

Every year, the Budget is approved in April by the General Meeting of Shareholders. Below you can find the working assumptions of the management for the year 2023 and the indicative proposal that will be presented to the shareholders

Bittnet CONSO [RON]	2023E
Income	300.020.046
Direct cost (COSTS OF SALES)	200.410.452
=Gross Margin	75.128.986
% Gross Margin	25%
Indirect costs	52.319.417
Sales costs / distribution	19.007.928
Indirect costs with the team	20.083.335
Administrative expences	12.912.477
EBITDA	24.729.569
% EBITDA	8% (24% ofGM)
Amortisation	6.676.928
=EBIT	18.052.641
One offs impact	1.604.323
SOP	-890.381
Financial result	-330.440
= Gross Profit	16.831.820
Tax	1.696.189
= Net Profit	15.135.631
% Net result	5,04%

The Groups management builds the Budget ("BVC") using a "bottom-up" approach - starting from assessments of ongoing projects (the sales pipeline available at the time of the BVC's production), recurring revenue contracts, sales statistics from previous years , of the already engaged / planned marketing and sales actions and the sales targets assumed by each member of the sales team.

In other words, the BVC is built in a conservative way, according to the company's forecasting policy: <https://investors.bittnet.ro/politica-privind-prognozele/?lang=ro>

In all documents published by companies listed on the capital markets around the world, regarding the "Income and Expenditure Budget", it is stated that the figures presented are not a promise or a guarantee, and the company cannot be held responsible for not reaching objectives. When a company establishes its income and expenditure budget for a certain year, it takes into account the internal and external factors that it knows at the time of buildingup the budget.

Last three years have brought companies into extremely difficult situations, in which they had to adapt and which could not be predicted. Until the outbreak of the COVID-19 pandemic, in Romania, the only "problems" that companies had to overcome or for which they had to adapt, were related to uncertainties at the political and, implicitly, legislative level. Therefore, the new reality, in which the problems are not only related to the a country or another, generates the following dilemma for all managers: we propose objectives that seem difficult to achieve at first glance, but for which, at the time of their setting, we have indicators and estimates as a basis to the reality of that moment, or we publish an extremely tempered budget, which we know we can beat, but at the same time puts the company in a position to enter a comfort zone and greatly reduce its chances for a more prosperous future for everyone involved. At Bittnet Group, we've always preferred to take bold targets, built from the conservative assumption that it will be harder for us to produce the same dollars next year as the year before.

Investments Budget

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

- Continuous modernization of the work environment and the training center
- Acquisition of IT resources - website upgrade, computer programs, IT infrastructure for internal use, etc.
- The launch of IT platforms, products intended for customers, learning games, support systems for interacting with customers
- Ensuring the constant operation of IT systems and their continuous upgrade to the latest working variants Offering cloud services and managed services to the Company's clients.

M&A Budget.

In the general meeting of November 2021, the shareholders approved a total M&A purchase ceiling, for following years, in the amount of RON 200,000,000.