

## Half year Report 2023

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

For the financial year	01.01.2023 - 30.06.2023
Report date	25 August 2023
Name of the company	BITTNET SYSTEMS S.A.
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Telephone/fax	021.527.16.00 / 021.527.16.98
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Paid-in and subscribed share capital	RON 63,417,671.40
The main characteristics of securities issued by the company	634,176,714 shares with face value RON 0.1 – BNET symbol 97,037 bonds with face value RON 100 – BNET23A symbol 20,596 bonds with face value of RON 100 – BNET26E symbol 50,000 bonds with face value of RON 100 – BNET27A symbol

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## Message from the CEO

In the first 6 months of the current year, our Group recorded consolidated revenues amounting to RON 146 million, an increase of over 110% compared to the same period of the previous year. Gross margin increased by 32% to RON 23.5 million (compared to RON 17.9 million last year). Indirect expenses amount to RON 27.6 million (86% higher than in H1 2022), resulting in an operating loss of RON 954 thousand (compared to a profit of RON 3.6 million in H1 2022).

The financial result is a loss of RON 4.5 million (of which 3.5 million actual cash expenses), leading to a gross loss of RON 5.4 million, compared to a loss of RON 1.4 million in H1 2022.

The annualised outlook confirms the impact of the fixed cost increases in H2 2022, which was not yet completely absorbed (rent for the new premises plus team salaries due to inflationary pressure): total revenues amount to RON 268 million, up 105% compared to the previous period, gross margin exceeds RON 48 million, up 53% compared to the previous period, and indirect expenses amount to RON 50.7 million (up from 26.2 million), so that the operating profit amounts to RON 3.8 million, roughly 40% compared to the previous period.

The current group dimension, reached with the acquisitions of the past 12 months, allows us the opportunity to start aligning the operational profitability to the industry averages. What we mean is the operational profit expressed as a percentage of revenues.

Operational Profit is a relevant indicator for companies that do deploy borrowed capital in order to make acquisitions. On average, international companies operating in the same industry like us (IT Services) record a 8% OP margin. In the past year Bittnet has recorded a  $\pm 4\%$  rate, that was in line with the Romanian industry average (source being a ZF.ro integrator's top 10 for 2020).

Our goal now is to increase this indicator to the 8-10% interval, based on 5 main action items:

- Increasing the services in the revenue mix
- Extending the customer base internationally
- Keeping admin costs under control as a % of revenue
- Cross-selling between business lines
- Increasing the gross margin generated in the same time unit

This time, the aggregate picture is one that rather serves to illustrate the resilience that the group structure and overall size offer us – all lines of business are unlikely to have good or bad years at the same time – which allows us to deal with problems that arise in each business quietly, and focus on solving them in a healthy way, setting the stage for continued long-term growth. We have not yet reached the “anti-fragility” threshold, still “resilience” is obvious in this context.

Instead, the negative effect is the “average effect” – performers' achievements are “flattened”. This is an additional reason why we want to have each business pillar listed independently. Returning to the analysis of the reporting period, in order to understand the results of this half-year, we need to examine individually the items that make up the results:

a) **The revenues from IT&C solutions are 2.4x higher than in the previous year.**

As we have already shown, this type of revenue is the one that can increase the fastest, and allows us to have a complex contact with customers, an understanding of their infrastructure, and their confidence that we can also deliver quality services. The probability of delivering only services for IT infrastructures delivered by our competitors is small. Even though this business naturally has a lower gross margin percentage, it is more relevant to look at the actual gross margin generated, counted in dollars, because we do not pay salaries in percentages.

b) In the past years, we complained about the extension of the delivery terms as a result of the fracturing of global supply chains, saying that at some point in the future, all efforts to build IT&C infrastructure projects are going to “catch up with us”. This first semester of 2023 more correctly illustrates the new business dimension, with the specific deadlines for bidding, winning and then delivering IT&C solutions.

c) The nearly **36 million in services delivered in H1 2023** represents a 21% real increase over H1 2022<sup>1</sup>, made up of a **41% increase in services within the technology division**, and a 30% decrease in training revenue - explained almost 100% by Microsoft's global cancellation of the ESI project in their effort to reduce costs for these 6 months.

The services delivered by the group in H1 2023 represent a value almost equal to the entire annual turnover for 2017 - the year of the first M&A acquisition. For the end of the year we estimate a **total value of services delivered by the group amounting to over RON 80 million – similar to the entire turnover for 2019**. These developments illustrate the continuous transformation of the group.

Shifting our attention from P&L to the financial position, it is the most solid in history: equity reached a historical value of RON 90 million, the cash position reached a historical peak of RON 52 million, the ratio of financial debts is 58/42 long term/short term. This solid financial situation brings us very good relations with our partners, especially IT solution providers who grant us significant supplier financing. As a proof, the value of inventory plus receivables from customers almost perfectly balances debts to suppliers, while cashflow from operations exceeds the value of the entire year 2022 – i.e. RON 20 million.

Staying with the cashflow analysis, we note the H1 2023 brought us the largest equity raising round in our history – almost RON 30 million. Combined with the operational cashflow of RON 20.5 million, and a new bonds issue of RON 4.9 million, we were able to pay back a maturing bond of RON 10 million, pay back bank loans of RON 9.5 million, and make M&A payments of RON 22.7 million, WITHOUT DECREASING our cash position. On the contrary, this is the largest in history – RON 52 million.

In April 2023, at our annual [Investor Day](#), we announced that we will start focusing as of this year on operational profitability, ahead of reaching our revenue target of RON 500 million. This process is a medium-term one and its effects are not seen instantly, given the long sales cycles specific to our industry (6-9 months), combined with the long lead times (3-6 months) and the actual time required to implement various changes once they are identified and agreed. On the other hand, we can see the first effects only 3 months after the start of this process:

- a) **Sales/distribution expenses** increased by RON 2.4 million in absolute amount in H1 2023, but in relation to sales we are talking about a **33% decrease** in the percentage represented by these expenses – or, in other words, a **50% increase in sales efficiency**: if in H1 2022 each RON spent on sales processes brought us back RON 11.7, in H1 2023 each RON spent on sales brought us back RON 17.5 of revenue.
- b) The same evolution has been seen in **administrative expenses**, which apparently doubled their value – an increase of RON 10 million. However, 65% of this increase is explained by the expansion of the consolidation perimeter (TopTech, 2Net and Dataware are not included in the H1 2022 comparison base), and by the fact that in H1 2022 we did not pay rent for the ONE headquarters – 16% effect. Conversely, even with these increases, administrative expenses decreased by 4.6% as a share of sales. Eliminating the rent effect, **the decrease in administrative expenses is RON 2.2 million (10%) compared to the H1 budget, a reduction achieved in just 3 months.**

Based on our historical data, as well as that of many other listed issuers in the IT sector, most of the revenue, and therefore almost all of the profit, is made in the last quarter of the year, the first half always being the weak one. In this context, the operating result for the first six months, far from ideal, is not actually “something to be afraid of” in terms of the profit growth target compared to the previous year.

Furthermore, in H1 2023 we added 400 new customers to the group (85% from the extension of the group, and 15% via organic growth). These numbers carry an important weight given the new focus on cross-selling and upselling.

In H1 2023 we have adjusted the direction of our company, in order to achieve an operational profitability in line with our industry. It is obvious that this alignment takes time, the results cannot be seen after 1 trimester. We are convinced that we have a valuable management team that runs our businesses, people who will be able to identify, test, and implement all necessary solutions in each of the steps of this journey.

As usual, we encourage you to send us feedback about this report, the company's evolution or future plans. Investors' feedback is always welcome. You can always contact us at [investors@bittnet.ro](mailto: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 in the joint stock company (SA), following the increase of the share capital, using the profits generated in 2008. In 2012, the company received a first infusion of capital "from abroad" (equity investment) from the business angel Răzvan Căpățînă, who is still an important shareholder of the company.

Since March 2015, Bittnet has been listed on the Bucharest Stock Exchange, under the trading symbol BNET (first on the AeRO-SMT market, then, from 2020, on the Regulated Market). Bittnet was the first IT company to be listed on BVB, after an infusion of EUR 150,000 in the company, received from the Polish fund Carpathia Capital SA in exchange for a 10% stake. Since then, Bittnet has been actively using capital market mechanisms to grow and develop its business, successfully placing numerous secondary share issues and seven bond issues in 2016, 2017, 2018, 2019, 2020, 2022 and 2023. Up to the time of writing this report, Bittnet has redeemed 4 of its bond issues early or at maturity and paid coupons of over RON 10 million to >1 400 holders.

In total, between 2015 and June 2023, Bittnet attracted over RON 100 million through instruments listed on the BVB (both shares and bonds), amounts that financed the organic and inorganic development of the group. The company's founders have always believed that the IT market in Romania should be strengthened. Therefore, during 2017, the company identified the first opportunity to act in this direction and the acquisition of GECAD NET followed. In the first half of 2019, GECAD Net was rebranded as 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 2018 Bittnet made two new acquisitions - a majority stake in the ERP solutions provider, 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, and an extensive portfolio of customers, products and services.

Throughout 2020, two new minority investments joined the group: Softbinator (our first entry into the software development market) and The eLearning Company – which complements very well the services provided by Bittnet Training and Equatorial within the education division.

During 2021, Bittnet completed 7 new company acquisitions - IT Prepared (now rebranded Optimizor)– a company providing IT support services on a managed services basis, Nenos & Nonlinear – two software development companies with a focus on the Artificial Intelligence and Machine Learning area, ISEC and GRX (now rebranded Fort) which are the cybersecurity pillar and Computer Learning Center – a training company with a focus on the cybersecurity area.

During 2022 Bittnet fully acquired the companies TopTech and 2Net Computer, integrators with significant experience in the local market, which joined the “Cloud&Infrastructure” pillar, and in 2023 the acquisition of 70% of Dataware Consulting – integrator of complex IT solutions and services, which joined the same pillar of the Group, was completed.

Today the Group has more than 450 employees and collaborators in its 14 companies operating 10 commercial brands.



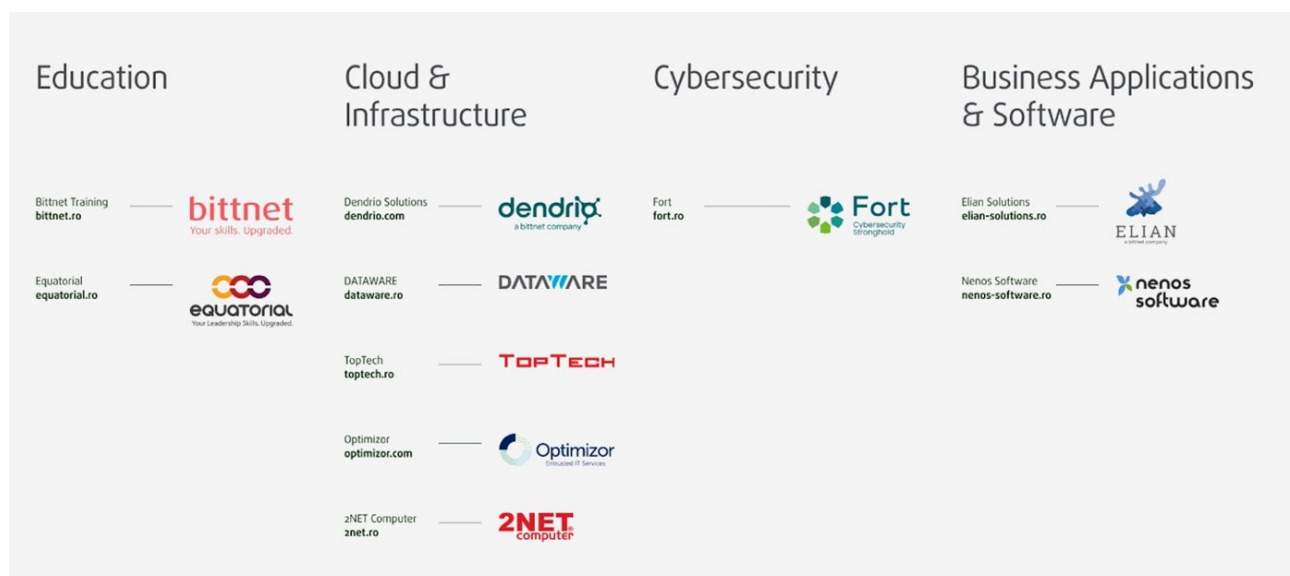
## Group structure

### From a structure made up of halves, to an agile one, based on specialisation

The two-division structure - education and technology - split the group in two, but did not provide the agility and need for continued specialisation that the market demands from technology companies. With the new structure, containing these four pillars, we can operate together, synergistically, but also separately, autonomously, when customers or projects demand it. We build a common customer base with representative projects, we build case studies, with which we can cross sell between these 4 business pillars. We are creating a decentralization at the group level, a dynamic area where each specialization can grow at its own pace and that of the market, and we can offer our shareholders what we initially promised: an anti-fragile, efficient and autonomous structure with sufficient diversity that when one piece of the technology business is not growing or is under the impact of market changes, the other pieces can pick up and deliver results.

