

Periodic Report - 1st Semester, 2021

Semestrial report according to Regulation No. 5/2018 on issuers and operations with securities

For the financial year	1 January 2021 - 30 June 2021
Report date	27 August 2021
Name of the company	BITTNET SYSTEMS S.A.
Registered office	Str. Șoimuș nr. 23, bl 2, ap. 24, Sector 4, Bucharest
Telephone/fax	021.527.16.00 / 021.527.16.98
Sole Registration Code	21181848
Trade Register registration number	J40/3752/2007
The regulated market on which the issued securities are traded	BVB Regulated Market
Paid-in and subscribed share capital	RON 48,043,690.40* *
The main characteristics of securities issued by the company	395,565,240* shares with face value RON 0.1 – BNET symbol 47,000 bonds with face value of RON 100 – BNET23 symbol 97,037 bonds with face value RON 100 – BNET23A symbol 100,000 bonds with face value RON 100 – BNET23C symbol

* *At the date of publication of this Note, the Company is in the process of registering with the FSA / Central Depository two capital increase operations registered with the Trade Register – from August 2020 (according to the Decision of the CA No. 7/18 August 2020) and December 2020 (according to the Decision of the CA No. 10/17 December 2020). In the National Trade Register Office, the Company appears with a share capital composed of 480,436,904 shares after the processing of the capital increases according to the Decisions of the EGMS No. 2 and 3 of April 2021.

MESSAGE FROM CEO.....	3
GENERAL INFORMATION ABOUT THE ISSUER	10
GROUP STRUCTURE AT H1.....	12
THE BITTNET VISION	21
RESUME OF KEY EVENTS IN Q1 2020	28
EDUCATION DIVISION, HEADED BY DAN BERTEANU, VICE PRESIDENT FOR EDUCATION WITHIN BITTNET GROUP.....	28
TECHNOLOGY DIVISION, HEADED BY CRISTIAN HERGHELEGIU, VICE PRESIDENT OF TECHNOLOGY AT BITTNET GROUP.....	37
SHARE PRICE	46
ABOUT BONDS.....	47
2. GROUP ECONOMIC AND FINANCIAL SITUATION	49
BALANCE SHEET ITEMS	49
REVENUE ACCOUNT	52
CASH FLOW STATEMENT	58
3. ANALYSIS OF THE COMPANY'S ACTIVITY.....	59
3.1. PRESENTATION AND ANALYSIS OF TRENDS, ELEMENTS, EVENTS OR UNCERTAINTY FACTORS AFFECTING OR LIKELY TO AFFECT THE COMPANY'S LIQUIDITY COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR.	59
3.2. PRESENTATION AND ANALYSIS OF THE EFFECTS ON THE FINANCIAL SITUATION OF THE COMPANY OF ALL CURRENT OR ANTICIPATED CAPITAL EXPENDITURES (SPECIFYING THE PURPOSE AND SOURCES OF FINANCING THESE EXPENDITURES), COMPARED TO THE SAME PERIOD OF LAST YEAR.	60
3.3. PRESENTATION AND ANALYSIS OF EVENTS AND TRANSACTIONS OF ECONOMIC CHANGES THAT SIGNIFICANTLY AFFECT THE INCOME FROM THE CORE ACTIVITY INDICATION OF THE EXTENT TO WHICH REVENUE HAS BEEN AFFECTED BY EACH IDENTIFIED ITEM. COMPARISON WITH THE CORRESPONDING PERIOD OF LAST YEAR.	61
4. CHANGES AFFECTING THE COMPANY'S CAPITAL AND MANAGEMENT.....	63
4.1. DESCRIPTION OF THE CASES WHERE THE COMPANY WAS UNABLE TO MEET ITS FINANCIAL OBLIGATIONS DURING THE PERIOD.	63
4.2. DESCRIPTION OF ANY CHANGE IN THE RIGHTS OF THE HOLDERS OF THE SECURITIES ISSUED BY THE COMPANY.....	63
5. SIGNIFICANT TRANSACTIONS WITH AFFILIATES	65
6. DEGREE OF TARGET ACHIEVEMENT FOR 2020	66
7. RISKS IDENTIFIED BY THE ISSUER.....	67
8. SIGNATURES AND DECLARATIONS ACCORDING TO ART. 123 2 POINT B, LETTER C OF THE FSA REGULATION NO. 1/2006.	73
9. ANNEXES & FINANCIAL STATEMENTS (UNAUDITED).....	1

Message from the CEO

In the first 6 months of the current year, our group recorded a gross profit of 2 million RON, 57% more than in the first semester of the previous year. The main contribution in this semester was made by the financial profit of 1.38 million, increasing by 3.26 million compared to 2020, while the operating result recorded only a positive value of 652 thousand RON, a significant decrease compared to 3.18 million RON in Q1 2020.

Both divisions, Education and Technology, recorded lower revenues in H1 2021 compared to H1 2020 (turnover of 48 million in 2021 versus 57 million RON revenues in H1 2020), but the focus on higher value-added services generated that the decrease of the gross margin should be only 10%: thus, RON 10.6 million in 2021 represent a percentage of 22% while RON 11.7 million in 2020 represented a percentage of 20.5%.

Within the Education Division, the lack of predictability in many clients cases generated the postponement of more consistent investments in training for the second part of the year. Added to this was the promise of government funds that caused eligible customers, especially large ones, to delay their own investments. As these government programs will be felt in the economy only in the next 12-15 months, we have identified an increase in customer interest in recent weeks, which will materialize in the second half of the year. Moreover, in the absence of new restrictions imposed by the authorities we identify an increasing in demand for face-to-face training sessions.

The strategic partnerships with big technology vendors have been strengthened and there are premises for an increase in the budgets allocated by them for the topics in the cloud skills category in the next 12-18 months. In first 6 months alone, over 300 students received training in vendor-funded programs. Our own DevOps portfolio of courses continues to grow and we are constantly identifying more and more partners to sell them DevOps training in international markets. The repositioning of Equatorial as a human skills partner of the IT industry generated the first results by increasing the number of customers in this vertical and by launching a new platform, FutureSkills, which supports the learning process. Equatorial continued to deliver for the TechTalent program run by ANIS while the VRUNNERS platform continued to be at the center of training programs serving asynchronous learning needs. In March, during the HR Club Gala, Equatorial won the award for the best program in the *Training and development category*, for the VRUNNERS Fn+F5 project implemented in 2020 for the Software Development department of Miele Brasov.

Because the Education Division is the engine of operational transformations, the challenges are given by the transition period to a new system and approach and the establishment in the daily routine of the organization of the new operational and decision-making flow.

The development towards e-learning solutions, through the investment made in The E-Learning Company, proved to be successful because the customers' interest for this type of training has increased in recent months. The company has renewed all subscription contracts and added new customers in its portfolio. At the same time, the increase in number of active users in the platform is an important indicator, from 10% to over 25%, which determines us to say that we

will have a further accelerated growth. The e-Learning Company is the only partner in Romania of Skillsoft, the largest e-learning content platform in the world, and based on the increase in customer volume, investments in a new version of the platform have been accelerated, all these steps supporting the position by the most important provider of online courses in Romanian.

Within the Technology Division, we recorded a slight increase in the gross margin generated, amid a decrease in the division's operating revenues. We believe that the IT industry - both in the integration / infrastructure segment and in the software development and business application implementation segment - retains its significant growth potential for the next period, even if the post-pandemic economic cycle has a lower predictability compared to previous periods. The vast majority (85%) of CEOs in Romania plan to increase investment in digital transformation in the next three years, a segment that has risen to first place in the top areas for which executives will allocate more funds, notes a report by PwC Romania.

While in the IT infrastructure market there is a market trend to focus on maintaining existing solutions for software development services, companies continue to invest significantly in developing software solutions and platforms as part of their digital transformation efforts. This translates for Softbinator, the group company specialized in software development, in accelerated growth rates (43%) and in an optimized business model, considering the possibility to allocate resources efficiently (projects with an accentuated recurrent character, on multiannual periods). The technological landscape is also extremely dynamic, with technologies such as blockchain or Artificial Intelligence-focused projects generating increasing interest in foreign markets. Consequently, the foundation of business growth in the field of software development consists in the ability to attract, prepare and efficiently manage human capital - the area that is a strong point for Softbinator. Through the recently announced investments in Nenos and Nonlinear companies, Bittnet group is consolidating its software arm and advanced to Machine Learning / Artificial Intelligence expertise.

The pressure on human capital is a constant in the industry, but the pandemic has forced companies worldwide to reluctantly adopt the concept of "work from anywhere". Markets that before the crisis were somewhat more restrictive in hiring resources at a distance, such as Switzerland, Germany and France but not only, have removed this restriction. As such, the volume of employment opportunities, direct or on projects, for the foreign market has increased significantly - which translates into increased difficulties in attracting and maintaining human capital in the country.

In the case of projects in the area of business applications, this pressure on human capital overlapped with a phenomenon induced by the health crisis: the postponement of the implementation of certain contracts already won, postponement that led to an agglomeration of these projects at the end of 2020 and in this first half of 2021. To counteract this effect, the implementation team was expanded, estimating that for the second half the pace of sales and implementation will return to standard parameters.

Last but not least, the Technology Division (Dendrio in particular) is still affected by delays in the delivery of hardware equipment due to the semiconductor worldwide crisis, which has led to a decrease in revenues from the sale of hardware solutions. Instead, this situation generates a customer need and an opportunity for us, for more maintenance services of existing solutions and for changing the approach of technological solutions delivered to customers. revenues from IT&C integration services increased by 12%, which generates a higher gross margin in H1 2021

versus H1 2020. The relatively constant maintenance of indirect expenditures leads to an Operating Profit similar to that of the previous period (1.48 million lei versus 1.56 million lei in 2020).

In the first half of the year, Dendrio obtained an 8% higher gross margin, in the context of almost 14% lower revenues. This is due to the focus on projects with a significant component of services. It is important to note that the volume of contracts for products and services won and even contracted is RON 47 million, but, against the background of long delivery terms, we estimate that their invoicing will make it possible in the 3rd quarter even in the 4th quarter.

In case of Elian, revenues were generated in the three main directions: implementation services (new projects), support and maintenance services (projects that have already been implemented and are entering the recurrent support phase) and license sales (on premises and on cloud); support services and the cloud licensing component are recurring revenue generators.

In the first 6 months, licenses were mainly invoiced, which led to an increase in their share in total revenues (45% of turnover), and the share of implementation services decreased to 33% of turnover, while support remained at 22%. The periodic increase in the share of revenue from licenses (on premises) is part of the typical business model for ERP systems: a cycle in which services are significantly billed (as was H2 2020) is followed by a cycle in which the share of services decreases because completes previously sold projects and extends implementation to new users (which necessarily generates licenses). Elian attracted new customers and signed new implementation contracts with a slight delay due to promises of government funding for digitization, which led some customers to give up their investments or focus on smaller projects. As these funds are delayed but the need for business exists we see an increase in interest from prospects for ERP solutions and in this context the fixed price financing solution per user implemented significantly simplifies the customer's decision and acquisition process but also internal sales processes. To support the newly signed contracts, the team increased by over 20% and the marketing activity began to align with the new practices already implemented in the education division.

For Softbinator, which joined Bittnet group at the end of 2020, this period meant the transition to a more scalable operational structure, with better structured roles and departments led by members with expertise and seniority in the company along with a specialized board to ensures a preparation of the organization for the new dimension. Otherwise, the company attracted 8 new clients from foreign markets, signed an investment agreement in a UI / UX studio (Ixperi) through which to consolidate the expertise on this segment, respectively signed an investment agreement with the specialized recruitment company. in vertical software, TechMind. Against the background of the global growth of investments in the software development area, Softbinator registered a 43% increase in revenues and 18% in profits and after the reporting period decided to list on the AeRO market as a natural step to accelerate the development plans.

Instead, if we analyse in the annualised perspective (the last 12 months - TTM) our Group recorded a consolidated gross profit of 2.2 million RON, 48% higher than the 12-month period ended on June 30, 2020. This positive result is mainly due to keeping flat indirect expenses, while the financial result improved by 4.8 million RON, compensating the 70% decrease of the operating profit. As a result of the active mergers & acquisitions strategy, reaching a critical mass at group level and the operations carried out through the capital market, we estimate that we

are entering a new stage, in which the financial result will continue to add to the operational one, not to represent a decrease, as in 2019 and 2020.

Although it is already the 4th time when we publish annualized (TTM) results, we have received a number of questions about this form of presentation from existing shareholders or other persons interested in the capital market. We consider that the annualised perspective is more relevant for understanding the size and capacity of the group, based on the following realities:

- The size at which we are, combined with the specifics of the business – in which a significant part are punctual deliveries (IT&C integration projects deliveries), IT training sessions, software projects delivery, key delivery access to the eLearning online courses library, etc.) – makes the invoicing of some projects on the 31st day of a month or on the 1st of the following month to have an influence on the quarterly results, although it has no effect on the company's welfare.
- In line with the opinions expressed by investors and managers of calibre, we do not believe that any single quarter can be representative of the situation or evolution of our group, and the focus on 'delivering' quarterly results is well known to generate unfortunate behaviours within the team, which harm the long-term value of the company.

In other words, we believe that the operational and structural changes we implement will generate great value for shareholders, and it would have been unhealthy not to implement these changes, with the fear that they do not generate results instantly, in time for the next quarterly report.

The financial situation of the group is very good, with shareholder equity reaching the highest value in the history of the group: 42 million RON. The same can be said about the cash position – 26.2 million RON, while financial assets exceeded the value of 4.4 million RON. During the analysed period, the group continued to record a positive cash flow of 1.1 million RON. Taking into account the compound effect of the amounts re-invested in the company compared to any other alternative (you can find this explained by JM Keynes in the chapter "Bittnet Vision"), we are confident to continue the policy of non-distribution of cash dividends and re-investment in the accelerated expansion of the group.

Our solid financial situation positions us very well to continue both the changes of the internal sales generation and delivery processes, but also the expansion through acquisitions (M&As). In particular, this topic is one of interest, which we believe deserves to continue to have priority in increasing the group's footprint, especially given the success of previous M&A projects.

We are a group of companies that offer an increasing range of IT&C services to clients, both in the classical manner (project based), in a recurring manner ('recurring revenue') and in the paradigm of '[managed services](#)'. One of the strategic development pillars, published since the listing on the AeRO market in 2015, has been the continuous development of the portfolio of offered products and services.

We intend to continuously expand the footprint of the products and services offered to the clients of the group, both by developing the portfolio of each company (or business lines), and by continuous investments or acquisitions. We are not an investment fund, we are looking to acquire positions in companies that we intend to continue operating, regardless of how large the

ownership is that we can obtain. We are active only in the field of information technology ("our circle of competence").

On the other hand, we are open and flexible about partnership structures, and we treat every investment opportunity mathematically, in terms of the odds that it will bring value to our shareholders. There are 3 types of situations in which we find ourselves, in relation to our group's holdings in IT companies, typologies defined according to IFRS standards related to the consolidation of financial results: These start from a few principles stated over time by Warren Buffett.

1. In case of holdings over 50%, we provide the entire "operational machinery" of the group (marketing, logistics, financial, cross-sell, management, etc.), so as to significantly increase the chances of succeeding "together", taking the best of both universes (Bittnet and that of the purchased company)
2. In the case of holdings between 20 and 50% (accounted for using the equity method), we offer support where relevant for our partners (the entrepreneurs who decided to open their shareholding to us), starting from the idea that *"owning a non-controlling part of a wonderful business is more profitable, more enjoyable and far less work struggling with 100% of a marginal enterprise."*
3. in the case of the third category (holdings below 20%), we are passive investors, following the market value of ownership, starting from the *"buy stock in businesses that you would like to own yourself"* philosophy. I think that it is important to realize that moving a holding from the second to the third category might produce some significant positive effects in the consolidated results (since we would start accounting for the value of the company, not just its profit)

In general, we are looking to invest in companies and activities that meet the following criteria:

1. Entrepreneurs and their managers want a partnership with us, considering that they have something to gain from belonging to a group with diversified services, a broad customer base and a solid financial situation.
2. We understand how the company works and what is necessary in order to increase operating profit versus invested capital.
3. They're run by capable, honest managers.
4. We can buy them at a favourable price, in a transaction structure that aligns our objectives and well-being ("we prosper together" versus "we make a wellbeing transfer").

Even if the results produced by each of the companies in which we invest will not have regular values and evolutions year after year, even if some of the investments are in moments of growth, and need more of our expertise to grow businesses, and others are in moments of maturity that produce cashflow that can be optimized and used to expand the group, **we strongly believe that their diversification combined with the above acquisition criteria significantly increases our chances to prosper from these investments.**

If all the transactions announced by the time of publication of this report are successfully closed, at the end of 2021, the companies in the group will record revenues of approximately RON 250 million (RON 100 million over the budget of 150 approved by shareholders). In other words, if we stop the M&A processes, and if we slow down the growth from 60% to 26%, we are still on the

right track to deliver the result of 500 million RON income at the end of 2024. Instead, we do not intend to stop the M&A processes in order to accelerate the growth of the group.

One of the elements that seems hidden from the analysis of some investors is the fact that investment projects that meet the above four criteria are not available to the general public, and not even to any financial investor with significant resources (even less to retail investors on the stock market). A significant part of the explanation for which these projects are available to our group is that we represent "smart money" partners for the respective entrepreneurs and managers, already having a positive reputation, based on a track record of 15 years of professional activity, including on the capital market.

I would like to give some applied examples on the opportunity of diversifying the portfolio of products and services, including through M&A:

1. During 2020, the Education Division had mixed results: Bittnet Training remained constant, because it had already taken steps in the transition of classes towards online education, while Equatorial recorded a weak year, due to the initial reduction of budgets at Equatorial clients, who have a different type of clients than Bittnet. If Equatorial had not been part of the Bittnet group, this year would have been very difficult to overcome. Instead, in the safety offered by the financial resources of the group, the foundations of a new go-to-market approach have been laid, it has been successfully tested as pilot, and the results can be seen in 2021.
2. Not only were the EQG employees not fired because of 'a bad year' but, on the contrary, they could set the basis for some special projects, which on the one hand now bring value to Equatorial, but, moreover, are the basis for re-pivoting the entire customer addressing mechanism in the new "low touch economy" paradigm.
3. If in Q1 2021 the evolution of 'face-to-face' courses (either in class or in the online environment) offered by Bittnet Training, was decreasing compared to 2020, being affected by the expectations of all actors to return to classes, 'the eLearning Company' recorded a significant increase, which partially counterbalances the results, offering more resilience to the entire organization.
4. If in 2019 the technology division was affected by the operational integration of the largest acquisition so far, and Education contributed significantly to the survival of the group, the fact that we were able to pay attention and correct processes in 2019 to this integration, then, in 2020 (which was nowhere near an ideal year for the Technology division), it recovered, generating a very good result for the entire group: when the companies in the BET-XT index decreased their business by 10% on average and profit by 50% on average, our group registered a 10% increase in revenue and a return to profit (a 125% increase in profitability).

This resilience is not an accident, but on the contrary, it is a natural result of the way we have searched for and chosen the investments in other companies, and of the vision we follow related to the construction of the entire group. I warmly suggest you take the time to quietly go through the chapter "The Bittnet Vision".

In the last 6 months we have received more often questions from shareholders about the lateral evolution of the share price, even if this is the prerogative of investors and not of management. We hope that the shareholders who join us will share our vision on medium and long term, and that they understand correctly what is the bet they are making: that they enter a field of accelerated growth ("a rising tide lifts all boats") together with a management team that has

demonstrated over 10 years of results better than the industry average, both operational and from the point of view of capital management.

The resilience described above is the first mandatory step in the journey towards anti-fragility. Each of the decisions we make follows the construction of an anti-fragile group, so that we have the strongest force – time – by our side ("Time is the friend of the wonderful business, the enemy of the mediocre one."). The second element is the combination of 'good operations' and capital management capability, as described 'the secret for success' in the book '[The outsiders – 8 outstanding CEOs](#)'.

I believe that one of the elements that "escapes" the external analysis on Bittnet is the special **operational capacity**. The fact that our initial, core activity is IT training, and the complexity specific to the successful organization of this business, have forced us to build operational systems and operational specific to companies much larger in terms of business, with increased complexity. On the other hand, once we overcome this impediment, we currently enjoy a competitive advantage that is hard to match from this point of view. During this year we saw an announcement of a very respectable IT company that was doing a retrospective of the entire activity, on the occasion of a 10 or 15 year anniversary. During this period, the company successfully delivered over 700 projects. In the case of our group, we deliver over 4,000 projects *annually*, with a minimalist overhead operation, both in terms of cost and time.

If we analyse the other element that contributes to the long-term success of the companies – the ability to manage capital, we are in a very happy situation for the time being: the **IRR of equity** attracted through the mechanisms of the capital market is **about 40%**, which strengthens our confidence in the adopted financial model, which we intend to continue to apply as long as the results continue to be significantly better than the market's average.

In conclusion, I invite you to carefully read the chapter "Bittnet's Vision", which addresses most of the sensitive questions asked by existing and potential shareholders during the first 8 months of the year, to subscribe to the investors' newsletter by accessing the address <https://investors.bittnet.ro/ro/abonare-newsletter/> and to see the half-yearly results presented in the following pages.

As usual, we encourage you to send us feedback about the report, the company's evolution or future plans. In line with our policy of openness and dialogue with shareholders, the investors' opinion is always welcome. Thus, we are waiting for you to contact us at investors@bittnet.ro.

Mihai Logofătu, CEO

General information about the Issuer

Bittnet was founded in 2007 by Mihai and Cristian Logofătu, both of whom held management positions within the company. From the beginning, Bittnet has focused on providing IT training and integration solutions based on market-leading technologies such as Cisco, Microsoft, Dell, Oracle, HP, VMware, Google, Amazon Web Services, etc.

In February 2009, the company changed its legal status to a public limited company (SA) following the share capital increase, using the profits generated in 2008. In 2012, the company received a first injection of “external” capital (equity investment) from business angel Răzvan Căpăţină, who is still an important shareholder of the company.

Since March 2015, Bittnet is listed on the AeRO market of the Bucharest Stock Exchange, under the BNET symbol. Bittnet was the first IT company listed on BSE, after an infusion of EUR 150,000 into the company, received from the Carpathia Capital SA Polish fund in exchange for a 10% stake. From that moment on, Bittnet actively uses the capital market mechanisms to grow and develop its business, successfully placing five bond issues in 2016, 2017, 2019 (twice) and 2020. In almost four years since its listing on the Bucharest Stock Exchange, Bittnet has raised more than 10 million EUR using capital market financing mechanisms (corporate bonds, capitalisation of profits, capital increases, etc.), part of the capital being used to fund M&A activities. Since 2016, the company has followed the patented success model of Banca Transilvania, distributing to the shareholders the profits accumulated in the form of free shares and thus, constantly increasing its share capital over the years.

In 2016, the company created a new area of competence by introducing advisory and cloud migration services. As a result, Bittnet has launched a series of actions dedicated to customers strictly for this range of services, targeting a new group of customers with a slightly different profile. Throughout 2017, the company continued to invest in the increase and diversification of the technical skills specific to AWS and Azure in order to be able to respond to the received requests.

The company's founders have always believed that the IT market in Romania should be strengthened. That is why, during 2017, the company identified the first opportunity to act in this direction and followed the acquisition of GECAD NET from entrepreneur Radu Georgescu. The acquisition process and the subsequent takeover were a success because, at the end of 2017, GECAD ended the year on profit for the first time in 3 years. In the first half of 2019, GECAD Net was renamed Dendrio Solutions. Today, Dendrio is the only integrator of hybrid "multi-cloud" solutions in Romania, having a consolidated position as a company certified by the most important IT providers in the world, focusing on cloud and IT security.

In April 2019, Bittnet adopted the group structure and restructured the business, which is currently based on two key vectors, represented by the two divisions:

- **Education**, which consists of the IT training segment where Bittnet Training is the market leader.
- **Technology**, which is focused on IT integration services, offering integration solutions previously offered by both Bittnet and Dendrio. This activity has a shared portfolio of

products, services and solutions and a larger team that will allow a greater volume of work, both technically and in terms of sales.

Shortly after announcing the new structure, Bittnet made two new acquisitions - a majority stake in the company that provides ERP solutions, Elian Solutions, and a significant stake in the game-based learning company, Equatorial Gaming. Following the acquisition, Equatorial's activities were integrated into the "Education" division, while Elian supplemented the offer of IT integration services by adding ERP solutions to the group's portfolio. In December 2018, Bittnet acquired the IT&C integration activity of Crescendo International SRL, a company with 25 years of experience in Romania and on foreign markets. Crescendo's IT&C division has been integrated into Dendrio and, as a result of the merger, the company benefits from a more stable business structure, extensive staff resources, as well as an extensive portfolio of clients, products and services.

At present, the Bittnet Group has two key divisions, **Education** and **Technology**. The company has over 120 employees and collaborators, who work for one of the 4 companies included in the group.

Group structure at HY 2021

Following repeated procurement processes in recent years, Bittnet Group has undergone a major development – from a single company operating in two key areas (Education and Technology) to a group of companies that includes several organizations operating in the same two areas of interest. During 2020 and the beginning of 2021 we negotiated and implemented 3 new M&A investments. Thus, the current structure of the Group at 30 of June consisted of 6 companies:

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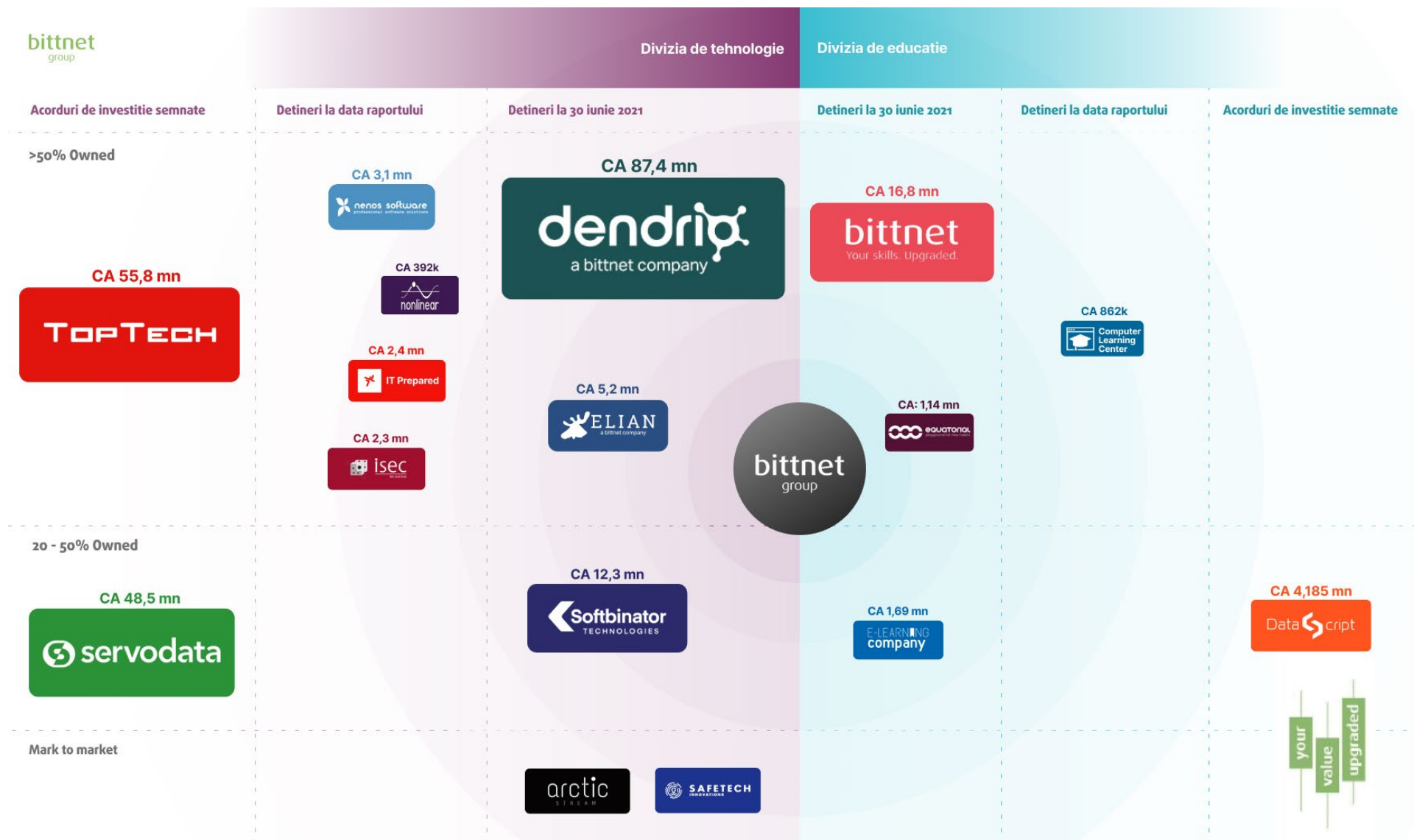
The Education Division

- Bittnet Training
- Equatorial Gaming
- The eLearning Company

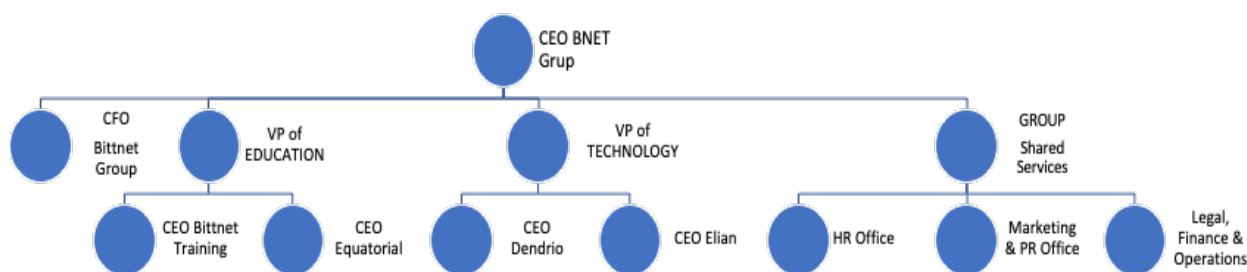
The Technology Division

- Dendrio Solutions
- Elian Solutions
- Softbinator Technologies

Between 30 June and the date of this report, we started or completed M&A processes for a number of 8 other companies, so the structure at the date of this report is as following:



Group companies are managed operationally in a very decentralized manner. At group level there are only a few centralized functions, according to the organizational chart below. The senior management of the group, together with the persons acting as “Vice President” follow the governance efforts of the companies in the group, providing both support and ‘conflict settlement’. Both the executive management and the strategic development committee aim to comply with the values of the group at all levels. From an operational point of view, the activities of Softbinator and The E-Learning Company are managed separately



Bittnet Systems SA

- Shareholder structure: from a legal point of view, we are talking about Bittnet Systems SA – the "parent" company listed on the stock exchange, preserves for now and in the future the IT training activity – Mihai Logofatu, CEO
- Responsible: Cristina Ratiu, CEO of Bittnet Training
- Number of employees/collaborators: 25
- Revenues in H1 2021: 6.26 million RON, compared to 9.1 million in H1 2020.
- Gross Profit H1 2021: 2.36 million RON versus 1.36 million in H1 2020,
- Website: www.bittnet.ro

Bittnet Training is the leader in Romanian IT training market, with a team of almost 20 years of experience and the largest team of trainers in Romania. Over the years, the company has delivered more than 50 000 hours of IT training and currently has one of the most comprehensive and up-to-date curricula in the EEC region. The trainings provided by Bittnet allow the access of experts to technology by teaching IT skills, from the basic ones (e.g.: Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT services management, business intelligence, CRM, ERP, Agile, etc.

Bittnet is certified as an authorized training centre by the largest technology manufacturers worldwide, offering the largest training portfolio on the Romanian market: Cisco, Microsoft, Amazon Web Services, Oracle, ITIL, Citrix, etc. Through partnerships at European level (LLPA – Association of the most important training centres in the world), Global Knowledge, etc. Bittnet offers a portfolio of over 1,000 official courses titles, thus expanding the portfolio of vendors with names such as VMWare, IBM, RedHat, etc.

Bittnet offers a wide range of IT courses. Each course can be held in two flexible ways: intensive (5 days a week, 8 hours a day) or mixed format (courses of 2/4/6 hours, depending on the

customer's need). Each student receives access to dedicated equipment, official curriculum, as well as to online and offline exams.

Being able to deliver courses in both Romanian and English, the company operates in a strategic partnership with Global Knowledge, the world leader of the IT training market. Since 2016, Bittnet has joined the largest association of Microsoft training partners – LLPA.

EQUATORIAL Gaming SA (Sole Registration Code 30582237)

- Shareholding structure: 99.9989% Bittnet Systems SA, the rest – Dan Berteau (one of the founders)
- Responsible: Diana Rosetka, CEO
- Number of employees/collaborators: 15
- Income H1 2021: 1,189 million RON
- Gross Profit in H1 2021: 56 thousand RON
- Website: www.equatorial.ro, www.vrunners.com

Equatorial, a *game-based learning* company is specialized in providing transformer training and consulting programs at individual, team and organizational level in Romania and abroad. Since 2015, the company has invented, developed and launched on the Romanian market alternative virtual reality games (Alternate Reality Game) for corporations such as VRUNNERS, Bona Fides Agency, White Hat and Oligopoly. These games aim to support the educational process, to increase the degree of involvement and to stimulate behavioural changes of employees. The games are available 24/7, on multiple devices and are used for learning projects, conferences, teambuilding events and Master academic programs.

