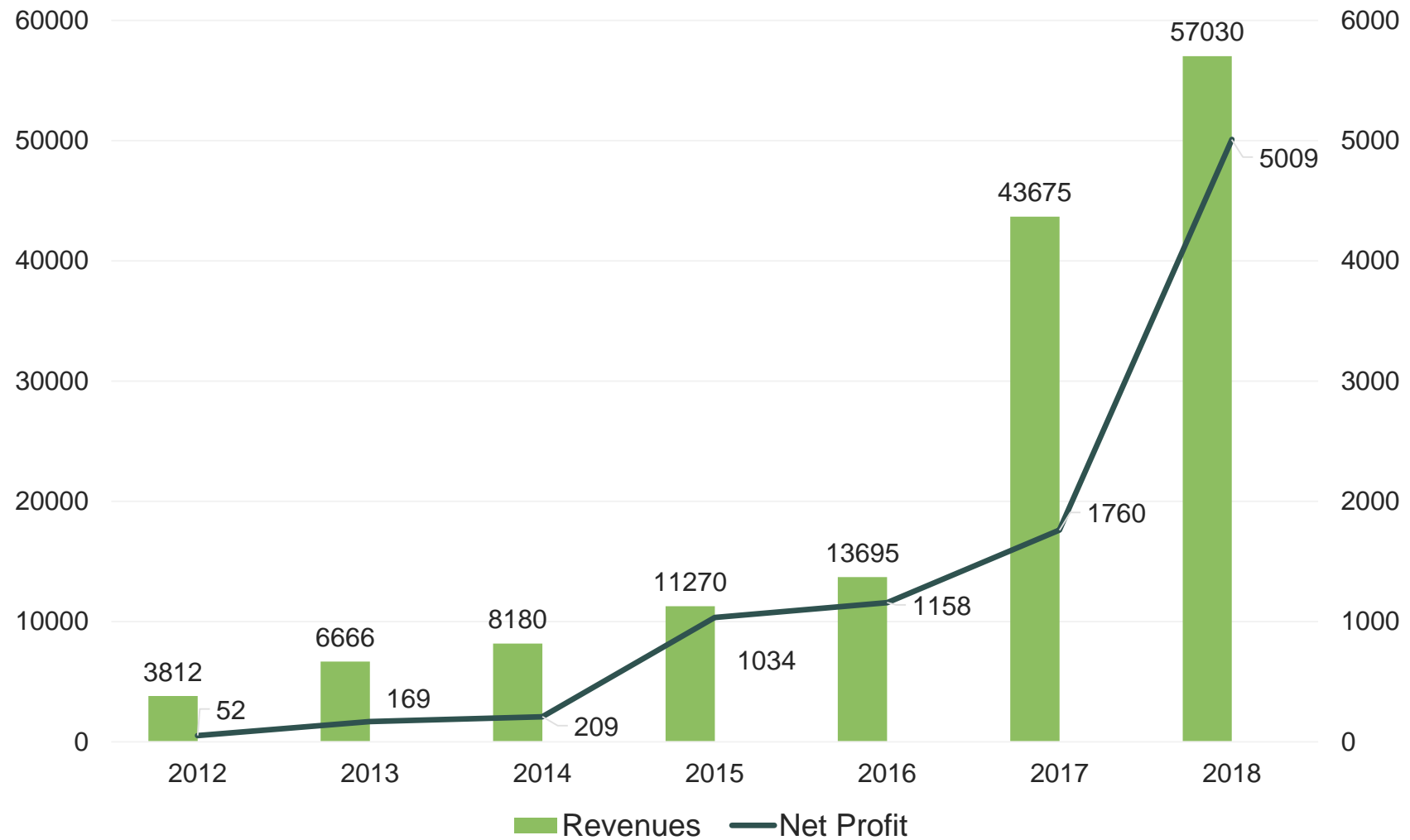
- In 2018, Bittnet Group's consolidated results reached **RON 57,030 million**, result that includes the revenues related to Bittnet trademark acquisition.
- Both business lines, training as well as the integration and cloud migration, have **yielded revenues and rising profits in 2018**.
- **184% net profit growth**, from RON 1.76 million to RON 5.009 million, representing the best net result in the company's history.
- The management proposes the **distribution of the accrued profits in 2018** in the form of free shares, in proportion 1 share owned for 1 share held.
- In 2019, the Group will pursue the same growth strategy based on **3 pillars of growth**: capitalizing on industry trends (cloud, cybersecurity, everything as a service), widening and product portfolio (upsell and cross-sell), capitalizing on trends of 'uberising' services worldwide.

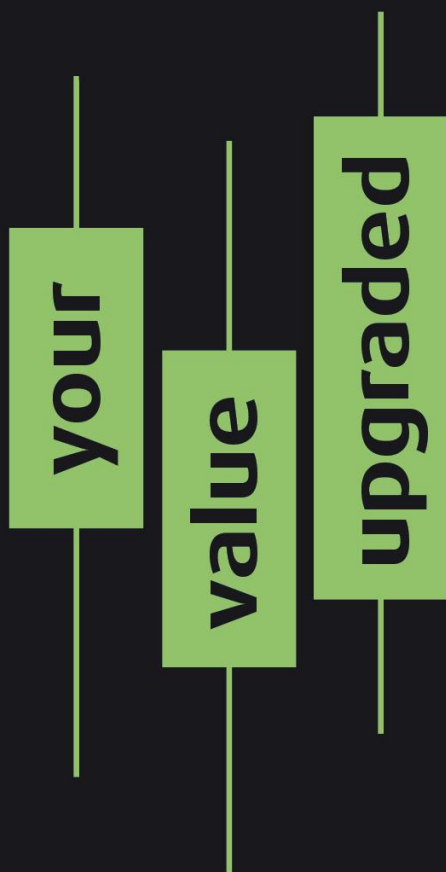
<i>[in K, RON]</i>	2016 (Indiv)	2017 (Cons)	2018 (Cons)	Evolution FY18/ FY17
Total Revenues (of which)	13,849	43,675	57,030	<b>30.58%</b>
Revenues related to brand			5,895	
Revenues (of which)	13,695	43,307	51,147	<b>18.10%</b>
<i>IT Integration</i>	8,251	33,338	40,053	<b>20.14%</b>
<i>IT Training</i>	5,405	8,078	8,280	<b>2.50%</b>
<i>Cloud</i>	905	1,603	2,557	<b>59.51%</b>
Total COGS	-6,315	-32,190	-38,029	<b>18.14%</b>
Indirect Costs	-5,505	-8,498	-11,762	<b>38.41%</b>
Operational Profit	1,825	3,028	1,344	<b>-55.61%</b>
Interest	(328)	-851	-1,256	<b>47.59%</b>
Amortization	(114)	-99	-180	<b>81.82%</b>
Gross Profit	1,383	2,078	5,803	<b>179.26%</b>
Net Profit	1,158	1,760	5,009	<b>184.60%</b>

# Performance throughout the years



Revenues vs. Net Profit [K, RON]





## IR Contact:

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**bittnet**  
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