We grow technology champions!

These business pillars manifest our group's interest in the diverse business areas that we believe might be profitable, especially because they are all essential in the plan for digitalizing Romania – part of our group's mission. We intend to be a partner into the digital journey of our country's entrepreneurial environment, by means of the education and digital infrastructure that our group offers:



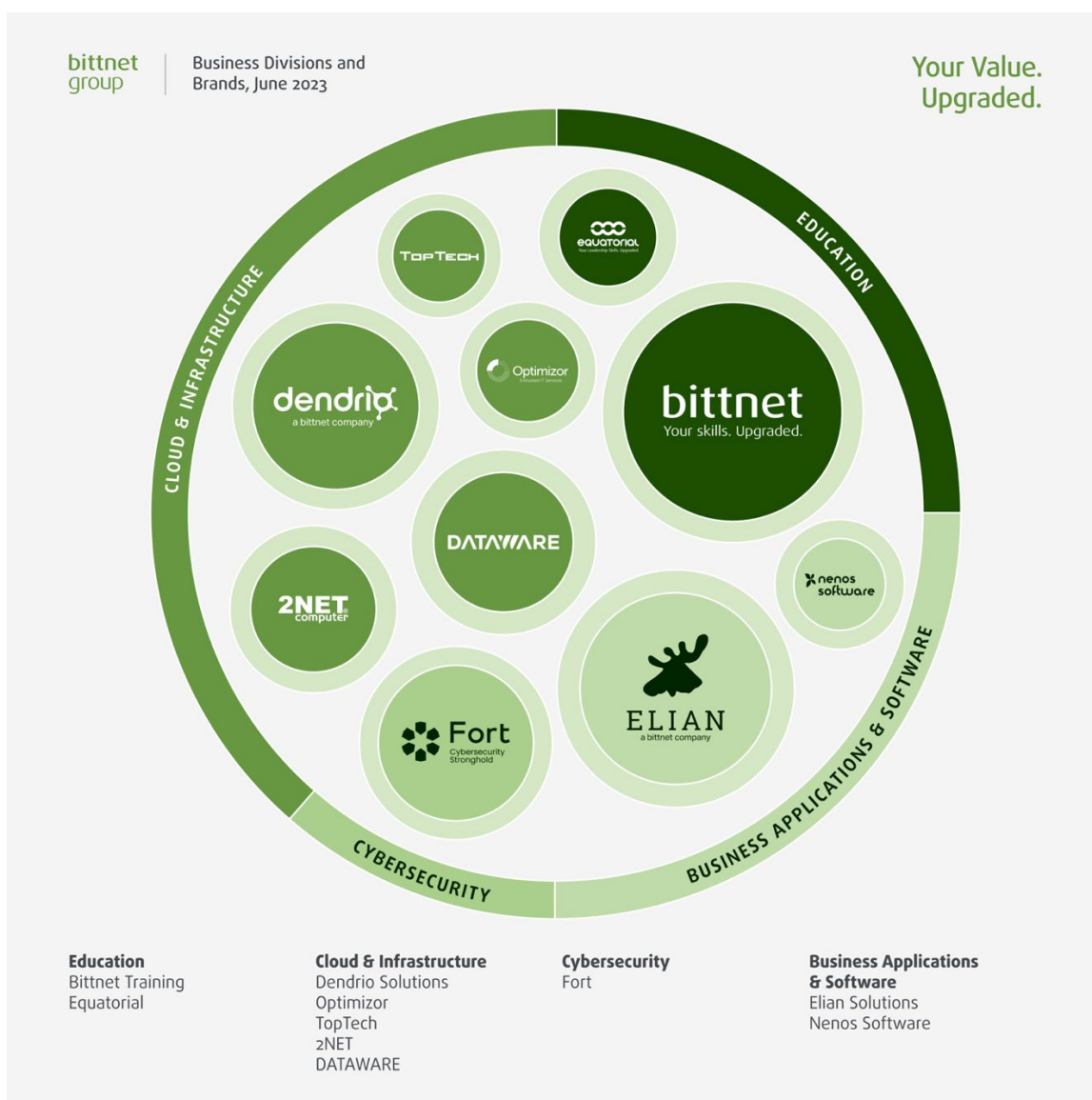
## Integration of companies into the Group structure

The Group has reorganised into 4 business pillars, which have replaced the old structure with two divisions: education and technology.

These 4 pillars are: education, cloud & infrastructure, cybersecurity and business app & software. This change was made on the one hand by the growth of the cloud & infrastructure business and on the other hand by the need for specialisation and autonomy of the companies in the group.

Following repeated acquisitions 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 4 areas of interest.

The current group structure as of June 30 contained 14 companies, organized into 10 commercial brands:



## Education

- Bittnet Training
- Computer Learning Center
- Equatorial Gaming & Equatorial Training
- The eLearning Company

## Cybersecurity

- Fort (formerly GRX, Global Resolution Experts)
- GRX Advisory - owned by Fort
- ISEC Associates (to be owned by Fort)

## Cloud & Infrastructure

- Dendrio Solutions
- Optimizer (formerly ITPrepared)
- TopTech
- zNet Computers
- Dataware Solutions

## Business application & Software

- Elian Solutions
- Nenos Software & Nonlinear

## Education

The education pillar, brings together two commercial brands under the same CEO, Cristina Ratiu: Bittnet Training for IT training services (hardskills), the traditional company of the group, leader of the training market in Romania and Equatorial, for IT training services (softskills for managers and future managers). This pillar will benefit the most from the PNRR plans, we are already present with offers in most of the tenders on the Romanian market within this project.

## Cloud & Infrastructure

At the moment, the largest business pillar is the Cloud & Infrastructure pillar, which is led by GROUP CEO, Cristian Herghelegiu and integrates companies: Dendrio, Data Ware, Toptech, z net, Optimizer. The most important task of this pillar is to complete the integration of the existing companies – already considered done by the end of June 2023 – and to generate operational efficiency at national level, through regional presence, common customer base, joint marketing campaigns and events.

The main services and solutions of this pillar are on the one hand the classic ones of an integrator. – Infrastructure solutions (network and mobility), from the most important vendors in Romania, with a highly qualified technical team and certified by our partners, and on the other hand there are differentiations through secure hybrid multi-cloud integrator or through document management area, software integration, a fundamental requirement for large projects. We are among the few in Romania that offer ID

management, biometrics. We are also one of the few, if not the only integrator in Romania that also offers managed services, dedicated support at any level. This last service is now part of our regional expansion plans in Europe. (West and North, where demand is high for such services and Optimizer is very competitive on price).

### **Cybersecurity**

The cybersecurity pillar has brought together under the Fort brand, all the companies with this specialization in the group and acts with agility and autonomously with cybersecurity auditing, pentesting and consulting services for any type of problem in the cybersecurity area. We want this pillar to grow through similar acquisitions, and as it grows, we will replicate the management structure of the cloud & infrastructure pillar. This pillar is now led by Fort CEO Vladimir Ghita.

### **Business applications & Software**

The business applications and software pillar operates under two commercial brands: Elian, in the ERP area (Microsoft) and Nenos (in the software area). This pillar has a large customer base, we want to grow through acquisitions and will also benefit from international expansion by tapping into projects available in the US markets. This pillar is led by two: Iulian Motoi, CEO Elian and Toader Toporau, CEO NENOS.

## Technical Skills for IT professionals

### I. Bittnet Training

- Shareholding structure: from a legal point of view, it is Bittnet Systems SA – the “parent” company listed on the stock exchange, retains for the time being and in the future the IT training activity, but also the holding company for the rest of the group - Mihai Logofatu, CEO
- Responsible for the training activity: Cristina Rațiu, Group CEO of Education
- Number of employees/collaborators: 44
- Website: [www.bittnet.ro](http://www.bittnet.ro)

Bittnet Training is the leader of the IT training market in Romania, with over 20 years of experience in the field, 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 ones (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 (2/4/6-hour courses, depending on the client's need). Each student receives access to dedicated equipment, official curriculum, as well as online and offline exams.*

*Since 2016, Bittnet has joined the largest association of Microsoft training partners – LLP*

## II. Computer Learning Center SRL (CUI 26065887)

- Shareholding structure: 100% Bittnet Systems SA,
- Responsible for the training activity: Cristina Rațiu, Group CEO of Education
- Number of employees/collaborators: the team is operationally integrated in the Bittnet Training activity
- Website: [www.clcr.ro](http://www.clcr.ro),

Computer Learning Center has over 18 years of experience in education; providing information security training, auditing and assessment systems, as well as the respective infrastructure and technologies for IT service management.

The Computer Learning Center (CLC) course offer is closely related to most information protection solutions available on the world market and it is aimed at both managers and IT security professionals.

It is an official partner of CompTia, EC Council, BSI, ITIL and Princez.

## Human Skills for IT professionals

### III. EQUATORIAL Gaming SA (Sole Registration Code 30582237)

- Shareholding structure: 99.9989% Bittnet Systems SA, the rest – Dan Berceanu (one of the founders)
- Responsible: Cristina Rațiu, Group CEO of Education
- Number of employees/collaborators: 9
- Website: [www.equatorial.ro](http://www.equatorial.ro),

Equatorial, a company specialized in training and development of skills to increase personal and professional effectiveness, interpersonal/communication and relationship skills and team leadership. Equatorial's programmes are 100% tailored to the Learner Persona profile of the IT team leader.

### IV. The e-Learning Company (CUI 30760571):

- Entrepreneurial company that offers eLearning courses for companies.
- Shareholding structure: 23% Bittnet Systems S.A.,
- Responsible: Adrian Călin, CEO
- Number of employees/collaborators: 6
- Website: <https://www.docentix.com/>

We have the most advanced e-learning system used in Romania: courses, LMS platform and a team of professionals behind these technological products, as of this year, all united under one brand: Docentix.

After a continuous growth in the number of users, the number of courses available in the dedicated platform and the constant cultivation of Romanians' desire for learning and professional development, Docentix consolidates its position in the local market as one of the most important e-learning content providers for private and public organizations in Romania. With a new visual identity, a new website -

[www.docentix.com](http://www.docentix.com) - and an upgraded iKnowLMS platform, Docentix continues to support Romanians' desire for learning and offers online courses in communication, personal development, management and leadership, computer use, project management, English, sales, negotiation and marketing, etc.

Docentix currently has over 70,000 active users, who have access to over 750 video courses in English and Romanian. In the last 5 years, Docentix courses have reached employees of over 100 companies and public institutions and over 880,000 courses have been successfully completed.

