

**BITTNET SYSTEMS SA**

**CONSOLIDATED FINANCIAL  
STATEMENTS,  
PRELIMINARY, UNAUDITED**

**Prepared in accordance with Order of the  
Minister of Public Finance no. 2844/2016 with  
subsequent amendments,  
for financial year ended December 31st , 2021**

**BITTNET SYSTEMS SA**  
**CONSOLIDATED PRELIMINARY UNAUDITED FINANCIAL STATEMENT**

For fiscal year 2021  
(all values in RON unless otherwise specified)

**CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**

	<u>2021</u>	<u>2020</u>
Revenue	112,590,990	109,191,760
Sales costs	<u>(88,112,151)</u>	<u>(87,725,366)</u>
<b>Gross margin</b>	<b>24,478,839</b>	<b>21,466,394</b>
Other income	4,071,104	451,828
Selling expenses	<u>(9,534,117)</u>	<u>(7,508,988)</u>
General and administrative expenses	<u>(12,737,327)</u>	<u>(10,053,352)</u>
Profit / Loss – Equity Method Holdings	775,706	(171,521)
Financial income	12,370,759	1,319,470
Financial expenses	<u>(3,255,940)</u>	<u>(4,019,587)</u>
<b>Gross profit</b>	<b>16,169,024</b>	<b>1,484,245</b>
Income tax	<u>(1,744,544)</u>	<u>(459,211)</u>
<b>Net profit:</b>	<b>14,424,480</b>	<b>1,025,034</b>
Parent company	13,700,235	895,127
Minority interests	724,245	129,907
<b>Other elements of global result</b>	<b>-</b>	<b>-</b>
<b>Total result</b>	<b>14,424,480</b>	<b>1,025,034</b>
Parent company	13,700,235	895,127
Minority interests	724,245	129,907

**BITTNET SYSTEMS SA**  
**CONSOLIDATED PRELIMINARY UNAUDITED FINANCIAL STATEMENT**

For fiscal year 2021  
(all values in RON unless otherwise specified)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>31 dec 2021</b>	<b>31 dec 2020</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Goodwill	39.893.983	21,082,977
Other intangible assets	9.208.535	8,820,959
Tangible assets	2.352.513	5,443,423
Equivalent securities	1.999.532	8,527,500
Other financial assets	372.744	7,483
Postponed tax	102.060	650,200
<b>Fixed assets – Total</b>	<b>53.929.367</b>	<b>44,532,542</b>
<b>Current assets</b>		
Inventories	1.184.962	1,157,052
Trade receivables and other receivables	37.522.204	30,330,712
Other financial assets	17.919.885	1,459,700
Cash and equivalents	23.404.847	24,872,655
<b>Current assets – Total</b>	<b>80.031.898</b>	<b>57,820,119</b>
<b>TOTAL ASSETS</b>	<b>133.961.265</b>	<b>102,352,661</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	48.043.690	26,443,139
Issuance premium	14.542.953	25,409,965
Other equity items	(19.082.504)	(19,893,997)
Reserves	773.854	468,943
Previos reported result	8,440,630	(5,036,978)
<b>Parent company equity</b>	<b>52.718.624</b>	<b>27,391,072</b>
Non-controlling interests	2.530.740	255,237
<b>Total equity and reserves</b>	<b>55.249.364</b>	<b>27,646,309</b>
<b>Long-term liabilities</b>		
Bonds	24.044.334	28,357,324
Bank loans	6.337.191	4,570,517
Leasing	598.751	3,036,719
Long term liabilities	592.420	-
<b>Long term liabilities – Total</b>	<b>31,571,696</b>	<b>35,964,560</b>
<b>Current liabilities</b>		
Bonds	872.768	889,781
Bank loans	3.882.132	7,583,930
Leasing	618.964	1,401,465
Dividend	9.995	-
Tax	362.805	121,203
Comercial liabilities and other liabilities	41.392.542	28,745,411
<b>Current liabilities – Total</b>	<b>47.139.205</b>	<b>38,741,791</b>
<b>Liabilities - Total</b>	<b>78.711.902</b>	<b>74,706,352</b>
<b>EQUITY AND LIABILITIES – TOTAL</b>	<b>133,961,265</b>	<b>102,352,661</b>
	<b>1</b>	<b>1</b>

**BITTNET SYSTEMS SA**  
**CONSOLIDATED PRELIMINARY UNAUDITED FINANCIAL STATEMENT**

For fiscal year 2021  
(all values in RON unless otherwise specified)