The eLearning Company (Sole Registration Code 30760571):

- is an entrepreneurial company that offers eLearning courses for companies.
- Shareholding structure: 23% Bittnet Systems S.A.,
- Responsible: Adrian Calin, CEO
- Number of employees/collaborators: 10
- Revenues in H1 2021: 1.49 million RON vs. 926 thousand RON in H1 2020
- Gross Profit H1 2021: 364 thousand RON, versus 239 thousand RON in H1 2020
- Website: www.e-learningcompany.ro

The E-Learning Company has in its portfolio of solutions and various products that are different from other offers of the competition by an approach focused on the ultimate goal of maximizing the investment of customers in our solutions and they should be willing to pay recurring in the long term. These products and services are:

iKnowLMS Platform:

It is the most used Learning Management System in Romania in private companies (approximately 50,000 employees in the private sector are enrolled in this platform which is an exclusive B2B application). In addition to the usual functionalities of a Learning Management System, iKnowLMS also enables easy testing (very useful in highly regulated industries where regular employee testing is mandatory).

Docentix.com

As a long-term strategy, we believe that the B2C area for the online courses we have available will grow greatly, so we have created Docentix.com, a website that addresses individual users who can subscribe to online courses in Romanian by paying a monthly and/or annual subscription that includes a number of courses or the entire collection of courses. We are looking for the best options and experimenting with various solutions for an experience as good as possible for the end user. For example, we implemented Stripe as a payment method as soon as it was available in Romania.

E-Learning

Skillsoft online courses in Romanian. From the very beginning The e-learning Company has benefited from the partnership with Skillsoft, the largest provider of e-learning solutions in the world, which has provided access to a library of over 6,000 courses. The strategy of The e-learning Company was clear, offering localized content from the Skillsoft library so that at the moment we have over 500 titles available in Romanian from Skillsoft and our own English learning courses (24 modules covering all levels from A1 to C2. Therefore, the catalogue is structured on several collections that are offered as an integrated solution and cover topics such as:

- Personal and professional development;
- Communication;
- Sales and negotiation;
- Customer service;
- Marketing
- Human Resources
- Project Management;
- Microsoft Office;
- Management and leadership;
- Finance;
- English
- Strategy for digital transformation;

Dendrio Solutions (Sole Identification Code 11973883):

- Shareholding structure: 100% Bittnet Systems SA
- Responsible: Cristian Herghelegiu, CEO
- Number of employees/collaborators: 65
- Revenues in H1 2021: 38 million RON vs 45 million RON in H1 2020
- Gross Profit H1 2021: 286 thousand RON vs. loss of 120 thousand RON in H1 2020
- Website: www.dendrio.com

Dendrio is the only multi-cloud integrator in Romania, a certified partner at the highest standards by Cisco, Microsoft, Google, Amazon Web Services, but also many other vendors, is the company that brings together IT&C integration activities, provided by Bittnet, Gecad Net and Crescendo.

The IT solutions provided by Dendrio include: general consulting services, IT assessment services, implementation and migration services, maintenance and support services, infrastructure optimisation services and IT training services. The company is the only “hybrid multi-cloud” integrator in Romania, consolidating its position as a certified company by the most important IT providers in the world, focusing on cloud and cybersecurity. Starting with December 31, 2019, Dendrio also includes the IT&C division of Crescendo Internațional SRL, which was acquired in Q4 2018.

The integrator business means that we offer our clients the solutions and services they need, starting with the initial analysis, design, implementation and testing phase that results in turnkey projects for companies with different IT needs:

- Network infrastructure (routing, switching, Wi-Fi, optimisation, consulting);
- Cybersecurity (network security, data center security, user device security, IPS, Advanced Malware Protection, Next Generation Firewall, email and Web security);
- Network management (monitoring and alerting, centralized management, traffic analysis);
- Migration and cloud services (private, public and hybrid cloud, transition from one version to another, migration and relocation step by step);
- Virtualisation and data center (computing, storage, networking, backup, virtualization platforms, VDI);
- Employee mobility, including Bring Your Own Device - BYOD;
- Centralised communications and collaboration (IP telephony, DECT phones, instant messaging, online presence, web conferencing);
- Video conferencing, including telepresence (for desktops, administration rooms, conference rooms, smartphones, tablets, notebooks and workstations, integration with smartboards);
- Software licenses (Microsoft, Adobe, Cisco, Bitdefender, Dell, VMware, Veeam);
- Maintenance and support services

Eliau Solutions SRL (SOLE REGISTRATION CODE: 23037351)

- Shareholding structure: 51.0082% Bittnet SA, the rest divided equally between the founders
- Responsible: Iulian Motoi, CEO
- Number of employees/collaborators: 15
- Revenues in H1 2021: 2.7 million RON versus 2.6 million RON in H1 2020
- Gross profit H1 2020: minus 191 thousand RON, versus 304 thousand RON in H1 2020
- Website: www.eliau-solutions.ro

Eliau Solutions is a company founded in 2008 that specializes in providing implementation services for ERP (Enterprise Resource Planning) solutions, Microsoft Dynamics NAV. Since 2016 Eliau holds a Microsoft Gold certification. The solution implemented by Eliau allows companies to know the situation of stocks, receivables and debts, to be able to predict, inter alia, cash-flow, to track production, cost centres and more. In 2019, for the first time, Eliau started providing services and solutions for export – for customers in 5 countries: Bulgaria, Croatia, Germany, Switzerland and the USA.

Besides the Business Central 365 solution, in the Eliaunexist portfolio there are 4 applications that are licensed independently:

- Invoice OCR application with an extremely simple definition of new invoice templates - scanning documents and sending them to NAV
- Scanning Fixed Assets Inventory Application

- Applied ClokIn/ClokOut-used by manufacturing companies to record the time spent by the people in the production hall, on orders and technological flows
- Retail application, which supports retail sale in the fast food area.

All new implementations of Elian are based on the Microsoft Dynamics 365 Business Central platform – localizing the Elian team solution allowing us to be first movers with this new cloud-based technological wave. 5 new colleagues joined the Elian team (3 as a result of staff turnover and 2 as a result of the expansion of support services – those generating recurring incomes).

Softbinator Technologies SA (SOLE REGISTRATION CODE 38043696)

- Shareholding structure: 25% Bittnet SA, the rest divided equally between the founders
- Responsible: Daniel Ilinca, CEO
- Number of employees/collaborators: 100+
- Revenues in H1 2021: 7.8 million RON versus 5.4 million RON in H1 2020
- Gross Profit H1 2021: 1.39 million RON versus 1.18 million in H1 2020
- Website: www.softbinator.com

Softbinator Technologies is a software development company, specialized in the design, development and market launch of innovative products along with customers from USA, Europe (UK, Germany, Romania), Middle East (Israel, Kuwait) and Asia (Singapore). Currently, Softbinator Technologies has about 100 employees and collaborators in the two offices in Bucharest and Constanța.

The Softbinator concept has taken shape since 2011. The company wants to demonstrate that Romanian programmers are one of the most important forces of digital transformation. The Softbinator motto is: “We build tech for humanity.”

Softbinator Technologies provides services to clients in various fields such as education, lifestyle/medical and health, electronic payments, e-commerce and marketplaces, online gaming, digital banking (including crypto), Internet of Things (IoT) or automotive. In recent years, the focus has been on Blockchain solutions and increasing the level of knowledge in the field of Artificial Intelligence and DevOps, the objective being to stay very close to areas with high potential and where one can innovate faster.

Softbinator Technologies provides state-of-the-art technology. The company provides global services, both for startups, unicorns and Fortune 500 customers, with whom it builds Agile teams. The company has the main activity of developing products, being appreciated for the ability to provide results quickly.

Software development and consultancy:

- Blockchain
- Artificial Intelligence
- DevOps
- RPA
- Web applications (cloud-based)
- Desktop Applications (Windows, MacOS)
- Mobile Applications (native and cross-platform)

Software Testing:

- Manual (according to ISTQB standards)
- Automatic (Selenium, Uipath)

UI/UX design based on Design Thinking, Agile and Rapid Prototyping:

- Introduction
- Discovery & research
- Concept creation
- Rapid prototyping

- Feedback and refinement collection

Technologies used by Softbinator engineers :

- Blockchain: Solidity/Rust Smart Contracts
- Python AI/ML
- UiPath
- Jira,
AWS, Azure, Git, Jenkins, Docker, Kubernetes
- HTML5, CSS3, React, Angular
- Java (Spring Boot), .Net
Core, Python, NodeJS, Golang, PHP.
- MySQL, SQL Server, Oracle, MongoDB, Neo4J
- C/C++, Java, C#
- Native Android (Java, Kotlin)
- native iOS (Objective-C, Swift)
- Mobile Cross-platform: ReactNative, Flutter

Beside the business activity, Softbinator owns an NGO, Softbinator Foundation, through which it has built and kept active the community “Talks by Softbinator”, which for almost 10 years strengthens the brand of employer of the company. With the help of the community, it was organized the longest series of meetings/conferences for programmers in Romania: over 150 editions with over 300 local and international speakers.

The Bittnet Vision

Over time we have received various questions about the management's vision on the development of the Bittnet group, about how various operations or activities are circumscribed to the general objectives assumed towards the shareholders.

Who are we?

Bittnet is a group of companies active in the field of Information Technology. Our services include consulting, design, delivery, installation, configuration, optimization and maintenance of IT&C solutions, as well as user training, both related to the delivered solutions and IT (and non IT) training generally available to the public. More about history [HERE](#)

What is the objective of the group?

We aim to become a representative name in the IT in the ECE area. We promised the shareholders that **we would reach the size of 100 million EUR in revenues by the end of 2024.**

"Go digital, as much as possible, as soon as possible" is our urge for customers.

This follows the promise of accelerated growth made to investors in 2012 (when we attracted the first round of investments), in 2015 (when we started the listed company trip) and in each annual report or capital increase prospectus issued in the 6 years as a public company.

Why do we follow accelerated growth?

Bittnet is in the knowledge business. We gather this knowledge and transfer it to our customers in two forms: IT training and IT solutions integration. We were working in an interesting and constantly moving field – Information Technology. Until now we have managed to grow at a considerable pace and to be always well financed in this endeavour. The wave has built up enough momentum. On the other hand, the current size of the company, combined with the consolidation trend in all markets, means that the only right direction is still growth.

A larger dimension of the group is relevant to all actors involved in our story:

- For customers, the fact that they can access multiple products and services in relation to the same supplier, under the same conditions of service quality, under conditions of financial guarantee of project success, and under known contractual conditions is one of the great perceived advantages. In order to use an already cliché term – having a "one stop shop" partner is very relevant for customers, the value of integrated solutions comes in particular from the fact that there is only one point of contact and responsibility for the success of the projects.
- For employees and collaborators, the fact that they are part of a success story, with solid finances, which allows them on the one hand to continuously expand their professional horizons, to be the first to make contact with new technologies, but also to choose by themselves the balance points between professional and personal life, in an environment with correct human and professional values, modern and aligned with the times, is the most relevant offer.

- For entrepreneurs who join the group, giving us minority or majority shareholdings, thus making us partners in their company's journey, joining a solid financial group, with operational excellence and with various activities, both in terms of the portfolio of products and services, but also in terms of geographical coverage, is the perfect balance between continuing to run the business, while at the same time having the peace of the financial and operational processes (no one is an entrepreneur to keep the relationship with the bank, to access credits, to process payrolls, etc.), but also a 'safety net' constituted on the one hand by the exposure to several areas of activity, and by the solid balance sheet of the group.
- For the group's shareholders there are some obvious advantages:
 - on the one hand, a larger group records a higher resilience ("survival of the fittest"), partly through exposure to several areas of activity, which cannot *all* have a bad year at the same time.
 - on the other hand, the same processes of optimization and "extraction" of profitability applied on a larger scale of the business can produce much more relevant (spectacular) results than applied on a small scale.
 - 'economies of scale' is one of the few real competitive advantages.

How is this objective evolving?

In our history we have often been included in reputable business growth charts: Deloitte Fast 500 in Tech, Deloitte Fast 50 in Tech, FT Fastest growing 1000 companies in Europe, etc. The compound business growth rate, calculated only from 2014 onwards (the year before the listing, to eliminate the 'basic' effect for a company that started from scratch in 2007) is over 60% for revenues.

If all the transactions announced until the moment of publication of this report are successfully closed, **at the end of 2021, the group companies will register revenues of approximately 250 million RON** (with 100 million over the 150 million budget approved by the shareholders). In other words, if we stopped the M&A processes, and if we slowed down the growth from 60 to 26%, we are still on track to deliver the result of 500 million RON in revenue at the end of 2024. Instead, we do not intend to stop the M&A processes to accelerate the group's growth.

That is why we intend to continue to invest all available resources in the development of the company, both through organic development, but also through acquisitions and investments.

For shareholders this translates into a "profit reinvestment" policy, which implies a policy without dividends. Still in accordance with Warren Buffet's philosophy, we will continue to maintain this policy of reinvestment as long as the prospects for growth are greater than the general prospects of the market.

In the long run, the value a company generates is reflected in itself and in the value of the shares. We believe that we can maintain a growth rate above that of the market for a good period of time. Our current operational and delivery capacity allows us to accelerate the growth of profitability by increasing revenue – and this is our strategy: to continue increasing revenue under similar "gross margin" conditions which will generate more money to cover the generally fixed cost structure, thus contributing significantly to building a larger and more solid company.

Management has its own revenues related to the welfare of the company, so we share the same risks as the shareholders, and the materialization of these risks would affect us more than other investors. We believe that we have a good opportunity to continue the growth of the company and that the expected advantages outweigh the risks.

How do the Stock Option Plans bring us value?

At Bittnet, we consider the mechanism described above important, both in terms of business continuity by rewarding/retaining employees and for the financial benefits brought to shareholders in the medium and long term. Therefore, the management would like to explain this mechanism in detail and to justify the reasons behind the decision to implement it.

In 2014, when we were considering whether or not to list Bittnet on the stock exchange, a great addition to the idea was the option to reward our colleagues through a Stock Option Plan, but in a slightly different way from other SOPs we have seen so far in Romania. The American SOP concept and mechanism aligns the interests of people who "work" (allocate time) for the company with the interests of people who "invest" (allocate capital) in the company. Traditionally, in socialist economic theories, recently encountered, both in Europe and in the USA, "work" and "capital" are seen as two antagonistic factors of production, in tension, in a zero-sum game. "Capital" is enriched by spelling out "labour", producing and perpetuating inequality. In this view, it is necessary to organise "labour" in trade unions and to fight to capture from "capital" the value that "labour" produces.

At Bittnet, perhaps because of our entrepreneurial experience or the fact that we benefited from an *angel investor* investment relatively early, we have always considered that anyone who contributes to the success of the business is a partner in our success story and should be rewarded instead with something that is important to him. Often in the case of 'work', the important objective is stability, safety, and that is why most people are willing to give up wealth. By contrast, the objective of 'capital' is, by definition, to continuously multiply capital, and a degree of uncertainty is accepted.

We believe that only if all the actors involved in our story have common goals and enjoy together the results of the company (in fact, in our case, of the group of companies), only then can we "run" quietly towards the objectives, without needing a complex control structure. In practice, this can best be understood by the following analogy - there is no rule book or contract good enough and safe enough if you want to sign with partners you do not trust and, on the other hand, you do not need any rules when you share the same values with your partners and the final objectives are similar. Over the years we have been able to put this concept into practice by applying the 'share what we have' rule, which means that we share our results so that everyone is treated equally and everyone is prepared to achieve their goals, without sacrificing some to the detriment of others. Thus, if everything works well, everyone benefits equally; if it goes wrong, then no one is at a disadvantage, because everyone has equal access to information and can make informed decisions.

This philosophy is applied from the lowest level, starting from the sales team and how we reward their successes, to the way we collaborate with key resources, managers, advisory board members and our business partners. In this respect, the listing provided us with an extraordinary mechanism for the implementation of this philosophy, namely the Stock Option Plan. These plans can, of course, also be implemented in unlisted companies, but the lack of liquidity for actions

combined with the naturally lower percentages that can be allocated, makes employees or key individuals in private companies unable to feel the real advantage of such a plan. Instead, in the case of listed companies, the mechanism automatically aligns the interests of the two production factors. Thus, the key people who deliver the “work” are given the right, but not the obligation, to buy shares of the company at some point in the future, at the current price. In other words, providers of “capital” accept to dilute their share of ownership of a much more valuable company in the future, in return for those who “work” taking part in the risk. On the other hand, those who perform “work” accept the risk of failure (if they receive nothing of value) in exchange for the right to enjoy a smaller portion of the larger gain.

The settlement of these incentive plans can be made only in two ways: by repurchasing the shares of the company from the capital market in order to transfer them to the holders of options or by increasing the share capital by issuing new shares. The second option obviously dilutes the shares - those who actually approve this operation. On the other hand, it is the repurchase solution that **actually destroys the relevance of the SOP product by effectively decapitalizing the company**, because in order to buy shares on the market, the company pays cash which leads to an outflow cash. In addition, at the same time, this option marks a loss in the profit and loss account, as the company buys “expensive” shares from the market, which are at the highest price today and sells them “cheaply”, at the lowest price in the past.

Instead, the solution voted by the shareholders at each of the general meetings held in 2016, 2017, 2018, 2019 and 2020, was the one where the option holders, the key persons, receive shares directly, as a result of a capital increase.

In conclusion, employee incentivization with options is one of the mechanisms that has allowed us over the years not only to have access to special human resources, paid below the market average, but also to share the value created by team members for shareholders. Thus, each incentive plan is built on similar principles:

- The duration of a plan is 2 years;
- Employees are rewarded with 5% of the value brought to the shareholders - we measure 5% of the capitalization difference between the end of the plan and the initial moment, 2 years before.

Thus, on the one hand, there is enough time for the ideas and facts of the management and of the employees to produce effects, and the market to evaluate them, and on the other hand there is enough time for the management and the employees to be evaluated in order to see the dedication, and also the results.

The construction of the option plans generates the situation in which no matter how hard you worked and how good the ideas seem to be, **if the value of the shareholders' investment has not increased, you are not offered bonuses. Thus, we have a total alignment of objectives between employees and shareholders** – the welfare of both categories being measured with the same unit of measurement.

The payment with shares for acquisitions and the team does not generate dilution?

We consider that the numerical value of the percentage of shares held by a person is perhaps the least important number related to a public company. The company's founders and

management share the plastic idea that a smaller slice of a larger pizza is more valuable than a large portion of a worthless pizza, as long as every moment of dilution is carefully constructed for evaluations and the judicious use of capital. Like the Americans say, we seek to make all acquisitions "accretive". Simply said: if we pay with BNET shares valued at 10x EBITDA for the acquisition of a company valued at 5x EBITDA, both the sellers of that company and us, the shareholders of Bittnet "get rich", because the payment currency has a higher multiplier of the created value versus what we buy.

Going back to the simplistic and obsessively repeated question of percentage dilution, we give the example of holding the founders of Bittnet, (judged cumulatively): if in 2011 the holding of 100% of a company with no market value was 0, and in 2012 the holding of 76% of a company valued at 280,000 EUR was worth 213 thousand EUR, at the time of listing the 68% value was worth just over 1 million EUR, after successive rounds of "dilution" by attracting funds from the market and paying with shares both for the team and for acquisitions, the current 25% of the company is worth almost 8 million EUR. We consider that the economic value is much more relevant than the figure representing the percentage of voting rights. The same calculation can be made by any shareholder between the time of the investment and 2-3-5 years later, with similar results.

Why don't we pay dividends?

Warren Buffett explained much better than anyone could starting from 0: as long as the company grows faster than the market, the value created inside the company is higher than the market average offers, it is more relevant for shareholders and the company to keep the amounts produced annually inside the mechanism, the value thus created being composed ("compounded") at a higher rate than outside the company. Adding to this and that the compound interest is the 8th wonder of the world, the solution becomes "surefire path to success".

Taking into account how to punctually implement the capitalization of profits (by issuing free shares) process that increases the number of shares and lowers the price per share – in fact generating an "atomization" of holdings – shareholders who wish to extract a part of the value created by the company have the option to partially sell shares from the updated holding.

Why is it good to reinvest the profits in the growth of the company?

In [the letter to the shareholders of Berkshire Hathaway for 2019](#), it is explained once again the creative power of capital correctly reinvested, quoting the famous economist John Maynard Keynes who referred to this capitalization of profits as "creating an element of compound interest operating in favour of a sound industrial investment." The approach is essential for Bittnet today. We are looking to invest in companies and activities that meet the following criteria:

5. We understand how it works and what is necessary in order to increase the operating profit versus the invested capital
6. They are led by capable and honest managers
7. We can buy them at a favourable price

Even if the results produced by each of the companies in which we invest will not be regular, their diversification combined with the procurement criteria above significantly increases our chances of prosperity from these investments.

How are we sure that the successive "dilution" through capital increases produces value for the shareholders?

The following table calculates the "profitability rate" of successive investments (financing rounds by capital increase carried out through BSE mechanisms), judging them by the evolution of equity. This calculation should also answer to anyone who wonders *bona fide* if the current financial situation is the result of stock exchange financing or operational activity:

Operation	Attracted amount
Equity 15 April 2015	-864.743
Capital Increase 05-Dec-17	-807.127
Capital Increase 14-Dec-18	-2,892,205
Capital Increase 10-Apr-20	-9,168,712
<u>Equity at 31-Dec-20</u>	<u>27,329,181</u>
Out of which, attracted amounts	(12,868,044)
	IRR: 43,7%

Operation	Attracted amount
Equity 15 April 2015	-864.743
Capital Increase 05-Dec-17	-807.127
Capital Increase 14-Dec-18	-2,892,205
Capital Increase 10-Apr-20	-9,168,712
Capital Increase 02-Mar-21	-10,725,345
<u>Equity as at 30-Jun-21</u>	<u>42,034,691</u>
Out of which, attracted amounts	-23,593,388
	IRR: 39,6%

The attracted amounts are shown with the MINUS sign, and the current values recorded in the calculation data are shown with a positive sign, according to the input mode of the values for the IRR calculation. We consider that the first table presents more faithfully the 'compounding' power of the group, taking into account the fact that between March and June 2021 there was a very short period of time, insufficient for the amounts attracted in the most recent increase to show their effect.

How do we choose the ownership percentages in a company?

Over time, we answered the question "how do we choose M&A targets" with the joke about marriage: "first of all, she must want it too". The same principle applies to the holdings we seek / request / obtain within the companies in which we invest. It is more useful to own a smaller portion of a company we like than to own nothing. In contrast, IFRS consolidation standards generate certain unexpected results related to the consolidation of financial results. For example, in the case of Softbinator, in each reporting period, we aggregate only 25% of Softbinator's profit into the group's consolidated profit, as if this company had as its only value for us 25% of the registered profit (without any P-type accelerator). / E or P / S). Instead, with the listing of Softbinator until the end of 2021, we could choose to account for this holding at market price (recording a profit or loss equal to the difference between the value of the company in which we invested and the now certified market).

Resume of key events in H1 2021

EDUCATION DIVISION, headed by Dan Berteanu, Vice President for Education within Bittnet Group

	30 June 2021	30 June 2020	Evolution
Revenues from contracts with clients	5,764,787	7,263,315	-20,63%
Cost of sales	2,591,948	2,697,753	-3,92%
Cost of sale of goods/materials	88.146	694.985	-87,32%
Hours-Man	2,503,802	2,002,768	25,02%
Gross margin	3,172,838	4,565,562	-30,50%
Sale/distribution expenses	1,569,127	789.835	98,67%
Hours-Man	1,062,103	610.325	74,02%
Advertising	507.024	179.509	182,45%
Administrative costs	2,299,785	1,541,622	49,18%
Hours-Man	943.768	638.040	47,92%
Amortization	748.671	263.516	184,11%
Other third party services	345.564	196.842	75,55%
Others	97.157	274.852	-64,65%
Operating profit	-430.848	2,487,044	-117,32%

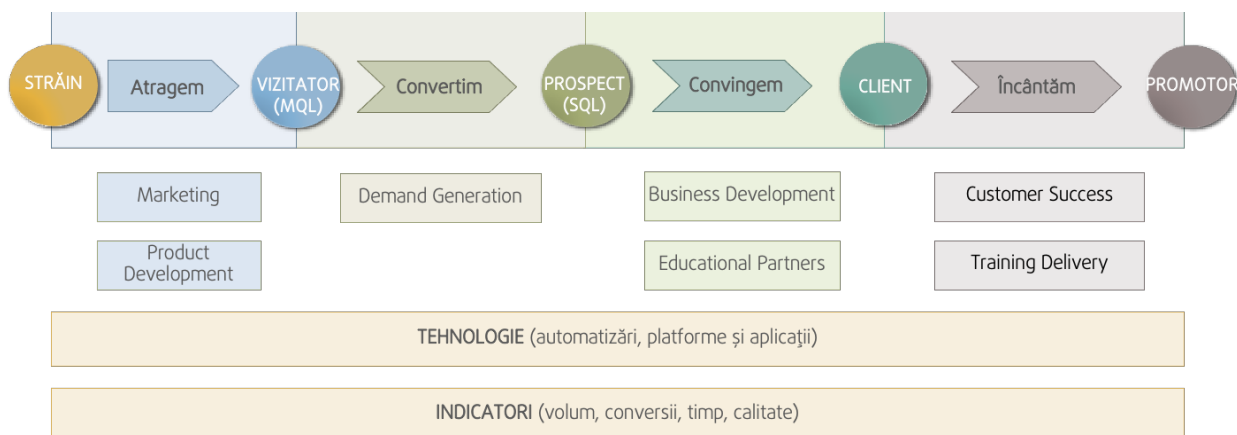
The significant difference in team costs in the case of the education division comes mainly from the modification of the method of consolidation of Equatorial Gaming SA (in 2020 this entity was a minority holding of Bittnet, so that the costs and revenues were not included in the consolidation, instead, in 2021, the increases in human resources costs are almost entirely due to the addition of these EQG balance sheet positions in the consolidation of the financial results of the division).

We present below the elements that influenced the evolution of revenues (and therefore more accelerated of the gross margin):

1. **HIGH LOAD OF IT TEAMS** - the accelerated digitalization in the last 12-14 months through which many of the companies that are our clients have passed or the increase in the number of projects that they implement to their clients, have generated a very high load of IT teams and specialists. Because of this, they either did not have the physical time or did not have the necessary motivation to request or go to the training.
2. **THE CLIENTS CAUTION IN SPENDING BUDGETS** – the lack of predictability, the slow recovery of the economy (mainly based on consumption) generated for many customers the postponement of more consistent investments in training for the end of the year. This reserved behaviour, which we also have, also comes against the background of increasing concerns about the occurrence of wave 4 and consequently of a new period with restrictions
3. **CHANGING THE OPERATIONAL MODEL** - in order to respond to the changes generated by the pandemic, and in order to capitalize on the market opportunities of the future, we have significantly changed the business model and the architecture of the organization. Business practice shows that these changes need time to be internalized by the organization and that in

most cases they generate "over" curves in the results. In other words, we're getting worse before we get better.

New operational model:



Internally, an extremely important project started in 2020 and which we continue in 2021, is the rethinking of business processes and the modelling of IT platforms, in order to adapt to the buying journey of our customers. This allowed for a closer analysis and understanding of how they buy, the steps they take in the buying process and the reasons why they work with one supplier or another. We become aligned with our clients, increasing the value we can bring to the table, while managing to improve operational efficiency parameters (conversion rates from prospects to clients and finally to loyal and recurring clients). Moreover, this approach allows us to attract in a more structured way new clients in the new business reality ("low touch economy").

For example, more and more customers prefer to inform themselves in detail through individual study on the Internet, understanding their problems, then identifying the solutions and only in the last phase, interacting with a sales representative from suppliers, reducing the chance of a consultative sale but rather leaning towards a transactional approach that translates too often into fierce competitiveness in the price. Today, a sales opportunity arises in an area influenced by marketing and only the last step of the transaction involves human interaction. It is just an example that the way we will serve our customers from now on changes essentially and all the organizational changes implemented internally in the last 6 months align with this new business reality.

We aim for a profitable, sustainable and accelerated growth and this can be achieved by focusing on customer segments where we already have a high profit rate, correlated with a higher percentage of profitability.

Reinvention of the business model at the level of each organisation, pursuing and adapting successful models of SaaS-type companies (subscription based, Software as a Service), has led to multiple changes in the way we prospect new clients, in the way which we serve and make sure we deliver what they want and finally, in the way we turn them into loyal and recurring clients. The upgrade of IT platforms to track these processes started in 2020 and will continue in 2021, with the objective of integrating, automating and being able to support this "end-to-end" market approach.

Starting from here, the changes spread to the marketing team in the priorities and tools adopted but also to the business development team or even to the emergence of new and dedicated client success teams.

Increased attention has been paid to attracting and developing human capital by operating in a service business where the value of human capital is essential for medium-term success.

Thus, we rethought the way we attract, recruit and onboard new colleagues so as to increase the degree of belonging to the business values we believe in. Using the extensive Equatorial experience, we started in 2021 a management and leadership academy based on which we will build key skills at the level of the entire organisation, offering career development paths to the best of our colleagues. Without a professionalised middle management structure, accelerated growth cannot be sustained.

The changes we have talked about aim to prepare the Bittnet group for the coming years and to support the vision of becoming a regional digitisation player for medium-sized companies in CEE.

Bittnet Training in H1 2021

Projects and activities

We continued our campaigns with funding from vendors to increase cloud skills in the organization. During the campaigns supported by Microsoft, over 300 IT professionals participated in the courses and received a certification voucher.

We spent more time with the client to build learning projects and skilling plans on the organization to help us identify the need in the long term, faster, more to the point and to generate quantifiable results but also budget savings.

According to the new workflow developed in the education division, we have put more emphasis on the area of needs analysis – called in our Discovery Call stream and in the power of table setting of the pawns who play a major role in the successful development of our training programs: trainer, manager of the team of trainers, stakeholders from the client (team leader, acquisition, etc.), the customer success team, resulting in training objectives successfully achieved but also in case studies and ROI reports generated for the client.

Courses and Students

In the first part of the year we delivered 134 classes in which 1244 students were enrolled. The most popular classes were those of Microsoft Cloud, the classes of DevOps Artisan, Cisco, AWS or Oracle portfolio.

In the area of new topics that appeared in the delivered classes we include the security portfolio (CompTIA) and rarer topics in the DevOps sector that we outlined with our clients and successfully delivered such as Terraform, Splunk, TensorFlow or Selenium.

Challenges

Semester 1 was about placing internal teams on the “buyer journey” stream, creating the content map, services and products that we offer to our customers.

The challenges are given by the transition period to a new system and approach and the establishment in the daily routine of the organization of the new operational and decisional flow.

Another challenge is given by the incipient phase of the management team we have formed, which needs time to run and function effectively.

Initiatives and decisions

We treated the 1st semester with patience and responsibility towards the settlement process we went through. The teams mobilized, learned and sedimented new information and made a top priority the professionalization of the function they are part of in the organization and the education continues.

We have introduced consulting sessions with specific pace to clients and we have come to create needs and training projects and to

reactivate clients with whom we have not actively collaborated for over 12 months, doubling the number of ongoing projects at the beginning of the year.

As a result of our efforts, we have increased the quality of the leads qualified by the marketing team and of the leads qualified by the demand generation team

In the business development team, as a result of the new workflow, we close 336 opportunities at the end of 1st semester with the “won” status.

Equatorial Gaming in H1 2021

Projects and activities

In the first 6 months of the year we continued the sale and implementation of gamified projects using the game based learning platform VRRunners a Equatorial, delivering as such quality digital learning solutions that responded optimally to the asynchronous learning needs of our customers.

We continued the training sessions within the ANIS TechTalent Growth project.

March brought us the recognition of the human resources professionals, within the Human Resources Excellence Awards Gala, patronized and organized by HR Club. We won the prize for the best program in the Training and Development category, for the VRRunners Fn+F5 project implemented in 2020 for the Software Development department of Miele Brasov.

We successfully and emotionally implemented the first project dedicated to the prevention of depression among teenagers, in partnership with Happy Minds Association, also a gamified project, using VRRunners.

In the 1st semester we increased the number of projects in IT organizations, according to the strategic direction adopted at the end of 2020.

We have completed the confirmation of the new FutureSkills learning platform and we have started testing it in the projects with the clients.

Courses and Students

In the first part of the year 490 participants participated in our projects; we delivered 102 course sessions and 56 individual sessions.

Most of the programs aimed at developing leadership skills adapted to the new context (from team leader to top management);

As a methodology, the implemented projects fall into 3 categories of digital learning:

- Exclusive asynchronous learning through game-based learning (VRRunners platform);
- Blended learning – synchronous learning (course sessions) and asynchronous learning through game-based learning (VRRunners platform) and social learning (FutureSkills platform);
- Synchronous learning only (course sessions).