## Pillar: Cloud & Infrastructure

### V. Dendrio Solutions Srl (Sole Identification Code 11973883):

- Shareholding structure: 88% Bittnet Systems SA, 12% Agista Investments SA
- Responsible: Iulian Zamfir, CEO
- Number of employees/collaborators: 69
- Website: [www.dendrio.com](http://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 optimization 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 2019.*

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.

#### VI. Dataware Solutions SRL (CUI 27895927)

- Shareholding Structure: 30% - Constantin Savu and Cătălin Georgescu – founders, Dendrio Solutions SRL – 51,13%, Bittnet Systems SA – 18,87%.
- Responsible: Constantin Savu and Catălin Georgescu, co-CEOs
- Number of employees/collaborators: 32
- <https://www.dataware.ro/>

Founded in 2011 in Bucharest, Dataware implements technology solutions such as data networking, storage block & file, storage area network, disaster recovery and business continuity solutions, forensic software and security solutions.

The company has partnerships with leading industry manufacturers such as Fujitsu, Cisco, Brocade and M-Files.

The company provides IT services to clients from consulting, analysis and design to implementation, support and testing, with a focus on complex projects:

- implementation and configuration of data networks (Cisco and Brocade technologies)



- implementation and configuration of Storage Block&File, SAN - Storage Area Network
- implementation and configuration of Disaster Recovery and Business Continuity solutions
- forensic software implementation
- implementation of Security solutions

#### VII. Top Tech SRL (CUI 2114184)

- Shareholding structure: Bittnet Systems SA (40%), Dendrio Solutions SRL (46%) and Agista Investments – 14%.
- Responsible: Dragos Groza, CEO
- Number of employees/collaborators: 93

TopTech is a Romanian IT&C company founded in 1992 in Deva, with over 30 years of experience in the regional market. It is the most important supporter of the entrepreneurial community in Transylvania with digital solutions and community events: Transilvania It Forum, now in its 7th edition.

Currently, TopTech has partnerships with the most important technology manufacturers, such as Dell or HP, for the delivery of IT equipment, solutions and services. The company has more than 80 employees and collaborators being one of the most important integrators in the central and western part of Romania. TopTech has offices in Deva, Sibiu, Timisoara, Cluj-Napoca, Alba-Iulia and Medias.

#### VIII. 2NET Computer SRL (CUI 8586712)

- Shareholding Structure: 100% Dendrio Solutions SRL.
- Responsible: George Tomescu, CEO
- Number of employees/collaborators: 24
- Website: [www.2net.ro](http://www.2net.ro)

With over 20 years of experience, 2net computer SRL provides IT&C products and services mainly in the Brasov area and in the center of the country for local and international customers with presence in Brasov, Harghita and Covasna counties.

#### IX. Optimizor (CUI 35456175 / IT Prepared SRL)

- Shareholding structure: 50.2% Bittnet SA, the rest equally divided between the founders, Alexandru Ana and Valeriu Ghindis
- Responsible: Alexandru Ana, CEO

- Number of employees/collaborators: 32
- Website: [www.optimizer.ro](http://www.optimizer.ro)

50.2% owned by Bittnet, it is a managed services company (outsourcing services related to IT infrastructure) established in 2016.

Optimizer's customer portfolio is based on US customers and a growing number of local customers. The main advantage of such a service is that you won't have to recruit and manage IT engineers or staff to train them, in addition, you'll benefit from the expertise of senior engineers who together bring 15+ years of IT experience to your company.

### Pillar: Cybersecurity

#### I. Fort – entity formed by Global Resolution Experts S.A. (CUI 34836770), GRX Advisory SRL (CUI 43813325) and ISEC Associates SRL (CUI 15845143)

- Shareholding structure: 60% Bittnet, 14% financial investors, the rest divided between founders and management
- Responsible: Vladimir Ghita, CEO
- Number of employees/collaborators: 27
- Website: [www.fort.ro](http://www.fort.ro)

Fort, is one of the most dynamic cybersecurity companies providing cutting-edge cybersecurity solutions and services to protect our clients' digital assets and defend them against growing cyber threats.

Fort's mission is clear: to revolutionize the approach to cybersecurity services... To achieve this, the Fort team understands that every organization has unique vulnerabilities and security needs. That's why it offers a wide range of customized cybersecurity services: from proactive threat identification and assessment to sound remedial strategies,

The list of common services provided by Fort includes IT compliance audits for various standards of regulatory institutions such as the Financial Supervisory Authority, the Authority for the Digitalization of Romania, the National Bank of Romania or the National Cyber Security Incident Response Centre - CERT-RO, penetration testing services for web applications and IT infrastructure for clients in Romania and the European Union and design, implementation and maintenance services for IT management and information security systems.

At the same time, we offer design services for IT controls and IT security systems to be implemented, architectural design services for IT infrastructure technical solutions for the integration of financial IT systems in the Public Cloud and architectural design services

for IT infrastructure technical solutions for the implementation of IT systems in the IT sector, but without the participation in the implementation of such solutions to the final beneficiaries.

## Pillar: Business Applications & Software

### II. Elian 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: 57
- Website: [www.elian-solutions.ro](http://www.elian-solutions.ro)

Elian Solutions is a company founded in 2008 that specializes in providing implementation services for ERP (Enterprise Resource Planning) solutions, Microsoft Dynamics NAV. Since 2016 Elian holds a Microsoft Gold certification. 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. In 2019, for the first time, Elian 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 Elian 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.

### III. Nenos Software SRL (CUI29612482) & Nonlinear SRL (CUI37758005)

- Shareholding structure: 69% Bittnet, the rest being owned by the founder Toader Toporau
- Responsible: Toader Toporău - CEO

- Number of employees/collaborators: 20

Website: [www.nenos.ro](http://www.nenos.ro)

**Nenos Software SRL** is a custom software development company focusing on Artificial Intelligence and Machine Learning (AI/ML). **Nonlinear SRL** is a SPV set up to access European funding, 60% owned by Bittnet.

The activity is a product based software development, focused on the development of a platform for digitization and automation of processes in small and medium companies using low code/no code and machine learning technologies.

The services offered by the Nenos team are:

- AI consulting
- ML modelling
- Custom software development

## Resume of key events in Q1 2023

### THE EDUCATION DIVISION

	30 June 2023	30 June 2022	30 June 2021	Evolution 23 vs 22
Revenues from contracts with clients	5,759,031	11,377,470	5,764,787	-49,4%
Cost of sales	2,719,117	7,234,801	2,591,948	-62,2%
Cost of sale of goods/materials	190.939	264.250	88.146	-27,7%
Man-Hours	2,528,178	6,970,550	2,503,802	-63,5%
Gross margin	3,039,914	4,142,669	3,172,838	-26,6%
Sale/distribution expenses	2,480,065	2,095,460	1,569,127	18,4%
Man-Hours	2,039,824	1,625,210	1,062,103	25,5%
Advertisement	440.240	470.251	507.024	-6,4%
Administrative expenses	5,684,675	3,081,304	2,299,785	84,5%
Man-Hours	2,219,739	891.525	943.768	149,0%
Amortization	1,147,521	790.190	748.671	45,2%
Other third party services	870.237	706.940	345.564	23,1%
Other expenditures	1,029,130	537.206	97.157	91,6%
Operating profit	-3,844,137	-579.236	-430.848	-563,7%

In the first part of the year we encountered a new and different context compared to what we were used to in previous years. Clients temporarily blocked training budgets until they understood the full macroeconomic context and the impact on their organisations. We were therefore able to confirm projects much harder and with much more effort. The delay or freezing of budgets was also felt in the willingness of vendors to fund client learning projects.

The decrease in revenue compared to H1 2022 is almost entirely explained by the lack of Microsoft funded projects - amounting to EUR 290,000 in H1 2022. The underlying effect is distorted by the inclusion in H1 2022 revenues of a cybersecurity training project "inherited" with the acquisition of CLC, a project with no gross margin, worth EUR 800,000.

To counter the delay in market approval of budgets and the lack of vendor funded projects we have had a number of initiatives :

- The sales team resumed the **Pipeline Abundance** project running also in the first part of 2021 with the aim of identifying new customers and new training opportunities. Through this project, colleagues in Business Development are actively prospecting

- The Demand Generation team **doubled** the number of companies in the prospecting pipeline
- The Training Delivery teams are looking for new trainers and have rethought **rates benchmarks** to optimise budget and project margins and focus on returning new leads to the BDM teams
- The Product team built a set of **new fast selling products** and together with the Marketing team designed campaigns focused on sales, rather than awareness.

## BEFORE SALES:

### Product

In the first half of 2023 the product department focused on lead generation for the business, launching 9 product campaigns for the main vendors in the portfolio and 3 free AWS Discovery Days webinars designed to promote fundamental concepts of AWS cloud computing and cloud security. The campaigns successfully combined awareness and sales elements, generating a total of approximately 1800 participants registered for the AWS Discovery Days webinars and a total sales lead value of €35,500.

An important direction for the department in H1 was the preparation of the necessary documentation that can be used in any digital transformation and digital skills project funded by the national recovery and resilience plan (RRP). In this respect, the department has developed a complete training plan for basic but also advanced digital skills in technologies such as IoT, Blockchain, Cloud, BigData, CyberSecurity, AI, Machine Learning or RPA.

In the area of new products introduced to the portfolio, in the second half of H1, the vendor Milez was introduced to the portfolio, which comes with a detailed offer of courses in the cybersecurity area but also 4 new courses in AI (artificial intelligence) and Machine Learning (machine learning).

All these activities this year have also brought a number of challenges such as the need for continuous optimization in the area of product campaigns, where in the current macroeconomic context a slight decrease in purchase intent has been noticed, with prospects needing more time and increasingly innovative marketing messages to turn from prospects into customers. As such, the team is spending more time on creating promotional plans and strategies, with an increased emphasis on direct feedback from customers and prospects, carefully encapsulating their specific requirements in the promoted offers.

In the second half of the year the department continues to focus on promoting the training portfolio and complementing it with training offers on various emerging technologies. An important area of focus for the department will be the generation of additional revenue through the launch of two new products:

- BittLabs: self-paced video content product based on subscription. The product focuses on providing white-labelled video learning materials specifically designed for companies looking to develop their teams in the areas of DevOps and Software Development using practical content, scenarios and labs.
- Retraining Academies: structured on a self paced basis and accompanied by regular instructor-led sessions, exclusively dedicated to organisations that want to prepare their non-technical employees for IT roles.

## Marketing

For the first half of 2023, the marketing team has set as its main objective the development of a complete digital user journey, across all their preferred media at Bittnet Training and Equatorial. Achieving this goal required first of all a different approach to the data collected from the advertising platforms and the conversions tracked, with all the focus on generating sales leads.

Parallel to this described process, the marketing team developed a number of more than 2000 custom audiences so that the campaigns carried out were only displayed in front of people relevant to the two businesses. Between April and June, Bittnet Training and Equatorial together recorded a peak in the number of campaigns running simultaneously, with 40 at Google, Facebook, LinkedIn, Microsoft Bing and TikTok.

These efforts could subsequently translate into a **total traffic of 66,500 users** at the end of June, an increase of 95% compared to the same period last year. The resulting traffic further materialized into **262 sales leads, a 40% higher result than in H1 2022**. In addition to sales leads, the two businesses also recorded around 1800 informational leads through 3 free AWS Discovery Days events, where IT specialists, HR and L&D people, as well as decision makers in organisations could learn more about cloud and data security through the cloud.

In terms of sales data recorded in the Inbound area, we are talking about a total of **EUR 539,000 in opportunities generated in the first semester** by Bittnet Training and **EUR 44,000 generated by Equatorial** as a result of cumulative marketing efforts. Of these, we have so far closed EUR 63,000 (comparable to the previous year's full year result), with a remaining open pipeline of EUR 200,000 for H2.