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	2021	2020
<b>Gross profit</b>	<b>16.169.024</b>	<b>1,484,245</b>
Adjustments for:		
Depreciation expenses	2.388.267	1,993,939
Expenses related to assigned assets	102.899	-
SOP benefits	1.066.911	1,574,721
Adjustments for receivables depreciation	48.775	(262,885)
Interest expenses and other financial expenses	3.300.278	3,362,206
Interest income	(41.247)	323,690
Profit – Securities investments	(11.988.124)	(1,168,120)
Profit – Equity method investments	(775.706)	171,521
<b>Operating Profit before working capital variation</b>	<b>10.271.078</b>	<b>7,479,318</b>
Variation in receivables account balance	(1.412.462)	3,224,995
Variation in inventory account balance	(27.748)	1,410,184
Variation in payables account balance	(3.606.979)	(3,683,943)
<b>Operating activities cash</b>	<b>5.223.889</b>	<b>8,430,553</b>
Income tax paid	(981.623)	(310,496)
<b>Operating activities-generated net cash</b>	<b>4.242.266</b>	<b>8,120,058</b>
<b>Investments activities:</b>		
Payments for subsidiary purchase, +/- cash	(9.504.189)	79,279
Payments for participating interests	(861.218)	(4,027,500)
Loans to related entities	(184.889)	-
Goodwill purchased	-	(5,450,000)
Tangible and intangible asset purchased	(1.616.655)	(957,637)
Other investments in financial assets	(2.015.800)	(291,580)
Proceeds from other financial investments	7.829.183	-
Dividends received	670.082	-
Interests received	361.330	130,897
<b>Investment activities-generated net cash</b>	<b>(5.322.157)</b>	<b>(10,516,541)</b>
<b>Financing activities:</b>		
Share issuances	10.412.024	8,851,720
Share redemptions	66.096	(949,483)
Bank Loans drawings	-	6,110,872
Bank loan repayments	(1.935.123)	(2,700,000)
Bond issuance reimbursement	(4,500,000)	-
Leasing debt payments	(1.261.365)	(1,607,641)
Paid interest	(3.130.282)	(3,200,475)
Dividends paid to non-controlling interests	(39.267)	(59,972)
<b>Financing activities-generated net cash</b>	<b>(387.917)</b>	<b>6,445,020</b>
<b>Net increase in cash and equivalents</b>	<b>(1.467.808)</b>	<b>4,048,537</b>
Cash and equivalents at the beginning of the financial year	24.872.655	20,824,117
<b>Cash and equivalents at the end of the financial year</b>	<b>23.404.847</b>	<b>24,872,654</b>

**BITTNET SYSTEMS SA**  
**CONSOLIDATED PRELIMINARY UNAUDITED FINANCIAL STATEMENT**

For fiscal year 2021  
(all values in RON unless otherwise specified)

**CONSOLIDATED STATEMENT IN EQUITY CHANGES**

	Share capital	Issuance premium	Other equity items	Legal reserve	Previous reported result	Total Capital for Parent company	Non-controlling interests	Total equity
<b>31 dec 2019</b>	<b>11,620,321</b>	-	<b>1,118,923</b>	<b>352,151</b>	<b>(2,872,249)</b>	<b>10,219,145</b>	<b>324,703</b>	<b>10,543,849</b>
Net profit	-	-	-	-	895,127	895,127	129,907	1,025,034
Other items of the overall result	-	-	-	-	-	-	-	-
<b>Total Result</b>	-	-	-	-	<b>895,127</b>	<b>895,127</b>	<b>129,907</b>	<b>1,025,034</b>
<i>Transactions with shareholders</i>								
Share capital increase	14,822,819	25,409,964	(22,587,641)	-	(3,092,905)	14,552,236	-	14,552,236
Stock Option Plan benefits			1,574,721			1,574,721	-	1,574,721
Non-controlling interests	-	-	-	-	-	-	10,440	10,440
Dividends					149,842	149,842	(209,814)	(59,972)
Legal reserve distribution				116,792	(116,792)	-	-	-
<b>31 dec 2020</b>	<b>26,443,139</b>	<b>25,409,965</b>	<b>(19,893,997)</b>	<b>468,943</b>	<b>(5,036,978)</b>	<b>27,391,072</b>	<b>255,237</b>	<b>27,646,309</b>
Net profit	-	-	-	-	13,700,235	895,127	724,245	14,424,480
Other items of the overall result	-	-	-	-	-	-	-	-
<b>Total Result</b>	-	-	-	-	<b>13,700,235</b>	<b>895,127</b>	<b>724,245</b>	<b>14,424,480</b>
<i>Transactions with shareholders</i>								
Share capital increase	21,600,551	(10,867,013)	(321,515)	-	-	10,412,024	-	10,412,024
Stock Option Plan benefits			1,066,911		-	1,066,911	-	1,066,911
Stock Option Plan implement	-	-	66,096	-		66,096		66,096
Non-controlling interests	-	-	-	78,675	(78,675)		1,672,808	1,672,808
Dividends				-	82,284	82,284	(121,550)	(39,266)
Legal reserve distribution				243,186	(243,186)	-	-	-
<b>31 dec 2021</b>	<b>48,043,690</b>	<b>14,542,953</b>	<b>(19,893,997)</b>	<b>773,854</b>	<b>(5,036,978)</b>	<b>27,391,072</b>	<b>2,530,740</b>	<b>52,249,364</b>