Challenges

In the 1st semester we faced a high degree of fatigue among our colleagues, as a consequence of the complicated period we have been going through since March, 2020.

We also had difficulties in carrying out the large volume of work due to the insufficient number of people, which led to the postponement of some initiatives in the area of marketing, research, positioning.

Initiatives and decisions

We faced the challenges related to the mood of our colleagues by working very closely as a team, being together for emotional comfort.

We've started the process of recruiting new colleagues to increase the team and better cover the sales area.

The eLearning Company in H1 2021

Projects and activities

The first semester of 2021 brought the challenge of keeping people focused on important online activities. E-learning is one of the activities that, without a learning culture, can be easily abandoned, so we proposed to our clients programs dedicated to the development of certain skills. There was a mix between what we proposed and the clients' ideas. The pleasant surprise is that the interest for online courses has not decreased, on the contrary, this means that the programs created for clients to develop certain skills have worked.

Courses and Students

The number of students increased this year, at the end of June there were 53,000 activated students who had access to Skillsoft courses in Romanian and to English courses. The access rate exceeded 25% for these courses (it is an accelerated increase from less than 10% a year and a half ago). There is also the required course area for certain organizations, which makes the number of learners who have actively used the iKnowLMS platform to be over 30,000. The difference between the learners who are active and the learners who have accessed the platform and the courses is the mass of learners for whom we must make additional efforts to convince them to access the e-learning solutions.

ELC offers the entire collection of Skillsoft courses and their own English courses. The most used course modules are:

- English beginner level,
- Excel – beginner level,
- Improving the work-life balance,
- Improving leadership skills,
- Improving personal productivity.

Challenges

- too many online systems used lately so administrators and platform managers need additional support (it helps them a lot to transfer to new activities that take very little time for us, because we have experience, and they would take much longer).
- The changes at the level of the Internet browsers brought us, in the first part of the year, a series of support requests because some of the trainees did not find their entire learning path in the history.
- Lots of requests for content creation on demand, far beyond what we expected.

Initiatives and decisions

- Support, support and again support. We have focused on responding as quickly as we can to problems. We identified common issues with all customers and decided to work on changes to the platform. We have added a number of new functionalities in the admin area to decrease the working time of people who are doing support to solve multiple requirements in the same time frame.
- Overloading the support people we decided to solve with changes to the platform and user interface, even if the platform is very easy to use.
- We have drawn a new version of the platform that has new functionalities that allow us for a support man to solve the requirements 3-4 times faster.
- For on-demand courses we have supplemented the number of hours dedicated to their development, we are looking for more efficient solutions in terms of time to solve them.

- The demand for e-learning solutions is growing and growing. In the first 6 months of 2021, the evolution was faster than estimated and the customers we signed last year, in the

midst of the pandemic, decided to use our solutions for even more people. We are strengthening our position as the most important provider of online courses in Romanian.

TECHNOLOGY DIVISION, headed by Cristian Herghelegiu, Vice President of Technology at Bittnet Group

	30 June 2021	30 June 2020	Evolution
Revenues from contracts with clients	42,403,154	49,635,969	-14,6%
Revenues from the provision of services	9,631,810	8,556,171	12,6%
Sale of goods	32,771,344	41,079,797	-20,23%
Cost of sales	35,010,905	42,469,787	-17,6%
Cost of sale of goods/materials	27,483,485	36,260,772	-24,2%
Cloud services	2,624,922	2,401,940	9,3%
Hours-Man	4,902,498	3,807,075	29%
Gross margin	7,392,249	7,166,182	3,2%
Sale/distribution expenses	2,695,440	2,558,771	5,3%
Hours-Man	2,323,489	2,279,351	1,9%
Advertising	371.951	279.421	33,1%
Administrative costs	3,226,129	3,058,539	5,5%
Hours-Man	1,679,988	1,776,220	-5,42%
Travel and transportation expenses	37.568	30.783	22,0%
Office rent	56,667	13,341	324,8%
Equipment rent	35,156	122,590	-71,3%
Materials	47,505	60,684	-21,7%
Amortization	653.042	575.336	13,5%
Other third party services	331,473	268,271	23,6%
Others	256,299	86,342	196,8%
Operating profit	1,484,437	1,564,741	-5,1%

For the technology division, the first half of 2021 recorded a slight flattening / increase of the gross margin generated, an increase obtained against the background of the decrease of the operational revenues of the division. We believe that the IT industry - both in the integration / infrastructure segment and in the software development and business application implementation segment - retains its significant growth potential for the next period, even if the post-pandemic economic cycle has a lower predictability compared to previous periods.

If in the field of IT infrastructure there is a market tendency to focus on maintaining existing solutions, in the case of software development services companies continue to invest significantly in the development of software solutions and platforms. This translates for Softbinator, the group company specialized in software development, in accelerated growth rates (43%) and in an optimized business model, considering the possibility to allocate resources efficiently (projects with a recurrent character accentuated, on multi-annual periods). The technological landscape is also extremely dynamic, with technologies such as blockchain or projects focused on Artificial Intelligence generating a growing interest in the reference markets. In this context, the foundation of business growth in the field of software development consists in the ability to attract, prepare and efficiently manage human capital - the area that is a strong point for Softbinator.

The pressure on human capital is a constant of recent years in all lines of technology business but in the period 2020-2021 it has acquired a new dimension: the pandemic has forced companies worldwide to adopt without hesitation the concept of "work from anywhere". Markets that before the crisis were somewhat more restrictive in employing remote resources (such as Switzerland, Germany and France but not only) have removed this restriction. Consequently, the volume of employment opportunities (direct or on projects) for the foreign market has increased significantly - which translates into increased difficulties in attracting and maintaining human capital in the country.

In the case of the business applications projects, this pressure on human capital overlapped with a phenomenon induced by the health crisis: the postponement of the implementation of certain contracts already won, postponement that led to an agglomeration of these projects at the end of 2020 and in this first semester of 2021. To counteract this effect, the implementation team was extended, estimating that for the second semester the pace of sales (and implementation) to return to standard parameters.

Last but not least, the technology division is still impacted by delays in the delivery of hardware equipment due to the semiconductor crisis, which has generated a decrease in revenues from the sale of hardware solutions. Instead, this situation generates a customer need and an opportunity for our group, in that more services are needed to maintain existing solutions and to change the approach of technological solutions delivered to customers - they become more open approaches based more much on know-how and less on equipment. Thus, revenues from IT&C integration services increased by 12%, which generates a higher gross margin in H1 2021 versus H1 2020. The relatively constant maintenance of indirect expenses leads to an Operating Profit similar to that of the previous period (1.48 million RON versus 1.56 million RON in 2020).

The differences in administrative expenses are explained by the adjustment of the expenses with the headquarters in Anchor Plaza, ("miscellaneous" category) according to IFRS16 and an accounting adjustment during the last year that diminishes the comparison basis for the "headquarters rent" field.

Dendrio in H1 2021

Next we can say that the market of IT&C integration solutions is a market with a significant growth potential – potential that the group integration division managed to capitalize on in this first semester of 2021. However, this growth potential is also accompanied by certain characteristic dynamics of the pandemic and post-pandemic period, such as an increased pressure on the teams of specialists or a constant pressure on the delivery flow of hardware equipment. We try in a few paragraphs below to capture these directions and how Dendrio Solutions capitalizes on the current context and on the emerging development opportunities.

Dendrio Solutions obtained in H1 2021 an increase of the gross margin by 8%, in the context of the decrease of revenues by 14%. In H1 and in particular in Q2, the Dendrio team managed to add projects with a significant component of services, which allowed us to increase the operating margin while decreasing revenues. From the revenue perspective, it is important to note that, although the contracts for products and services have a significantly higher volume (47 million RON contracted in H1 2021), there are certain elements that lead to a different (lower) invoicing rate:

- Subsequently, there are significant delays in the equipment supply chain. These delays affect all computing industries globally – [including the automotive industry](#) – and will most likely make their presence felt throughout 2021 and most likely 2022.
- In the case of large-scale projects, the delivery time may extend significantly, impacting in some cases the predictability of revenues over a certain reporting period. However, these revenues will be recognized in the subsequent reporting periods.
- We consider that the ideal business model for our clients, as well as for the company and shareholders is the subscription model. This model increases predictability, optimizes monetary flows, streamlines resource allocation and leads to optimal direct results in production. In this respect, Dendrio focuses on increasing the volume of contracts that have the recurring component – even if this will lead to an initial period in which the difference between the contracted value and the invoiced amount (during the reporting period) will increase. The addition to the group (and to the technology division) of a company specialized in the delivery of Managed Services will certainly lead to an increase in the volume of subscription contracts.

From an operational point of view, we are glad to notice that, although we have kept the size of the teams relatively constant, we have managed this semester to approach a significantly larger number of projects: 1605 compared to 1255 in Q1 2020 – an increase of 28%. This was possible both through a very close collaboration with the main technology partners (Microsoft, Cisco, AWS, DELL EMC, HP) and through a sustained effort of the delivery teams involved.

During this semester, the first effects of the changes in the operational structure introduced at the end of 2020 begin to be noticed:

- **Introduction of the Customer Success department** is one of the main factors that allowed the increase of the added value in the projects delivered in T2. By focusing on technology adoption programs, we increase our clients' ability to use the technology to its full potential and at the same time we make the transition to the model of delivery of technology through managed services. Microsoft Azure and M365 platforms as well as

those of AWS have allowed the delivery of more than 60 technology adoption sessions this semester.

- Last but not least, it is important to mention that this semester Dendrio became the first Cisco Gold partner that owns the Customer Experience Specialization in Romania!
- **Integrated projects at group level** – we believe that Bittnet Group is uniquely positioned in the Romanian IT landscape through the ability to deliver all the vital components in the implementation of a digital transformation strategy at company level: from team education and change management, to the implementation and security of IT infrastructure, to the development and implementation of business applications and – through the completion of current M&A projects – to the operation of infrastructures and the implementation of solutions based on Artificial Intelligence. One of Dendrio's most important endeavours is to build integrated projects through which all these resources and capabilities can be put to good use, the first such projects being already addressed during this quarter.
- **Separation of sales teams** on the two segments: Large companies, respectively small and medium-sized companies, allowed both teams involved to adapt their approach, solutions and processes to the specific needs of each segment.
 - o On the segment of **large companies**, there is a continuous effort to strengthen the team and the operational flows, including from the perspective of participating in large-scale national projects financed through European programs and through the national recovery and resilience plan, in the coming years.
 - o Also, strengthening relations with strategic partners – both at the level of technology vendors and at the level of partners in the space of telecommunication operators.
 - o In order to develop the segment of **small and medium-sized companies**, we are in the process of implementing and adopting a new operational model similar to the one detailed for the education division. The adoption of this new model - which starts from the way customers buy technology and involves going through extremely well-defined processes of lead generation (marketing and outbound), qualification, sale and subsequent expansion (customer success) – will be the main objective of this team for the entire year 2021. Once these mechanisms are functional and measurable, this business model will be one of the main growth drivers of Dendrio Solutions in this segment.
 - o Last but not least, in this first semester of 2021, we have accelerated the development of partnerships with a number of start-up companies (such as KFactory – a company specialized in Manufacturing 4.0) and the expansion towards managed services, managed security and standardized product packages.

Elia in H1 2021

Also this semester, Elia Solutions generated revenues in the three main directions: implementation services (new projects), support and maintenance services (projects that have already been implemented and are entering the recurrent support phase) and license sales (on premises if on cloud); support services and the cloud licensing component are recurring revenue generators.

In term of revenues, first half of 2020, the largest share had the revenues from implementation services (40%), followed by revenues from licensed sales (38%) and revenues from support services (22%). In H1 2021, licenses were billed mainly, which led to an increase in their share in total revenues (45% of turnover), and the share of implementation services decreased to 33% of turnover, while support remained at 22%.

Periodic increase of the share in revenues from licenses (on premises) is part of the typical business model for ERP systems: a cycle in which services are significantly billed (as was S2 2020) is followed by a cycle in which the share of services decreases because completes previously sold projects and extends implementation to new users (which necessarily generates licenses). Obviously, the company's profitability is influenced (in the sense of decrease), the services - both implementation and support - being the main profit-generating components. However, S1 2021 had a special dynamic, superimposed over the standard cycle, influenced by certain factors:

- Clients have generally focused on small projects, most of them focusing on financing digital transformation projects through government funding / EU funds; although at the end of 2020 such programs were intensely promoted, funding was delayed (eg Measure 3 was canceled and funds moved to working capital investments) which led to the postponement of projects due to lack of funding;
- As a result of the health crisis a number of projects (especially Horeca but not only) decided to postpone / postpone the final phases of the project for the end of 2020 / beginning of 2021. This created an additional pressure on teams at the beginning of this year, the volume of deliveries being oversized for the respective period.

Development directions - the team

- In order to be able to counteract the agglomeration of projects during the first semester, a priority point was the process of consolidating the team and improving the performance on everything that means the delivery of projects and the communication with the client in the project.
- A major aspect was the expansion of the team, which increased by approx. 22% (if in the 1st semester of 2020 the team consisted of 23 employees and collaborators, in H1 1 of 2021 we have a team of 28 resources).
- In order to speed up the delivery process, resources with a high degree of seniority were attracted to the team - assuming an increase in total costs with human capital - It also invested in recertifying the team on the new Microsoft Dynamics 365 Business Central solution

Important projects and decisions

The major projects started last year were completed - RDF, Ivatherm, Electroplast, Supercom - and we obtained the agreement to start the support contracts for these clients.

- The implementation of the financial module at One United Properties was completed and it was put into production according to the announced planning; we are actively working on the second part of the implementation in order to enter production with the complete solution on the set date.
- New contracts have been signed with Darimex Techno, Diestsmann, Bayer Strada, Geisha Perfumes (My Geisha network of cosmetics stores).
- Important to note - we continue the development and consolidation of our own solutions dedicated to some industrial verticals:
 - Agricultural Production
 - Furniture production
 - Retail - Under Elian License - here, in addition to the retail solution on the food area, we have expanded with the cosmetic sales area in the My Geisha store chains.
 - Textile production
- Location - Under Elian License - we invest in the location of Business Central 18, including the solution design for the informative declaration D406, the standard fiscal control file (SAF-T), which will become mandatory starting with January 2022, according to the calendar published by the authorities.
- We have ongoing projects to upgrade to the latest version of BC system with clients in the portfolio: Stentor, BCR and Time and we are actively working to promote this service and attract other clients to this type of project. We want to bring as many customers as possible in the latest version of the system launched by the Microsoft manufacturer.
- We continue to offer the Elian financing solution with a fixed price per user implemented - which significantly simplifies the customer's decision and acquisition process but also the internal sales processes.

Softbinator in H1 2021

In first half of 2021, Softbinator Technologies attracted a number of 8 new clients in its portfolio, 3 of them representing American public companies with a value of more than 1 Billion USD (one being an unicorn), 2 SME type (USA and UK) and 3 startups (1 in Romania and 2 in the USA). The company also managed to upsell 4 clients from the existing portfolio (2 from Israel and 2 from the USA). Thus, in the first half of 2021, Softbinator Technologies recorded sales of 7.78 million lei, up 43% compared to the same period last year, and a net profit of 1.39 million lei, up 18% Furthermore. The number of programmers and collaborators in Bucharest and Constanța reached 100, new hires being already scheduled for the second semester of 2021.

Team development directions

In first 6 months of 2021, a series of changes were implemented within Softbinator Technologies and the suite of internal events was enriched with the aim on the one hand to create a structure that would facilitate as much as possible the individual and collective development, on the other hand, the internal meetings organized on various topics maintained a closeness between the employees. The business is led by a board of directors (CA) consisting of Andrei Pitis - President, Daniel Ilinca - Vice President and Cristian Logofatu - Member. The executive team includes: Marius Baisan (CTO - Technical Director), Alex Dianu (COO - Executive Director), Andreea Popa (CFO), Cristian Olteanu and Valentina Badea (Directors of the Software Engineering department).

With the new organizational chart, a significant improvement in the company was brought by the division of roles into two important areas: Technical and Management. Employees passionate about working with the latest technologies, interested in modern architectures for developed and open products to constantly improve coding standards in Softbinator, have the opportunity to advance on the "Technical" career path which has 4 levels: Engineer, Senior Engineer, Architect and Senior Architect. Those responsible to ensure that the teams are as agile and well organized as possible, which facilitates people's progress, which advises clients so as to succeed in achieving their objectives, are organized in the direction of Management, structured in this regard, on two levels: Manager / Facilitator and Director. Each of the positions has primarily the role of facilitating the growth of the people in Softbinator and with them of the whole company. Softbinator will always prefer to invest in people and that is why every employee has the opportunity, in the future, to access any of these positions. The evaluation will focus in particular on the metrics and responsibilities defined for each role.

In terms of internal events, they are diversified and have the role of covering as many activities as possible to increase the interaction and exchange of know-how between colleagues. In order to have as many relevant internal sessions as possible, Softbinator Technologies encouraged employees to take initiatives, and the results in the first semester are as follows:

- Cher - monthly workshop in which a specialist from the company presents a topic of general interest and how he / she approaches the solution.
- Algocalmin - launching two or three medium / high difficulty algorithmic problems with thinking time and sent solutions in 3-4 weeks. At the end of the time allotted for sending solutions, the one who proposed the topics holds a workshop in which he explains the correct solution.
- Open Book - session to meet at least seniors in the company through which they are asked to answer in a session to various questions

asked by other colleagues, both professional and related to passions, free time, book recommendations or articles and so on

- Spotlight - monthly, each team presents the product they are working on, the technical challenges and how they were approached, recommendations for situations they have already encountered.
- Bookclub - monthly, a book or an article is chosen that are read / read individually and discussed / debated in a meeting.

Important challenges, projects and decisions:

In order to sustain accelerated growth, one of the main objectives of 2021 is to continue to develop the position of top employer and to expand recruitment through new directions in the strategy of attracting talent. Thus, in early 2021 (March), Softbinator Technologies launched the Softbinator Labs program, a free course program for undergraduate and graduate students who want to develop their tech skills and be part of an IT company. success. This year's program, started in April, registered 57 students, chosen from over 1350 applicants. The aim of the program was to strengthen the brand position of relevant employer in front of young candidates, but also to build a much more coherent formula to retain student-type talent in the final year / fresh graduates.

Regarding the approach of experienced candidates, an important step is the decision in May 2021 to join the shareholders of TechMind, a recruitment company specializing in technology, by acquiring 25% of the shares. Through this decision, in addition to approaching a solid supplier in attracting experienced talent, together with Techmind targets large, corporate clients for which hybrid solutions can be created in partnership between the two entities: both direct recruitment solutions and supplementing it with consulting and development services that Softbinator can offer, thus facilitating access to a new client profile.

And in the second semester of the academic year (February 2021 - June 2021), more than 10 of the company's employees continued to support courses, seminars and laboratories for undergraduate and master's students as industry experts. Topics covered were: Android and iOS development, Java development, Software development methods (Agile), Advanced front-end (React and Angular).

Softbinator Technologies completed in the first part of 2021 the series of awards and distinctions obtained in previous years by being nominated in the category "Company of the Year" by ANIS and 1st place as Business Services Company of the Year at the Romanian Business Services and Awards gala.

At the end of the first half of 2021, with the strategy of consolidating premium UI / UX services (especially for US customers), Softbinator Technologies decides to acquire 75% of the share capital of Ixperi - UI / UX Design studio built by Radu Vucea , a recognized leader in the design community, with over 16 years of experience, the founder of the community for designers in Romania (Design Meetup), former designer at Adobe, who built and grew the local design team Fitbit (now Google). Following the acquisition, Softbinator is expanding its client portfolio into previously unexplored markets, such as Kuwait and Australia.

In terms of sales, the strategy continues to be focused on a mixed solution. An important channel that continued to be developed in the first half of 2021 is resellers, companies from Israel, USA

and UK with which Softbinator has developed, over time, strong partnerships and which are constantly opening new opportunities.

BNET Share Price

The dynamics of BNET's share quotation was "lateral" in the first half of 2021, similar to the last 12 months, registering a decrease of 9% between January 1 and June 30, 2021, under the same conditions of increased liquidity: in the first half of 2021 a total of 50,280,784 shares were traded, with a total value of 34.8 million RON. For compatibility, in Q1 of 2020, the transactions with BNET shares amounted to 23 million RON. We consider the trading volumes relevant for an issuer as a component part of the indices that measure the liquidity of the shares in BVB.



Starting with November 2020, Bittnet actions enjoy independent analysis reports, available on the "BVB research" hub: <https://bvbresearch.ro/ReportDashboard>

During this semester we have received several questions from shareholders on the topic "*why don't the shares increase if the group does such good things?*". In the context in which both the law and the ethics of the position prohibit us from making investment recommendations, and starting from the assumption that shareholders understand the company in which they invested, we consider this article as potentially relevant, which does not represent in any way a specific investment recommendation: <https://ofdollarsanddata.com/just-keep-buying/>. The same philosophy is illustrated in [Warren Buffett's example of the 'net burger buyer'](#).

About Bittnet Bonds

Another reason why we consider the Romanian capital market to be relevant is that companies, especially those that have accelerated growth, can benefit from 'patient capital' borrowed capital through long-term (3-5 years) bond issues, as opposed to bank lending structures that generally have maturities (repayments) of 1-2 years. Currently, Bittnet is the issuer of 3 corporate bond issues, all listed on the ATS-Bonds market of BVB: BNET23C, BNET23A, BNET23. At the time of writing this report, the Issuer is in payment of coupons up to date.

About BNET22 – callback in H1

On April 2, 2021, Bittnet notified the Market about the Decision of the Board of Directors dated April 1, 2021 to exercise the callback option for the early and full repurchase of the BNET 22 corporate bond issue. According to the Memorandum for admission to trading on the SMT-Bonds market of BVB, the repurchase price of the BNET22 issue was 100% of the nominal value, and the registration date for the identification of the bondholders to whom the instruments were repurchased was May 6, 2021. The date of actual payment of the amounts of money was set at May 13, 2021. Also, according to the BSE Code, the BNET22 bonds were suspended from trading starting with May 5, 2021, and the last BNET22 trading session was May 4, 2021. The repurchase value of the BNET22 issue included interest as a fraction of coupon calculated for a number of days equal to the time interval from the date of payment of the last full coupon (Coupon 14 of March 15, 2021) until the date of actual payment of the nominal value of the redeemed issue, i.e. until May 13, 2021 including. The management of the Company has taken the decision of early redemption of the BNET22 issue in order to reduce the financial expenses with interest.

About BNET23

In the 1st semester of 2021, a number of 228 orders were traded, which totalled a volume of 4468 BNET23 bonds (9.51% of the total issue) at an average price of 102% of the nominal value, which increased the total value of the 'exchanges' made to 457 thousand RON. The BNET23 issue partially financed, in Q2 2018, the acquisition of 51% of the shares in Elian Solutions and 25% in Equatorial Gaming, and the rest of the amounts were used as working capital. BNET23 bonds are traded as of November 28, 2019, have a face value of RON 100, maturity at 5 years and an annual interest rate of 9%, payable quarterly through the Central Depository.

About BNET23A and BNET23C

During the first semester of 2021, 22,000 BNET23C bonds were traded, in a number of 529 transactions that exceeded 2.23 million RON. The traded volume represents 22% of the entire issue, which makes BNET23C bonds one of the most traded fixed income instruments on the AeRO-Bonds market.

BNET23A bonds recorded, in the first half of the year, transactions amounting to 256 thousand RON.

Between December 2019 and January 2020, Bittnet made the largest bond issues in its history, in the context of financing the M&A project that involved the business transfer from Crescendo International to Dendrio: BNET23A (9.7 million RON) and BNET23C (10 million RON). The

transaction intermediaries and the mechanisms used to sell the bonds differed for the two operations (the BNET23A issue was 'placed' in the market through the investment banking division of a commercial bank, whereas the BNET23C was sold through brokerage syndicates consisting of SSIF Tradeville and SSIF Goldring).

Both issues have the maturity of the principal in 2023 (January and December), the coupons are calculated according to the registers received from the Central Depository, the value of the interest is 9% per year, payable half-yearly, and the nominal value in case of both issues is RON 100/instrument.

2. Group economic and financial situation

The issuer shall make available to investors the consolidated analysis of the assets, capital and liabilities of the Group at the end of the reporting period 30 June 2021.

Balance sheet items

Fixed assets

	30 June 2021	30 June 2020
Goodwill	21,082,977	17,701,643
Other intangible assets	9,029,741	6,657,664
Tangible assets	1,893,046	5,994,018
Equivalent securities	9,665,686	991.756
Other financial assets	329.964	1,417,421
Deferred tax	545.393	643.354
Total non-current assets	42,546,806	33,405,855

Compared to H1 2020, the intangible assets increased with the value of the Equahe method of consolidation of the EQG balance sheet is different with the 99% ownership we currently have.

Goodwill increased, as did the position of 'intangible assets', as our stake in Equatorial Gaming increased to 99%. Thus, together with the goodwill, the EQG balance sheet enters full consolidation starting with H1 2021, so that the intangible assets of EQG (especially the brand "Equatorial") increase the value of the intangible assets of the group.

The position "Securities in Equivalence" increased significantly compared to H1 2020 but not during the reporting period, but in H2 2020. The element that contributed to the increase was the recording of the value of the investments of SoftBinator and the eLearning Company.

Current assets

	30 June 2021	30 June 2020
Inventories	1,659,529	971.621
Trade receivables and other receivables	28,560,071	37,021,583
Financial assets	4,409,338	-
Cash and equivalents	26,243,253	26,063,622
Total current assets	60,872,190	64,056,826

The total value of current assets at group level decreased with the increase in the degree of collection of turnover (the value of the indicator "receivables related to turnover" improved by 10% compared to H1 2020) - this generates a reduction of total receivables, in addition to the reduction given by the decrease in turnover.

Instead, the coverage of trade debts with receivables increased from 107% to 118% - which increases the trust of suppliers in the payment capacity of our group.

This decrease in receivables is offset by the positive evolution of the balance sheet item "financial assets", which reflects the market value of our investments in the Safetech and Arctic Stream companies.

Statement of the capital

	30 June 2021	30 June 2020
Share capital	48,043,690	22,904,973
Issuance premium	14,542,953	982.966
Other equity items	(17,781,183)	1,671,049
Legal reserve	524.871	365.212
Carried forward result	(5,010,621)	(5,978,216)
Current result	1,675,568	834.978
Total capital	41,995,279	20,780,962
Minority interests	39.413	422.871
Total equity	42,034,691	21,203,832

On 30 June 2021, the Group's equity recorded a significant increase compared to Q1 2020 (a positive evolution of 98%), being positively influenced by the following developments:

- The increase of the share capital in H2 2020 as a result of the Stock Option Plan, the registration of the increase with free shares from July 2020, the increase with treasury shares from June-December 2020 and the Equatorial and Softbinator investments.
- The increase of the share capital in H1 2020 as a result of the successful performance of an increase operation with new contributions.
- Improvement by almost 4 million RON of the current result

Statement OF liabilities OF the group

	30 June 2021	30 June 2020
Total liabilities	61,384,305	76,258,848
Total long-term liabilities	28,212,902	32,755,953
Bonds	24,044,334	28,304,011
Bank loans	3,290,602	1,624,738
Total short-term liabilities	33,171,403	43,502,895
Bank loans	7,253,564	6,121,554
Trade liabilities and other liabilities	20,693,396	34,168,678

Long-term debts decreased with the early repayment of the BNET22 bond issue - totalling about 28 million RON on 30 June 2021. The evolution of bank loans is part of the natural flow of operational activity, both in the case of short-term and long-term debts.

The total decrease of debts was followed on all sectors (both in terms of commercial and financial debts – through the early repayment of a bond issue).

If on June 30, 2020 we recorded financial debts of 36 million compared to the 22 million equity, at the end of the first semester of the current year, the ratio is the other way around, the financial debts amounting to less than 38 million, compared to the capitals of 48 million RON. We consider this evolution a positive one, which puts us on solid foundations for the next expansion period.

Banking loans

If bond issues are long-term borrowed capital, the bank lending structure of the group is mainly made up of revolving overdrafts aimed at short-term financing of specific projects. At the end of the analysis period, the group has contracted the following bank lending products: approximately 11 million RON at ProCredit Bank, ING Bank and Unicredit Bank and a non-cash limit for the issuance of letters of bank guarantee of 1 million RON at Banca Transilvania. Of the total ceilings, the amounts accessed are reproduced in Note 9 to the Financial Statements:

As subsequent events to the 1st Semester, Dendrio Solutions signed the extension agreements for two credit products, namely:

- on July 23, 2021, the Addendum for the extension of the credit line – revolving overdraft amounting to 4.5 million RON – contracted from ProCredit Bank in July 2019 was signed. The extension was made for a period of 24 months and under the same conditions with the initial credit agreement. The interest rate remained unchanged, ROBOR3M + 2.4% p.a, and the destination of the product is to finance the working capital.
- on August 16, 2021, was signed the addendum for the extension of the credit line – revolving overdraft in the amount of RON 2 million – contracted by Dendrio Solutions from ING Bank in November 2018. The extension was made for a period of 12 months – until August 2022 – under the same conditions as the initial agreement. The interest rate remained ROBOR1M + 2.9% p.a.

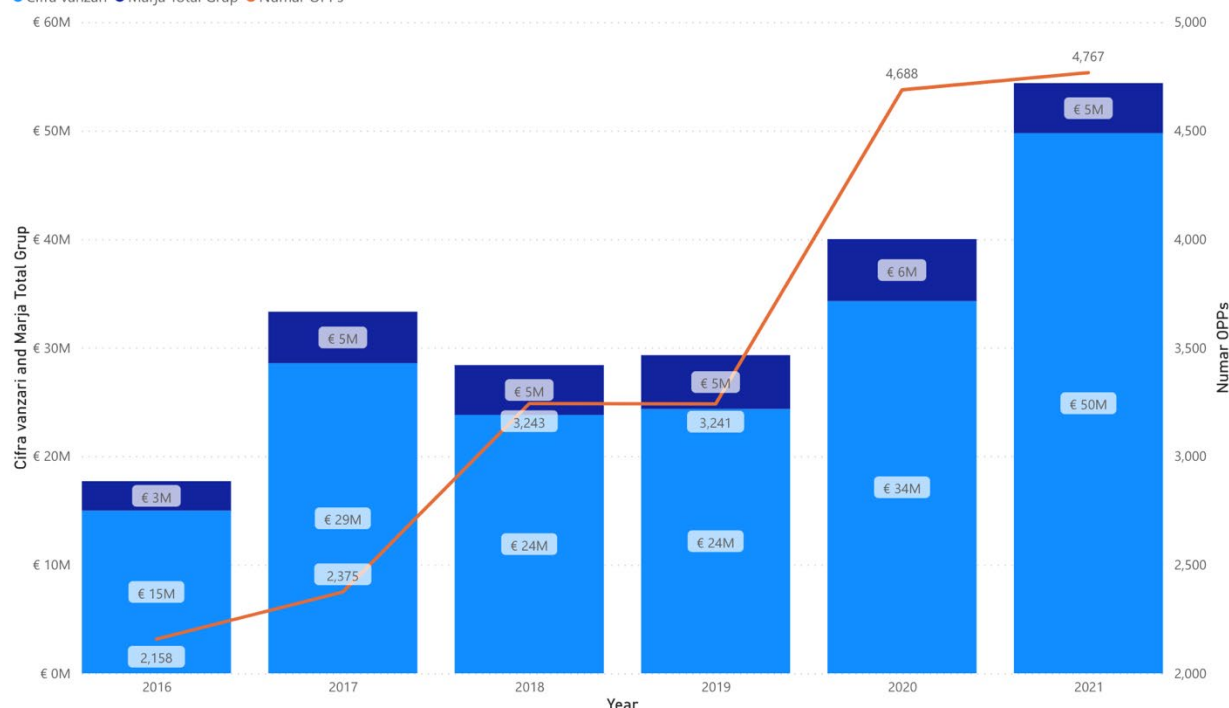
Revenue account

Sales analysis

In H1 2021 compared to H1 2020, the sales activity continued the upward trend, both as number of identified projects and as their value. Thus, if in the chart below for previous years the opportunities already won during the year are represented, in the case of the current year the chart shows the activity of the sales team only until the drafting of the report (August 2021), they have at their disposal another 4 months to open new opportunities:

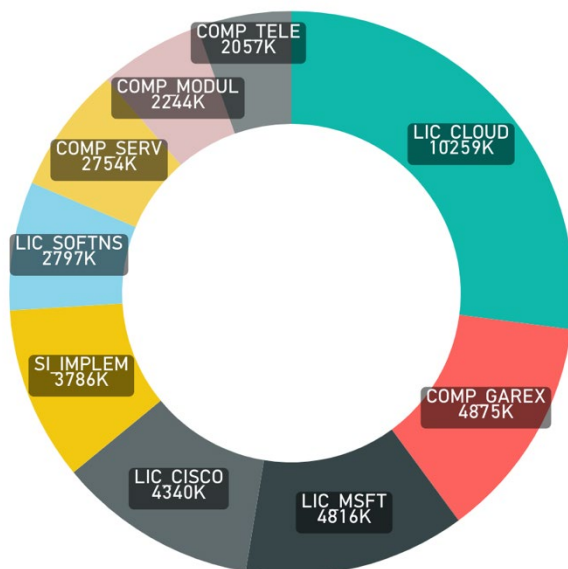
Cifra vanzari, Marja Total Grup and Numar OPPs by Year

● Cifra vanzari ● Marja Total Grup ● Numar OPPs



Total opportunities in progress or already won in August 2021, grouped by financial years.