## DURING THE SALE:

### **Demand Generation**

In H1 2023, concerning Demand Generation, we continued the processes improved in previous years, with performance indicators as benchmarks to generate new business opportunities. After the first 6 months of activity, in Outbound we maintained the conversion rate at 20%, in line with the previous year, converting a total of 46 SQL (Sales Qualified Leads). Of these, the sales team completed projects worth EUR 6,000 and EUR 210,000 of SQLs generated last year.

We still have projects worth 100,000 EUR in the discussion stage (open). We have interacted with 220 unique companies in verticals such as IT, Banking & Finance and Manufacturing, which has given us the opportunity to better understand both the training and professional development needs and the challenges faced by the companies' business during this period.

As a reaction to the macro-economic context, we have encountered in the Market several postponements of education projects, which have been transferred to H2. We have identified a longer lead conversion time and additional effort put into lead qualification. Consequently, to meet these challenges, one of the measures was the adoption of automated prospecting and lead interaction tools, which streamline the time allocated to the whole process. Another measure was to address other new verticals to ensure SQL generation.

The use of automated tools, the approach to other new verticals, the careful analysis of the feedback received from the Market, as well as the interpretation of internal data, will represent concrete actions in H2, which will contribute to the achievement of the objectives set at the beginning of the year, both for Demand Generation and for the whole organization.



## Business Development Team – Tech Skills

In the first half of 2023, in the business development team we focused on two directions:

- Active customers: by closing ongoing projects and developing new projects
- increasing the number of clients in the portfolio and therefore the number of opportunities being worked on. To increase the number of clients, we had two approaches: part of the sales team was involved in the Pipeline Abundance process for a period of 3 months, resulting in 195 companies being interacted with and 9 SQLs, and the other part of the sales team focused on finding, building and participating in tenders for EU funded projects

We have worked on a total of 700 opportunities, of which 217 are marked as “won” and 272 of them are still open, with an estimated value of EUR 2.2 million. **The value of the projects won amounts to EUR 1.48 million from 54 clients.**

In the first part of the year, due to the macroeconomic context, we have encountered projects delays from several clients for the second half of the year, which is why our main **focus for the next 6 months is to integrate and deliver** as many projects as possible.

## Business Development Team – Soft Skills

In the first 6 months of the year we experienced a delay of educational projects in the soft skills area – a delay that was first planned to be solved by the end of May, and then extended until the end of the summer. The main reason for this delay is that the niche we specialise in serving, i.e. technology companies, has been impacted by the whole international and local economic context of IT outsourcing.

To address this project delay, we have taken initiative from 3 main directions. Firstly, we have maintained contact with existing portfolio companies by looking together for learning solutions designed to help people and organisations break deadlocks and accelerate the process of transitioning through the dynamic and challenging period they are experiencing. In addition, also as part of this priority, we organised two community events with the group's People and Culture department, namely *L&D Tech Café* (25 participants from 15 tech companies) to discuss best practices and projects to support the work of L&D professionals in tech companies.

The second direction was to attract new clients into the portfolio, and for this we participated in the *Pipeline Abundance* project through which we managed to contact 38 new companies, approaching 45 Buyer Persona and generating a **pipeline of EUR 32.000.**

Last but not least, in order to increase our chances of attracting new clients and to be able to address the extremely diverse development needs in the market, we decided to

add new software/human skills programmes and courses to our portfolio, with content and methods tailored to the Learner Persona profile of the tech professional.

In terms of numbers, in this first part of the year we managed to close projects worth almost EUR 170.000. At the same time, at the end of these months we are still discussing projects with a total potential of EUR 90.000 in discussion.

In the next period we aim to continue the *Pipeline Abundance* project by refining our approach in an agile way, as well as the sequence of events in the *L&D Tech Café*. In addition, we also aim to address a type of market need that we have not addressed in recent years, namely open courses that give companies greater flexibility to train their team.

## POST SALES

### Training Delivery – Tech Skills

The first half of 2023 has brought changes to the structure of the Training Delivery business, which has taken on new processes this year that support both the workflow of Bittnet Training and the experience of the clients who visit us. Specifically, the Training Delivery team has started from 2023 to follow up the course delivery and maintain a much closer relationship with the Bittnet trainer, in order to give a cyclical finality to each delivered project. Following the sessions carried out, the department asks each trainer to track indicators that can support the subsequent upsell process by providing key information about the client's requests and needs to the Business Development team. At the same time, team members also monitor trainee satisfaction, constantly making suggestions for improvement to both trainers and clients.

At the end of June 2023, the team managed the **delivery of 163 courses, with a total of 1783 students**.. Compared to the same period of the previous year, the department felt a decrease in the number of courses delivered, the reason being, on one hand, the macroeconomic context but also the fact that in the same period of last year we were involved in the delivery of two large projects, a tender at UM and the ESI program run by Microsoft, both bringing a specific volume of participants in that period of the year.

At the same time, the team aligned itself with changes in the industry, which led to the need to look for new trainers, with two important directions: optimising costs with current trainers and adding experts on new technologies to the portfolio. The work done in this regard has brought satisfactory results, with the active portfolio of trainers in Training Delivery currently up 44% compared to December 2022.

Successful initiatives of this period of the year in Training Delivery include obtaining ISO 21001 certification, Management System for Educational Organisations, with international

accreditation and the development of the technical documentation of trainers for the RRP project.

Pursuing the initiatives set for the next period of 2023, with perseverance and increased focus, gives us the conviction that we will be able to meet the challenges brought by this year, by: allocating +20% of team time to develop partnerships with trainer teams, negotiating project rates to decrease trainer costs and achieving the set margin.

## Training Delivery – Soft Skills

We set out in 2023 with 3 major strategic directions with the ultimate goal of becoming an important benchmark in IT companies' choice when it comes to developing team leaders' interpersonal skills.

- The first direction was related to better positioning Team Leadership in Tech as a different and innovative product based on the findings of the Learner Persona study carried out in 2022.
- Then we looked at how to extend our expertise to the non-managerial staff.
- Developing the team of trainers was the 3rd important direction.

Therefore, a large part of the time, more precisely the first quarter, was dedicated to the transformation of the program we ran last year, mapping it on Agile Learning principles: the focus is on the participant (and not on the content), learning is done in teams that get autonomy and organize themselves, creating synergies, we split the program into sprints, to deliver visible business results as fast as possible. We completed this visibility process with the editing of a video presentation of the program that was integrated into the marketing campaign on the Equatorial website.

As for the second strategic direction of extending the expertise to the non-managerial IT staff, we started interviews with stakeholders from several IT companies. After consolidating the results we can say that the development needs are in the area of core/basic competencies (communication, collaboration, conflict management, stress management etc). It is a project that we will develop in the second part of the year. In order to better respond to the needs of the learners and the preference for the trainer to have technical expertise in addition to facilitation experience, we have allocated resources to develop new trainers, certifying them in the tools we use in our programmes.

In parallel, we have implemented projects with existing clients. **In H1 2023 we delivered 55 training sessions with 328 participants in classes.** We notice a decrease in the number of sessions compared to last year, when we delivered 105 training sessions with 237 participants in classes, but an increase in the number of trainees, which means **we sold**

**more profitably.** A significant challenge we faced during this period is the fact that the projects are very different from each other, which made the effort behind it much higher than last year/than the effort expected due to the customization process.

For the next period the main focus will be both on the successful implementation of ongoing projects – in particular we want to mention one of them, which is in its second edition *Team Leadership in Tech*, which is a confirmation of the positive impact the first edition had for the participants of that company.

At the same time, we pay attention to large projects, which is why we propose to participate in projects such as auctions or RRP.

For the next period we will start some initiatives to speed up the adoption process of our programs and to demonstrate the impact of our programs: open days, demo days, building a methodology for collecting/quantifying feedback/building and publicizing case studies, which would help us more in our sales efforts.

## The e-Learning Company in H1 2023

In H1 2023 The e-Learning Company brought all products under a new brand umbrella: Docentix. In fact, the launch of Docentix was the main business event that will influence what will happen in the e-learning business in the coming period.

### H1 revenue

Docentix revenues are of two types: recurring and from perpetual licences. From a financial point of view, revenue decreased in H1 by about 15%. Recurring revenues decreased less than perpetual licences. The reasons for the decrease in recurring revenues are: the loss of one customer (in the public sector, Lugoj City Hall, which could no longer purchase the services for another year), the decrease in expenses at certain customers and/or the preference for quarterly payment purchases.

This means that for the whole year 2023 we do not see a decrease in recurring license revenues, on the contrary, we are counting on an increase. For perpetual licenses, although they bring high revenues at the time of sale, they are not recurring and in the first half of the year there was no demand for this type of service. At the same time, however, we want to move away from perpetual licences which increase revenue over certain periods of time but do not bring long-term business growth.

### Business activity

We have focused on launching our new brand and a completely new LMS platform. Feedback from customers is very good and we believe we have laid the foundations for a much more professional approach than before.

We launched the Bulgarian version of the platform and courses (150 courses in Bulgarian). Extending the model to Bulgaria is the first step towards a regional approach. We aim to have our first Bulgarian customers in H2, with a target of €15,000 revenue by the end of 2023 and €100,000 in 2024.

We are focusing on RRP projects that are suitable for us, we have identified a project where we have partnered with Bittnet Training and Equatorial, a project that has a budget of €34 million by the end of 2025, of which we aim to get at least 10%. The major advantage of this project is that it is not based on tenders organised by the state, but on the choice of our services by the SMEs that will be selected by the ADR. **We see tremendous potential in this project.**

We have more prospects than ever before, but what we notice is that the sales cycle has become longer than in previous years. If we close all the sales we expect, 2023 will be another year of business growth, fourth in a row.

## **Human Resources**

We have maintained our core team and will be looking for a new colleague in the marketing department in the coming period. There has been an increase in salary costs and employee income, but this is something natural that we expect.

The team is Docentix's strength. We validated this after the event in May.

## **Prerequisites for H2**

We have a number of customers in the pipeline who want e-learning services. We decided to focus on offering support in the area of learning paths because the biggest challenge for customers is to manage the library of courses so we have over 20 learning paths created based on specific needs and skills, this means we will focus on communicating this type of service which helps customers more than offering a catalogue with lots of courses.

We estimate a growth for H2, but more importantly, we know that 2024 is going to be the year that the collaboration with Bittnet Training and Equatorial is going to put us in a very good position for projects funded from RRP, but also for projects with corporate clients. Feedback from clients after the event in May was that they are starting to see us as an option that can cover more of their training needs for which they would have previously used separate providers for.

Briefly:

- Transformation into Docentix (very well received by the market);
- A weaker H1 than in 2022 from a financial point of view;
- increasingly good team and highly appreciated by all customers;
- An H1 with a lot of business activity that has laid the foundations for an H2, but especially for a 2024, with significant business growth.

## TECHNOLOGY DIVISION

	30 June 2023	30 June 2022	30 June 2021	Evolution 23 vs 23
<b>Revenues from contracts with clients</b>	<b>140,293,466</b>	<b>58,105,430</b>	<b>42,403,154</b>	<b>141,4%</b>
Revenues from the provision of services	29,887,297	21,279,269	9,631,810	40,5%
Sale of goods	110,406,169	36,826,161	32,771,344	199,8%
<b>Cost of sales</b>	<b>119,788,315</b>	<b>44,370,546</b>	<b>35,010,905</b>	<b>170,0%</b>
Goods/materials	98,796,880	30,518,461	27,483,485	223,7%
Cloud services	2,725,548	2,654,728	2,624,922	2,7%
Man-Hours	18,265,887	11,197,358	4,902,498	63,1%
<b>Gross margin</b>	<b>20,505,151</b>	<b>13,734,883</b>	<b>7,392,249</b>	<b>49,3%</b>
<b>Sale/distribution expenses</b>	<b>5,965,170</b>	<b>3,854,322</b>	<b>2,695,440</b>	<b>54,8%</b>
Man-Hours	5,082,882	3,164,070	2,323,489	60,6%
Advertisement	882,287	690.252	371.951	27,8%
<b>Administrative expenses</b>	<b>13,514,106</b>	<b>5,815,412</b>	<b>3,226,129</b>	<b>132,4%</b>
Man-Hours	5,950,372	2,718,158	1,679,988	118,9%
Amortization	2,664,977	724.423	653.042	267,9%
Other third party services	2,086,413	968.367	331.473	115,5%
Other expenditures	804,296	407.171	256.299	97,5%
<b>Operating profit</b>	<b>2,890,059</b>	<b>4,191,731</b>	<b>1,484,437</b>	<b>-31,1%</b>

### Cloud & Infrastructure

For Cloud & Infrastructure, this first half of the year was influenced by several defining factors:

- **Prudent investment in IT by private companies.** Throughout this half-year we **have** seen an increased reluctance by private companies to invest heavily in IT infrastructure. This did not lead to a decrease in sales – on the contrary, we achieved a significant increase in the volume of business generated – but led to a significant increase in the effort put in by the entire team to achieve results similar to previous periods. This translated into longer sales cycles and lower profitability per customer compared to our targets set at the beginning of the year.
- **Unpredictability of the National Recovery and Resilience Plan (RRP).** Although there were a number of projects funded within the proposed time frames – in particular the education programmes – there were also many delayed or postponed projects (eHealth, SME digitisation etc); from a Cloud & Infrastructure point of view we managed – through the efforts of the TopTech team – to reach an impressive number of 8 universities (over 13% of the total number of 60

universities) to be digitised by our teams. On this funding line we achieved visible results both in the first semester of 2023 but which will be particularly visible in the second semester and in 2024. We also expect to implement more than 70 digitisation projects in high schools – starting for semester 2 with a substantial pipeline of projects

- **Reorganisation of the newly joined companies.** Throughout the first semester the newly joined companies have gone through an extensive reorganisation process, which will continue throughout this year. As part of this process, operational platforms were implemented – both TopTech and 2Net are currently operating on standard platforms and processes at the business unit level (ERP and CRM). Although in the short term these reorganisation processes put double pressure on all teams involved we expect that standardisation of systems and processes to generate

We list below other key elements achieved by the Cloud & Infrastructure business unit teams during this first half of 2023:

- Accelerated regional business growth – TopTech team achieved over 50% growth in business volume generated both as a result of the building effort on education funding lines but also as a result of the reorganization of sales teams
- Also an increase of 40.5% in the volume of services – a sustained effort from the regional teams to implement the plan to change the mix of solutions offered and increase the share of services
- The Transilvania IT Forum event was resumed – a traditional event that brought together more than 60 client organisations from all over the country with more than 15 vendors and representatives of the Bittnet group. On this occasion Optimizor, Fort and Elian companies presented their solutions
- Dendrio expanded its cybersecurity solutions portfolio by adding a new brand – Fidelis – and implementing a first project on this platform
- The Sales Development team also generated the first service-only projects – design and implementation of complex network structures – for multinational customers, this type of projects having a significant potential for regional expansion (implementation is being carried out in several countries in Europe) and making an important contribution in the shift of the solutions portfolio towards high value-added services. The most important aspect, however, is the scalability of the method of generating such projects – the SDR team has a well-



defined process in place to create such opportunities – consequently we expect the volume of such projects to increase in the next period

- From a value-added services perspective Optimizer has been able to increase the number of non-IT automated processes for our clients, entering the HR and finance area. At this point Optimizer has transformed itself into an IT-assisted organizational process implementation company rather than a simple IT “managed services” company. As a result, the company is able to generate an extremely high gross margin (over 95%) on certain projects where it reuses components from the already implemented process base

I mentioned earlier that throughout H1 2023 the newly joined companies have been going through a process of re-organisation and alignment to the group's processes laying the foundations for the first consolidated teams at business unit level:

- A first joint team for the delivery of public sector projects was set up, with all teams in this cluster now having access to the same internal platform and jointly following procurement procedures.
- This has been made possible as a result of a sustained effort by both TopTech and 2Net teams but also by the resources at cluster level succeeding in implementing ERP and CRM platforms for both companies during this semester.

In terms of figures, the division's revenue grew at an accelerated pace - up more than 24% compared to the previous year - while the increase in gross margin generated was almost 15% compared to the same period in 2022. We note on the one hand that in the current structure of the group it is possible to maintain an accelerated pace of revenue growth but the effort to increase gross margins is significantly higher. We expect that during the second half of the year, with the completion of most of the projects in the area of infrastructure in education, these margins will increase.

In order to transform the Cloud & Infrastructure business unit into a modern integrator with a high share of services and an increase in profitability, we started implementing a plan of operational measures early in the year:

- All companies in the business unit went through strategy workshops that clarified the target market but also how to collaborate intra-group; this is the basis for an accelerated growth of the service offering at cluster level;
- 360° assessment processes have been launched, involving the entire leadership team based on the Human Synergistics methodology and platforms; both the

feedback collection component and the analysis meetings have been carried out this semester, and the first measures will be implemented in H2;

- A new management team
  - Dendrio's activity has been managed by a new general manager since 1 July: Mr Iulian Zamfir - a person with a long experience in the development of IT services companies (Romsys, IBM, Expertissa, Orange)
  - Mr Dragoş Groza has been appointed as TopTech's CEO; previously he managed TopTech Timisoara branch, one of the most profitable and dynamic branches of the company
  - A joint team for public sector projects has been set up at TopTech & zNet level, under the direct coordination of Mr. George Tomescu - founder of zNet
  - As a result of the strategy sessions carried out, the Dendrio sales team has been consolidated under a single leadership
  - During the second half of 2023 we will go through such steps together with the Dataware team, which joined the cluster during the second quarter of 2023
- With a revenue size of more than RON 300 Mil, the business unit needs a consistent management process, based on a clear management structure but also on a well-defined timeline for the implementation of this process; we are in the process of implementing this structure at the business unit level.
- Also since the beginning of this year the process of unification of operational platforms at cluster level has been launched. In less than 5 months both ERP and CRM components for TopTech and zNet have been implemented, with the implementation of the Warehouse Management platform and the Document Management platform to follow in semester 2. Additionally, Dataware, a new company joining the group, will be included in this process ( which is also the provider of the Document Management solution). Operationally, the IT systems of all companies in the cluster are managed by Optimizor

Dataware, a company that joined the Cloud & Infrastructure pillar since May, continued its collaboration with Fujitsu, both in the prestigious Fujitsu SELECT Circle club and in the projects carried out in 2022-2023, in a region with 13 countries, Dataware was named "*Partner of the Year*" but also one of the best integrators for "*Fujitsu and VMware*" technologies, awards granted during the regional event "*Fujitsu Partner Summit 2023*", an event held in the Czech Republic in May this year. It is the only Romanian IT company

invited by the Japanese giant in the prestigious Fujitsu SELECT Circle club, of which it is part since 2022, after almost a decade of collaboration.

It is also strengthening its collaborations with other partners such as VMware, and won awards at the annual TD Synnex distributor event, held this year in Poiana Brasov in early May: "Silver Partner of the Year 2022", VMware - "Partner of the Year 2022" and "The Main Partner for Training Project 2022".

In H1, Dataware delivered and implemented digital transformation projects based on M-Files technology in both private and public environments, in industries in the utilities area as well as in institutions in the government area, and in the banking-financial area delivered and implemented a hyperconvergency infrastructure project based on Fujitsu and VMware technologies.

The industries in which these projects were delivered are in line with Dataware's development strategy for the next period as well as in line with the mission message delivered by Mihai Logofatu – CEO of Bittnet Group: *“Our mission is not just about selling a technology, but to somehow grow champions in technology, be it Romanian companies that we make smarter, more agile, more able to compete with international players, or we are talking about people who are valuable in technology and be able to have a job with more value”.*

Dataware has enriched its portfolio with niche technologies in the area of physical security, biometrics and identity establishment, strengthened external partnerships with major players in the areas listed.

Dataware has completed the implementation of the project “Innovation through a customized e-learning solution in the IT&C Dunărea de Jos cluster”, a project that we hope will bring further new perspectives on the way of teaching and on the student-teacher relationship. We want a solid education system for the young generation.

Dataware figures for H1 2023 compared to H1 2022 are highlighted in the table below:

	H1 2022	H1 2023
<b>TURNOVER</b>	RON 18,657,165	RON 69,081,400
<b>GROSS PROFIT</b>	RON 141,958	RON 1,438,914
<b>AVERAGE NUMBER OF EMPLOYEES</b>	30	30

Dataware participated in the Digital Romania Forum where it highlighted its involvement so far in large digitalization projects and also that it wants to continue this process, being a strategy for the future.

Dataware also supported this year, as a sponsor, the Geospatial World event, which this year brought together proactive institutions to discuss the challenges brought by the

implementation of artificial intelligence-based solutions in public services. Each edition aims to identify the best solutions to support Romania's development.

Dataware is not just a brand, it is a company made up of people who have made sure that Dataware has become a company with a very good reputation in the market, thanks to the successful implementation of complex IT&C projects. So, this year too we were pleased to strengthen the professional relations between colleagues in a pleasant team building organized in the Danube Delta.

Dataware has been affected, like many other players in the IT market, by product delivery delays, delays still caused by the effects of the pandemic, the war in Ukraine, followed by the semiconductor crisis which led to a shortage of production capacity and reduced transport capacity. All of this has resulted in product delay penalties within ongoing projects, as well as additional pressure on technical teams that are put in a position to manage unforeseen overlaps of project activities.

### Prospects for 2nd semester

The profitable development of this business unit is based on 5 main directions:

1. Consolidation of the core offer for each individual company; basically each company in the cluster will focus on developing and selling its own services in a scalable and profitable way; implementation of IT structures, from structured cabling to access control services, equipping datacenters or implementing wireless solutions are mature services in the market and therefore we expect to achieve an operating profit similar to the industry (around 5% per year);
2. Profitability growth will be ensured
  - o operational excellence (judicious cost management and increased productivity of teams) and
  - o Re-balancing the solutions portfolio with the positioning of highly profitable services - leveraging the unique structure of services and companies that the Bittnet Group and the Cloud & Infrastructure cluster owns. Inside the business unit, the most important services that will be positioned are:
    - o service contracts for the area of computing and printing
    - o MPS – Managed Printing Services
    - o post-implementation support contracts with dedicated SLA
    - o managed services, process optimization and automation
    - o complex implementation services for data centers,
    - o complex solutions in the area of identity management
    - o Document Management and software integration

3. Scaling the volume of new projects (and new clients), with the help of the Sales Development team, at business unit level; projects with significant service impact mentioned in the previous point will be targeted;
4. Last but not least, we will focus on opening new markets for the companies in the business unit – each company having a portfolio of solutions that can be expanded regionally;
5. We will continue to implement, with the help of the People & Culture team, innovative projects in the development of the management team. An essential point we follow is the implementation and management of cross business unit and cross group processes.
6. The main priority of Dataware in the next period is the integration of business flows and operational procedures at the level of the technology division - "Cloud & Infrastructure", so as to consolidate the main and most important division of the Bittnet group in order to achieve the assumed strategic objectives.
7. Dataware aims to increase both turnover and profit by continuing to implement projects in the area of digital transformation. We are determined to contribute to the digital transformation of our country and to the creation of a more efficient and competitive environment in the public and private sector in accordance with the mission assumed at the level of the Bittnet group.

## Cybersecurity (Fort)

In H1 2023, Fort continued its process of growth and diversification of the services offered to clients. At the same time, innovation remains a topic of maximum interest for the company.