For a better understanding of the sales structure, we further reproduce the results of the top-selling products for the integration line:



Next, Microsoft solutions are a good entry point in the relationship with customers, and then we can position other more complex solutions.

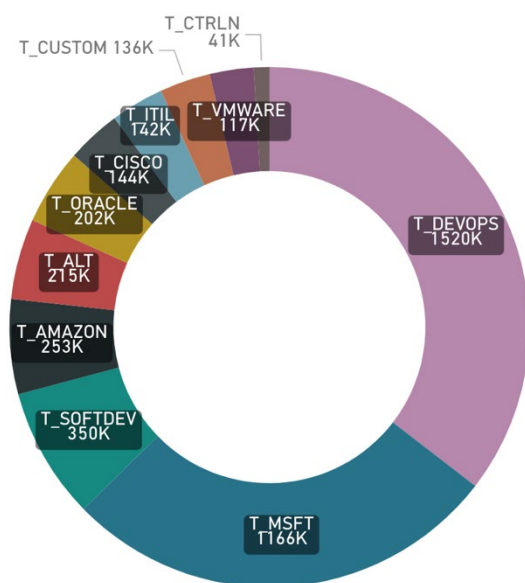
The type of "Extended Warranties" products includes maintenance services for network infrastructure solutions, ensuring customers a trouble-free operation (any faulty equipment is taken over by our team, with equipment in exchange, and installation and configuration services).

- Cloud and security products are normally in the top of sales, this being the technological trend that we have

noticed since 2014.

- Compared to previous years, we can see a higher preponderance of both cloud-type products and own services (factually mirrored in the consolidated income structure)

From the point of view of the Education division, the most sold products are (sales over RON 100,000):



Microsoft Training continues to be an important vector for Bittnet Training, and we estimate that it will increase in weight in the coming periods, taking into account Microsoft's investments in customer education, made with the help of training partners, such as Bittnet.

Naturally, Bittnet's own curriculum (DevOps, Software Development and Custom training) is found in the top of trainings sold to clients because we paid increased attention to its promotion, having a much higher gross margin than the vendor trainings;

P&L Consolidated Presentation

	30 June 2021	30 June 2020	Evolution
Revenues from contracts with clients	<u>48,167,941</u>	<u>56,899,284</u>	<u>-15%</u>
Revenues from the provision of services	15,396,596	15,819,487	<u>-3%</u>
Sale of goods	32,771,344	41,079,797	<u>-20%</u>
Cost of sales	<u>37,602,853</u>	<u>45,167,540</u>	<u>-17%</u>
Cost of sale of goods/materials	27,571,630	36,955,757	<u>-25%</u>
Cloud services	2,624,922	2,401,940	<u>9%</u>
Hours-Man	7,406,301	5,809,843	<u>27%</u>
Gross margin	10,565,088	11,731,744	
Other income	278.982	268.807	
Sale/distribution expenses	<u>4,264,571</u>	<u>3,348,606</u>	<u>27%</u>
Advertising	878.978	458.930	<u>92%</u>
Hours-Man	3,385,594	2,889,676	<u>17%</u>
Administrative costs	<u>5,927,163</u>	<u>5,473,402</u>	<u>8%</u>
Hours-Man	3,025,004	3,287,501	<u>-8%</u>
Travel and transportation expenses	40.252	32.317	<u>25%</u>
Rent / Lease	116.045	198.839	<u>-68%</u>
Materials	67.265	80.573	<u>-17%</u>
Amortization	1,401,713	838,852	<u>67%</u>
Donations	57.191	6.968	<u>721%</u>
Insurances	78.960	102.933	<u>-23%</u>
Postal services and telecommunications	57.704	66.004	<u>-13%</u>
Bank charges	52.536	33.107	<u>59%</u>
Other third party services	677.037	465.113	<u>46%</u>
Others	353.456	361.194	<u>-2%</u>
Operating profit	652.336	3,178,543	<u>-79%</u>

The fact that the gross margin is almost similar to the similar period of last year, even if the turnover recorded a decrease, is generated by the better sale within the technology division (17% versus 14% gross percentage margin previously), based on the fact that the own and cloud services represent a higher percentage of the total sales.

The increase in marketing expenses comes from the education division, where the new selling paradigm and the "go-to-market" emphasize addressing the students where they are (currently online).

Trailing 12Months

	Trailing 12M H1 2020	Trailing 12M H1 2021
Revenues	115,161,209	100,460,416
Cost of sales	(90,834,260)	(80,160,679)
Gross margin	24,326,948	20,299,738
other revenues	425,006	462,003
Cost of sale of goods/materials	(7,381,554)	(8,424,949)
Administrative cost	(11,437,057)	(10,507,113)
Operational profit	5,933,342	1,829,679
Titluri puse in echivalenta	(305,702)	521,495
Venituri financiare	1,878,266	3,601,537
Cheltuieli financiare	(6,011,502)	(3,730,947)
Gross Profit	1,494,404	2,221,764
Impozit pe profit	(379,453)	(574,897)
Net Profit,	1,114,952	1,646,867
Profit net atribuibil societatii mama	837,032	1,735,717
Interese care nu controleaza	277,920	(88,850)

We consider the analysis of the activity in an annualized perspective more relevant for the correct understanding of the size and profitability of the group, of the adaptation to challenges and of the resilience:

Even if there were disruptive factors for Bittnet Training (delaying the start of new 'face to face' training budgets in the hope of returning to class) and for Dendrio (continuing the semiconductor crisis generates continuing delays in delivering hardware solutions from vendors), which have negatively influenced the consolidated revenues and the gross margin, the fact that we kept under control the indirect expenses (distributing them differently between categories due to the modification of the operational model), combined with the diversification of products and services through M&A processes, generated a significant financial profit. from the previous period, when the financial result was a loss of 4.9 million RON. Thus, in the 12 months ended June 30, the contribution of operating profit to gross is 1.8 million RON, the contribution of companies in which we have holdings between 20 and 50% is 520 thousand lei (compared to a loss of 300 thousand in the previous period), and the reduction by 40% of the financial expenses allowed the gross result of the group to register a significant increase of, over 50%, up to the value of 2.2 million RON.

Operating, financial and gross profit

The operating result of the group during the analysis period is 652 thousand RON, down from 3.18 million RON last year. The decrease comes entirely from the Education Division (minus 3 million RON), while the lower costs with SOPs (400 thousand RON versus 800 thousand RON last year) partially compensated this decrease.

On the other hand, if last year the financial result (revenues minus financial expenses) recorded a negative value of 1.9 million RON, in Q1 2021 the group recorded a financial profit of 1.38 million RON – 3.3 million RON better than last year. This development is due to the decrease in interest costs combined with profit recording in Q1 by all companies in which we have investments accounted for using the equity method, but also due to the increase in the market value of the investments accounted for by mark-to-market.

The bet on these investments (acquisitions, M&A projects) proves to be a correct one, each of the companies in which we have invested recording very good results in continuing the investment. As announced, we will continue these steps in the near future (we continue to negotiate acquisitions of minority or majority stakes in IT&C services companies in Romania and CEE countries).

As a result, in Q1 2021, the gross profit of the group recorded a **positive evolution of 57%, exceeding the value of 2 million RON**, versus 1.3 million the previous year.

Net profit

The net result of Q1 2021 is in line with the gross profit, recording the value of **RON 1.58 million, 64% more** than the value of Q1 2020.

Declared and paid dividends

The Company did not pay dividends in the 1st semester of 2021. The Company's dividend policy is detailed here: <https://investors.bittnet.ro/politicile-corporative/politica-de-dividend/?lang=ro>.

Cash Flow Statement

From an operational point of view, the current activity continued to generate cash, registering +1.15 million lei cash flow from operation, which, combined with the successful development of the capital round through the BVB mechanisms allowed us to continue investment flows, thus diversifying 'earnings power' and increasing the group's resilience, in line with the vision of building a financial fortress. Thus, the consistent cash availabilities at the end of the reporting period were 26 million lei, ie a net debt position of less than zero

	30 June 2021	30 June 2020
Cash flow from operating activities:		
Gross profit	2,038,932	1,301,414
Adjustments for:		
Depreciation expenses	1,401,713	838,852
Expenses related to disposed assets	86,016	
Benefits to SOP employees	401.249	873.241
Interest expenses and other financial costs	1,620,250	1,747,409
Interest expenses and other financial costs - leasing	230.140	159.414
Interest income and other financial income	-73.060	-95.723
Investment gains	-2,511,393	0
Profit from equivalent securities	-448.033	244.983
Operating profit before working capital change	2,745,815	5,069,590
Variance of the receivables accounts balances and other receivables	3,564,247	-4,746,991
Variance of the inventory accounts balances	-502.477	1,595,584
Variation in trade liabilities and other liabilities accounts	-4,513,685	-2,227,454
Cash generated from operation	1,293,899	-309.271
Profit tax paid	-146.157	-50.005
Net cash from operating activities	1,147,743	-359.276
Cash flow from investing activities:		
Payments for purchasing participation interests	-1,075,236	0
Loans granted to related entities	-240.000	0
Acquisitions of tangible and intangible assets	-739.583	-322.239
Other investments in financial instruments	-1,865,800	0
Proceeds from other financial investments	1,427,555	
Collected dividends	385.082	
Interest received	73.060	72.163
Net cash from investment activities	-2,034,922	-250.075
Cash flow from financing activities:		
Income from the issue of shares	10,412,024	8,853,597
Repurchases/sales of own shares	166.200	0
Withdrawals from bank loans	0	2,383,194
Repayments of bank loans	-1,610,281	-3,005,006
Repayments of bond issues	-4,500,000	0
Payment of finance lease liabilities	-720.646	-743.938
Interest paid	-1,450,254	-1,638,990
Dividends paid / received	-39.266	0
Net cash from financing activity	2,257,776	5,848,857
Net cash increase and cash equivalents	1,370,597	5,239,506
Cash and cash equivalents at the beginning of the financial year	24,872,655	20,824,117
Cash and cash equivalents at the end of the financial year	26,243,252	26,063,623

3. Analysis of the company's activity

3.1. Presentation and analysis of trends, elements, events or uncertainty factors affecting or likely to affect the company's liquidity compared to the same period of the previous year.

There are no significant differences between the business environment in which we operate in 2021 versus 2020 in terms of potential effects on the group's liquidity ratios. As proof, both the liquidity and the average collection time of customers record values similar to those previously recorded:

Rate	Formula	H1 2018	H1 2019	H1 2020	H1 2021
Current liquidity rate	Current assets /current liabilities	1.43	2.27	1.52	1.84
Rapid liquidity ratio	(Current assets - Inventories) /Current liabilities	1.34	2.22	1.41	1.79
Average duration of collection of customers (DSO)	Balance from customers / Capital turnover * 360	130	112	110	91

Current liquidity and fast liquidity are two of a company's most important financial rates and measure its ability to pay off short-term debt using short-term available assets. The high level of liquidity rates means a reduced share of fixed assets and a shorter period for capitalizing on the services sold by the company, which translates into a more efficient use of working capital. In the present situation, the current activity and the working capital are not dependent on the financing from the short-term credits.

3.2. Presentation and analysis of the effects on the financial situation of the company of all current or anticipated capital expenditures (specifying the purpose and sources of financing these expenditures), compared to the same period of last year.

According to the provisions approved by the General Assembly for 2021, the Company has the following Budgets:

Investment budget

Purchases of assets / investments will be sized at RON 10,000,000, provided that there are sources of financing for implementation. The investment plan includes:

- Continuous modernization of the work environment and training center
- Dendrio brand promotion campaigns
- Continuing the procurement of IT resources - website and online store upgrade, software, IT infrastructure for internal use, etc.
- Launching IT platforms, customer products, learning games, customer interaction support systems
- Ensuring the constant operation of IT systems and their continuous upgrade to the latest work variants
- Offering cloud services and managed services to the Company's clients.

The company's management will make all necessary efforts so that these operations do not affect the company's cash flow. In this respect, negotiated lease agreements shall be considered for most IT equipment, furniture, etc. - in this case, the lease agreements may exceed cumulatively the threshold provided for in Article 241 paragraph 2 of Law 297/2004.

In EGMS from November 2020, the management of the company was mandated to contract a new office space with a maximum value of the total rent corresponding to the entire office space of EUR 500,000 (five hundredths) per year, representing "all inclusive price" (maintenance, additional services, without including the costs of arrangement, relocation, utilities, etc.); for a maximum duration of the lease is 5 (five) years from the signing of the contract, with the possibility of its extension.

3.3. Presentation and analysis of events and transactions of economic changes that significantly affect the income from the core activity Indication of the extent to which revenue has been affected by each identified item. Comparison with the corresponding period of last year.

The Technology Division

	30 June 2021	30 June 2020	Evolution
Revenues from contracts with clients	42,403,154	49,635,969	-14,6%
Revenues from the provision of services	9,631,810	8,556,171	12,6%
Sale of goods	32,771,344	41,079,797	-20,23%
Cost of sales	35,010,905	42,469,787	-17,6%
Cost of sale of goods/materials	27,483,485	36,260,772	-24,2%
Cloud services	2,624,922	2,401,940	9,3%
Hours-Man	4,902,498	3,807,075	29%
Gross margin	7,392,249	7,166,182	3,2%

The technology division is still impacted by delays in the delivery of hardware due to the semiconductor crisis, which has led to a decrease in revenues from the sale of hardware solutions. Instead, this situation also generates a need for customers and an opportunity for our group, in that more services are needed to maintain existing solutions and to change the approach of technological solutions delivered to customers – they become more open approaches that rely more on know-how and less on equipment. Thus, revenues from IT&C integration services increased by 12%, which generates a higher gross margin in H1 2021 versus H1 2020.

	30 June 2021	30 June 2020	Evolution
Revenues from contracts with clients	5,764,787	7,263,315	-20,63%
Cost of sales	2,591,948	2,697,753	-3,92%
Cost of sale of goods/materials	88.146	694.985	-87,32%
Hours-Man	2,503,802	2,002,768	25,02%
Gross margin	3,172,838	4,565,562	-30,50%

We present below the elements that influenced the evolution of revenues (and therefore more accelerated of the gross margin):

4. **HIGH LOAD OF IT TEAMS** - the accelerated digitalization in the last 12-14 months through which many of the companies that are our clients have passed or the increase in the number of projects that they implement to their clients, have generated a very high load of IT teams and specialists. Because of this, they either did not have the physical time or did not have the necessary motivation to request or go to the training.
5. **THE CLIENTS CAUTION IN SPENDING BUDGETS** – the lack of predictability, the slow recovery of the economy (mainly based on consumption) generated for many customers the postponement of more consistent investments in training for the end of the year. This reserved behaviour, which we also have, also comes against the background of increasing concerns about the occurrence of wave 4 and consequently of a new period with restrictions
6. **CHANGING THE OPERATIONAL MODEL** - in order to respond to the changes generated by the pandemic, and in order to capitalize on the market opportunities of the future, we have significantly changed the business model and the architecture of the organization. Business practice shows that these changes need time to be internalized by the organization and that in most cases they generate ["over" curves](#) in the results. In other words, we're getting worse before we get better.

4. Changes affecting the company's capital and management

4.1. Description of the cases where the company was unable to meet its financial obligations during the period.

The company was not unable to comply with its financial obligations.

4.2. Description of any change in the rights of the holders of the securities issued by the company.

There are no changes to the rights of the holders of securities issued by the company.

Capital increase with new contributions – March-April 2021

In the first half of 2021, the Company carried out a capital increase by issuing 18,178,550 new shares offered for subscription based on the preference right.

In Stage 1 – carried out between January 27 and February 25, 2021 – 17,359,142 new shares (95.49% of the total) were subscribed at the price of RON 0.59 per share. Subsequently, within the private placement, subscriptions were received from 35 investors, natural and legal persons, for the 819,408 shares left unsubscribed after Stage 1 at the price of RON 0.6 per share. The total amount attracted by the company in the two operations is RON 10,733,538.58.

Capital increase with free shares: 6 new shares in 10 shares

In April 2021, the shareholders of the Company approved the increase of the share capital by the amount of RON 16,956,596.60 through the issuance of 169,565,966 shares with a nominal value of RON 0.1/share for the benefit of the shareholders (including the benefit of the Company for its own shares), through the partial capitalization of the share premiums in the amount of RON 16,956,596.60.

The free shares were allocated in the shareholders' accounts in proportion to the holding on the registration date established by the General Meeting of Shareholders: 21 July 2021. The allotment ratio was 6:10, each shareholder who owned shares at the registration date received 6 free shares for every 10 shares held. The Central Depository uploaded the trading accounts of the shareholders at the beginning of August.

Expression of options for cash or shares distribution - capital increase 1:10

The General Meeting of Shareholders approved in April 2021 the increase of the share capital by the amount of RON 2,826,099.50 by issuing 28,260,995 shares with a nominal value of RON 0.1/share for the benefit of the shareholders registered in the Register of Shareholders kept by the Central Depository on the registration date 21 July 2021. The shareholders from the GMS reference date agreed that the shares thus acquired will be left at the disposal of the company,

for a period of 12 months from the date of acquisition, in order to carry out the stock option plans approved by the previous general meetings.

However, considering that the shareholders from the date of registration of the GMS decision No. 3 (21 July 2021) could have been different from the shareholders from the reference date for the GMS in April and considering the written correspondence and meetings of the Issuer with the Financial Supervisory Authority (FSA) on this subject during 2020, the Board of Directors adopted an additional procedure in order to offer all the shareholders from the registration date (21 July 2021) the possibility to vote expressly if they choose consistency with the Decision of the shareholders from the reference date for the GMS – thus receiving a cash distribution in the amount of RON 0.1 for each 10 shares held, or prefer another option.

The additional procedure was carried out through an online portal made available to investors from the date of registration July 21, 2021 through which they could choose whether they wanted to distribute in cash. During the opt-in period, July 26-August 3, at 17:00, the Issuer received 325 options, from 325 shareholders representing a total of 167,393,769 voting rights, i.e. 67.70% of the total voting rights of the Issuer. From the expressed options, 210 shareholders representing 162,611,497 voting rights, i.e. 65.77% of the total voting rights opted for OPTION 1 – i.e. for cash distribution.

The Company transferred to these shareholders the amount of RON 924,482 in August 2021 through the Central Depository settlement system, having Banca Transilvania as Payment Agent.

Shareholders who voted 'against' or 'abstaining', as well as those who have not taken any action, will not benefit from the cash distribution, and will be allocated the shares in Section 1 of the Central Depository, after the issuance of the FSA registration certificate. At the same time, the Central Depository shall upload to the Issuer's account a number of 16,261,096 treasury shares.

Shareholders Structure as at 30 June 2021

The shareholding structure on June 30, 2021, according to the information from the Central Depository is:

Shareholder	Percentage of capital and voting rights
LOGOFĂTU CRISTIAN-ION	11,2615 %
LOGOFĂTU MIHAI-ALEXANDRU-CONSTANTIN	12,3760 %
Individuals	64,8385 %
Legal entities	11,5241 %

5. Significant transactions with affiliates

Not applicable - During the reporting period, the company did not enter into significant transactions with persons with whom it acts in concert or with affiliates. In carrying out normal operational activity, there are trade flows that generate transactions between group companies:

Equatorial deliveries to

1. Dendrio: RON 22,346 - invoices for indirect expenses
2. Bittnet: RON 10,022 – re-invoicing of overhead expenses
3. Elian: RON 5,034 – re-invoicing of overhead expenses

Elia deliveries to

- a. Dendrio: RON 13,300 – products and services for customers and RON 6,000 – 6 monthly support invoices Dynamics NAV
4. Bittnet: RON 6,000 – Dynamics NAV monthly support

Dendrio deliveries to

1. Bittnet: RON 335,605, IT resale projects
2. Elia: RON 43,535, IT resale projects
3. Equatorial: RON 19,097, IT resale projects

Bittnet deliveries to

1. Dendrio: re-invoicing indirect expenses RON 648,757, customer services: RON 29,392
2. Elia: RON 110,423, re-invoicing of overhead expenses
3. Equatorial RON 43,450, re-invoicing of indirect expenses
4. eLearning Company: RON 240,000 loan

6. Degree of target achievement for 2021

Profit and loss account [RON], consolidated	Expected value 2021	Reported value H1 2021	% of output after H1
Turnover	157,056,000	48,167,941	31%
Direct expenses	-122,458,000	-37,602,853	31%
Indirect expenses	-27,334,000	-10,191,734	37%
EBITDA	16,400,000	2,054,049	13%
Amortization	-1,140,000	-1,401,713	123%
Operating profit	15,261,000	652.336	4%
Financial Result	-897.000	2,038,932	-227%
SOP adjustments	-1,640,000	-401.249	24%
Gross profit	12,724,000	2,038,932	16%
Number of ONRC shares *	480,436,904	480,436,904	
Number of FSA Shares *	395,565,240	395,565,240	
Earnings per share (money)	3.22	0.52	16%
Earnings per share, FSA, (money)	2.65	0.42	16%

*At the date of this report, the Issuer is in the process of registering the new share capital resulting from the increase operation related to the implementation of the incentive plan with options of the key persons - SOP2018. Also, after the ratification by the General Meeting of Shareholders of the additional procedure by which the share capital was increased with the shares resulting from the Decision no. 3 of the General Meeting of Shareholders of 29 April 2020, the Issuer shall address to the Financial Supervisory Authority for the registration of the new number of shares by allocating, through the Central Depository, the shares in the accounts of the shareholders or of the Company according to the shareholders' option.

7. Risks identified by the Issuer

We remind investors that investing in Bittnet shares or bonds involves certain risks, of which we list a part below.

Risks regarding the Issuer's business and field of activity:

The risk associated with achieving the business development plan

The strategic objective of the company is to continuously develop the customer relationships. The possibility that Bittnet may not be able to expand its current customer base or the possibility that relationships with existing customers may deteriorate cannot be ruled out. There is also the risk that the company will not be able to meet other elements of the strategy it has defined, namely: expanding the sales force, establishing a local office in one of the main cities of the country, strengthening its leader position on the IT Training market in Romania, expanding the customer base in the country and abroad and providing trainings for a larger number of potential customers, as well as developing and creating strategic partnerships with companies with similar or complementary profiles will not prove successful. In order to reduce this risk, the company intends to expand the range of products and services and improve marketing activities.

Risk associated with M&A processes

Most studies and articles on M&A show unpromising statistics for purchasing companies: overwhelmingly, M&A processes destroy value for both companies (especially buyers). This element acquires an even more negative dimension when in the acquisitions, the companies pay with shares of the acquiring company, as is the case of our group. There is a significant risk that the processes we run will have the same long-term negative consequences. Management tries to build each investment with a high degree of safety ("margin of safety") and to align the interests of participants through payment formulas and mechanisms. However, there is no guarantee that we will be able to continue to identify such solutions, and that future mergers and acquisitions will be profitable for our group.

The risk associated with making the financial forecasts

The Company's financial forecasts are based on the assumption of successfully implementing the growth strategy based on existing resources and business units. However, there is a risk associated with making the financial forecasts. The forecasts have been created with due diligence, but they are still forecasts. The current data reported in future periodic reports may differ from projected values as a result of certain factors that were not predicted in the Company's environment. The company will provide information on the possibility of making financial forecasts.

This chapter deserves a more detailed discussion. The company submits every year to the shareholders' approval a Revenue and Expenditure Budget. The management builds this BVC using a "bottom-up" approach - starting from evaluations of ongoing projects (sales pipeline available at the time of BVC production), sales statistics from previous years, marketing actions and sales already committed/planned and sales targets assumed by each member of the sales team. In other words, the BVC is built prudently.

On the other hand, what we pursue and measure in relation to the sales team and any partner is the GROSS commercial MARGIN and not the amount of sales. Therefore, every year, when the BVC is published, the management must answer the question “if we have a reasonable confidence that we will be able to generate 100 RON of gross margin, from how many RON of sales will we obtain this margin?”. It should be taken into consideration that sales achievements are measured and estimated EXCLUSIVELY depending on the volume of the generated gross margin. In other words, the 100 Euro margin generated from sales of courses in the amount of 200 Euro is just as valuable to the company and is therefore rewarded in the same way with the 100 Euro margin generated from sales of communications solutions in the amount of 500 Euro.

In order to be able to answer the question “how many RON of sales is needed to produce the committed margin of RON 100”, we must, therefore, answer the question “what will the gross margin average percentage registered by the company be?”. According to the principle of prudence, the management applies small reductions to the gross margin percentages already recorded, in order to find the answer to this question.

The unexpected result of these precautionary estimates is that if we apply a lower margin percentage, then we actually assume that we will have to “work” more for the same amount of RON of gross margin, so the forecasts (the BVC) related to the company's revenue are HIGHER.

Nevertheless, the company only monitors the gross margin and not the sales volume, so during the budget year it is much more likely that the revenue forecasts (the turnover) are erroneous and the company's profitability forecasts are more accurate. In other words, the management does not target, monitor or reward the achievement of any revenue target and, consequently, investors should not monitor and evaluate the company's achievement of revenue indicators (turnover), but the profitability index.

Personnel risk/delivery capacity

The Company's success depends to some extent on its ability to continue to attract, keep and motivate the qualified personnel. The Bittnet business is based on highly qualified and well-paid engineers, whose number is limited and can receive offers from the competition. If the Company fails to optimally manage the personnel needs, this may have a significant material adverse effect on the business, financial conditions, results of operations or prospects. The company offers attractive compensation packages and dynamic career development paths to attract, keep and motivate experienced staff with potential.

Bittnet has historically faced smaller staff fluctuations than the companies with which we do business with. However, two decisions we made in 2015 allowed us to resolve this issue in a "winning" way:

- adding to the organizational chart the role of internal HR and its employment by a new colleague with experience in recruitment and relationship with IT professionals. The HR role has two objectives:
 - continuous recruitment - identifying new talents to include in our technical team;
 - creating and maintaining a pleasant, engaging and healthy work environment, focused on constantly promoting the company values on which the company culture is based: competence, performance, integrity, flexibility and fun.

- listing on the Bucharest Stock Exchange, which allowed us to obtain an appreciated employer profile and helped us differentiate ourselves as an open and transparent company - an image highly appreciated by all new and old employees.

This risk continues to be one of the most important risks that ‘threaten’ our company and, consequently, the management will continue to give particular importance to this issue. In 2016, 2017, 2018 and 2019, 2020 and 2021 the General Assembly approved plans to incentivize key persons based on actions, in order to better align their interests with the long-term interests of the Company. On the other hand, considering the overheating of the labour market and the inclusion of the “Millenials” generation in a greater proportion within the workforce, we consider that this risk - related to the ability to deliver the promises to customers - is a significant one for the company, accompanied by the continuous increase of the financial claims of the team members and collaborators (a continuous increase of fixed costs).

Perhaps the greatest risk in this respect is given by the shareholders of the company, whose continued vote is needed to continue the existence of the Stock Option Plans. Although the stock-option plan is built in such a way as to reward employees only and only if the shareholders have earned money in the analysed period, at the time when the debt is settled with the key persons, messages of dissatisfaction appear from some shareholders, claiming that “employees receive cheaper shares”, or that “this gives them the chance to sell in the market and make profit”.

This approach is, in our opinion, the greatest risk for the company in the field of human resources. If we can no longer continue to use methods of attraction and retention based on what makes us special – stock exchange listing and the value sharing mechanisms thus generated, the only alternative will be to also enter a global fight for human resources, with nothing to offer but money. We believe that this scenario is a very unfortunate one, which will strongly affect the profitability of the company, but unfortunately we estimate that it has a much higher probability of materializing, taking into account the recent discussions but also the fact that, as the number of shareholders increases (now we have over 1400 shareholders), it is much harder to obtain the 85% legal quorum necessary for the implementation of SOPs in the current legislation.

Legislative/regulatory risk

Changes in the legal and fiscal regime in Romania may affect the economic activity of the Company. Changes related to the adjustments of the Romanian legislation with the regulations of the European Union may affect the legal environment of the Company's business and its financial results. The lack of stable rules, the legislation and the cumbersome procedures for obtaining administrative decisions may also restrict the future development of the Company.

Considering that the legislation increasingly leaves to the discretion of the fiscal body the interpretation of the application of the tax rules, in conjunction with the lack of funds to the state budget and the attempt by any means to bring these funds, we consider this risk a major one for the company, because it cannot be addressed in any way in a real and constructive preventive manner.

Currently, the company has 3 capital increase operations registered with the Trade Register, according to the approval of the shareholders and the decisions of the Board of Directors, operations that are not yet registered with FSA, despite the efforts made by the company. The unclearness regarding the company's capital, as well as the difficulty of registering operations to

reduce the share capital are risks that may affect the percentages of free share allocation, dilution of some investors for the benefit of others, etc.

Business commoditization risk - loss of technological relevance of solutions

A special case related to the rapid evolution of the IT industry is the tendency of each technology to become “commodity” (very widespread, very widely adopted) and to be very well understood by customers. In such a business environment, the added value of the “resellers” companies is very low, so such a scenario leads to the decrease of the commercial margins for the business lines that are affected by commoditization. All technologies face this risk as their adoption increases. The most eloquent example is Microsoft's licensing business, where most projects are invoiced to customers with very low commercial margins: 0-2%. As other technologies acquire the same dissemination and adoption, their resale also becomes unprofitable.

The company aims to position itself as a value consultant, not as a “commodity” type “boxes” reseller. Tracking technological trends and positioning as a “first mover” helps the company to provide added value through the services provided (consultancy, building technical solutions, installation and simplification, optimization, maintenance).

Risk of unfair competition

Commoditized businesses with small margins are prone to unfair competition, in particular through dumping prices. In particular, in Dendrio's business this risk materialises when competitors often offer customers sales prices substantially below the purchase price of those licences. This type of business approach is very difficult and expensive to demonstrate, but it can cause damage to the Issuer by losing some contracts or reducing profitability. The issuer has not identified any solution to prevent this risk. The issuer aims to address new customer types, as well as customers for whom the added value of the solutions is not represented by price reductions, but by the functionality of the solutions offered. The more widespread and adopted the business line is, the added value that can be offered by an integration partner decreases.

The issuer is in constant competition with other participants on the IT market, competition that is expected to intensify. High competition can encourage current as well as potential customers to use the services and products of the Issuer's competitors and thus negatively affect the Issuer's revenues and profitability. Strong competition may result in increased pressure on the Issuer in relation to the prices of products and services offered to customers, which may have a significant impact on the ability of the Issuer to increase or maintain its profitability. The Issuer's competitiveness in the current competitive environment depends to a large extent on its ability to adapt rapidly to new market developments and trends. To the extent that the Issuer will not be able to effectively compete with its competitors, regardless of whether it is a local or international group, this may have a negative effect on the business, financial situation, results of operations and prospects of the Issuer.

Risk of loss of reputation

The reputation risk is inherent in the economic activity of the Issuer. The ability to retain and attract new customers depends in part on the brand recognition of the Issuer and its reputation for the quality of its services. Negative public opinion about the Issuer could result from actual or perceived practices in the IT market in general, such as negligence during the provision of

products or services or even from the way the Issuer carries out or is perceived to carry out its activity.

Although the Issuer makes every effort to comply with the regulations in force and to increase the positive perception of customers and potential customers regarding its services, the negative publicity and negative public opinion could affect the Issuer's ability to maintain and attract customers

Credit risk

The credit risk is the risk that the debtors of the company will not be able to honour their obligations at maturity due to the deterioration of their financial situation. The company is less exposed to this risk due to the specificity of the products and services sold, which are addressed to companies of certain sizes with a special financial situation.

The company analyses new customers using specialized tools (sites with specific customer creditworthiness analysis) and has a strict procedure for documenting orders and provision of services or delivery of goods.

However, the company has not identified a solution that can completely eliminate credit risk, which is one of the most important risks for a company of our size.

The company also closely monitors the "soft-collection" processes and decides relatively quickly to switch to hard-collection procedures, which has brought us historic success in recovering receivables.

The automated IT systems alert both the sales team and managers to outstanding customers, which are "tracked" by the sales team for 1 month, so that we prioritize maintaining a good business relationship. Instead, after 1 month of unsuccessful efforts, it resorts to involving an experienced lawyer (and a positive "track record") in the recovery of claims.

Counterparty risk

Failure by third parties to perform their obligations towards the Issuer, including in connection with the implementation of certain investment projects envisaged by the Issuer or the risk of insolvency in relation thereto may affect the fulfilment of the Issuer's business objectives or its activity or financial situation and, implicitly, its ability to perform its obligations in relation to the Bonds.