### Clients and prospecting activity

- A first contract for the delivery of cyber security services under the “*managed security services*” regime was signed. Through this type of collaboration, Fort acquires the necessary licenses and security equipment for the project and offers them as a service to the end customer, “bundled” with its own installation, configuration and maintenance activities. The contract is concluded for a period of 36 months and represents an additional step in increasing the share of recurring income in the company's turnover.
- The process of international expansion continues to be a central point of the development strategy. In H1, over 20 meetings were organized to present Fort services to companies outside Romania, 2 of them generating concrete opportunities for collaboration. Efforts in this direction of development will continue in H2 as well, with the company evaluating expansion opportunities both in the United States and in Southeast Asia
- Company representatives participated in multiple marketing events, in order to create a high level of awareness of cyber security, as well as to promote the services provided
- H2 marked the start of collaboration with a number of 5 new clients, who chose to entrust Fort with multiple operational aspects related to cyber security.

### Research and innovation

- The research project that the company started in 2022 is starting to generate results. In H1, a first version of the complex prediction algorithms that will be used in the final version of the application was launched. The tests carried out regarding the developed functionalities showed a degree of accuracy that allows the use of the solution, but which requires additional improvements. In the following period, the project team will focus on completing the research process, on the functional finalization of the solution and on the creation of the final software product.

### Human Resources

- In order to support the ambition of identifying opportunities outside the borders, Fort started in April 2023 an extensive recruitment process for the company's sales activity. It is expected that the results of these actions will be visible in Q4 2023 and in Q1 2024

## Financial

- The financial results of the company were influenced by the investments made in branding, sales processes, research and development, as well as in the growth and loyalty of the team
- Fort recorded an 11% increase in turnover compared to the same period last year
- The transition from a classic delivery model of security products to one based on *"managed services"* leads to a decrease in turnover in the short term, in contrast to the assurance of recurring income for a period of at least one year. The result of the first 6 months reflects this change from the point of view of the implementation method
- The company's clients have postponed a series of projects for Q3 and Q4, a fact that is negatively reflected in the company's profit and loss account for the reporting of the first 6 months, but which we predict will bring better results for the second half of the year, through comparison with the same period of 2022

## Prerequisites for H2

- Fort will continue to invest in sales and marketing activities, in view of the generation of projects for Q4 2023 and for 2024
- The sales channels through which the company's services are promoted are to be redefined and a dedicated team will be assigned to each type of channel
- The company will invest in expanding the portfolio of cyber security services, mainly the specific activity of *"managed services"* activities and penetration tests
- The quality of service provided will be maintained at the level to which customers have become accustomed, through the recruitment and training of new cyber security experts

## Platforms & Software

### Eliau Solutions

Eliat registered a 55% increase in turnover compared to the H1 2022 result, with growth in each of the 3 Eliat-specific directions (Sale of licenses/implementation services/support services), as follows:

- Licenses: +81%
- Implementation: +50%
- Support: +22%

In H1 2023, the turnover structure changed, in the sense that the share of license sales in CA increased (44% in H1 2023 vs 38% in the same period of 2022). The increase comes as a result of the increase in the number of new subscriptions (SaaS licenses for new clients), plus requirements to extend the existing licenses for some of the clients in the portfolio. Implementation services increased by 50% compared to the same period last year, as a result of the sustained delivery of projects.

**Go Lives:** H1 2023 was a semester in which 14 projects were delivered – upgrades from old versions & implementations – Sigma, Abra (Simultec), Viarock, Viastein, Euro Fittings, Time International Trading, Sophore, Riso Scotti, Wirtek, Dachim and Comcereal, Tar Farming. We went live with 2 more companies from the group, Top Tech and 2 Net. All the 14 Go live sessions had a sustained rhythm, the solutions are stable.

The team has grown compared to the same period last year, each team (2 implementation, 1 programming, 1 support, 1 sales) having a stable structure. We have strengthened the project management department to ensure delivery of projects at a steady pace.

We continue to develop the Agro vertical. In addition to the 2 companies in the field where we already went live with custom solutions this semester (Dachim, part of the ROCA Agri RDF Holding, and Comcereal), we started the implementation at Plantagro COM SRL (based on the group-level partnership with Vodafone) and I signed with the Vectr group of companies. The Agro solution is developed by the Eliat team on the Dynamics 365 Business Central platform and addresses the specific requirements of the agro business – agricultural production, management of lease contracts, grain trading, distribution of inputs for agriculture.

**What are our goals for H2:** The intention is to start being present on foreign markets, especially the USA. In this respect, the contract was signed with TechTarget, the agency that does lead generation for these markets.



## Nenos & Nonlinear

In this last quarter, the customized solutions built by the Nenos/Nonlinear team in the field of artificial intelligence and web development allowed our customers to benefit from quality services, tailored specifically to their needs.

**New collaborations.** We have recently successfully concluded a long-term collaboration with another software company and are grateful for the valuable experience we have gained so far with them. We are pleased to announce that this project will continue with a new local software partner, a collaboration where we will offer the same quality of service that we are accustomed to with our partners.

**Nenos Academy.** Nenos Academy is now in the midst of its third edition and we are proud to announce that the number of interested students who have successfully passed the interview and initial assessment stage has increased significantly. This time, students are trained exclusively within the FullStack Developer program, benefiting from the guidance of a mentor with extensive experience in web development.

At the same time, we are preparing for the closing event of the second edition, which will take place in physical format. We have prepared a series of interactive activities, mentor discussions and feedback sessions, giving graduates and current students an opportunity to interact and form a close-knit community. From this new series of graduates we have recently added a new member to our team who has successfully passed the academy assessments and he fits in with the team.

We are glad that we manage to grow this community with each edition we organize and provide an enabling environment for interested students to develop their skills, whether they want to improve their existing skills or access the IT job market.

**Professional Development.** We also try to encourage the personal and professional development of employees, by engaging in projects that provide learning and training opportunities, supporting employees in developing their skills and competencies, and creating an environment that encourages growth and career progression. In June, our team of team leaders successfully completed the Software Architecture course, providing a valuable example to our colleagues who will take the UI/UX Designer courses starting this summer.

We value employee involvement and participation in knowledge sharing sessions. So, we started organizing internal training sessions, where colleagues who have new knowledge can share it with the team. We are always encouraging new ideas, exploring emerging technologies and ensuring the delivery of high quality products and services.

## About BNET shares in H1 2023

Analyzing the price dynamics of BNET shares, we find a 'lateral' movement almost identical to the dynamics of the BET-XT index, of which BNET shares are also a part.

Trading volume on the spot market was again significant: 42,857,853 shares and the total value of trades in BNET shares during this period amounted to RON 12.8 million. The stock market capitalization has increased since the beginning of the year by 21%, thanks to the increase in share capital with new cash contributions carried out in Q1, reaching the value of RON 184.6 million at the end of 1st Semester.



\*Dynamics of BNET vs BET-XT share price in the first 6 months

A frequent question in private talks with investors is “if the company is doing such great things, why isn’t the share price growing?” Unfortunately, management cannot provide an answer to this question, since management does not control the share price.

What we can do is to show the table below, in which we analyze a few companies that have similar services, together with the multiples that they are currently being traded at. We also remind shareholders that starting with 2020, Bittnet enjoys independent analysis reports, available on the "BVB research" hub: <https://bvbresearch.ro/ReportDashboard>

Company Name	Hist. P/S (5Y)	P/S	EBITDA Margin	EBIT Margin	EV / EBITDA	P / E	P / FFO	ROE (FY o)	FFO / Revenue
Telelink Business Services Group AD		0.78	41.4%	39.4%	2.13	11.95	19.16	54.7%	
Infosys Ltd	4.76	3.92	24.1%	21.3%	15.64	24.07	25.37	33.3%	8.0%
Accenture PLC	3.32	3.30	16.9%	15.2%	16.91	28.09	21.15	30.7%	7.6%
Shelly Group AD	3.71	6.63	70.9%	69.3%	8.88	32.81	37.06	29.2%	
Prevas AB	0.82	0.89	14.6%	12.0%	6.32	11.00	10.36	24.0%	7.3%
Micro Systemation AB (publ)	2.43	2.50	8.9%	5.2%	21.91	45.61	10.92	21.5%	
Endava PLC		2.82	19.1%	14.7%	13.84	23.11	16.01	21.0%	12.8%
Cyberoo SpA		8.34	43.0%	27.9%	19.50	46.43	27.13	20.5%	
Capgemini SE	1.44	1.26	14.9%	11.6%	9.73	17.33	13.11	17.8%	6.8%
Cognizant Technology Solutions Corp	2.20	1.83	18.2%	15.3%	9.94	16.43	14.24	17.6%	10.1%
Wipro Ltd	2.93	2.34	18.6%	15.1%	11.16	19.52	12.93	17.2%	10.6%
Asseco South Eastern Europe SA	1.71	1.53	19.9%	13.9%	7.46	14.29	9.96	17.1%	9.8%
Sygnity SA	0.87	3.36	17.0%	11.9%	17.16	29.18	15.23	14.1%	11.7%
Profile Systems and Software SA	2.86	4.30	25.1%	16.6%	16.13	32.21	42.35	12.3%	
CACI International Inc	1.07	1.13	10.6%	8.5%	12.87	20.12	19.45	12.3%	6.9%
Atende SA	0.53	0.45	5.7%	1.3%	5.70	14.87	13.07	11.0%	
NTT Data Group Corp	0.89	0.70	15.2%	7.4%	9.32	19.40	5.89	9.4%	1.3%
<b>Median</b>	<b>1.27</b>	<b>1.13</b>	<b>14.3%</b>	<b>8.5%</b>	<b>9.32</b>	<b>20.12</b>	<b>10.92</b>	<b>8.7%</b>	<b>6.9%</b>
Bittnet Systems SA	1.14	0.61	6.2%	3.9%	13.49		7.95	8.7%	8.3%
Comarch SA	0.91	0.64	12.4%	7.3%	3.72	12.06	6.19	7.8%	1.6%
Asseco Poland SA	0.44	0.36	14.3%	9.2%	3.95	12.64	3.57	7.7%	8.8%
Comp SA	0.34	0.40	10.3%	4.1%	6.06	11.71	4.65	4.6%	
Corero Network Security PLC	3.82	2.06	14.9%	3.4%	12.39	74.54		3.5%	
Converge Technology Solutions Corp	0.64	0.22	6.3%	2.6%	6.25	48.18	8.07	1.9%	3.0%
Betacom SA	0.16	0.07	2.4%	-0.3%	0.78	321.77	1.19	0.3%	
Crayon Group Holding ASA	0.78	1.61	14.4%	8.6%	14.04		18.30	-5.3%	3.5%
Talex SA	0.46	0.55	2.1%	-3.6%	22.10		9.25	-5.5%	
Datatec Ltd	0.09	0.09	2.2%	0.9%	5.35		4.07	-7.1%	
Tenderhut SA		0.46	5.6%	1.8%	349.33			-12.3%	
<b>Average</b>	<b>1.66</b>	<b>1.71</b>	<b>14.8%</b>	<b>9.0%</b>	<b>19.41</b>	<b>35.87</b>	<b>17.91</b>	<b>-13.0%</b>	<b>3.9%</b>
Solteq Oyj	0.71	0.31	9.4%	1.3%	9.12		9.21	-23.3%	-5.4%
Enea AB	3.75	1.13	32.9%	14.7%	5.17		4.26	-25.8%	14.8%
Tpximpact Holdings PLC	1.67	0.41	2.7%	-5.8%	24.10			-26.2%	
Smoove PLC	1.80	1.32	-22.9%	-28.2%				-28.5%	-26.9%
Atos SE	0.48	0.07	8.2%	1.7%	3.88		9.70	-28.9%	-4.8%
Avensia AB	1.59	0.81	0.4%	-3.0%			173.78	-97.8%	-5.4%
Satis Group SA		3.58	-24.5%	-24.5%				-593.2%	
Streamwide SA	4.29	2.88	55.4%	24.9%	4.62	15.56	5.43		
Tech Mahindra Ltd	2.03	2.18	15.1%	11.5%	15.15	24.18	20.98		2.8%
Adtalem Global Education Inc		1.23			6.21	24.42	16.54		0.0%
Novotek AB	1.41	1.02	12.5%	9.7%	6.31	16.98	8.44		
Unisys Corp	0.40	0.13	11.9%	2.7%	1.52		1.99		-0.4%

\*Data from Eikon Reuters, exported on August 2023.

## About Bittnet Bonds in H1 2023

At the moment, Bittnet is the issuer of 3 corporate bond issues, all listed on the Bucharest Stock Exchange: BNET23A, BNET26E and BNET27A. At the time of writing this report, the issuer is up-to-date with the coupon payment.

During the first semester, the Issuer repaid the BNET23C bond issue worth RON 10 million at maturity (in January), and in July it repurchased the BNET23 issue worth RON 4.7 million and paid the last related coupons.

At the end of the first semester, Bittnet held the first public offering of corporate bonds in which investors could subscribe in a price range. 460 investors bought all 50,000 BNET27A bonds in this operation, the total face value of the issue being RON 5,000,000.

### About BNET23C (redeemed in January 2023)

On 23.01.2023, the Issuer reimbursed the BNET23C issue at maturity, in the total amount of RON 10,000,000 and paid the last related coupon to the holders.

### About BNET23 (redeemed in July 2023)

In 1st Semester 2023, 1,754 BNET23 bonds were traded (3.7% of the total issue of 47,000 instruments) at an average price approximately equal to the face value, which raised the total value of the 'exchanges' to RON 179 thousand. The BNET23 issue in H2 2018 partially financed the acquisition of stakes in Elian Solutions (51%) and Equatorial Gaming (25%), with the remaining amounts used as working capital.

On 05.07.2023 the Issuer redeemed at maturity the face value of the BNET23 issue and paid the last coupon on it.

### About BNET23A

BNET23A bonds recorded, in the first half of 2023, transactions worth RON 160 thousand on a volume of 1,603 instruments at an average price of 100.3% of the face value.

Between December 2019 and January 2020, Bittnet completed the largest bond issuance in its history, in the context of the financing of the M&A project involving the transfer of business from Crescendo International to Dendrio: BNET23A (RON 9.7 million) and BNET23C (RON 10 million - redeemed). 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).

If the BNET23C bond issue has already been redeemed at maturity (January 2023), the BNET23A issue will be repaid at maturity in December 2023.

### About BNET26E

The first foreign currency issue in Bittnet's history was conducted by private placement at the end of 2022. Its total face value amounts to 2,059,600 euros.

BNET26E bonds are registered bonds with a face value of EUR 100 each and bear a fixed interest rate of 9% per annum. The maturity of the issue is 42 months (3.5 years from issue). The broker of the offer was SSIF BRK Financial Group, which assisted the Issuer in the listing process at the Bucharest Stock Exchange, on 07.03.2023.

From the listing date until the end of the semester, 2,472 BNET26E bonds were traded (representing 12% of the total issue) at an average price of EUR 103/instrument, totalling EUR 255 thousand. During the first semester, the issuer paid the first 2 coupons to the BNET26E bondholders.

### About BNET27A

Between May 30 and June 21, Bittnet held the first public offer for the sale of corporate bonds (previous offers were held through the private placement mechanism) through which a maximum number of 50,000 unsecured corporate bonds were put up for sale, with a face value of RON 100. Interested investors had the opportunity to subscribe in the price range: RON 96-104 per bond, respectively between 96% and 104% of the face value of the instrument. During the offer period, a total number of 803 purchase orders were placed, and the Issuer closed the offer at the face value, RON 100. A number of 71,814 bonds were subscribed at this price, and 14,393 bonds were subscribed at prices higher than the offer price. According to the Offer Prospectus, the allocation to the accepted subscriptions (placed at the offer price and higher prices) was made pro-rata, the allocation index being 0.5799993040. Purchase orders at prices below the issue price not being executed. Following this operation, Bittnet issued 50,000 bonds with a total face value of RON 5,000,000, maturity at 4 years and fixed interest of 10% per year, payable quarterly through the Central Depository. Starting from July 19, BNET27A bonds are tradable on the Regulated Market (section dedicated to this type of instruments).

From 2016 until now, Bittnet has run 7 offers of corporate bond issues, in RON and EUR, attracting almost RON 50 million in borrowed capital through this instrument. Of these, 4 issues (BNET19, BNET22, BNET23C and BNET23) have already been redeemed at maturity or early, representing almost RON 25 million of borrowed capital returned to investors and more than RON 11 million of interest paid in the form of quarterly/half-yearly coupons.

## 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 2023.

### Balance sheet items

#### Fixed assets

	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Goodwill	73,998,774	42,181,893	21,082,977	17,701,643
Other intangible assets	9,316,732	8,909,654	9,029,741	6,657,664
Tangible assets	32,957,034	20,992,230	1,893,046	5,994,018
Equivalent titles	2,901,080	2,738,174	9,665,686	991.756
Other financial assets	3,458,689	1,594,252	329.964	1,417,421
Deferred tax	2,782,815	909.993	545.393	643.354
<b>Total fixed assets</b>	<b>125,415,123</b>	<b>77,326,195</b>	<b>42,546,806</b>	<b>33,405,855</b>

Compared to H1 2022, goodwill increased with the value of the M&A transactions completed last year, respectively with TopTech and znet, but also with the registration of the transaction with Dataware in June 2023. Tangible fixed assets increased by 57% mainly due to consolidations in the Cloud& Infrastructure pillar (joining the Group in the last 12 months of the 3 companies).

Financial assets registered a significant increase due to 2 elements: 1. entry into the consolidation perimeter starting from H2 2022 of TopTech and znet companies, with business specifics that also require the establishment of collateral deposit guarantees to ensure good execution for some commercial contracts; 2. new collateral cash assets for some bank loan contracts – as part of the guarantee structure.

In total, the Group's fixed assets increased by more than 60% in H1 2023 vs. the same period last year.

## Current assets

	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Inventory	37,857,155	3,690,013	1,659,529	971.621
Trade and other receivables	77,008,719	38,721,488	28,560,071	37,021,583
Financial assets	13,204,091	15,301,841	4,409,338	-
Cash and equivalents	52,225,013	19,036,605	26,243,253	26,063,622
<b>Total current assets</b>	<b>180,294,977</b>	<b>76,749,948</b>	<b>60,872,190</b>	<b>64,056,826</b>

The total value of current assets at the consolidated level naturally increased with the size of the group and considering the entry into the scope of consolidation, starting from H2 2022, of some companies of a significant size. On June 30, 2023, receivables from customers doubled compared to last year (+106% vs. June 30, 2022), almost similar in percentage to the expansion of the group's businesses (which recorded an advance of 109% vs. June 30, 2022). These percentages show us that the group maintains a healthy cycle of cashing in on customers.

Trade receivables plus the value of the inventory mid-year covers trade payables by 94%. For comparability, this percentage of receivables covering commercial debt was 113% in the middle of last year. This variation shows us the value of a strong financial situation (cash and equity) – we can obtain good payment terms from suppliers to carry out complex projects.

Thus, suppliers credited us with inventory of RON ±37 million (to be invoiced to the customers for approximately RON 41 million ), *giving us payment terms that allow us to continue operating with significant operational cashflow*. In other words, comparing current assets (receivables from customers and stocks at the value to be invoiced to the customer) and current trade debts, we can see that approximately RON 3 million of the cash holdings from 30.06.2023 come from the too aggressive management of the cash conversion cycle.

Compared to the known, historical approach of the Group, in H1 2023 inventory recorded the largest advance among current assets (+948%) explained by the fact that in the second half of the year the delivery of some projects of significant value (by the companies from the Cloud& Infrastructure pillar). Although unusual, this is a good thing, because in this way we will be able to fulfill our contractual obligations, keeping both the safety of the delivery and the estimated gross margins for bidding.

**As an example – just in July and August we have shipped inventory worth approximately RON 8 million and invoiced projects with a combined value (goods + services) of RON 28 million.**

Compared to June 30, 2022, but also compared to the end of last year, cash and cash equivalents recorded the highest value on June 30, 2023: RON 52,2 million (by RON 10 million more vs. 31.12.2022) given that in H1 2023 it matured and we reimbursed the largest issue of Bittnet bonds so far, BNET23C, worth RON 10 million, but we also carried out the largest cash capital increase operation. Also, in H1 2023 we repaid bank loans of RON 9.5 million , paid RON 2,8 million in interest for bonds and bank interest, RON 2,6 million in finance lease payments and RON 615 thousands in dividends distributed to minority interest holders in the companies where we are the majority. As mentioned above, from the RON 52 million in cash, approximately 3 million will have to be allocated in Q3 to adjust the trade balance – payments to suppliers in addition to what we will collect from customers.

The decrease in financial assets is fully explained by the revaluation of the fair value investments held by the group.

### Statement of the group's capital

	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Share capital	63,417,671	52,848,060	48,043,690	22,904,973
Issue premiums	31,934,768	9,738,583	14,542,953	982.966
Other equity items	(6,460,513)	(11,781,441)	(17,781,183)	1,671,049
Legal reserves	1,324,823	1,293,894	524.871	365.212
Reported result	885,119	7,942,492	(5,010,621)	(5,978,216)
Current result	(6,564,665)	(2,617,443)	1,675,568	834.978
<b>Total capital</b>	<b>84,537,203</b>	<b>57,424,145</b>	<b>41,995,279</b>	<b>20,780,962</b>
Minority interests	5,157,620	2,479,542	39.413	422.871
<b>Total equity</b>	<b>89,694,824</b>	<b>59,903,687</b>	<b>42,034,691</b>	<b>21,203,832</b>

During the period under review, the group's equity registered a significant increase, mostly due to the increase in share capital with new contributions in cash and receivables carried out in the first quarter (+ RON 32.7 million) reaching on June 30, 2023 the value of RON 90 million (almost 50% increase compared to H1 2022 and more than a doubling compared to H1 2021).

We remind you that, analyzing the historical evolution of this indicator, we can distinguish two very important values for investors: the average annual return (own capital generated, divided by the own capital from the beginning of the year) – [ROE – registers a value of approximately 55%](#), and the annualized return of capital raised by means of capital increases ([IRR](#)) [a value of over 30%](#).

The current situation – capital of approximately RON 90 million and Net Financial Debt of approximately RON 15 million differs from the ideal situation in that we are under-borrowed, not over-borrowed!



## The Group's liabilities

	30 June 2023	30 June 2022	30 June 2021	30 June 2020
<b>Total liabilities</b>	<b>216,015,277</b>	<b>94,172,456</b>	<b>61,384,305</b>	<b>76,258,848</b>
<b>Total long-term liabilities</b>	<b>56,077,035</b>	<b>36,162,039</b>	<b>28,212,902</b>	<b>32,755,953</b>
Of which:				
Bonds	14,539,562	14,287,501	24,044,334	28,304,011
Bank loans	21,287,096	5,253,893	3,290,602	1,624,738
Leasing debts (IFRS16)	20,250,377	15,985,072	792.636	1,756,865
<b>Total short-term liabilities</b>	<b>159,938,242</b>	<b>58,010,417</b>	<b>33,171,403</b>	<b>43,502,895</b>
Of which:				
Bank loans	15,305,894	3,678,618	7,253,564	6,121,554
Bonds	14,829,812	10,814,434	872.768	889.781
Trade liabilities and other liabilities	122,288,453	40,483,642	20,693,396	34,168,678

The total increase in payables is fully explained by the growth of the group's business and the increase in payables to suppliers in line with receivables from customers and the value recorded in the increase in inventories. If until now, we could say that the Group does not operate with significant values in stocks, following the joining of Dataware and Top Tech in the Cloud & Infrastructure pillar the situation has changed due to the typical business that involves the purchase of project base equipment and delivery & configuration over a longer period of time.