A specific example is the situation in which companies from the Issuer's group participate in public procurement procedures, and suppliers do not fulfil their assumed obligations. This scenario may result in the issuance of a "negative certificate" on behalf of the company that participated in the public tender procedure, which would mean exclusion from other procedures in the future, thus eliminating a potential to generate revenues.

Risk associated with interest rates

The company is exposed to the risk of increasing the interest rate, having contracted loans and loans. Any increase in the interest rate will be reflected in the increase in financial costs. The company regularly monitors the market situation to predict the risk associated with the interest rate and liaises with as many credit institutions as possible in order to ensure an "arbitrage" between their offers.

The company conducted in 2016, 2017, 2018 and 2019 offers of bonds with maturities in 2019, 2022 and 2023 through which it obtained from the capital market a "committed" financing of over 30 million RON. All bond issues are listed on BVB.

In December 2020, the company informed the shareholders about the signing of a bank loan agreement by Dendrio Solutions (a company belonging to the Bittnet group) with ProCredit Bank. The total value of the facility is RON 5,000,000 and the destination of the loan is to finance the working capital and the current activity of Dendrio Solutions. The maturity of the product is 36 months and the interest rate is ROBOR3M+3% per year. The guarantee established for this credit product was: cash collateral deposit 10% of the value.

Also, in February 2020, Bittnet Systems transformed the loan product worth 2,790,000 contracted also with ProCredit Bank from revolving overdraft into a loan with monthly principal and interest reimbursements. The new maturity of the loan was set for a period of 36 months, and the interest rate remained unchanged, ROBOR3M+2.5%.

The company is in constant contact with the banking financial institutions in order to improve the financing structure. The weighted cost of capital borrowed is slightly above 7.6% per year. We believe that the next financial period (2021 - 2023) will be a period in which the fact that we have fixed the price of the borrowed capital will constitute a competitive advantage.

8. Signatures and declarations according to art. 123 2 point B, letter c of the FSA Regulation no. 1/2006.

Cristian Logofătu, as a member of the Board of Directors of the Company, declares that, to the best of his/her knowledge, the half-yearly accounting reporting which has been prepared in accordance with the applicable accounting standards, provides a correct and consistent image with the reality of the assets, liabilities, financial position, profit and loss account of the Issuer or its subsidiaries included in the consolidation process and that it presents correctly and completely the information about the Issuer.

9. Annexes

Annex 1 - Decisions of the Extraordinary General Meeting of Shareholders of 27 April 2021 approving the new Articles of Incorporation of the Company:

In accordance with:

1. The convening notice for the OGMS published on the Company's website - (<https://investors.bittnet.ro/>) and on the BSE website (<https://www.bvb.ro/>) on 22.03.2021, in The Official Gazette of Romania, Part IV, number 1191 dated 23.03.2021 and in the National Gazette dated 24.04.2021, as was completed on 05.04.2021 and published on the Company's website and on the BSE website on 05.04.2021 and in the Official Gazette of Romania, Part IV, number 1421 from 07.04.2021 and in the National Newspaper on 07.04.2021;
2. The provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and completions (Law no. 31/1990);
3. The provisions of Law no. 297/2004 regarding the capital market, with the subsequent modifications and completions (Law no. 297/2004);
4. The provisions of Law no. 24/2017 on the issuers of financial instruments and market operations, with subsequent amendments and completions (Law no. 24/2017);
5. The provisions of the FSA Regulation no. 5 of 2018 regarding issuers and operations with securities, with subsequent amendments and completions (Regulation no. 5/2018);
6. The provisions of CNVM Regulation no. 6/2009 on the exercise of certain rights of shareholders in the general meetings of companies, with subsequent amendments and completions (Regulation no. 6/2009) Following the debates, the Company's shareholders adopted the following decisions regarding the items on the agenda

On Item 2 on the Agenda:

Approves the increase of the share capital with the amount of RON 16,956,596.60 through the issue of 169,565,966 shares with a nominal value of 0.1 ron / share for the benefit of shareholders (including for the benefit of the Company for its own shares) registered in The Register of Shareholders kept by the CENTRAL DEPOSITARY on the registration date to be established by the GMS. The increase of the share capital will be achieved by the partial capitalization of the issue premiums amounting to RON 16,956,596.60. The distribution of the newly issued shares will be made in proportion of 6 free shares for every 10 shares held. If in the case of a shareholder the application of the proportion of 6/10 leads to a number of shares that is not an integer, the new number of shares to be received is calculated by rounding to the lower whole. The company will compensate the shareholders for the fractions thus resulted through the Central Depository. The amount to be compensated is obtained by multiplying the fraction by ten decimals with the compensation price and then rounding to two decimals the result of the multiplication. The compensation price will be equal to the highest value between: the market value established according to the Law and the nominal value. If, until the Registration Date, the capital increase operations decided by the Board of Directors through Decisions no. 7 / 18.08.2020 and no. 10 / 17.12.2020 will not be registered, the Board of Directors is empowered to decide accordingly the manner of implementation of this decision, including to decide, as the case may be, to increase the share allocation rate free of charge, or the reduction of the total number of distributed shares or any other technical solution agreed with the competent authorities regarding the capital

market. Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), the ex-date and the payment date, as follows: 21.07.2021 - Registration Date; 20.07.2021 - Date Ex-date; 22.07.2021 - Date of Payment of new shares; 03.08.2021 - Date of Payment for fractions resulting from rounding to the lower whole.

On Item 3 on the Agenda:

Approves the capital increase with the amount of RON 2,826,099.50 through the issue of 28,260,995 shares with a nominal value of 0.1 lei / share for the benefit of shareholders (including for the benefit of the Company for its own shares) registered in the Shareholders Register kept by the Central Depository on the registration date to be established by the GMS. The distribution of the newly issued shares will be made 1 free share for every 10 shares held. The increase of the share capital will be achieved by the partial capitalization of the issue premiums amounting to RON 2,826,099.50, the amount to be distributed to the shareholders from the registration date they choose to support the Society. The purpose of the capital increase is to issue available shares so that the company can fulfill its obligations under the approved incentive plans, and shareholders who decide to leave the newly issued shares to the company will receive their equivalent value in proportion to the number of shares held. Shareholders registered in the register of shareholders on the Registration Date (July 21, 2021) will be able to choose not to support the development plans and obligations of the company, having a period of 9 days to choose:

(i) either to leave the shares at the disposal of the Company (these to be loaded by the Central Depository in the issuer's treasury) and to receive a cash distribution in the amount of 0.1 RON for every 10 shares held on the Registration Date,

(ii) either not to support the Company in fulfilling the assumed obligations and to receive a free share for every 10 shares held on the Registration Date. If in the case of a shareholder the application of the proportion leads to a number of shares that is not an integer, the new number of shares to be received is calculated by rounding down to the first integer.

The company will compensate the shareholders for the fractions thus resulted through the Central Depository. The amount to be compensated is obtained by multiplying the fraction by ten decimals with the compensation price and then rounding to two decimals the result of the multiplication. The compensation price will be equal to the highest value between: the market value established according to the Law and the nominal value. If, until the Registration Date, the capital increase operations decided by the Board of Directors Decision no. 7 / 18.08.2020 and no. 10 / 17.12.2020 will not be registered, the Board of Directors is empowered to decide accordingly the implementation of this decision, including to decide, as appropriate, to increase the allocation rate of free shares, or to reduce the total number of shares distributed or any other technical solution agreed with the competent authorities regarding the capital market. Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), the ex-date and the payment date, as follows: 21.07.2021 - Registration Date; 20.07.2021 - Date Ex-date; 03.08.2021 - Payment Date for the fractions resulting from the rounding to the lower integer and for the value of the shares left at the Company's disposal; 10.09.2021 - Payment Date for the new shares, defined as the date on which the newly issued shares will be charged to the global accounts of the shareholders from the registration date, who did not choose to support the Issuer in fulfilling the assumed obligations.

On Item 8 on the Agenda:

Approves of the amendment of art. 9.14.1 of the Articles of Incorporation, as follows: "The value of the authorized capital is 200,000,000 common shares and 50,000,000 preferred shares". Approval of the registration date (defined as the date that serves to identify the shareholders affected by the decision), and the ex-date, as follows: 21.05.2021 - Date of Registration; 20.05.2021 - Date Ex-date

On Item 12 on the Agenda:

Approves the authorization of the Board of Directors of the Company is approved that within a period of 3 years from the date of the authorization decision it may decide to increase the subscribed share capital, through one or more share issues with a value not exceeding half of the subscribed share capital existing at the moment of the authorization, and consequently the approval of the modification of art. 10.19.8 of the Articles of Incorporation, which will have the following content: "For the attribution provided in point f) the delegation of attributions is granted for a period of 3 (three) years from the date of the decision of the general meeting of shareholders, in accordance with the provisions of art. 85 para. 2 of the law no. 24/2017 regarding the capital market." The registration date is approved (defined as the date that serves to identify the shareholders on whom the decision is based), and the ex-date, as follows: 21.05.2021 - Registration Date; 20.05.2021 - Date Ex-date.

Annex 2 – “Alternative Performance Measurements” about the alternative performance indicators

Indicator	Definition/Calculation method	Why is it relevant?
Operating profit	<p>It is about the core business profit, i.e. the business of serving our clients.</p> <p>It takes into consideration all the incomes and expenses related to the current business and does not take into consideration the financial incomes and expenses, or those related to the holding-type business (of the group, i.e. us as a listed company).</p> <p>It is calculated by taking out of each business line results the income and expenses items (cash or non-cash) that are not related to the current business.</p> <p>The most significant adjustments (differences between gross profit and operating profit) are:</p> <ul style="list-style-type: none"> • Financial result elimination (expenses addition to the gross profit, and financial-type incomes subtraction) • Non-cash IFRS adjustment elimination, related to the Stock Option Plan 	<p>Operational business (also known as ‘current’ or ‘core’) means the company businesses.</p> <p>This measures the performance and the business activity in relation to the competition, regardless of the taxation environment, the reporting accounting framework or the company financing method (the mix of equity and loans, the costs of maintaining the stock exchange rate, etc.).</p> <p>That is to say, this is the result the company (or each business line) would have if it operated as a company fully financed by its own resources (by ‘equity’ – shareholders' equity).</p>
‘Gross Margin’, or ‘gross margin’, or ‘GM’, or ‘margin’	<p>The calculation formula for this indicator is the ‘revenue MINUS COGS (cost of goods sold)’.</p> <p>Thus, the expenses directly related to those projects (obtaining those revenues) is subtracted from the invoices issued to clients. For the software license resale projects, we buy a license for RON 90 and resell it to the client for RON 100. The difference is the ‘gross margin’.</p> <p>If we invoice a client for a cloud project implementation services, the gross margin is the difference between the revenues invoiced to the client and the man-hour cost required for implementation, regardless if the implementing engineer is our employee or a subcontractor.</p>	<p>This indicator is the company’s ‘GDP’, it is the ‘added value’ that we generated for our partners.</p> <p>This indicator reflects not only the value we bring to our clients, but also, by inward looking at the company, it reflects the amounts of money we have at our disposal to cover the fixed expenses.</p>

Annex 3 - Consolidated and Individual Financial Statements (unaudited)

BITTNET SYSTEMS SA

CONSOLIDATED INTERIM REPORTING

**Prepared in accordance with
Order of the Minister of Public Finance
no. 2844/2016 with subsequent amendments,
for 6 months ended on June 30, 2021**

The interim consolidated financial report from page [3] to page [27] was approved and signed on August 20, 2021

Mihai Logofatu
CEO

Adrian Stanescu
CFO

Table of contents

Table of contents	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF THE FINANCIAL POSITION	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF CHANGES IN EQUITY	6
NOTA 1. GENERAL INFORMATION	7
NOTA 2. BASIS FOR DRAFTING THE INTERIM REPORT	10
NOTA 3. SIGNIFICANT EVENTS AND TRANSACTIONS	11
NOTA 4. INFORMATION ON BUSINESS SEGMENTS	12
NOTA 5. EXPENSES CLASSIFICATION BY NATURE	15
NOTA 6. EQUIVALENT SECURITIES	16
NOTA 7. EQUITY AND RESERVES	18
NOTA 8. BONDS	23
NOTA 9. BANK LOANS	24
NOTA 10. INFORMATION ON THE TRANSACTIONS WITH THE RELATED PARTIES	24
NOTA 11. COMMITMENTS	25
NOTA 12. SUBSEQUENT EVENTS	26

STATEMENT OF COMPREHENSIVE INCOME

	For the period of 6 months	
	30 June 2021	30 June 2020
		corrected
Revenues from contracts with clients	48,167,941	56,899,284
Cost of Sales	(37,602,853)	(45,167,540)
Gross margin	10,565,088	11,731,744
Other income	278,982	268,807
Sales expenses	(4,264,568)	(3,348,606)
General and administrative expenses	(5,927,163)	(5,473,402)
Profit/(loss) – Equivalent securities	448,033	(244,983)
Financial income	2,608,052	325,986
Financial expenses	(1,669,492)	(1,958,133)
Gross profit	2,038,932	1,301,414
Profit tax	(457,639)	(341,952)
Net profit, out of which:	1,581,294	959,462
Atributable to Parent company	1,675,568	834,978
Non-controlling interests	(94,274)	124,483
Net profit	1,581,294	959,462
Other items of the consolidated result	-	-
Total consolidated result	1,581,294	959,462
Atributable to Parent company	1,675,568	834,978
Non-controlling interests	(94,274)	124,483

STATEMENT OF THE FINANCIAL POSITION

	30 June 2021	31 Dec 2020
ASSETS		
Fixed assets		
Goodwill	21,082,977	21,082,977
Other intangible assets	9,029,741	8,820,959
Tangible assets	1,893,046	5,443,423
Equivalent securities	9,665,686	8,527,500
Other financial assets	329,964	7,483
Deferred tax	545,393	650,200
Total non-current assets	42,546,806	44,532,542
Current assets		
Inventories	1,659,529	1,157,052
Trade receivables and other receivables	28,560,071	30,330,712
Financial assets	4,409,338	1,459,700
Cash and equivalents	26,243,252	24,872,655
Total current assets	60,872,190	57,820,120
TOTAL ASSETS	103,418,996	102,352,662
EQUITY AND LIABILITIES		
Share capital	48,043,690	26,443,139
Issuance premiums	14,542,953	25,409,965
Other equity items	(17,781,183)	(19,893,997)
Reserves	524,871	451,993
Retained Earnings	(3,335,053)	(5,020,028)
Parent company equity	41,995,279	27,391,073
Non-controlling interests	39,413	255,237
Total equity and reserves	42,034,691	27,646,310
Long-term liabilities		
Bonds	24,044,334	28,357,324
Bank loans	3,290,602	4,570,517
Leasing debts	792,636	3,036,719
Deferred income tax liabilities	85,331	-
Total long-term liabilities	28,212,902	35,964,560
Current liabilities		
Bonds	872,768	889,781
Bank loans	7,253,564	7,583,930
Leasing debts	561,593	1,401,466
Corporate tax liabilities	242,546	121,202
Trade liabilities and other liabilities	24,240,932	28,745,411
Total current liabilities	33,171,403	38,741,791
Total liabilities	61,384,305	74,706,352
TOTAL EQUITY AND LIABILITIES	103,418,996	102,352,662

STATEMENT OF CASH FLOWS

	For the period of 6 months	
	30 June 2021	30 June 2020
Gross profit	2,038,932	1,301,414
Adjustments for:		
Depreciation expenses	1,401,713	838,852
Expenses related to disposed assets	86,016	-
Benefits to SOP employees	401,249	873,241
Interest expenses and other financial costs	1,620,250	1,747,409
Interest income and other financial income	157,080	63,691
Investment gains	(2,511,393)	-
Profit from equivalent securities	(448,033)	244,983
Operating profit before working capital change	2,745,815	5,069,590
Variance of the receivables accounts balances	3,564,247	(4,746,991)
Variance of the inventory accounts balances	(502,477)	1,595,584
Variance of the debts accounts balances	(4,513,685)	(2,227,454)
Cash generated from operation	1,293,889	(309,271)
Profit tax paid	(146,157)	(50,005)
Net cash from operating activities	1,147,743	(359,276)
Investments:		
Payments for purchasing participation interests	(1,075,236)	-
Loans granted to related entities	(240,000)	-
Acquisitions of tangible and intangible assets	(739,583)	(322,239)
Proceeds from other financial investments	(438,245)	
Collected dividends	385,082	
Interest received	73,060	72,163
Net cash from investment activities	(2,034,922)	(250,075)
Financing activities:		
Income from the issue of shares	10,412,024	8,853,597
Repurchases/sales of own shares	166,200	-
Repayments of bank loans	(1,610,281)	(621,812)
Receipts/Repayments from bond issue	(4,500,000)	-
Payments of finance lease liabilities	(720,646)	(743,938)
Interest paid	(1,450,254)	(1,638,990)
Paid dividends	(39,266)	-
Net cash from financing activity	2,257,776	5,848,857
Net cash increase and cash equivalents	1,370,597	5,239,506
Cash and cash equivalents at the beginning of the financial year	24,872,655	20,824,117
Cash and cash equivalents at the end of the financial year	26,243,252	26,063,623

STATEMENT OF CHANGES IN EQUITY

	Share capital	Issuance premium	Other equity items	Legal reserve	Carried forward result	Total equity	Interests non-controlling	Total equity
Dec/31/2020	26,443,139	25,409,965	(19,893,997)	451,993	(5,020,028)	27,391,073	255,237	27,646,310
Net profit	-	-	-	-	1,675,568	1,675,568	(94,274)	(1,581,294)
Other items of the overall result	-	-	-	-	-	-	-	-
Total overall result	-	-	-	-	1,675,568	1,675,568	(94,274)	(1,581,294)
Transactions with shareholders	-	-	-	-	-	-	-	-
Share capital increases	21,600,551	(10,867,013)	(321,515)	-	-	10,412,024	-	10,412,024
Own shares transactions	-	-	2,033,080	-	-	2,033,080	-	2,033,080
Benefits to SOP employees	-	-	401,249	-	-	401,249	-	401,249
Dividend distribution	-	-	-	-	82,284	82,284	(121,500)	(39,266)
Legal reserve distribution	-	-	-	72,878	(72,878)	-	-	-
30 June 2021	48,043,690	14,542,953	(17,781,183)	524,871	(3,335,053)	41,995,279	39,413	42,034,691
	Share capital	Issuance premium	Other equity items	Legal reserve	Retained Earnings	Total equity	Interests non-controlling	Total equity
Dec/31/2019	11,620,321	0	1,118,923	352,151	(2,872,249)	10,219,145	324,703	10,543,849
Net profit	-	-	-	-	834,978	834,978	124,483	959,462
Other items of the overall result	-	-	-	-	-	-	-	-
Total overall result	-	-	-	-	834,978	834,978	124,483	959,462
Transactions with shareholders	-	-	-	-	-	-	-	-
Share capital increase	11,284,651	982,966	(321,115)	-	(3,092,905)	8,853,597	-	8,853,597
Benefits to SOP employees	-	-	873,241	-	-	873,241	-	873,241
Dividend distribution	-	-	-	-	-	-	(26,316)	(26,316)
Legal reserve distribution	-	-	-	13,061	(13,061)	-	-	-
30 June 2020	22,904,973	982,966	1,671,049	365,212	(5,143,238)	20,780,962	422,871	21,203,832

NOTA 1. GENERAL INFORMATION
Group and operational activities structure

The financial statements include the consolidated financial information of the parent company Bittnet Systems (the "Issuer"), with its registered office in Str. Șoimuș nr. 23, bl 2, ap. 24, Sector 4, Bucharest, and the following subsidiaries, all subsidiaries being registered in Romania:

	<u>30 June 2021</u>	<u>Dec/31/2020</u>
SUBSIDIARIES - % holding		
Dendrio Solutions	100%	100%
Elian Solutions	51,02%	51,02%
Equatorial Gaming	98,99%	98,99%
Equatorial Training, by Equatorial Gaming	100%	100%
MINORITY INTERESTS		
Softbinator Technologies	25%	25%
E-Learning Company	23%	-

The group has over 120 employees and collaborators, working for one of the 5 companies included in the group (Bittnet Systems, Dendrio Solutions, Elian Solutions, Equatorial Gaming, Equatorial Training).

The consolidated financial statements include the results of the business combination by the acquisition method. In the financial position statement, the identifiable assets, liabilities, and contingent liabilities of the acquirer are initially recognized at their fair values at the acquisition date. The results of the purchased operations are included in the consolidated statement of comprehensive result from the date of obtaining the control (Dendrio Solutions – September 2017, Elian Solutions – November 2018, Equatorial Gaming and Equatorial Training – December 2020).

Bittnet Systems SA – unique registration code 211818481

Bittnet was founded in 2007 and focused on providing IT training and integration solutions based on market leader technologies such as Cisco, Microsoft, Dell, Oracle, HP, VMware, Google, Amazon Web Services.

In February 2009, the company changed its legal status to a public limited company (SA) following the share capital increase, using the profits generated in 2008. In 2012, the company received a first injection of "external" capital (equity investment) from business angel Răzvan Căpățină, who is still an important shareholder of the company.

Since March 2015, Bittnet is listed on the AeRO market of the Bucharest Stock Exchange, under the BNET symbol. Bittnet was the first IT company listed on BSE, after an infusion of EUR 150,000 into the company, received from the Carpathia Capital SA Polish fund in exchange for a 10% stake.

In 2016, the company created a new area of competence by introducing advisory and cloud migration services. As a result, Bittnet has launched a series of actions dedicated to customers strictly for this range of services, targeting a new group of customers with a slightly different profile. Throughout 2017, the company continued to invest in the increase and diversification of the technical skills specific to AWS and Azure in order to be able to respond to the received requests.

Since April 2018, the new structure of the group has been adopted and the Bittnet Group business structure has been reorganized in two key divisions: Education and Technology.

- **Education** - which currently consists of the IT training segment where Bittnet is the market leader, with almost 20 years of experience and the largest trainers team in Romania.

The trainings provided by Bittnet allow the access of experts to technology by teaching IT skills, from the basic ones (e.g.: Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT services management, business intelligence, CRM, ERP, Agile, etc.

- **Technology**, which is focused on IT integration services, offering integration solutions previously offered by **Bittnet**, **Dendrio** and **Elian**. This activity has a shared portfolio of products, services and solutions and a larger team that will allow a greater volume of work, both technically and in terms of sales.

Starting with June 2020, Bittnet shares (BNET symbol) are listed on the BVB Regulated Market.

Dendrio Solutions - unique registration code 11973883

During 2017, Bittnet Group acquired GECAD NET from entrepreneur Radu Georgescu. In the first half of 2018, GECAD Net was renamed Dendrio Solutions. Dendrio is the only integrator of hybrid "multi-cloud" solutions in Romania, having a consolidated position as a company certified by the most important IT providers in the world, focusing on cloud and IT security.

The IT solutions provided by Dendrio include: general consulting services, IT assessment services, implementation and migration services, maintenance and support services, infrastructure optimisation services and IT training services. The company is the only "hybrid multi-cloud" integrator in Romania, consolidating its position as a certified company by the most important IT providers in the world, focusing on cloud and cybersecurity.

In December 2018, Bittnet acquired the IT&C integration activity of Crescendo International SRL, a company with 25 years of experience in Romania and on foreign markets. Crescendo's IT&C division has been integrated into Dendrio and, as a result of the merger, the company benefits from a more stable business structure, extensive staff resources, as well as an extensive portfolio of clients, products and services.

Elian Solutions - SOLE REGISTRATION CODE 23037351

In 2018, the Group acquired a majority stake in the company that provides ERP solutions, naming Elian Solutions. Elian has completed the offer of IT integration services by adding ERP solutions to the group's portfolio.

Elian Solutions is specialized in providing deployment services for Enterprise Resource Planning (ERP) solutions, Microsoft Dynamics NAV. Elian is the only partner holding a Gold Certificate for this solution from Microsoft in Romania. The solution implemented by Elian allows companies to know the situation of stocks, receivables and debts, to be able to predict, inter alia, cash-flow, to track production, cost centres and more.

Equatorial Gaming - SOLE REGISTRATION CODE 30582237

In 2018, the Group purchased a significant package in the gaming-based learning company, Equatorial Gaming. Following the acquisition, the Equatorial activities were integrated into the **Education** division.

In August 2020, Bittnet activated the option to convert the Ron 1,050,000 loan granted in 2018 to Equatorial Gaming, the equivalent of 20.1% of the share capital. In November 2020, Bittnet's shareholders approved the purchase of a number of registered shares representing 60.3665% of Equatorial Gaming SA' share capital. As a result of these operations, Bittnet Systems has reached a 98.99% ownership of Equatorial Gaming SA' share capital.

Equatorial, a *game-based learning* company is specialized in providing transformer training and consulting programs at individual, team and organizational level in Romania and abroad. In 2015, the company invented and launched the Equatorial Marathon, an Alternate Reality Game for corporations, which increases engagement and stimulates employees' behavioural changes. In 2018, Equatorial launched a new product: VRrunners, an evolution for mobile platforms of the Marathon application. In 2019, Equatorial released 2 new games: White Hat and the Bona Fidae Agency.

Softbinator Technologies – SOLE REGISTRATION CODE 38043696

Within the GMS of November 2020, Bittnet's shareholders voted to purchase a 25% stake in Softbinator Technologies, the group's first investment in a software development company.

Softbinator is a product development company, specialized in the design, development and launch of software products mainly in the Fintech, MedTech / HealthTech and EdTech fields for customers in Europe, North America and Asia, in which the Bittnet group became a shareholder in December 2020.

Softbinator is involved in the development of software products, web and mobile solutions for digitizing the education process, lifestyle / medical and health, e-payments, e-commerce, online gaming and ticked in 2020 areas not explored

in previous years through digital banking (including crypto), Internet of Things (IoT), Automotive and explored a new vertical in e-commerce expertise: marketplaces.

The E-Learning Company S.A.

According to the mandate offered by the GMS since November 2020, Bittnet's management has completed the negotiations for the acquisition of 23% of the share capital of The E-Learning Company (ELC).

The total estimated value of the transaction amounts to 1.75 million lei.

The payment to the founders of E-Learning Company will be made in two stages, according to the Decision No. 6 of Bittnet' Extraordinary General Meeting of Shareholders of November 2020, by a mixture of cash and BNET shares:

- the first instalment amounting to Ron 850,000 was fully paid in cash, the amount of 450,000 during Q1 2020, and the rest in April 2021. Bittnet's management has decided to pay in full the 1st instalment in cash considering the long period of time for processing the operation of clearing with shares to the founders of the previous M&A transactions – the acquisition of 25% of Softbinator and 99% of Equatorial Gaming.
- The second instalment will be calculated at the beginning of the year 2022, subtracting from the transaction price the value of the first instalment.

The exact price of the transaction and the allocation between cash and compensation through BNET shares will be made according to the fulfilment of certain profitability indicators that ELC aims to obtain for the 2021 financial year. The actual number of shares to be issued shall be determined in accordance with the provisions of Article 210(2) of Law 31/1990 and Articles 87-88 of Law 24/2017 on issuers of financial instruments and market operations and Article 174 of FSA Regulation No. 5/2018. As a result of the investment contract, Bittnet has allocated a seat in the E-Learning Company's Board of Directors a position that will be occupied by Ivylon Management Srl through Logofatu Cristian. Bittnet decided to participate in the ELC with the aim of achieving certain minimum profitability limits, which is why, in the coming years, it will aim to obtain the dividends distribution so that Bittnet can achieve at least 18% annualised return provided that the ELC achieves a profitability level at least equal to this percentage.

Following the entry of Bittnet Systems into the shareholding, a loan agreement was signed by the parties, whereby the Issuer provided The E-Learning Company with the amount of Ron 240,000 for the financing of the working capital for a maximum period of 3 years and an interest of 10% per year. The E-Learning Company has a portfolio of various solutions and products structured on several directions that cover areas such as personal and professional development, communication, sales and negotiation, marketing, human resources, project management, Microsoft Office, finance, English language, etc.

Group's Management

On 29 January 2020, the General Shareholder Meeting approved the amendment of the articles of incorporation of the company in terms of its administration by a Board of Directors consisting of 3 members. The composition of the council is in accordance with the election results:

- 1) **Ivylon Management Srl by Mihai Alexandru Constantin Logofatu.** At the time of writing this note, Mihai Logofatu owns 48,955,075 shares, which represents 12.3760% of the share capital and voting rights. Mihai Logofatu is the co-founder of Bittnet Systems.
- 2) **Cristian Ion Logofatu**, who owns 44,546,425 shares, which represents 11.2615% of the share capital and voting rights. Cristian Logofatu is the co-founder of Bittnet Systems.

Mihai and Cristian Logofatu are brothers, being the co-founders of the Issuer in 2007.

- 3) **Anghel Lucian Claudiu** – independent director, who owns 3,096,000 shares of the Issuer, meaning a percentage of 0.7826% of the voting rights.

The operational management of Bittnet Systems is provided by: **Mihai Logofatu** – CEO and co-founder and **Adrian Stanescu** – CFO, together with **Cristian Herghelegiu** – Technology VP, who joined the executive at the time of the acquisition of Gecad Net – and **Dan Berteanu**, Education VP. The 4 persons are identified as key management from IFRS' perspective.

Starting with 2012, after attracting the capital infusion from Razvan Capatina, Bittnet built an **Advisory Board**, consisting of persons with a special reputation due to their rich entrepreneurial and managerial experience: **Sergiu Negut, Andrei Pitis and Dan Stefan**.

Starting with 2020, the Consultative Board has turned into the Strategic Development Committee with the same structure.

Starting with 2019, Mr. **Herghelegiu** is VP for Technologies and Mr. **Berteanu** is VP for Education.

The Advisory Board meets at least 4 times a year, is presented the internal management reports, and the board members assist and guide the management of the Company in strategic decisions.

The experience of the members of the consultative board has represented a real support in the development of the Company in the last 4 years and Bittnet continues to rely on their support against new challenges.

NOTA 2. BASIS FOR DRAFTING THE INTERIM REPORT

The Group's Financial Statements are prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("EU IFRS"), namely the Order of the Minister of Public Finance 2844/2016, as amended and supplemented, "for the approval of accounting regulations in accordance with International Financial Reporting Standards", the transition date being 1st of January 2016.

Consolidated reporting for **the 6 months period** ended on **30 June 2021** was prepared in accordance with IAS 34 "Interim Financial Reporting". This report does not include all the information and disclosures that would be required in a complete set of financial statements according to IFRS and should be read in correlation with the annual financial statements for 2020.

The Group applied the same accounting policies and valuation methods in the interim reporting as for the annual financial statements. There are no significant implications in relation to the amendments to IFRS 16 regarding the Leasing Concessions.

There are a number of standards, amendments to standards and interpretations issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt in advance. The Group is currently assessing the impact of these new accounting standards and changes, but does not anticipate a significant impact.

The essential estimates and judgements applied in the annual financial statements are assessed continuously and applied consistently based on the historical experience and other factors, including expectations regarding future events that are considered reasonable in the given circumstances. In the future, actual experience may differ from these estimates and assumptions. Estimates and assumptions that pose a material risk of generating a material adjustment to the carrying amounts of assets and liabilities in the following financial year are discussed below.

Essential Reasoning

- Revenue recognition – the principal/agent relationship;
- Recognition of the Bittnet brand;
- Recognition of the employee/collaborator loyalty program by offering actions – "SOP"

Estimates and assumptions

- Valuation at fair value of financial assets held for sale
- Evaluation of the performance related to the employee/collaborator loyalty program by offering actions – "SOP";
- Adjustments evaluation for receivables impairment

NOTA 3. SIGNIFICANT EVENTS AND TRANSACTIONS

Economic context

The event that marked 2020 is the worldwide Covid-19 pandemic, and the movement and activity restrictions ("lockdowns") imposed by governments in all parts of the world, significantly affecting some industries. This situation could generate a liquidity crisis as a result of consumers' and companies' fears about a future recession or economic crisis. However, it seems that the monetary measures taken by governments and central banks have conveyed enough confidence to the business environment that no 'credit crunch' will occur. The Group carefully follows the liquidity indicators – the conversion of receivables into cash, the turnover with customers and suppliers, etc.

Certainly, also for 2021, the element that may have the greatest negative influence on the smooth running of the Group's business is (as we wrote in the analysis about the impact of Covid-19 published at the time of the "first wave" – of Q1 2020) the reaction of governments to the global pandemic. Thus, so far it seems that the scenario with which we operate is the scenario of a "second wave" in the crisis of the "global pandemic". The alternative, which continues to exist as a systemic risk and also perpetuated during 2021, is the "pandemic plus economic crisis" scenario.

The companies that will survive the Covid-19 pandemic will be those that rely on business models adapted to this new normal, while keeping everyone as safe as possible.

As for any other company, it was a period full of intensified efforts and adaptation to the new reality of work. Most of the activities were moved to online environment (virtual live), since the first days of March 2020, the Group continuing to deliver the training sessions to clients in Romania as well as to the international market. At the same time, in the technology division, the activities that could not be delivered through digital channels were delivered taking into account all the protective measures recommended by the authorities.

Thus, all the promises to the clients were respected and there were no delays in delivery, but perhaps most importantly, the Group managed to protect the health of the team members.

Income cyclicity/seasonality

Historically, considering the seasonality of budgets and expenditure patterns in the IT&C sector in Romania and globally, Bittnet's most significant results have always been recorded in the last months of the year, namely in the 4th quarter of each year. We mention this aspect because during the entire period we were listed on AeRO, we published only half-yearly results, and investors did not have the opportunity to fully understand our performance from one quarter to the next.

Indicatively, in the history of the company, the results of the first nine months represented about 60% of the turnover of the year, and the 4th quarter, about 40%. This is due to the specificity of our clients, large, very large and even giant companies, which operate with annual budgets.

Transfer on the Main Market of the Bucharest Stock Exchange

On June 3, 2020, the shares of Bittnet BNET started trading on the BVB Regulated Market, five years after its listing on the AeRO market. In the first 9 months of the year, Bittnet shareholders earned almost 9%, an economic efficiency with 16 percentage points above the market average represented by the BET-XT-TR index, which decreased by 7.55% including dividends. This trend is well known and well-marked globally, showing why it is relevant to invest in technology companies. The shareholders who invested in the capital increase in Q1 had on September 30, 2020 a profit of 29%, ignoring the cash distribution related to the Decision No. 3 of the General Meeting of Shareholders of 2020.

Inclusion of BNET in BSE indices: BET-XT, BET-XT-TR, BET-BK, BET-Plus

On September 10, 2020, Bittnet informed investors about the decision of the Bucharest Stock Exchange Commission, convened on September 9, 2020, to include the Company's shares in the BSE indices: BET-XT (Bucharest Exchange Trading Extended Index), BET-XT-TR (Bucharest Exchange Trading Extended Total Return Index), BET-BK (Bucharest

Exchange Trading Benchmark Index) and BET-Plus (Bucharest Exchange Trading Plus Index). The amendments entered into force at the level of the respective indices, starting with September 21, 2020. The inclusion of BNET shares in BET-XT, BET-BK and BET-Plus indices was based on indicators such as liquidity, market capitalization and free-float and confirms the evolution of Bittnet's market value and liquidity.

NOTA 4. INFORMATION ON BUSINESS SEGMENTS

Reporting by business segments shall be done in a manner consistent with internal reporting to the main operational decision maker. The main operational decision maker, who is responsible for allocating resources and evaluating the performance of business segments, has been identified as the Executive Management that takes the strategic decisions.

Bittnet Group operates on two key divisions: Education and Technology.

- **Education** - which currently consists of the IT training segment

The trainings provided by **Bittnet** and **Equatorial** allow the access of experts to technology by teaching IT skills, from the basic ones (e.g.: Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT services management, business intelligence, CRM, ERP, Agile, etc.

- **Technology**, which is focused on IT integration services, offering integration solutions previously offered by **Bittnet**, **Dendrio** and **Elia**. This activity has a shared portfolio of products, services and solutions and a larger team that will allow a greater volume of work, both technically and in terms of sales.

The gross margin is the main indicator that the Management follows in assessing the performance on each segment. Also, the sales costs are tracked on each segment, while other general and administrative costs have not been allocated.

OPERATIONAL RESULTS	6 months ended on 30 June 2021			6 months ended on 30 June 2020		
	Education	Technology	Total	Education	Technology	Total
Total income	5,764,787	42,562,022	48,326,809	7,263,315	49,716,830	56,980,145
Revenue between segments	-	(158,868)	(158,868)	-	(80,861)	(80,861)
Revenues from contracts with clients	5,764,787	42,403,154	48,167,941	7,263,315	49,635,969	56,899,284
Gross margin	3,172,838	7,392,249	10,565,088	4,565,562	7,166,182	11,731,744
Allocated selling costs	(1,569,127)	(2,695,440)	(4,264,568)	(789,835)	(2,558,771)	(3,348,606)
Margin, after selling costs	1,603,711	4,696,809	6,300,520	3,775,727	4,607,411	8,383,138
Other income			278,982			268,807
Unallocated operational expenses			(5,927,163)			(5,473,402)
Financial income / expenses			1,386,593			(1,877,129)
Gross result			2,038,932			1,301,414

ASSETS / LIABILITIES	30 June 2021			30 June 2020		
	Education	Technology	Total	Education	Technology	Total
Assets per segment	19,752,810	55,676,150	75,428,959	16,996,891	52,019,008	69,015,899
Unallocated assets			27,990,037			28,446,782
Total assets			103,418,997			97,462,681
Segment liabilities	3,162,723	46,695,686	49,858,409	5,182,313	67,874,878	73,057,191
Unallocated liabilities			11,525,896			3,201,657
Total liabilities			61,384,305			76,258,848

Revenues from contracts with customers are detailed in the following table:

	6 months ended at:	
	30 June 2021	30 June 2020
Training services	5,764,787	7,263,315
IT solutions integration services	9,631,810	8,556,171
Revenues from the provision of services	15,396,596	15,819,487
Sale of goods for IT solutions integration	17,054,572	19,702,552
Resold licenses	15,716,772	21,377,246
Sale of goods	32,771,344	41,079,797
Total	48,167,941	56,899.24

Training services

Revenues from training services include the access of experts to technology by teaching IT skills, from basic ones (eg.: Microsoft Office Suite) to the most advanced (Cloud, DevOps, Cybersecurity). The business training portfolio includes project management, IT services management, business intelligence, CRM, ERP, Agile, etc. Bittnet offers a wide range of IT courses. Each course can be held in two flexible ways: intensive (5 days a week, 8 hours a day) or mixed format (courses of 2/4/6 hours, depending on the customer's need). Each student receives access to dedicated equipment, official curriculum, as well as to online and offline exams.

Revenues are recognized at a specific time, at the completion of the training as a result of the fulfillment of the execution obligation.

IT solutions integration services

The IT solutions provided by Group include: general consulting services, IT assessment services, implementation and migration services, maintenance and support services, infrastructure optimisation services. The integrator business involves offering solutions and services starting with the initial analysis, starting with the initial analysis, design, implementation and testing phase that results in turnkey projects for companies with different IT needs:

In general, revenues are recognized at a specific time, upon implementation completion as a result of the fulfillment of the execution obligation.

Revenue from sales of goods and licenses

Revenues from the sale of goods and licenses are recognized when the customer gains control over the transferred assets.

Revenues from a geographical perspective

The incomes are significantly provided and the goods delivered to entities in Romania.

NOTA 5. EXPENSES CLASSIFICATION BY NATURE

The classification of total operating expenses, by nature, is detailed in the following table:

	6 months ended at:	
	30 June 2021	30 June 2020
Materials and merchandise	14,738,198	18,271,083
Resold licenses	12,900,697	18,765,248
Personnel expenses	4,276,832	4,021,688
Expenses with collaborators	5,632,859	4,981,839
Amortization	1,401,713	838,852
Cloud services	2,624,922	2,401,940
Rents	116,045	198,839
Commissions and fees	131,873	102,037
Advertising	878,975	458,930
Travel and transportation	40,252	32,317
Insurances	78,960	102,933
Postal services and telecommunications	57,704	66,004
Donations	57,191	6,968
Receivables adjustments	-	-
Bank charges	52,536	33,107
Third party services	4,452,369	3,346,570
Others	353,456	361,194
Total operational expenses	47,794,584	53,989,548

NOTA 6. EQUIVALENT SECURITIES

Equivalent securities

Equatorial Gaming

The investment in Equatorial Gaming (25%) was accounted for until December 2020 using the equity method from the date it became an associate entity, respectively in August 2018.

When the investment is acquired, the difference between the investment cost and the entity's share of the net fair value of the company's identifiable assets and liabilities (goodwill) is included in the carrying amount of the investment. In applying the equity method, the financial information was used as of August 31, 2018. The share of the profit achieved for the period remaining until December 31, 2020 was recorded in the statement of comprehensive result.

Equatorial Gaming has been consolidated since December 2020.

Softbinator Technologies

In December 2020, Bittnet Group acquired a 25% stake in Softbinator Technologies, the group's first investment in a software development company. The investment was accounted for using the equity method from the date it became an associate entity, namely in December 2020. In applying the equity method, the financial information was used on 31 December 2020.

The E-Learning Company

In January 2021, Bittnet Group acquired a 23% stake in E-Learning Company. The investment was accounted for using the equity method from the date it became an associate entity, namely in January 2021. In applying the equity method, the financial information was used on 31 January 2021.

Other financial assets (securities) at fair value

Safetech Innovations

Fair value evaluation

In October 2020, the Company's management invested in the private placement organized in order to increase the share capital of the cyber security company Safetech Innovations SA. The investment was made within the mandate that the executive management has according to the Articles of Incorporation. Within the placement, Bittnet subscribed the maximum possible amount, namely Ron 2,500,000 for all the 625,000 offered Safetech shares (20% of the share capital). Bittnet's intention was to make a significant investment by entering the Safetech shareholding in a percentage relevant to Bittnet and to treat the investment like the others in the Group.

Following the over-subscription of the Safetech offer almost 9 times, Bittnet was informed by the Broker (SSIF Tradeville) that it had been allocated a number of 72,895 SAFE shares, representing 2.3326% of the Safetech's share capital, which made the value of Bittnet's investment amount to Ron 291,580.00.

In January 2021, Safetech's shares entered into trading on the AeRO-SMT market under the SAFE trading symbol, at a price approximately 400% higher than the one in the private placement. Thus, the value of Bittnet's investment was worth 1.5 million lei even from the first trading hour.

In order to re-evaluate the investment in SAFE as of December 31, 2020, Bittnet's management has calculated and analyzed several market multiples, commonly used for the assessment of listed IT companies (EV/Sales, P/Sales, EV/EBITDA, P/E, P/BV), both for Safetech and for the other listed companies in the IT area (except for BNET), i.e. Life is Hard, Ascendia and 2Performant, as well as for other technology companies listed on foreign financial markets.

In all scenarios and from the perspective of market multiples for listed technology companies, both on the Romanian capital market and on other financial markets, from the point of view of valuation multiples, the Safetech action appeared undervalued in relation to the initial subscription price. The company chose the model with the highest degree of prudence, which led to the revaluation of the investment in Safetech Innovations to the value of RON 1,457,900 on December 31, 2020.

As of June 30, 2021, the investment in the shares of Safetech Innovations was revaluated using the average trading price on the AeRO market as of June 30, 2021.

Arctic Stream

Fair value evaluation

In June 2021, the Company's management invested in the private placement organized before the listing of the shares of Arctic Stream (AST) on the AeRO-SMT market. Arctic Stream is an IT integrator focused on the technologies of the American manufacturer Cisco Systems, competitor of Dendrio Solutions in this market segment. The investment was made within the mandate that the executive management has according to the Articles of Incorporation and will be subject to the ratification of the shareholders in the General Meeting of Shareholders of September 7, 2021.

In the private placement, Bittnet subscribed the amount of Ron 10 million, the intention being to make a significant investment by entering the Arctic Stream shareholding in a relevant percentage. Following the early closing from the first day of the placement and the massive over-subscription, the tender intermediary informed Bittnet that it had been allocated 74,632 shares of AST, which represents 1.78% of the share capital and 1.78% of the voting rights. The value of the investment in Arctic Stream shares amounts to Ron 1,865,800.

On July 29, 2021, the AST shares entered into trading on the AeRO market at a price approximately 40% higher than the one from the private placement.

In order to re-evaluate the investment in AST as of June 30, 2021, Bittnet's management has calculated and analyzed several market multiples, commonly used for the assessment of listed IT companies (EV/Sales, P/Sales, EV/EBITDA, P/E, P/BV), both for Arctic Stream and for the other listed companies in the IT area (except for BNET), i.e. Life is Hard, Ascendia, 2Performant, Safetech Innovations, as well as for other technology companies listed on foreign financial markets.

The company chose the model with the highest degree of prudence, which led to the revaluation of the investment in Arctic Stream to the value of RON 2,425,540 on June 30, 2021.

NOTA 7. EQUITY AND RESERVES

Details on the capital reserves of the Group are presented in the following table:

	<u>30 June 2021</u>	<u>Dec/31/2020</u>
Share capital	48,043,690	26,443,139
Agio on issue Legal reserves	14,542,953	25,409,965
Other equity items	(17,781,183)	(19,893,997)
Legal reserve	524,871	451.993
Carried forward result	(5,010,621)	(5,915,155)
Current global result	1,675,568	895.127
Total	<u>41,995,279</u>	<u>27,391,073</u>

a) Share capital

The share capital of the parent company Bittnet Systems includes only ordinary shares with a nominal value of 0.1 RON / share.

The shareholding structure at each reference date is presented in the table below:

Shareholders and held %	<u>30 June 2021</u>	<u>Dec/31/2020</u>
Mihai Logofatu	12,37%	13,35%
Cristian Logofatu	11,26%	12,15%
Others	76,37%	74,50%
Total	<u>100%</u>	<u>100%</u>

Increase of share capital new contributions in February - April 2020

According to the Decision of the General Meeting of Shareholders No. 2 of April 24, 2019, the increase of the share capital with a number of 11,046,641 common shares offered for subscription to the shareholders was approved. The increase operation started in the 1st quarter of 2020, by trading the preference rights BNETR07 then with the stage of the public subscription offer based on the preference right.

Thus, in stage I (public offer) – carried out between March 5 and April 3, 2020 – 5,046,928 new shares (45.69% of the total) were subscribed at the price of Ron 0.83 per share, by a number of 189 investors, natural and legal persons.

In Stage II (private placement) the Company offered for sale the 5,999,713 shares left unsubscribed at the unit price of Ron 0.831. The subscriptions were made by 51 individual and legal entities investors.

Within the two stages of the increase operation, all the 11,046,641 shares offered were subscribed, representing 100% of the total issue of new shares, the Company attracting a cash contribution in the amount of Ron 9,174,711.74.

Increase of share capital by incorporation of reserves

The share capital was increased by incorporating the reserves and share premiums according to the Decision of the Board of Directors No. 2 of April 2020 and free shares were distributed: 7 new shares for every 10 shares held on the registration date. The operation was completed in July 2020.

Additionally, the share capital of Bittnet Systems was increased by issuing a number of 11 million shares free of charge for the benefit of the shareholders from the registration date (1 free share to 10 owned shares), according to the Decision No. 3 of the General Meeting of Shareholders of April 2020. The shareholders could choose online to leave these new shares at the disposal of the Company to be used in the incentive programs for key persons, approved by

the GMS, in this case collecting a cash distribution equal to the nominal value of the new share. Following this operation, the Central Depository loaded a number of 9.2 million shares in the company's account (registered as treasury shares), and in the accounts of the shareholders who did not opt for the cash distribution – 2 million shares, according to their option.

Increase of share capital by conversion of receivables in December 2020

Based on the mandate granted by the EGMs Decisions No. 4 and No. 5 of November 26, 2020, the Board of Directors signed two contracts of sale-purchase of shares, for the acquisition of shares in Equatorial Gaming and Softbinator Technologies respectively, and established the settlement weight between cash and BNET shares for each of the two transactions. Thus, the total amount of investments in the 2 companies is Ron 11,073,500, and the Board of Directors decided to pay the amount of Ron 4,423,500 in cash and Ron 6,650,000 in BNET shares. As a result of these operations, Bittnet Systems holds a 98.99% share in Equatorial Gaming and a 25% share in Softbinator.

In December 2020, Bittnet Systems' Board of Directors decided to increase the share capital based on the mandate established by the GMS and the provisions of the Articles of Incorporation with the amount of Ron 6,650,000 in the account of the receivables held on the Company by the shareholders of the two companies, Equatorial Gaming and Softbinator Technologies.

Within the capital increase operation, the shareholders of the 2 companies will be allocated shares to the Issuer as follows:

- Daniel Berteanu – co-founder of Equatorial Gaming - 2,717,647 BNET shares
- Diana Rosetka – co-founder of Equatorial Gaming - 736,722 BNET shares
- Daniel Ilinca – founder of Softbinator - 5,784,061 BNET shares
- Andrei Pitis – Softbinator shareholder - 1,446,015 BNET shares

Following the issuance of the 10,684,445 BNET shares, the share capital increased by the amount of Ron 1,068,444.50, and the equity increased by the amount of Ron 5,581,555.50 – capital premiums (the difference between the value of the receivable and the value by which the share capital is increased). The value of Ron 6.65 million, the receivable held by the sellers on the Issuer, was certified by the extrajudicial accounting expertise report dated December 17, 2020.

The actual number of shares to be issued shall be determined in accordance with the provisions of Article 210(2) of Law 31/1990 and Articles 87-88 of Law 24/2017 on issuers of financial instruments and market operations and Article 174 of FSA Regulation No. 5/2018. Thus, the number of shares was established by dividing the receivable at the price of Ron 0.6224/share – the weighted average price of BNET shares during 13 December 2019 – 16 December 2020. The capital increase is made by lifting the preference right also based on the Decision of the Board of Directors No. 10 of December 17, 2020 and in accordance with the attributions delegated by the Extraordinary General Meeting of Shareholders by Decisions No. 3 of April 25, 2018 and No. 1 of December 17, 2018, so that the newly issued shares can be allocated to the holders of the receivable (shareholders of the acquired companies).

The settlement of the 2 transactions through a mix of BNET shares and cash was approved by the Extraordinary General Meeting of Shareholders on November 26, 2020, and the reason behind this model was to align the interests of the shareholders of the 2 companies in which Bittnet became a shareholder with the shareholders of Bittnet. Thus, the shares released as a result of the share capital increase by the conversion of the certain, liquid and payable receivable will be recorded by the Central Depository in the global accounts of the 4 beneficiaries – proportional to the value of the certain liquid and payable receivable that they hold on the Company.

At the time of drafting this note, the Trade Register issued the mentions registration certificate on the entire value of the increased capital and the operation is being processed by the Financial Supervision Authority, the Issue submitting the related documentation for the issuance of a new registration certificate of financial instruments for the total number of shares according to the increased capital.

Increase of share capital new contributions in February - March 2021

During January – March 2021, the offer period within the capital increase with new contributions in cash was carried out, approved by Decision No. 4 of the General Meeting of Shareholders of April 29, 2020. Thus, in Stage 1 – carried out between January 27 and February 25, 2021 – 17,359,142 new shares (95.49% of the total) were subscribed at the price of Ron 0.59 per share. The price in the offer (consisting of the nominal value plus the share premium) was

established according to the Decision of the General Meeting of Shareholders and the formula approved by it for the share premium: $[(\text{average trading price in the last 30 days}) / 1,2] - 0,1$.

The shares remaining unsubscribed during the offer period were offered for subscription in a paid placement (Stage 2) which was closed in advance due to the high interest and the low number of shares (819,408 shares remaining unsubscribed after Stage 1). According to the law, the price from the private placement was higher than the price from Stage 1, respectively Ron 0.60 per share.

Within the two stages of the capital increase operation, the 18,178,550 new shares were subscribed, i.e. 100% of the issue, the Company raising a financing amounting to Ron 10,733,538.58. Following the subscriptions of the 18,178,550 new shares, a number of allocation rights (BNETRO9 symbol) equal to the total number of subscribed shares were allocated in the subscribers' accounts. Allocation rights entered into Transaction within the BVB Regulated Market starting with April 10, 2021 after receiving the CIIF and their registration in the FSA records as financial instruments.

Following this operation, the subscribed and paid-up share capital of the Company was increased by the amount of Ron 1,817,855 (corresponding to the nominal value of the newly issued shares). The amount of Ron 8,915,683.58 (resulting from the subtraction of the amount of the share capital increase from the entire amount of the financing attracted) was recorded as share premiums and will be available in the future as reserves. The intention of the Company is to include the share premiums in the share capital and to issue and allocate free shares in future capitalization operations.

Following the registration of the new values of the increased share capital with ReCom, FSA issued the new registration certificate of financial instruments, and the operation was completed by uploading to trading the newly issued shares on March 26, 2021.

b) Issuance premium

The share premiums were established on the occasion of the capital increases and can be used to increase the share capital in future operations.

c) Legal reserve

According to Law 31/1990, at least 5% of the profit for the formation of the reserve fund is taken over each year, until it reaches at least one fifth of the share capital. Reserves representing tax incentives cannot be distributed having implications on the recalculation of the profit tax.

d) Other equity items

Essential Reasoning – SOP Recognition and Evaluation

The Group assessed from the perspective of IFRS 2 whether share-based payment transactions with employees (SOPs) are settled in cash or by issuing shares.

The Group settles the transactions by issuing for the option holders a number of shares equivalent (at market price) to the financial value of the option. The capital increase is made by lifting the preference right and based on the Director's Decision.

As a result, although in an intermediate stage the "debt" regarding the settlement of SOPs is evaluated, the economic substance of the transaction is that they are settled in shares. As a result, the Group recognized the SOP transactions as being settled in shares, and recognized and evaluated the services received in the Statement of Comprehensive Income and the corresponding increase directly in equity.

Significant estimates – SOP evaluation

The Company assessed from the perspective of IFRS 2 whether the payment transactions based on shares with employees (SOPs) are settled in cash or by issuing shares.

The company settles the transactions by issuing for the holders of options a number of shares equivalent (at market price) to the financial value of the option. The capital increase is made by lifting the preference right and based on the Director's Decision.

As a result, although in an intermediate stage the "debt" regarding the settlement of SOPs is evaluated, the economic substance of the transaction is that they are settled in shares. As a result, the Company acknowledges the SOP transactions as being settled in shares, and acknowledges and evaluates the services received in the Statement of Comprehensive Income and the corresponding increase directly in equity.

Transactions with employees and other contributors providing similar services were measured at the fair value of the equity instruments granted, as it was usually not possible to reliably estimate the fair value of the services received.

The fair value measurement at the date of granting (according to IFRS 2) – the approval date by the Extraordinary General Meeting of Shareholders of each plan – is performed using the Black-Scholes model, using as values for the model:

- spot price on the GMS date, i.e. the average price adjusted for splits at t-1
- strike price (at reference date) according to each plan
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits
- risk-free interest rate, i.e. ROBOR 12M published at t-1
- number of shares of the company as of the granting date
- dilution percentage of Stock Option Plan

The full value of each plan is recognized in costs for the duration of each plan.

SOP 2018

By the Decision of the Board of Directors no. 7/18.08.2020, the Board of Directors of the Company decided to increase the share capital by issuing 24,697,223 ordinary shares, nominative, dematerialised, of equal value and with a nominal value of Ron 0.1 each, in the account of the receivable held over the Company by the holders of options ("Key Persons") in accordance with the Incentive Plan of the key persons – Stock Option Plan approved by the Decision 12 of the General Meeting of Shareholders of April 25, 2018 and the option contracts and subsequent addenda – hereinafter referred to as "SOP 2018" or "SOP".

The share capital thus increased by the amount of Ron 2,469,722.30, and the equity capital increased additionally by the amount of Ron 11,758,361.13 – share premiums. According to the incentive plan - SOP2018 - a total of 47 persons received the right, without having the obligation, to purchase from the Company shares at a price per share equivalent to a capitalization of the Company as of December 31, 2017. During May 10, 2020– June 10, 2020 (maturity of the option), the key persons exercised the option, the Company having the option to repurchase shares in the market or to operate a capital increase by which to issue to the holders of options a number of shares that equate (at the market price) with the financial value of the option for the holders of options. The value of the option, which is in the receivable on the Company, was certified by the extrajudicial accounting expertise report dated August 17, 2020.

The actual number of shares to be issued shall be determined in accordance with the provisions of Article 210(2) of Law 31/1990 and Articles 87-88 of Law 24/2017 on issuers of financial instruments and market operations and Article 174 of FSA Regulation No. 5/2018. Thus, the number of shares was established by dividing the receivable at the price of Ron 0.5761/share – the weighted average price of BNET shares during 14 August 2019 – 14 August 2020.

The capital increase is made by lifting the right of preference also based on the Decision of the Board of Directors No. 7 of August 18, 2020 and in accordance with the attributions delegated by the Extraordinary General Meeting of Shareholders by the Decisions No. 3 of April 25, 2018 and No. 1 of December 17, 2018, so that the newly issued shares can be allocated to the holders of the debt (as a result of SOP2018).

At the time of writing this Note, the operation is being registered with the Financial Supervisory Authority. After obtaining the new registration certificate of financial instruments (CIIF) from FSA, the Central Depository may allocate the shares issued in the global accounts of the key persons.

SOP 2019

By the Decision of the General Meeting of Shareholders No. 4 of 24 April 2019, the shareholders of the Company voted an incentive plan with options for key persons with a duration of 2 years, amounting to maximum 5% of the

total shares of the Company. The maturity of the options was in May-June 2021, so that the key persons included in SOP2019 had the right (not the obligation) to purchase shares of the Issuer at the price related to the stock market capitalization on 31 December 2018.

29 key persons exercised the option to buy a total of 9,072,821 BNET shares at the price of Ron 0.224084401 per share. Following this operation, the Company registered a receivable in relation to the key persons in the amount of Ron 2,033,080. The number of exercised options (9,072,821) accounted for 3.6698% of the Company's capital at the implementation date.

The settlement method of the incentive program with options in this way is a premiere and could be implemented as such due to the treasury shares loaded into the Company's account in December 2020. These actions were acquired by the Issuer following the implementation of the Decision of the General Meeting of Shareholders No. 3 of April 2020 and the special opt-in procedure carried out in the summer of last year. By this, the shareholders from the registration date July 21, 2020 could choose to receive the nominal value of the newly issued share and thus leave the share at the disposal of the Issuer for the implementation of the incentive programs for key persons.

SOP 2020A

By Decision No. 3 of the Ordinary General Meeting of Shareholders of January 29, 2020, the following were voted:

- Including in the key persons' stock options plan (SOP2020), with a number of options equal to 0.5 % of the total number of shares, annually, of each member of the Board of Directors, with the exception of the Chairman of the Board of Directors; and
- Including in the key persons' stock options plan with a number of options equal to 0.75% of the total number of shares, annually, of the Board of Directors, with the exception of the Chairman of the Board of Directors.

SOP 2020B

Additionally, by the Decision No. 5 of the Extraordinary General Meeting of Shareholders of April 29, 2020, the shareholders of the Company voted an incentive plan with options for key persons with a duration of 2 years, amounting to maximum 5% of the total shares of the Company.

SOP 2021

By the Decision no. 5 of the Extraordinary General Meeting of Shareholders of April 27, 2021, the shareholders of the Company voted an incentive plan with options for key persons with a duration of 2 years, amounting to maximum 5% of the total shares of the Company.

NOTA 8. BONDS

Details regarding the debenture loans are presented in the following table:

	30 June 2021	Dec/31/2020
BNET22	-	4,451,616
BNET23	4,661,869	4,647,795
BNET23A	9,540,798	9,491,246
BNET23C	9,841,667	9,766,667
Accrued interest	872,768	889.781
Total, including:	24,917,101	29,247,105
Long-term part	24,044,334	28,357,324
Short-term part (interest)	872.768	889.781

The group carried out in 2016, 2017 and 2018 offers of bonds maturing in 2019, 2022 and 2023 through which it obtained from the capital market an 'employed' financing of over Ron 30 million (all issues are listed on BVB).

On April 2, 2021, Bittnet Systems notified the Market about the Decision of the Board of Directors dated April 1, 2021 to exercise the callback option for the early and full repurchase of the BNET 22 corporate bond issue. According to the Memorandum for admission to trading on the SMT-Bonds market of BVB, the repurchase price of the BNET22 issue was 100% of the nominal value, and the registration date for the identification of the bondholders to whom the instruments were repurchased was May 6, 2021. The date of actual payment of the amounts of money was set at May 13, 2021. Also, according to the BSE Code, the BNET22 bonds were suspended from trading starting with May 5, 2021, and the last BNET22 trading session was May 4, 2021. The repurchase value of the BNET22 issue included interest as a fraction of coupon calculated for a number of days equal to the time interval from the date of payment of the last full coupon (Coupon 14 of March 15, 2021) until the date of actual payment of the nominal value of the redeemed issue, i.e. until May 13, 2021 including. The management of the Company has taken the decision of early redemption of the BNET22 issue in order to reduce the financial expenses with interest.

NOTA 9. BANK LOANS

Details on bank loans are presented in the following table:

	<u>30 June 2021</u>	<u>Dec/31/2020</u>
ProCredit TL credits	5,674,724	7,227,824
ProCredit line 4.5 mill.	4,497,090	4,551,151
Raiffeisen (SME invest)	372.351	375.472
Total, including:	<u>10,544,166</u>	<u>12,154,447</u>
Long-term part	3,290,602	4,570,517
Short-term part	<u>7,253,564</u>	<u>7,583,930</u>

The bank lending structure of the group is mainly made up of revolving overdrafts aimed at short-term financing of specific projects. At the date of this report, the group has loans and overdrafts to finance the current activity in the amount of approximately 11 million RON at ProCredit Bank, ING Bank and Unicredit Bank and a non-cash limit for the issuance of letters of bank guarantee of Ron 1 million at Banca Transilvania.

NOTA 10. INFORMATION ON THE TRANSACTIONS WITH THE RELATED PARTIES

Details on balances and transactions with related parties are presented below.

The remunerations paid to the Key Management (identified in Note 1) are the following:

	6 months ended at:	
	<u>30 June 2021</u>	<u>30 June 2020</u>
Management contracts	342.558	381.192
SOP Expenses	240.913	208.307
Total	<u>583.471</u>	<u>589.499</u>
Liabilities	<u>30 June 2021</u>	<u>Dec/31/2020</u>
Key employees	57.093	57.093
Total	<u>57.093</u>	<u>57.093</u>
Receivables and loans	<u>30 June 2021</u>	<u>Dec/31/2020</u>
E-Learning Company – main loan	240.000	-
Total	<u>240.000</u>	<u>-</u>

The loan to

E-Learning Company is granted for a period of 3 years, with an interest of 10% per year.

NOTA 11. COMMITMENTS

Signing the lease agreement ONE Cotroceni Park

The Bittnet Group had its place of business in Bd. Timisoara, No. 26, Plaza Romania Offices Office Building, starting with 2017. The space was contracted in 2017 when the need for an office space was assessed taking into account the situation at that time, but also the growth prospects. These prospects were accelerated with the investments in Elian Solutions, as well as in the IT&C activity of Crescendo International, both materialized during 2018. On this occasion, the entire available space in the building where the activity was carried out was occupied.

At the beginning of 2019, the office area was extended by adding a space for temporary storage of goods, as well as an area dedicated to meetings with customers. At the end of the first quarter of 2019, the Elian Solutions team and the ex-Crescendo team were transferred to the new spaces.

In Extraordinary General Meeting of Shareholders of 26 November 2020, the approval of the shareholders was requested for the extension of the office space explaining:

- the current need of the expansion company in the context of the positive evolution in the period 2019-2020 and the growth prospects communicated to the shareholders for the period 2021-2024;
- the need to accommodate new teams resulting from the planned and announced acquisitions. Part of these M&A transactions were subject to the approval of the Extraordinary General Meeting of Shareholders of 26 November 2020 (Equatorial, IT Prepared, The E-Learning Company, Softbinator) and another part is subject to the approval of the Extraordinary General Meeting of Shareholders of 07.09.2021 (ISEC Associates, Computer Learning Center, TopTech, Nenos Software, Nonlinear), and in order to support this increase from "almost simple to double", the working space, meeting and collaboration of the teams, currently mostly virtual, must be completed with a tangible solution, in the field.

At the same time, the hybrid work models, which have appeared lately in all fields, have shown that the element of surprise must be taken into account. Obviously, with the new regulations regarding the working space (distance between persons), but also with the transactions proposed to the General Assembly, the need for an extended office space will become much greater than at present.

According to the mandate offered by the GMS to the General Manager at the meeting of 26 November 2020, the Bittnet Group negotiated with the suppliers present on the market an optimal solution for the current development plans.

Following negotiations with various representatives, a new lease agreement was signed with the company ONE United Properties for a space in the ONE Cotroceni Park (OCP) building, for a period of 5 years and having as starting date 1 February 2022. The previous lease agreement, concluded with Bucuresti Mall Development and Management Srl, was unilaterally terminated by Bittnet Systems starting with 31 May 2021.

The new office space of Bittnet and of the member companies in the group will be placed in the OCP building which is located next to the Academia Militara subway station. This project is part of the office area of the Vest-Center, the most dynamic business pool of the capital at present and the second largest in the market, after the North-Center area. With over 280,000 sqm of Class A offices delivered in the last three years and enjoying a special anchor, namely the Polytechnic University, the West-Center area is the new IT hub of Bucharest.

ONE Cotroceni Park is designed to certify LEED Platinum, focusing on sustainable operation and minimal impact on the environment. This project will also have WELL certification with the aim of enhancing the health and well-being of its occupants and therefore the productivity of people, their involvement and their retention at work.

Both the location and all the defining elements of the OCP project are in line with the organizational culture of our group, respectively they meet the specific requirements for attracting and retaining top human resources, a basic pillar for the business specificity of the group and of the IT industry in general.

Phase 1 of the project of which the future Bittnet offices are part will be delivered in the 4th quarter of 2021, which is why during the transition period a temporary rent contract was signed, with a duration of 6 months, the non-established working point being located in Bucharest, Str. Tudor Arghezi, nr. 8-10, Unimed Building, 1st Floor, Space TOF112, Sector 2.

NOTA 12. SUBSEQUENT EVENTS

I. Increase of share capital by reserves incorporation – July 2021

The share capital was increased by incorporating the reserves and the share premiums according to the Decision No. 2 of the Extraordinary General Meeting of Shareholders of April 2021 and the Decision of the Board of Directors dated July 6, 2021 and free shares were distributed: 6 new shares for every 10 shares held on the registration date – July 21, 2021. The operation was completed in July 2021 with the loading into the trading accounts of the shareholders of 148,336,965 shares.

Additionally, the share capital of Bittnet Systems was increased by issuing a number of shares free of charge for the benefit of the shareholders from the registration date (1 free share to 10 owned), according to the Decision No. 3 of the General Meeting of Shareholders of April 2021 and the Decision of the Board of Directors dated July 6, 2021.

For the actions from point 2, the shareholders from the registration date – July 21, 2021 – could opt online, between July 26 and August 3, to leave these new shares at the disposal of the Company to be used in the incentive programs for key persons, approved by the GMS, in this case collecting a cash distribution equal to the nominal value of the newly issued shares.

During the opt-in period, the Issuer received 325 options, from 325 shareholders representing a total of 167,393,769 voting rights, i.e. 67.70% of the total voting rights of the Issuer. From the expressed options, 210 shareholders representing 162,611,497 voting rights, i.e. 65.77% of the total voting rights opted for OPTION 1 – ie for cash distribution and leaving the newly issued shares at the disposal of the company. The Company distributed to these shareholders the amount of Ron 1,626,109.60 starting with August 4, through the Central Depository system, having as payment agent Banca Transilvania.

After the issuance of a new registration certificate (CIIF) by the FSA, the Central Depository shall allocate the shares in Section 1 to the shareholders from the registration date who have opted otherwise than for the cash distribution or have not taken any action during the opt-in period. At the same time, the Central Depository shall upload to the Issuer's account a number of 16,261,096 treasury shares.

In connection with the operations of increasing the share capital presented above, the Board of Directors (BD) issued a Decision on July 6, 2021 which established the keeping of the allocation report of 7 free shares to 10 held on the registration date according to the mandate granted by the General Meeting of Shareholders of April 27, 2021 by the EGMS Decisions no. 2 and 3. This decision was necessary considering that at the time of the convocation of the General Meeting of Shareholders, the coordinates of the capital increase with the free shares were applied to the entire share capital registered at that time in the Trade Register (ReCom) records – Ron 28,260,994.30, respectively 282,609,943 shares – values resulting from the processing of the capital increase operations decided in August 2020 and December 2020 and registered with ReCom since the end of 2020, but not yet completed with the FSA and the Central Depository.

In this respect, in order not to disadvantage any of the shareholders from the registration date (July 21, 2021), nor the creditors from the two capital increase operations, in order for them to receive the rights resulting from the holdings of BNET shares on the date of payment of the new shares, the Board of Directors decided, according to the mandate offered by the two EGMS Decisions, to keep the increase report established by EGMS, but applied for the number of shares registered with FSA and the Central Depository (247,228,275 shares).

Therefore, in the first phase, a number of 148,336,965 shares were issued (according to the Decision of the General Meeting of Shareholders No. 2/April 27, 2021) which were distributed to all the shareholders from the registration date, July 21, 2021, proportional to the holdings and to the decision of the EGMS (6 free shares to 10 held on the date of

registration). The difference of 21,229,001 shares, up to a total of 169,565,966 shares, shall be distributed to the entitled persons after the registration of the 2 operations with FSA and the Central Depository (capital increase operations decided in August 2020 and December 2020).

The same principle was applied to the capital increase decided by the Extraordinary General Meeting of April 27, 2021, at point 3, noting that those creditors who are shareholders at the registration date, 21 July 2021, will be able to opt to leave the newly issued share at the disposal of the Company and receive in exchange its nominal value. As such, in the first phase, a number of 24,722,828 shares will be issued, proportional to the holdings of all shareholders from the registration date and according to the allocation report established by EGMS: 1 free share for each 10 shares, for which it was possible to opt for the cash distribution of the nominal value or for allotment in the Depository. The difference of 3,538,167 shares, up to a total of 28,260,995 shares, resulting from the application of the increase ratio on the entire capital registered in the Trade Register records, is to be distributed/allocated to the entitled persons after the registration of the 2 operations with FSA and the Central Depository (the capital increase operations decided in August 2020 and December 2020) and according to the options expressed during the opt-in period.

The Decision of the Board of Directors of July 6, 2021 was issued according to the mandate given to the Board of Directors of Shareholders in the EGMS of April 27, 2021.

At the date of publication of this Note, the Company is in the process of registering with the FSA / Central Depository two capital increase operations registered with the Trade Register – from August 2020 (according to the Decision of the CA no. 7/18.08.2020) and December 2020 (according to the Decision of the CA No. 10/17.12.2020). In the National Trade Register Office, the Company appears with a share capital composed of 480,436,904 shares after the processing of the capital increases according to the Decisions of the EGMS No. 2 and 3 of April 2021.

II. Bank loans

On July 23, 2021, the Addendum for the extension of the credit line – revolving overdraft amounting to Ron 4.5 million – contracted by Dendrio Solutions from ProCredit Bank in July 2019 was signed. The extension was made for a period of 24 months and under the same conditions with the initial credit agreement. The interest rate remained ROBOR3M + 2.4% p.a., and the destination of the product is to finance the working capital and the current activity of Dendrio Solutions.

On August 16, 2021, was signed the addendum for the extension of the credit line – revolving overdraft in the amount of Ron 2 million – contracted by Dendrio Solutions from ING Bank in November 2018. The extension was made for a period of 12 months – until August 2022 – under the same conditions as the initial agreement. The interest rate remained ROBOR1M + 2.9% p.a.

III. Investments

a) Signing an investment contract IT Prepared Srl

On August 6, 2021, the Company informed the investors and the Market about the completion of the negotiations and the signing of the agreement for the takeover of a majority stake in the company IT Prepared Srl. The price of the transaction amounts to USD 673,200 for 50.2% of the share capital of the company and will be paid through a mix of cash and BNET shares in 3 instalments as follows:

- The first instalment, amounting to USD 265,200, was paid in Ron immediately after signing the share purchase agreement, by payment order to the two founding shareholders of IT Prepared;
- The 2nd and 3rd instalments, amounting to USD 265,200 and USD 142,800 respectively, shall be paid to the founders of IT Prepared by the settlement in BNET shares in a future operation to increase the share capital. The actual number of shares to be issued shall be determined in accordance with the provisions of Article 210(2) of Law 31/1990 and Articles 87-88 of Law 24/2017 on issuers of financial instruments and market operations and Article 174 of ASF Regulation no. 5/2018. The shares of BNET for each of the 2nd and 3rd instalments will be issued after the closing and approval of the Prepared IT Financial Statements for the years 2021 (2nd instalment) and 2022 (3rd instalment).

The transaction for taking over the majority stake in the company IT Prepared Srl was approved by the Shareholders in EGMS on November 26, 2020. Considering that the financial and operational situation of IT Prepared Srl changed between the time of approval granted by EGMS and the time of signing the investment agreement, the parameters of the transaction were renegotiated for the benefit of Bittnet, the final evaluation being halved (thus Bittnet took over the majority package), and the payment will be dependent on the confirmation of positive operational results in 2021 and 2022.

b) Signing an investment contract Nenos Software Srl and Nonlinear Srl

On August 10, 2021, Bittnet informed the capital market regarding the completion of the negotiations and the signing of the contract for the takeover of the majority shares in the software developer Nenos Software Srl and in Nonlinear Srl. The value of the transaction amounts to Ron 4,850,000 for 60.97% of Nenos Software, a price settled in two instalments, as follows:

- 50% of the transaction price (i.e. the amount of 2,425,000 lei) was paid by bank transfer to the account of the sole associate of Nenos Software;
- 50% of the transaction value will be settled by allocating Bittnet shares to the sole shareholder of Nenos Software, which will be completed by a capital increase. The actual number of shares to be issued shall be determined in accordance with the provisions of Article 210(2) of Law 31/1990 and Articles 87-88 of Law 24/2017 on issuers of financial instruments and market operations and Article 174 of FSA Regulation no. 5/2018.

For the acquisition of 60% of the company Nonlinear Srl, the transaction price is Ron 120 and is equal to the nominal value of the assigned shares. Nonlinear had in 2020 a turnover of Ron 392,442 and a net profit of Ron 115,018, with 4 programmers employed.

Nonlinear signed in 2021 a financing agreement for the development of a digitization product, intended for SMEs and micro-enterprises, which will allow the HR automation, accounting, invoicing processes, etc. The product is a no-code platform, in which the automation of processes can be made by employees without programming knowledge. The non-reimbursable financing is 1.5 million EUR, with own contribution of 0.5 million EUR.

By taking over the majority shares in Nenos Software Srl and Nonlinear Srl, Bittnet consolidates its position in the software development division, entering at the same time the artificial intelligence sector. The two M&A transactions will be subject to the ratification of the Extraordinary General Meeting of Shareholders on September 7, 2021.

c) Signing of investment agreements with ISEC Associates and Computer Learning Center

On August 20, 2021, the Issuer informed the investors about the signing of the share sale-purchase agreements for the takeover of the cyber security company – ISEC Associates Srl and of the IT training company – Computer Learning Center.

The value of the transaction for the purchase of 69.99% of the shares of ISEC Associates amounts to Ron 295,000, amount which will be paid in a single cash payment to the founding shareholder, Alexandru Andriescu. Also, according to the agreement and subject to the approval by the shareholders, Bittnet will grant loans to ISEC or guarantees for accessing loans in the total amount of EUR 241,000 in the next two years for the development of the company's business. ISEC Associates is a company founded in 2003, specialized in complete security auditing, consulting and testing services. ISEC helps companies identify, assess, secure and manage information security. By acquiring ISEC, Bittnet increases its position on the cyber-security market.

The purchase price for 100% of the Computer Learning Center (CLC) company is RON 725,000, amount to be paid in 2 instalments: The first instalment amounting to Ron 225,000 shall be paid in cash within 3 days from the signing of the contract, and the 2nd instalment – amounting to Ron 500,000 is conditioned by the removal from the CLC patrimony of the assets that are not relevant to the current activity of the company. In addition, Bittnet intends to provide CLC with loans or guarantees for accessing loans in the amount of EUR 420,000 over the next two years. By acquiring CLC, a former competitor, Bittnet Group consolidates its Education division and expands its certification portfolio, especially in the cyber security sector. The company collaborates with over 30 certified trainers and has delivered over 2,500 courses to 15,000 participants in recent years.

The two M&A transactions will be subject to the ratification of the Extraordinary General Meeting of Shareholders on September 7, 2021.

d) Entry into the shareholding of Chromosome Dynamics S.A. (CHRD)

In August 2021, the Company's management decided to invest with Impetum Group in a company that aims to develop IT and artificial intelligence solutions for customers in the agribusiness industry, according to the partnership announced at the end of 2019. Bittnet's contribution to the share capital of Chromosome Dynamics amounts to Ron 150,000 for 1.5% of the shares and 1.5% of the voting rights of CHRD, including the share premiums.

Chromosome Dynamics achieved a turnover of almost 1 million RON in 2020 and 2.5 million RON on June 30, 2021; The company develops solutions oriented towards the needs of farmers in order to technologize the processes. CHRD is the developer of the application AGROBAZAR APP, which models the process of consultancy-sale-purchase in agribusiness, representing a one stop shop for farmers in Romania. The application provides farmers with consultancy in agribusiness, agricultural machinery and inputs – seeds, pesticides, fertilizers with over 10,000 active users so far.

The company announced its intention to carry out a private placement of shares in Q4 2021 in order to list the Bucharest Stock Exchange on the AeRO-SMT market. After the placement, and according to the investment agreement, Bittnet Group will have the first option to deliver technology projects with CHRD.

IV. Convening the Bittnet Extraordinary General Meeting of Shareholders (EGMS) for September 7, 2021

On July 30, 2021, Bittnet Systems published the Notice to attend the General Meeting of Shareholders for September 7, 2021. Among the items on the agenda subject to ratification/approval of shareholders, there are M&A transactions with companies in which Bittnet targets majority shareholdings: TopTech, Computer Learning Center, ISEC Associates, Nenos Software and Nonlinear, as well as the investment made in the private placement of Arctic Stream (AST) shares, as well as a general mandate for the management of the company to be able to make investments with a cumulative value of up to 200 million RON, until December 31, 2025.

Formular **S1045_A1.0.0**
 Conform OMFP nr. 2.844/2016
 si OMF nr. 763/ 2021
 Formular valabil din: 07.2021

Raportări contabile 30 iunie 2021 *

Suma de control 0	Tip formular IT
Data raportării 30.06.2021	Anul 2021

Date de identificare ►

* Entitatea
BITTNET SYSTEMS SA

FORMULAR VALIDAT

Listare

Deblocare

* Numar inregistrare in Registrul Comertului J40 3752 2007	* Cod Unic de Inregistrare 21181848
* Activitatea preponderenta: Cod CAEN--Denumire activitate 6202--Activ.de consultanta in tehnol.informatiei	
* Activitatea preponderenta efectiv desfasurata: Cod CAEN--Denumire activitate 6202--Activ.de consultanta in tehnol.informatiei	
* Forma de proprietate 34--Societati pe actiuni	
Strada Soimus	Numar 23
Bloc 2	Scara B
Apartament 24	
Telefon 0215271600	e-mail
* Județ Municipiul Bucuresti	Sector Sector 4
* Localitatea Bucuresti	

Bifați dacă este cazul

- ☐ Mari contribuabili care depun bilanțul la București
☐ Sucursala
☐ Activ net mai mic de jumătate din valoarea capitalului subscris

Semnături ►

* Campuri obligatorii

Semnatura electronica poate fi aplicata
 doar in urma finalizarii cu succes a actiunii
 de validare a formularului

Administrator

* Nume si prenume
IVYLON MANAGEMENT SRL PRIN LOGOFATU MIHAI ALEXANDRU

Semnatura

Intocmit

* Nume si prenume
SYSCONT PROFESIONAL SRL

* Calitatea

22--Persoana juridica autorizata**

Nr.de inregistrare in organismul profesional
11354

Semnatura

* Alta persoana,
 imputernicita,con-
 form legii

** Persoana fizica
 sau juridica
 autorizata,
 membru CECCAR

*) Raportare contabilă la 30 iunie 2021 întocmită conform OMF nr. 763/ 2021 de entitățile cărora le sunt incidente Reglementările contabile aprobate prin OMFP nr. 2.844/ 2016 și care în exercițiul financiar precedent au înregistrat o cifră de afaceri mai mare decât echivalentul în lei a 1.000.000 euro

Indicatori

Campuri cu valori calculate

Capitaluri - total

45.659.783

Profit/ pierdere

2.023.984

Capital subscris

48.043.690

1.COD 10. SITUAȚIA ACTIVELOR, DATORILOR ȘI CAPITALURILOR PROPRII la data de 30.06.2021

[Sterge datele din acest tabel \(Cod 10\)](#)

(lei) se vor avea în vedere rândurile și corelațiile din coloana **Nr. rând** și nu cele cuprinse în coloana **codRd**

codRd	Denumirea elementului	Nr. rând	Sold an curent la:	
			01.01.2021	30.06.2021
A	B	1	2	
A. ACTIVE IMOBILIZATE				
I. IMOBILIZARI NECORPORALE				
01	1. Cheltuieli de dezvoltare (ct. 203 - 2803 - 2903)	01		
02	2. Concesiuni, brevete, licențe, mărci comerciale, drepturi și active similare și alte imobilizări necorporale (ct. 205 + 208 - 2805 - 2808 - 2905 - 2906 - 2908)	02	6.671.586	7.017.421
03	3. Fond comercial (ct. 2071)	03		
04	4. Avansuri (ct. 4094 - 4904)	04	82.699	92.747
05	5. Active necorporale de explorare și evaluare a resurselor minerale (ct. 206 - 2806 - 2907)	05		
06	TOTAL (rd. 01 la 05)	06	6.754.285	7.110.168
II. IMOBILIZĂRI CORPORALE				
07	1. Terenuri și construcții (ct. 211 + 212 - 2811 - 2812 - 2911 - 2912)	07	199.561	0
08	2. Instalații tehnice și mașini (ct. 213 + 223 - 2813 - 2913)	08	21.082	18.070
09	3. Alte instalații, utilaje și mobilier (ct. 214 + 224 - 2814 - 2914)	09	10.557	6.992
10	4. Investiții imobiliare (ct. 215 + 251* - 2815 - 285* - 2915 - 295*)	10		
11	5. Imobilizări corporale în curs de execuție (ct. 231 - 2931)	11		
12	6. Investiții imobiliare în curs de execuție (ct. 235 - 2935)	12		
13	7. Active corporale de explorare și evaluare a resurselor minerale (ct. 216 - 2816 - 2916)	13		
14	8. Plante productive (ct. 218 - 2818 - 2918)	14		
15	9. Avansuri (ct. 4093 - 4903)	15		
16	TOTAL (rd. 07 la 15)	16	231.200	25.062
17	III. ACTIVE BIOLOGICE PRODUCTIVE (ct. 241 + 227 - 284 - 294)	17		
303	IV. DREPTURI DE UTILIZARE A ACTIVELOR LUATE ÎN LEASING (ct. 251* - 285* - 295*) ¹	18	1.797.626	463.593
V. IMOBILIZĂRI FINANCIARE				
18	1. Acțiuni deținute la filiale (ct. 261 - 2961)	19	12.422.254	12.422.254

A		B	1	2
19	2. Împrumuturi acordate entităților din grup (ct. 2671 + 2672 - 2964)	20	19.458.721	19.622.912
20	3. Acțiunile deținute la entitățile asociate și la entitățile controlate în comun (ct. 262 + 263 - 2962)	21	8.527.500	10.050.769
21	4. Împrumuturi acordate entităților asociate și entităților controlate în comun (ct. 2673 + 2674 - 2965)	22		
22	5. Alte titluri imobilizate (ct. 265 - 2963)	23		
23	6. Alte împrumuturi (ct. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	24	1.927.615	331.871
24	TOTAL (rd. 19 la 24)	25	42.336.090	42.427.806
25	ACTIVE IMOBILIZATE – TOTAL (rd. 06 + 16 + 17 + 18 + 25)	26	51.119.201	50.026.629
B. ACTIVE CIRCULANTE				
I. STOCURI				
26	1. Materii prime și materiale consumabile (ct. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	27	24.420	183.478
27	2. Active imobilizate deținute în vederea vânzării (ct. 311)	28		
28	3. Producția în curs de execuție (ct. 331 + 332 + 341 +/- 348* - 393 - 3941 - 3952)	29		
29	4. Produse finite și mărfuri (ct. 326 + 327 + 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 +/- 368 + 371 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - 4428)	30		
30	5. Avansuri (ct. 4091 - 4901)	31		
31	TOTAL (rd. 27 la 31)	32	24.420	183.478
II. CREANȚE				
32	1. Creanțe comerciale (ct. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 411 + 413 + 418 + 4642 - 491 - 494)	33	4.815.695	2.616.852
33	2. Avansuri plătite (ct. 4092 - 4902)	34	83.686	59.844
34	3. Sume de încasat de la entitățile din grup (ct. 451** - 495*)	35		
35	4. Sume de încasat de la entitățile asociate și entitățile controlate în comun (ct. 453** - 495*)	36		
36	5. Creanțe rezultate din operațiunile cu instrumente derivate (ct. 4652)	37		
37	6. Alte creanțe (ct. 425 + 4282 + 431** + 436** + 437** + 4382 + 441** + 4424 + 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 461 + 4662 + 473** + 4762 - 496 + 5187)	38	1.427.756	3.590.085
38	7. Capital subscris și nevărsat (ct. 456 - 495*)	39		
301	8. Creanțe reprezentând dividende repartizate în cursul exercițiului financiar (ct. 463)	40		
39	TOTAL (rd. 33 la 40)	41	6.327.137	6.266.781

40	III. INVESTIȚII PE TERMEN SCURT (ct. 505 + 506 + 507 + 508* - 595 - 596 - 598 + 5113 + 5114)	42	1.459.700	4.409.338
41	IV. CASA ȘI CONTURI LA BĂNCI (ct. 508* + 5112 + 512 + 531 + 532 + 541 + 542)	43	11.610.034	14.714.433
42	ACTIVE CIRCULANTE – TOTAL (rd. 32 + 41 + 42 + 43)	44	19.421.291	25.574.030
43	C. CHELTUIELI ÎN AVANS (ct. 471 + 474) (rd. 46 + 47) , din care	45	133.363	238.491
44	Sume de reluat într-o perioadă de până la un an (ct. 471* + ct.474*)	46	133.363	238.491
45	Sume de reluat într-o perioadă mai mare de un an (ct. 471* + ct.474*)	47		
	D. DATORII: SUMELE CARE TREBUIE PLATITE INTR-O PERIOADA DE PANA LA UN AN			
46	1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile (ct. 161 + 1681 - 169)	48	889.781	872.768
47	2. Sume datorate instituțiilor de credit (ct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	49	943.643	946.084
48	3. Avansuri încasate în contul comenzilor (ct. 419)	50		
49	4. Datorii comerciale - furnizori (ct. 401 + 404 + 408 + 4641)	51	3.467.884	2.024.918
50	5. Efecte de comerț de plătit (ct. 403 + 405)	52		
52	6. Sume datorate entităților din grup (ct. 1661 + 1685 + 2691 + 451***)	53		
53	7. Sume datorate entităților asociate și entităților controlate în comun (ct. 1663 + 1686 + 2692 + 453***)	54		
54	8. Datorii rezultate din operațiunile cu instrumente derivate (ct. 4651)	55		
55	9. Alte datorii, inclusiv datoriile fiscale și datoriile privind asigurările sociale (ct. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 436*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 4761 + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	56	1.772.817	909.901
56	TOTAL (rd. 48 la 56)	57	7.074.125	4.753.671
57	E. ACTIVE CIRCULANTE NETE/DATORII CURENTE NETE (rd. 44 + 46 - 57 - 74 - 77 - 80)	58	12.080.437	21.058.850
58	F. TOTAL ACTIVE MINUS DATORII CURENTE (rd. 26 + 47 + 58)	59	63.199.638	71.085.479
	G. DATORII: SUMELE CARE TREBUIE PLĂTITE ÎNTR-O PERIOADĂ MAI MARE DE UN AN			
59	1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile (ct. 161 + 1681 - 169)	60	28.357.324	24.014.408
60	2. Sume datorate instituțiilor de credit (ct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	61	1.154.210	652.481
61	3. Avansuri încasate în contul comenzilor (ct. 419)	62		
62	4. Datorii comerciale - furnizori (ct. 401 + 404 + 408 + 4641)	63		

63	5. Efecte de comerț de plătit (ct. 403 + 405)	64		
65	6. Sume datorate entităților din grup (ct. 1661 + 1685 + 2691 + 451***)	65		
66	7. Sume datorate entităților asociate și entităților controlate în comun (ct. 1663 + 1686 + 2692 + 453***)	66		
67	8. Datorii rezultate din operațiunile cu instrumente derivate (ct. 4651)	67		
68	9. Alte datorii, inclusiv datoriile fiscale și datoriile privind asigurările sociale (ct. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 436*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 4761 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	68	2.898.659	758.807
69	TOTAL (rd. 60 la 68)	69	32.410.193	25.425.696
	H.PROVIZIOANE			
70	1. Provizioane pentru beneficiile angajaților (ct. 1517)	70		
71	2. Alte provizioane (ct. 1511 + 1512 + 1513 + 1514 + 1518)	71		
72	TOTAL (rd. 70 + 71)	72		
	VENITURI ÎN AVANS			
73	1. Subvenții pentru investiții (ct. 475) - total (rd. 74 + 75), din care:	73		
74	Sume de reluat într-o perioadă de până la un an (ct. 475*)	74		
75	Sume de reluat într-o perioadă mai mare de un an (ct. 475*)	75		
76	2. Venituri înregistrate în avans (ct. 472) - total (rd. 77 + 78), din care:	76	400.092	
77	Sume de reluat într-o perioadă de până la un an (ct. 472*)	77	400.092	
78	Sume de reluat într-o perioadă mai mare de un an (ct. 472*)	78		
79	3. Venituri în avans aferente activelor primite prin transfer de la clienți (ct. 478) - total (rd. 80 + 81) , din care:	79		
80	Sume de reluat într-o perioadă de până la un an (ct. 478*)	80		
81	Sume de reluat într-o perioadă mai mare de un an (ct. 478*)	81		
82	TOTAL (rd. 73 + 76 + 79)	82	400.092	
	J. CAPITAL ȘI REZERVE			
	I. CAPITAL			
83	1. Capital subscris vărsat (ct. 1012)	83	26.443.139	48.043.690
84	2. Capital subscris nevărsat (ct. 1011)	84		

85	3. Capital subscris reprezentând datorii financiare(ct. 1027) ²	85		
302	4. Patrimoniul regiei (ct. 1015)	86		
86	5. Ajustări ale capitalului social/ patrimoniul regiei(ct. 1028)	SOLD C	87	
87		SOLD D	88	
88	6. Alte elemente de capitaluri proprii (ct. 103)	SOLD C	89	1.120.398
89		SOLD D	90	
90	TOTAL (rd. 83 + 84 + 85 + 86 + 87 - 88 + 89 - 90)	91	27.563.537	49.565.337
91	II. PRIME DE CAPITAL (ct. 104)	92	25.409.965	14.542.953
92	III. REZERVE DIN REEVALUARE (ct. 105)	93		
	IV. REZERVE			
93	1. Rezerve legale (ct. 1061)	94	369.599	442.477
94	2. Rezerve statutare sau contractuale (ct. 1063)	95		
95	3. Alte rezerve (ct. 1068)	96		
96	TOTAL (rd. 94 la 96)	97	369.599	442.477
97	Diferențe de curs valutar din conversia situațiilor financiare anuale individuale într-o monedă de prezentare diferită de monedă funcțională (ct. 1072)	SOLD C	98	
98		SOLD D	99	
99	Acțiuni proprii (ct. 109)	100		
100	Câștiguri legate de instrumentele de capitaluri proprii (ct. 141)	101		
101	Pierderi legate de instrumentele de capitaluri proprii (ct. 149)	102	21.014.395	19.302.829
102	V. REZULTAT REPORTAT, CU EXCEPȚIA REZULTATULUI REPORTAT PROVENIT DIN ADOPTAREA PENTRU PRIMA DATA A IAS 29 (ct. 117)	SOLD C	103	
103		SOLD D	104	3.534.140
104	VI. REZULTAT REPORTAT PROVENIT DIN ADOPTAREA PENTRU PRIMA DATA A IAS 29 (ct. 118)	SOLD C	105	
105		SOLD D	106	
106	VII. PROFITUL SAU PIERDEREA LA SFÂRȘITUL PERIOADEI DE RAPORTARE (ct. 121)	SOLD C	107	1.994.879
107		SOLD D	108	

108	Repartizarea profitului (ct. 129)	109		
109	CAPITALURI PROPRII – TOTAL (rd. 91 + 92 + 93 + 97 + 98 - 99 - 100 + 101 - 102 + 103 - 104 + 105 - 106 + 107 - 108 - 109)	110	30.789.445	45.659.783
110	Patrimoniul privat (ct. 1023) ³	111		
111	Patrimoniul public (ct. 1026)	112		
112	CAPITALURI - TOTAL (rd. 110 + 111 + 112)	113	30.789.445	45.659.783
FORMULAR VALIDAT		Suma de control Formular 10: 1108618908 / 1806889128		

Semnaturi ►

	Administrator	Intocmit
	Nume si prenume	Nume si prenume
	IVYLON MANAGEMENT SRL PRIN LOGOFATU MIHAI ALEXANDR	SYSCONT PROFESIONAL SRL
	Semnatura	Calitatea
		22--Persoana juridica autorizata**
		Nr.de inregistrare in organismul profesional
		11354
		Semnatura

* Conturi de repartizat după natura elementelor respective.
** Solduri debitoare ale conturilor respective.
*** Solduri creditoare ale conturilor respective.

1) La acest rând nu se cuprind drepturile de utilizare care se încadrează în definiția unei investiții imobiliare și care vor fi prezentate la rd. 10.
2) În acest cont se evidențiază acțiunile care, din punct de vedere al IAS 32, reprezintă datorii financiare.
3) Se va completa de către entitățile cărora le sunt incidente prevederile Ordinului ministrului finanțelor publice și al ministrului delegat pentru buget nr. 668/2014 pentru aprobarea Precizărilor privind întocmirea și actualizarea inventarului centralizat al bunurilor imobile proprietate privată a statului și a drepturilor reale supuse inventarierii, cu modificările și completările ulterioare.

COD 20. SITUAȚIA VENITURILOR SI CHELTUIELILOR la data de 30.06.2021 (lei)					Sterge datele din acest tabel (Cod 20)	
se vor avea în vedere rândurile și corelațiile din coloana Nr. rând și nu cele cuprinse în coloana CodRd						
codRd	Denumirea indicatorilor			Nr. rand	Perioada de raportare	
					01.01.2020 -30.06.2020	01.01.2021 -30.06.2021
A				B	1	2
01	Cifra de afaceri netă (rd. 02 + 03 - 04 + 05)			01	9.163.508	6.262.678
02	Producția vândută (ct. 701 + 702 + 703 + 704 + 705 + 706 + 708 - ct. 6815*)			02	8.079.942	5.058.259
03	Venituri din vânzarea mărfurilor (ct. 707 - ct. 6815*)			03	1.083.566	1.342.389
04	Reduceri comerciale acordate (ct. 709)			04		137.970
05	Venituri din subvenții de exploatare aferente cifrei de afaceri nete (ct. 7411)			05		
06	Venituri aferente costului producției în curs de execuție(ct. 711 + 712 + 713)		SOLD C	06	893.338	270.467
07			SOLD D	07		
08	Venituri din producția de imobilizări și investiții imobiliare (rd. 09 + 10)			08		
09	Venituri din producția de imobilizări necorporale și corporale (ct. 721 + 722)			09		
10	Venituri din producția de investiții imobiliare (ct. 725)			10		
11	Venituri din activele imobilizate (sau grupurile destinate cedării) deținute în vederea vânzării (ct. 753)			11		
12	Venituri din reevaluarea imobilizărilor (ct. 755)			12		
13	Venituri din investiții imobiliare (ct. 756)			13		
14	Venituri din active biologice și produse agricole (ct. 757)			14		
15	Venituri din subvenții de exploatare (ct. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)			15		
16	Alte venituri din exploatare (ct. 758 + 751), din care			16	344.475	88.243
17	- venituri din subvenții pentru investiții (ct. 7584)			17		
301	- câștiguri din cumpărări în condiții avantajoase (ct. 7587)			18		
18	VENITURI DIN EXPLOATARE - TOTAL (rd. 01 + 06 - 07 + 08 + 11 + 12 + 13 + 14 + 15 + 16)			19	10.401.321	6.621.388
19	a) Cheltuieli cu materiile prime și materialele consumabile (ct. 601 + 602)			20	115.524	
20	Alte cheltuieli materiale (ct. 603 + 604 + 606 + 608)			21	497.344	87.942
21	b) Alte cheltuieli externe (cu energie și apă) (ct. 605)			22	10.243	8.473
22	c) Cheltuieli privind mărfurile (ct. 607)			23	1.203.946	1.215.182
23	Reduceri comerciale primite (ct. 609)			24	6.647	56.784

A		B	1	2
24	Cheltuieli cu personalul (rd. 26+ 27), din care:	25	1.068.076	679.591
25	a) Salarii și indemnizații (ct. 641 + 642 + 643 + 644)	26	1.061.370	670.126
26	b) Cheltuieli privind asigurările și protecția socială (ct. 645 + 646)	27	6.706	9.465
27	a) Ajustări de valoare privind imobilizările (rd. 29 + 30 - 31)	28	263.516	377.739
28	a.1) Cheltuieli cu amortizările și ajustările pentru depreciere (ct. 6811 + 6813 + 6816 + 6817 + din ct. 6818)	29	263.516	377.739
303	a.2) Cheltuieli cu amortizarea activelor aferente drepturilor de utilizare a activelor luate în leasing (ct. 685)	30		
29	a.3) Venituri (ct. 7813 + 7816 + din ct. 7818)	31		
30	b) Ajustări de valoare privind activele circulante (rd. 33 - 34)	32		
31	b.1) Cheltuieli (ct. 654 + 6814 + din ct. 6818)	33		
32	b.2) Venituri (ct. 754 + 7814 + din ct. 7818)	34		
33	Alte cheltuieli de exploatare (rd. 36 la 44)	35	5.421.846	5.037.757
34	1. Cheltuieli privind prestațiile externe (ct. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	36	5.203.433	4.891.068
35	2. Cheltuieli cu alte impozite, taxe și vărsăminte asimilate; cheltuieli reprezentând transferuri și contribuții datorate în baza unor acte normative speciale (ct. 635 + 6586)	37		
36	3. Cheltuieli cu protecția mediului înconjurător (ct. 652)	38		
37	4. Cheltuieli legate de activele imobilizate (sau grupurile destinate cedării) deținute în vederea vânzării (ct. 653)	39		
38	5. Cheltuieli din reevaluarea imobilizărilor (ct. 655)	40		
39	6. Cheltuieli privind investițiile imobiliare (ct. 656)	41		
40	7. Cheltuieli privind activele biologice (ct. 657)	42		
41	8. Cheltuieli privind calamitățile și alte evenimente similare (ct. 6587)	43		
42	9. Alte cheltuieli (ct. 651 + 6581 + 6582 + 6583 + 6584 + 6585 + 6588)	44	218.413	146.689
43	Ajustări privind provizioanele (rd. 46 - 47)	45		
44	- Cheltuieli (ct. 6812)	46		
45	- Venituri (ct. 7812)	47		
46	CHELTUIELI DE EXPLOATARE – TOTAL (rd. 20 la 23 - 24 + 25 + 28 + 32 + 35 + 45)	48	8.573.848	7.349.900
PROFITUL SAU PIERDEREA DIN EXPLOATARE:				
47	- Profit (rd. 19 - 48)	49	1.827.473	0

48	- Pierdere (rd. 48 - 19)	50	0	728.512
49	Venituri din acțiuni deținute la filiale (ct. 7611)	51	230.263	593.980
50	Venituri din acțiuni deținute la entități asociate (ct. 7612)	52		
51	Venituri din acțiuni deținute la entități asociate și entități controlate în comun (ct. 7613)	53		
52	Venituri din operațiuni cu titluri și alte instrumente financiare (ct. 762)	54		
53	Venituri din operațiuni cu instrumente derivate (ct. 763)	55		
54	Venituri din diferențe de curs valutar (ct. 765)	56	187.985	270.218
55	Venituri din dobânzi (ct. 766)	57	712.796	752.159
56	- din care, veniturile obținute de la entitățile din grup	58	618.803	708.064
57	Venituri din subvenții de exploatare pentru dobânda datorată (ct. 7418)	59		
58	Venituri din investiții financiare pe termen scurt (ct. 7617)	60		
306	Venituri din amânarea încasării peste termenele normale de creditare (ct. 7681)	61		
59	Alte venituri financiare (ct. 7615 + 764 + 767 + 7688)	62		3.990.419
60	VENITURI FINANCIARE – TOTAL (rd. 51 la 57 + 59 la 62)	63	1.131.044	5.606.776
61	Ajustări de valoare privind imobilizările financiare și investițiile financiare deținute ca active circulante (rd. 65 - 66)	64		
62	- Cheltuieli (ct. 686)	65		
63	- Venituri (ct. 786)	66		
64	Cheltuieli privind operațiunile cu titluri și alte instrumente financiare (ct. 661)	67		
65	Cheltuieli privind operațiunile cu instrumente derivate (ct. 662)	68		
66	Cheltuieli privind dobânzile (ct. 666)	69	1.461.555	1.363.643
67	- din care, cheltuielile în relația cu entitățile din grup	70		
307	Cheltuieli cu amânarea plății peste termenele normale de creditare (ct. 6681)	71		
304	Cheltuieli privind dobânzile aferente contractelor de leasing (ct. 6685)	72		
68	Alte cheltuieli financiare (ct. 663 + 664 + 665 + 667 + 6682 + 6688)	73	134.909	1.151.587
69	CHELTUIELI FINANCIARE – TOTAL (rd. 64 + 67 + 68 + 69 + 71 + 72 + 73)	74	1.596.464	2.515.230

PROFITUL SAU PIERDEREA FINANCIAR(Ă):				
70	- Profit (rd. 63 - 74)	75	0	3.091.546
71	- Pierdere (rd. 74 - 63)	76	465.420	0
72	VENITURI TOTALE (rd. 19 + 63)	77	11.532.365	12.228.164
73	CHELTUIELI TOTALE (rd. 48 + 74)	78	10.170.312	9.865.130
PROFITUL SAU PIERDEREA BRUT(Ă):				
74	- Profit (rd. 77 - 78)	79	1.362.053	2.363.034
75	- Pierdere (rd. 78 - 77)	80	0	0
76	Impozitul pe profit curent (ct. 691)	81	50.987	253.719
77	Impozitul pe profit amânat (ct. 692)	82	388.014	85.331
78	Venituri din impozitul pe profit amânat (ct. 792)	83		
305	Cheltuieli cu impozitul pe profit, determinate de incertitudinile legate de tratamente fiscale (ct. 693)	84		
302	Impozitul specific unor activități (ct. 695)	85		
79	Alte impozite neprezentate la elementele de mai sus (ct. 698)	86		
PROFITUL SAU PIERDEREA NET(Ă) A PERIOADEI DE RAPORTARE:				
80	- Profit (rd. 79 - 81 - 82 + 83 - 84 - 85 - 86)	87	923.052	2.023.984
81	- Pierdere (rd. 80 + 81 + 82 - 83 + 84 + 85 + 86); (rd. 81 + 82 + 84 + 85 + 86 - 83 - 79)	88	0	0
FORMULAR VALIDAT		Suma de control Formular 20: 174955418 / 1806889128		

Semnaturi ►

	Administrator	Intocmit
	Nume si prenume	Nume si prenume
	IVYLON MANAGEMENT SRL PRIN LOGOFATU MIHAI ALEXANDR	SYSCONT PROFESIONAL SRL
	Semnatura	Calitatea
		22--Persoana juridica autorizata**
		Nr.de inregistrare in organismul profesional
		11354
		Semnatura

*) Conturi de repartizat după natura elementelor respective.

La rândul 26 - se cuprind și drepturile colaboratorilor, stabilite potrivit legislației muncii, care se preiau din rulajul debitor al contului 621 „Cheltuieli cu colaboratorii”, analitic „Colaboratori persoane fizice”.

	COD 30. DATE INFORMATIVE la data de 30.06.2021 (lei) <i>se vor avea în vedere rândurile și corelațiile din coloana Nr. rând și nu cele cuprinse în coloana CodRd</i>				Sterge datele din acest tabel (Cod 30)
codRd	I. Date privind rezultatul înregistrat	Nr. rand	Nr.unitati	Sume	
	A	B	1	2	
01	Unități care au înregistrat profit	01	1	2.023.984	
02	Unități care au înregistrat pierdere	02	0	0	
03	Unități care nu au înregistrat nici profit, nici pierdere	03	0	0	
	II. Date privind plățile restante	Nr. rand	Total (col.2 + 3)	Din care:	
	A	B	1	Pentru activitatea curenta	Pentru activitatea de investitii
				2	3
04	Plăți restante – total (rd.05 + 09 +15 la 17 + 19), din care:	04	288.050	288.050	
05	Furnizori restanți – total (rd. 06 la 08), din care:	05	288.050	288.050	
06	- peste 30 de zile	06	202.180	202.180	
07	- peste 90 de zile	07	85.870	85.870	
08	- peste 1 an	08			
09	Obligații restante față de bugetul asigurărilor sociale – total (rd.10 la 14), din care:	09			
10	- contribuții pentru asigurări sociale de stat datorate de angajatori, salariați și alte persoane asimilate	10			
11	- contribuții pentru fondul asigurărilor sociale de sănătate	11			
12	- contribuția pentru pensia suplimentară	12			
13	- contribuții pentru bugetul asigurărilor pentru șomaj	13			
14	- alte datorii sociale	14			
15	Obligații restante față de bugetele fondurilor speciale și alte fonduri	15			
16	Obligații restante față de alți creditori	16			
17	Impozite, taxe și contribuții neplătite la termenul stabilit la bugetul de stat, din care:	17			
301	- contribuția asiguratorie pentru muncă	18			
18	Impozite și taxe neplătite la termenul stabilit la bugetele locale	19			
	III. Număr mediu de salariați	Nr. rand	30 iunie 2020		30 iunie 2021
	A	B	1		2
19	Număr mediu de salariați	20	7		9
20	Numărul efectiv de salariați existenți la sfârșitul perioadei, respectiv la data de 30 iunie	21	10		16

	A	B	1	
	IV. Redevențe plătite în cursul perioadei de raportare, subvenții încasate și creanțe restante	Nr. rand	Sume	
	A	B	1	
21	Redevențe plătite în cursul perioadei de raportare pentru bunurile din domeniul public, primite în concesiune, din care:	22		
22	- redevențe pentru bunurile din domeniul public plătite la bugetul de stat	23		
23	Redevență minieră plătită la bugetul de stat	24		
24	Redevență petrolieră plătită la bugetul de stat	25		
25	Chirii plătite în cursul perioadei de raportare pentru terenuri ¹⁾	26		
26	Venituri brute din servicii plătite către persoane nerezidente, din care:	27		
27	- impozitul datorat la bugetul de stat	28		
28	Venituri brute din servicii plătite către persoane nerezidente din statele membre ale Uniunii Europene, din care:	29		
29	- impozitul datorat la bugetul de stat	30		
30	Subvenții încasate în cursul perioadei de raportare, din care:	31		
31	- subvenții încasate în cursul perioadei de raportare aferente activelor	32		
32	- subvenții aferente veniturilor, din care:	33		
33	- subvenții pentru stimularea ocupării forței de muncă*)	34		
316	- subvenții pentru energie din surse regenerabile	35		
317	- subvenții pentru combustibili fosili	36		
34	Creanțe restante, care nu au fost încasate la termenele prevăzute în contractele comerciale și/sau în actele normative în vigoare, din care:	37	474.783	
35	- creanțe restante de la entități din sectorul majoritar sau integral de stat	38		
36	- creanțe restante de la entități din sectorul privat	39	474.786	
	V. Tichete acordate salariaților	Nr. rand	Sume	
	A	B	1	
37	Contravaloarea tichetelor acordate salariaților	40	10.725	
302	Contravaloarea tichetelor acordate altor categorii de beneficiari, alții decât salariații	41		
	VI. Cheltuieli efectuate pentru activitatea de cercetare – dezvoltare**)	Nr. rand	30 iunie 2020	30 iunie 2021
	A	B	1	2
38	Cheltuieli de cercetare - dezvoltare	42		
318	- din care, efectuate în scopul diminuării impactului activității entității asupra mediului sau al dezvoltării unor noi tehnologii sau a unor produse mai sustenabile	43		

39	- după surse de finanțare (rd. 45 + 46), din care	44	0	0
40	- din fonduri publice	45		
41	- din fonduri private	46		
42	- după natura cheltuielilor (rd. 48 + 49)	47	0	0
43	- cheltuieli curente	48		
44	- cheltuieli de capital	49		
	VII. Cheltuieli de inovare ***)	Nr. rand	30 iunie 2020	30 iunie 2021
	A	B	1	2
45	Cheltuieli de inovare	50		
319	- din care, efectuate în scopul diminuării impactului activității entității asupra mediului sau al dezvoltării unor noi tehnologii sau a unor produse mai sustenabile	51		
	VIII. Alte informații	Nr. rand	30 iunie 2020	30 iunie 2021
	A	B	1	2
46	Avansuri acordate pentru imobilizări necorporale (ct. 4094), din care:	52		92.747
303	- avansuri acordate entităților neafiliate nerezidente pentru imobilizări necorporale (din ct. 4094)	53		
304	- avasuri acordate entităților afiliate nerezidente pentru imobilizări necorporale (din ct. 4094)	54		
47	Avansuri acordate pentru imobilizări corporale (ct. 4093), din care:	55		
305	- avansuri acordate entităților neafiliate nerezidente pentru imobilizări corporale (din ct. 4093)	56		
306	- avansuri acordate entităților afiliate nerezidente pentru imobilizări corporale(din ct. 4093)	57		
48	Imobilizări financiare, în sume brute (rd. 59 + 65), din care:	58	2.995.974	22.473.023
49	Acțiuni deținute la entitățile afiliate, interese de participare, alte titluri imobilizate și obligațiuni, în sume brute (rd. 60 + 61 + 62 + 64), din care:	59	2.995.974	22.473.023
50	- acțiuni necotate emise de rezidenți	60	1.050.000	9.055.338
51	- părți sociale emise de rezidenți	61	1.945.974	13.417.685
52	- acțiuni si părți sociale emise de nerezidenți, din care	62		
307	- dețineri de cel puțin 10%	63		
53	- obligațiuni emise de nerezidenți	64		
54	Creanțe imobilizate, în sume brute (rd. 66 + 67), din care:	65		
55	- creanțe imobilizate în lei și exprimate în lei, a căror decontare se face în funcție de cursul unei valute (din ct. 267)	66		
56	- creanțe imobilizate în valută (din ct. 267)	67		

57	Creanțe comerciale, avansuri pentru cumpărări de bunuri de natura stocurilor și pentru prestări de servicii acordate furnizorilor și alte conturi asimilate, în sume brute (ct. 4091 + 4092 + 411 + 413 + 418 + 4642), din care:	68	6.579.415	2.665.496
58	- creanțe comerciale în relația cu entitățile neafiliate nerezidente, avansuri pentru cumpărări de bunuri de natura stocurilor și pentru prestări de servicii acordate furnizorilor neafiliați nerezidenți și alte conturi asimilate, în sume brute în relație cu neafiliații nerezidenți (din ct. 4091 + din ct. 4092 + din ct. 411 + din ct. 413 + din ct. 418 + din ct.4642)	69	3.039.944	994.984
308	- creanțe comerciale în relația cu entitățile afiliate nerezidente, avansuri pentru cumpărări de bunuri de natura stocurilor și pentru prestări de servicii acordate furnizorilor afiliați nerezidenți și alte conturi asimilate, în sume brute în relație cu afiliații nerezidenți (din ct. 4091 + din ct. 4092 + din ct. 411 + din ct. 413 + din ct. 418 + din ct.4642)	70		
59	Creanțe neîncasate la termenul stabilit (din ct. 4091 + din ct. 4092 + din ct. 411 + din ct. 413)	71	3.042.811	474.786
60	Creanțe în legătură cu personalul și conturi asimilate (ct. 425 + 4282)	72		
61	Creanțe în legătură cu bugetul asigurărilor sociale și bugetul statului (din ct. 431 + 436 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (rd.74 la 78), din care:	73	188.557	167.902
62	- creanțe în legătură cu bugetul asigurărilor sociale (ct. 431 + 437 + 4382)	74	7.602	27.322
63	- creanțe fiscale în legătură cu bugetul statului (ct. 436 + 441 + 4424 + 4428 + 444 + 446)	75	180.955	140.580
64	- subvenții de încasat (ct. 445)	76		
65	- fonduri speciale - taxe și vărsăminte asimilate (ct. 447)	77		
66	- alte creanțe în legătură cu bugetul statului (ct. 4482)	78		
67	Creanțele entităților în relațiile cu entitățile afiliate (ct.451), din care:	79		
68	- creanțe cu entități afiliate nerezidente (din ct.451), din care:	80		
69	- creanțe comerciale cu entități afiliate nerezidente (din ct.451)	81		
70	Creanțe în legătură cu bugetul asigurărilor sociale și bugetul statului neîncasate la termenul stabilit (din ct. 431 + din ct.436 + din ct. 437 + din ct. 4382 + din ct. 441 + din ct. 4424 + din ct. 4428 + din ct. 444 + din ct. 445 + din ct. 446 + din ct. 447 + din ct. 4482)	82		
71	Creanțe din operațiuni cu instrumente derivate (ct. 4652)	83		
72	Alte creanțe (ct. 453 + 456 + 4582 + 461 + 4662 + 471 + 473 + 4762) , din care:	84	743.400	3.165.335
73	- decontări cu entitățile asociate și entitățile controlate în comun, decontări cu acționarii privind capitalul și decontări din operațiuni în participație (ct. 453 + 456 + 4582)	85		
74	- alte creanțe în legătură cu persoanele fizice și persoanele juridice, altele decât creanțele în legătură cu instituțiile publice (instituțiile statului) (din ct. 461 + 4662+ din ct. 471 + din ct. 473)	86	743.400	3.165.335
75	- sumele preluate din contul 542 "Avansuri de trezorerie" reprezentând avansurile de trezorerie, acordate potrivit legii și nedecontate până la data de raportare (din ct. 461)	87		
76	Dobânzi de încasat (ct. 5187), din care:	88		

77	- de la nerezidenți	89		
314	Dobânzi de încasat de la nerezidenți (din ct. 4518 + din ct. 4538)	90		
78	Valoarea împrumuturilor acordate operatorilor economici****)	91	20.157.435	17.870.770
79	Investiții pe termen scurt, în sume brute (ct. 505 + 506 + 507 + din ct. 508), din care:	92		4.409.338
80	- acțiuni necotate emise de rezidenți	93		
81	- părți sociale emise de rezidenți	94		
82	- acțiuni emise de nerezidenți	95		
83	- obligațiuni emise de nerezidenți	96		
320	- dețineri de obligațiuni verzi	97		
84	Alte valori de încasat (ct. 5113 + 5114)	98		
85	Casa în lei și în valută (rd. 100 + 101), din care:	99	1.141	1.141
86	- în lei (ct. 5311)	100	1.141	1.141
87	- în valută (ct. 5314)	101		
88	Conturi curente la bănci în lei și în valută (rd. 103 + 105), din care:	102	18.635.198	14.713.292
89	- în lei (ct. 5121), din care:	103	10.777.458	8.240.629
90	- conturi curente în lei deschise la bănci nerezidente	104		
91	- în valută (ct. 5124), din care:	105	7.857.740	6.472.663
92	- conturi curente în valută deschise la bănci nerezidente	106	29.824	30.227
93	Alte conturi curente la bănci și acreditive (rd. 108 + 109), din care:	107		
94	- sume în curs de decontare, acreditive și alte valori de încasat, în lei (ct. 5112 + din ct.5125 + 5411)	108		
95	- sume în curs de decontare și acreditive în valută (din ct. 5125 + 5414)	109		
96	Datorii (rd. 111 + 114 + 117 + 118 + 121 + 124 + 127 + 128 + 133 + 137 + 140 + 141 + 147), din care:	110	3.174.158	2.340.952
97	Credite bancare externe pe termen scurt (credite primite de la instituții financiare nerezidente pentru care durata contractului de credit este mai mică de 1 an) (din ct. 519), (rd. 112 + 113), din care:	111		
98	- în lei	112		
99	- în valută	113		

100	Credite bancare externe pe termen lung (credite primite de la instituții financiare nerezidente pentru care durata contractului de credit este mai mare sau egală cu 1 an) (din ct. 162), (rd. 115 + 116), din care:	114		
101	- în lei	115		
102	- în valută	116		
103	Credite de la trezoreria statului și dobânzile aferente (ct. 1626 + din ct. 1682)	117		
104	Alte împrumuturi și dobânzile aferente (ct. 166 + 1685 + 1686 + 1687), (rd. 119 + 120), din care:	118		
105	- în lei și exprimate în lei, a căror decontare se face în funcție de cursul unei valute	119		
106	- în valută	120		
107	Alte împrumuturi și datorii asimilate (ct. 167), din care:	121		
108	- valoarea concesiunilor primite (din ct. 167)	122		
321	- valoarea obligațiunilor verzi emise de entitate	123		
109	Datorii comerciale, avansuri primite de la clienți și alte conturi asimilate, în sume brute (ct. 401 + 403 + 404 + 405 + 408 + 419 + 4641), din care:	124	2.832.089	2.044.915
110	- datorii comerciale în relația cu entitățile neafiliate nerezidente, avansuri primite de la clienți neafiliați nerezidenți și alte conturi asimilate, în sume brute în relație cu neafiliații nerezidenți (din ct. 401 + din ct. 403 + din ct. 404 + din ct. 405 + din ct. 408 + din ct. 419 + din ct.4641)	125	104.217	82.473
309	- datorii comerciale în relația cu entitățile afiliate nerezidente, avansuri primite de la clienți afiliați nerezidenți și alte conturi asimilate, în sume brute în relație cu afiliații nerezidenți (din ct. 401 + din ct. 403 + din ct. 404 + din ct. 405 + din ct. 408 + din ct. 419 + din ct.4641)	126		
111	Datorii în legătură cu personalul și conturi asimilate (ct. 421 + 422 + 423 + 424 + 426+ 427 + 4281)	127	34.166	46.281
112	Datorii în legătură cu bugetul asigurărilor sociale și bugetul statului (ct. 431 + 436 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481), (rd. 129 la 132), din care:	128	307.903	249.756
113	- datorii în legătură cu bugetul asigurărilor sociale (ct. 431 + 437 + 4381)	129	83.100	20.568
114	- datorii fiscale în legătură cu bugetul statului (ct.436 + 441 + 4423 + 4428 +444 + 446)	130	224.803	229.188
115	- fonduri speciale – taxe și vărsăminte asimilate (ct. 447)	131		
116	- alte datorii în legătură cu bugetul statului (ct.4481)	132		
117	Datoriile entităților în relațiile cu entitățile afiliate(ct. 451), din care:	133		
118	- datorii cu entități afiliate nerezidente ²⁾ (din ct. 451), din care:	134		
310	- cu scadența inițială mai mare de un an	135		
119	- datorii comerciale cu entități afiliate nerezidente indiferent de scadență (din ct. 451)	136		

120	Sume datorate acționarilor/asociaților (ct. 455), din care:	137		
121	- sume datorate acționarilor/asociaților persoane fizice	138		
122	- sume datorate acționarilor/asociaților persoane juridice	139		
123	Datorii din operațiuni cu instrumente derivate (ct. 4651)	140		
124	Alte datorii (ct. 269 + 453 + 456 + 457 + 4581 + 462 + 4661+ 472 + 473 + 4761 + 478 + 509), din care:	141		
125	- decontări cu entitățile asociate și entitățile controlate în comun, decontări cu acționarii privind capitalul, dividende și decontări din operații în participație (ct. 453 + 456 + 457 + 4581)	142		
126	- alte datorii în legătură cu persoanele fizice și persoanele juridice, altele decât datoriile în legătură cu instituțiile publice (instituțiile statului) ³⁾ (din ct. 462 + ct. 4661+ din ct. 472 + din ct. 473)	143		
127	- subvenții nereluate la venituri (din ct. 472)	144		
128	- vărsăminte de efectuat pentru imobilizări financiare și investiții pe termen scurt (ct. 269 + 509)	145		
129	- venituri în avans aferente activelor primite prin transfer de la clienți (ct. 478)	146		
130	Dobânzi de plătit (ct. 5186), din care:	147		
311	- către nerezidenți	148		
315	Dobânzi de plătit către nerezidenți (din ct. 4518 + din ct. 4538)	149		
131	Valoarea împrumuturilor primite de la operatorii economici****)	150		
132	Capital subscris vărsat (ct. 1012) din care:	151	22.904.973	48.043.690
133	- acțiuni cotate ⁴⁾	152	22.904.973	48.043.690
134	- acțiuni necotate ⁵⁾	153		
135	- părți sociale	154		
136	- capital subscris vărsat de nerezidenți (din ct.1012)	155		
137	Brevete si licențe (din ct.205)	156	5.790.355	5.800.518
IX. Informații privind cheltuielile cu colaboratorii		Nr. rand	30 iunie 2020	30 iunie 2021
A		B	1	2
138	Cheltuieli cu colaboratorii (ct. 621)	157	178.761	236.426
X. Informații privind bunurile din domeniul public al statului		Nr. rand	30 iunie 2020	30 iunie 2021
A		B	1	2
139	Valoarea bunurilor din domeniul public al statului aflate în administrare	158		
140	Valoarea bunurilor din domeniul public al statului aflate în concesiune	159		

141	Valoarea bunurilor din domeniul public al statului închiriate		160			
	XI. Informații privind bunurile din proprietatea privată a statului supuse inventarierii cf. OMFP nr. 668/2014		Nr. rand	30 iunie 2020	30 iunie 2021	
	A		B	1	2	
142	Valoarea contabilă netă a bunurilor ⁶⁾		161			
	XII. Capital social vărsat	Nr. rand	30 iunie 2020		30 iunie 2021	
			Suma (col.1)	% ⁷⁾ (col.2)	Suma (col.3)	% ⁷⁾ (col.4)
	A	B	1	2	3	4
143	Capital social vărsat (ct. 1012) ⁷⁾ (rd. 163 + 166 + 170 + 171 + 172 + 173), din care:	162	22.904.973	x	48.043.690	x
144	- deținut de instituții publice (rd. 164 + 165), din care:	163		0		0
145	- deținut de instituții publice de subordonare centrală;	164		0		0
146	- deținut de instituții publice de subordonare locală;	165		0		0
147	- deținut de societățile cu capital de stat, din care:	166		0		0
148	- cu capital integral de stat;	167		0		0
149	- cu capital majoritar de stat;	168		0		0
150	- cu capital minoritar de stat;	169		0		0
151	- deținut de regii autonome	170		0		0
152	- deținut de societățile cu capital privat	171	2.555.360	11,16	4.558.526	9,49
153	- deținut de persoane fizice	172	20.349.613	88,84	43.485.164	90,51
154	- deținut de alte entități	173		0		0
	XIII. Dividende distribuite acționarilor/asociaților din profitul reportat		Nr. rand	Sume (lei)		
	A		B	2020	2021	
313	- Dividende distribuite acționarilor/asociaților în perioada de raportare din profitul reportat		174			
	XIV. Repartizări interimare de dividende potrivit Legii nr. 163/2018		Nr. rand	Sume (lei)		
	A		B	2020	2021	

	A	B	1	2
312	- dividendele interimare repartizate ⁸⁾	175		
	XV. Creanțe preluate prin cesionare de la persoane juridice *****)	Nr. rand	Sume (lei)	
			30 iunie 2020	30 iunie 2021
	A	B	1	2
168	Creanțe preluate prin cesionare de la persoane juridice (la valoarea nominală), din care:	176		
169	- creanțe preluate prin cesionare de la persoane juridice afiliate	177		
170	Creanțe preluate prin cesionare de la persoane juridice (la cost de achiziție), din care:	178		
171	- creanțe preluate prin cesionare de la persoane juridice afiliate	179		
	XVI. Venituri obținute din activități agricole *****)	Nr. rand	Sume (lei)	
			30 iunie 2020	30 iunie 2021
	A	B	1	2
172	Venituri obținute din activități agricole	180		
322	XVII. Cheltuieli privind calamitățile și alte evenimente similare (ct. 6587), din care:	181		
323	- inundații	182		
324	- secetă	183		
325	- alunecări de teren	184		
FORMULAR VALIDAT		Suma de control Formular 30: 523314802 / 1806889128		

Semnături ►

Administrator

Nume si prenume

IVYLLON MANAGEMENT SRL PRIN
LOGOFATU MIHAI ALEXANDR

Semnatura

Intocmit

Nume si prenume

SYSCONT PROFESIONAL SRL

Calitatea

22--Persoana juridica autorizata**

Nr.de inregistrare in organismul profesional

11354

Semnatura

*) Subvenții pentru stimularea ocupării forței de muncă (transferuri de la bugetul statului către angajator) - reprezintă sumele acordate angajatorilor pentru plata absolvenților instituțiilor de învățământ, stimularea șomerilor care se încadrează în muncă înainte de expirarea perioadei de șomaj, stimularea angajatorilor care încadrează în muncă pe perioadă nedeterminată șomeri în vârstă de peste 45 ani, șomeri întreținători unici de familie sau șomeri care în termen de 3 ani de la data angajării îndeplinesc condițiile pentru a solicita pensia anticipată parțială sau de acordare a pensiei pentru limita de vârstă, ori pentru alte situații prevăzute prin legislația în vigoare privind sistemul asigurărilor pentru șomaj și stimularea ocupării forței de muncă.

**) Se va completa cu cheltuielile efectuate pentru activitatea de cercetare-dezvoltare, respectiv cercetarea fundamentală, cercetarea aplicativă, dezvoltarea tehnologică și inovarea, stabilite potrivit prevederilor Ordonanței Guvernului nr. 57/2002 privind cercetarea științifică și dezvoltarea tehnologică, aprobată cu modificări și completări prin Legea nr. 324/2003, cu modificările și completările ulterioare.

***) Se va completa cu cheltuielile efectuate pentru activitatea de inovare.

La completarea rândurilor corespunzătoare capitolelor VI și VII sunt avute în vedere prevederile Regulamentului de punere în aplicare (UE) 2020/1197 al Comisiei din 30 iulie 2020 de stabilire a specificațiilor tehnice și a modalităților în temeiul Regulamentului (UE) 2019/2152 al Parlamentului European și al Consiliului privind statisticile europene de întreprindere și de abrogare a 10 acte juridice în domeniul statisticilor de întreprindere, publicat în Jurnalul Oficial al Uniunii Europene, seria L, nr. 271 din 18 august 2020. Prin acest Regulament a fost abrogat Regulamentul de punere în aplicare (UE) nr. 995/2012 al Comisiei din 26 octombrie 2012 de stabilire a normelor de punere în aplicare a Deciziei nr. 1.608/2003/CE a Parlamentului European și a Consiliului privind producția și dezvoltarea statisticilor comunitare în domeniul științei și al tehnologiei.

****) În categoria operatorilor economici nu se cuprind entitățile reglementate și supravegheate de Banca Națională a României, respectiv Autoritatea de Supraveghere Financiară, societățile reclassificate în sectorul administrației publice și instituțiile fără scop lucrativ în serviciul gospodăriilor populației.

*****) Pentru creanțele preluate prin cesionare de la persoane juridice se vor completa atât valoarea nominală a acestora, cât și costul lor de achiziție.

Pentru statutul de „persoane juridice afiliate” se vor avea în vedere prevederile art. 7 pct. 26 lit. c) și d) din Legea nr. 227/2015 privind Codul fiscal, cu modificările și completările ulterioare.

*****) Conform art. 11 din Regulamentul Delegat (UE) nr. 639/2014 al Comisiei din 11 martie 2014 de completare a Regulamentului (UE) nr. 1307/2013 al Parlamentului European și al Consiliului de stabilire a unor norme privind plățile directe acordate fermierilor prin scheme de sprijin în cadrul politicii agricole comune și de modificare a anexei X la regulamentul menționat, „(1) ... veniturile obținute din activitățile agricole sunt veniturile care au fost obținute de un fermier din activitatea sa agricolă în sensul articolului 4 alineatul (1) litera (c) din regulamentul menționat (R (UE) 1307/2013), în cadrul exploatației sale, inclusiv sprijinul din partea Uniunii din Fondul european de garantare agricolă (FEGA) și din Fondul european agricol pentru dezvoltare rurală (FEADR), precum și orice ajutor național acordat pentru activități agricole, cu excepția plăților directe naționale complementare în temeiul articolelor 18 și 19 din Regulamentul (UE) nr. 1307/2013.

Veniturile obținute din prelucrarea produselor agricole în sensul articolului 4 alineatul (1) litera (d) din Regulamentul (UE) nr. 1307/2013 ale exploatației sunt considerate venituri din activități agricole cu condiția ca produsele prelucrate să rămână proprietatea fermierului și ca o astfel de prelucrare să aibă ca rezultat un alt produs agricol în sensul articolului 4 alineatul (1) litera (d) din Regulamentul (UE) nr. 1307/2013.

Orice alte venituri sunt considerate venituri din activități neagricole.

(2) În sensul alineatului (1), „venituri” înseamnă veniturile brute, înainte deducerii costurilor și impozitelor aferente. ...”.

1) Se vor include chiriile plătite pentru terenuri ocupate (culturi agricole, pășuni, fânețe etc.) și aferente spațiilor comerciale (terase etc.) aparținând proprietarilor privați sau unor unități ale administrației publice, inclusiv chiriile pentru folosirea luciului de apă în scop recreativ sau în alte scopuri (pescuit etc.).

2) Valoarea înscrisă la rândul „datorii cu entități afiliate nerezidente (din ct. 451), din care:” NU se calculează prin însumarea valorilor de la rândurile „cu scadența inițială mai mare de un an” și „datorii comerciale cu entități afiliate nerezidente indiferent de scadență (din ct. 451)”.

3) În categoria „Alte datorii în legătură cu persoanele fizice și persoanele juridice, altele decât datoriile în legătură cu instituțiile publice (instituțiile statului)” nu se vor înscrie subvențiile aferente veniturilor existente în soldul contului 472.

4) Titluri de valoare care conferă drepturi de proprietate asupra societăților, care sunt negociabile și tranzacționate, potrivit legii.

5) Titluri de valoare care conferă drepturi de proprietate asupra societăților, care nu sunt tranzacționate.

6) Se va completa de către operatorii economici cărora le sunt incidente prevederile Ordinului ministrului finanțelor publice și al ministrului delegat pentru buget nr. 668/2014 pentru aprobarea Precizărilor privind întocmirea și actualizarea inventarului centralizat al bunurilor imobile proprietate privată a statului și a drepturilor reale supuse inventarierii, cu modificările și completările ulterioare.

7) La secțiunea „XII Capital social vărsat” la rd. 163 - 173 în col. 2 și col. 4 entitățile vor înscrie procentul corespunzător capitalului social deținut în totalul capitalului social vărsat înscris la rd. 162.

8) La acest rând se cuprind dividendele repartizate potrivit Legii nr. 163/2018 pentru modificarea și completarea Legii contabilității nr. 82/1991, modificarea și completarea Legii societăților nr. 31/1990, precum și modificarea Legii nr. 1/2005 privind organizarea și funcționarea cooperăției.