Trade receivables plus inventory cover trade payables by 94%. Suppliers have credited us with ± RON 37 million in inventory, which will be invoiced to customers with a commercial upside. For example, in July and August we shipped ±8 million in inventory, but we invoiced ± 28 million in receivables.

Total bank liabilities increased, especially long-term ones (+316%) considering the contracting of investment loans for new M&A acquisitions, while short-term bank liabilities increased (+305%) in line with the needs from current activity as a result of the Group's growth. This approach to bank lending continues the trajectory we have always followed: to have funding resources available for as long as possible. Thus, if in H1 2021, ±70% of bank debt was short-term, and in 2022, ±43% of bank debt, now short-term bank debt represents only ±46% of the total.

Compared to H1 2022, this year, the position of "*trade and other debts*" no longer contains the debts resulting from the various ongoing M&A transactions, at the present time the Group no longer records liabilities from this activity. The growth of this position is fully explained by the expansion of the Group both organically and inorganically as a result of the M&A transactions in 2022 and in H1 2023. Trade receivables from customers plus the market value of stocks cover 94% of debts to suppliers.

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 2021, the ratio is the other way around, the financial debts amounting to less than 38 million, compared to the capital of RON 48 million. As for the report from June 30, 2022, this positive evolution continued, with financial liabilities recording the value of RON 34 million (down compared to H1 2021) and equity had the value of 59.9 million (increasing compared to H1 2021) . On June 30, 2023, the trend of the past years was maintained, financial liabilities increased to the value of RON 65.7 million (mainly due to the contracting of new bank loans) while equity recorded the highest value: RON 88.4 million (+48% vs June 30, 2022).

This picture of the debts must be completed with the cash position of RON 52 million and the ability to generate additional cash (cash flow from operations) of RON 20 million in H1 2023, comparable to the entire year 2022.

### Situation of bank lending

At the end of Semester 1 2023, the Group had contracted investment loans (long-term) and for the financing of working capital (short-term) of RON 36.5 million from the main credit institutions in Romania. Of these, approx. RON 18 million represented investment loans contracted from ProCredit Bank and Banca Transilvania to finance the acquisitions of the companies Top Tech and znet Computer as well as 70% of Dataware.

In addition to the 2 investment loans, the Group also has revolving-overdraft credit products available for working capital financing, in national currency and euro, contracted with Banca Transilvania, ProCredit Bank, BRD, Raiffeisen, ING Bank, Unicredit Bank and OTP Bank as well as non-cash ceilings for issuing bank letters of guarantee in order not to tie up own cash in this type of instruments.

From the total ceilings available to the group for financing the current activity, the amounts accessed are reproduced in Note 11 to the consolidated financial statements.

While bond issues represent long-term borrowed capital of 3-4 years, the Group's bank lending structure is predominantly made up of products aimed at short-term financing of one-off projects.

The Group is in constant contact with the banking industry trying to continuously improve the working capital financing situation as well as to access new investment products for future M&A projects.

## Revenue account

### Sales analysis

The most significant element worth mentioning in the sales sequential analysis is the continued growth of the services provided by the group - as a vector for increased profitability over the next 5 years. Revenue from services is more than double compared to 2 years ago, recording in H1 2023 a value comparable to the entire turnover of 5 years ago. Compared to H1 2022, services increased by 9.2%. It is worth mentioning here the basis effect -- the inclusion in H1 2022 services of RON 3 million of the training project resold with a very low gross margin, inherited at CLC. **Taking this adjustment into account, the actual increase in services is 20%.**

The decrease of the gross margin percentage on the sale of ITC solutions from 16% to 10% is explained by the entry into the consolidation perimeter of some companies with different sales patterns, to be improved in the coming years, as a vector for increasing profitability.

In total, the Group's turnover has doubled (+110% vs H1 2022) and the Gross Margin has increased with 32%.

### Consolidated P&L Presentation

	30 June 2023	30 June 2022	30 June 2021	Evolution
<b>Revenues from contracts with clients</b>	<b>146,052,496</b>	<b>69,482,899</b>	<b>48,167,941</b>	<b>110,2%</b>
Revenues from the provision of services	35,646,327	32,656,739	15,396,596	9,2%
Sale of goods	110,406,169	36,826,161	32,771,344	199,8%
<b>Cost of sales</b>	<b>122,507,431</b>	<b>51,605,347</b>	<b>37,602,853</b>	
Cost of sale of goods/materials	98,987,818	30,782,711	27,571,630	221,6%
Cloud services	2,725,548	2,654,728	2,624,922	2,7%
Man-Hours	20,794,065	18,167,908	7,406,301	14,5%
<b>Gross margin</b>	<b>23,545,065</b>	<b>17,877,553</b>	<b>10,565,088</b>	<b>31,7%</b>
<b>Other revenues</b>	<b>3,169,656</b>	<b>561.852</b>	<b>278.982</b>	<b>464,1%</b>
<b>Sale/distribution expenses</b>	<b>8,445,234</b>	<b>5,949,782</b>	<b>4,264,571</b>	<b>41,9%</b>
Man-Hours	7,122,707	4,789,280	3,385,594	48,7%
Advertisement	1,322,528	1,160,502	878.978	14,0%
<b>Administrative expenses</b>				
(of which)	<b>19,198,781</b>	<b>8,896,716</b>	<b>5,525,914</b>	<b>115,8%</b>
Man-Hours	8,170,111	3,609,682	2,623,755	126,3%
Amortisation	3,812,498	1.514.613	40.252	151,7%
Rent / lease	2,956,650	1.675.307	116.045	76,5%
<b>Operating profit</b>	<b>(954.078)</b>	<b>3,612,495</b>	<b>1,053,588</b>	<b>-126,4%</b>

The increase of RON 2.4 million in sales expenses should not worry us, given the increased sales efficiency: in H1 2022 each RON spent for sale was returning 11.7 RON. In H1 2023 this ratio is 16.7x.

is exclusively due to the expansion of the footprint of the consolidation perimeter with new companies (costs that did not exist in H1 2022).

The increase in human resources costs in the sales activity is almost entirely explained by the expansion of the consolidation perimeter.

The same observation as above should be made in regards to the administrative costs – which apparently double from 2022. The 10 million lei difference is almost entirely explained by the increase of the consolidation perimeter plus the new rent contract for the ONE offices. The administrative costs are constant as a percentage of sales.

Leasing expense are higher both because of the extended consolidation perimeter and because of the ONE Cotroceni offices.

We believe an extra important aspect to be noted is the fact that Fort is currently running a EU funds project, that will result in an application for the Insurance industry, based on A.I. This project (given the own contribution aspect) is currently generating expenses that are larger than the revenues. One third of the group's operational loss comes from this particular project.

## Trailing Twelve Months financial results

The group that we are analyzing today is completely different than the one in the previous period. For the next periods however, we find it most probable that evolutions will be mainly organic, whereas past evolutions were driven by M&As:

	Trailing 12M H1 2023	Trailing 12M H1 2022	Trailing 12M H1 2021	Evolution
<b>Revenues from contracts with clients</b>	<b>268,726,087</b>	<b>134,341,780</b>	<b>100,460,416</b>	<b>104.93%</b>
Cost of sales	(220,314,352)	(102,635,250)	(80,160,679)	121.59%
<b>Gross margin</b>	<b>48,411,735</b>	<b>31,706,530</b>	<b>20,299,738</b>	<b>52.69%</b>
Other revenues	6,089,263	4,369,956	462,003	39.34%
Sales/distribution costs	(16,288,784)	(11,232,494)	(8,424,949)	45.01%
Administrative expenses	(34,411,275)	(14,951,970)	(9,404,384)	130.15%
<b>Operating profit</b>	<b>3,806,637</b>	<b>9,892,022</b>	<b>2,932,408</b>	<b>-61.58%</b>
SOP expenditure	(790,770)	(1,209,387)	(1,102,729)	-34.61%
M&A costs	(1,192,326)	(2,260,179)		-47.25%
Goodwill Impairment	(495,000)			
Profit/(loss) – Equivalent securities	162,905	417.845	521.495	-61.01%
Financial income	(1,545,514)	7,306,620	3,601,537	-121.15%
Financial expenses	(6,060,793)	(2,971,044)	(3,730,947)	104.00%
<b>Gross profit</b>	<b>(6,120,558)</b>	<b>13,436,055</b>	<b>2,221,764</b>	<b>-154.8%</b>
Income Tax	327,332	(1,151,017)	(574.897)	-63.15%
<b>Net Profit, of which:</b>	<b>(6,447,890)</b>	<b>12,285,038</b>	<b>1,646,867</b>	<b>-162.7%</b>
Net profit attributable to parent company	(8,711,579)	9,429,125	1,735,717	-217.22%
Non-controlling interests	2,263,689	2,855,913	-88.850	-20.74%

We can observe the same increase in sales efficiency (from 11.7x to 16.5x revenue versus sales expenditures), and a flat evolution of admin expenses as a percentage of revenues.

What we need to keep focusing on is the increase of the GM as a percentage of revenues, especially via selling more services. As a proof, the GM evolution is 53%, where revenue increased 105%, but this ratio should be inverse – GM should increase faster than revenues. This should be achieved by increasing the billable time percentage of engineers.

## Operating, financial and gross profit

The Group's operating result in the period under review is a loss of RON 1 million, versus a RON 3.6 million profit last year. This comes entirely from the Education business (that also contains group / holding expenses) : RON 3.8 million operating loss. The IT Services activity brought in 2.9 million in operational profits.

The financial result is a RON 4.5 million loss, out of which 3.5 are cash and 1 million is IFRS adjustments for the share based payments and marking to market our CODE and AST holdings. The gross income is thus a RON 5.4 million loss, 3 times the one recorded in H1 2022.

BNET GROUP	30.Jun.23	30.Jun.22	Evolutie
<b>EBITDA</b>	<b>2,883,203</b>	<b>5,107,520</b>	<b>-43.5%</b>
<b>Operational profit</b>	<b>(954,078)</b>	<b>3,612,495</b>	<b>-126.4%</b>
<b>One-offs</b>	24,784	(19,588)	-2.2652639
<b>EBIT</b>	<b>(929,294)</b>	<b>3,592,907</b>	<b>-125.9%</b>
SOP	(443,724)	(543,725)	-18.4%
Goodwill impairment	-		
M&A costs	(249,282)	(707,777)	-64.8%
Equity method revenue / loss	(17,861)	92,864	-119.2%
Securities MTM	(586,293)	(1,600,796)	-63.4%
Financial revenues	184,164	(576,302)	-132.0%
Financial expenses	(3,396,765)	(1,644,853)	106.5%
<b>Gross Income</b>	<b>(5,439,055)</b>	<b>(1,387,682)</b>	<b>292.0%</b>

## Net profit

The net result in H1 2023 is in line with the gross profit, recording a value of minus RON 5.4 million, versus a loss of 1.1 million in H1 2022.

## Declared and paid dividends

The Company did not pay dividends in the 1st semester of 2022. [The company's dividend policy is detailed here](#)

## Cash Flow Statement

Cashflow from operations registers the highest value in history, similar to the entire previous year, confirming the advantages given by the strong financial position (cash and equity) – we can obtain good payment terms from suppliers to carry out complex projects.

Thus, the suppliers credited us with stocks of RON ±37 million (to be invoiced to customers for approximately RON 41 million ) granting us payment terms that allow us to continue operating with significant operational cashflow. In other words, comparing current assets (receivables from customers and stocks at the value to be invoiced to the customer) and current trade debts we can see that approximately RON 3 million of the cash holdings as of 30.06.2023 come from the too aggressive management of cash conversion cycle and are used in Q3 to cover accounts payable.

Instead, this cashflow combined with the capital increase carried out in March 2023 (in which we attracted RON 29.7 million) and with the sale of treasury shares allowed us to make payments for the acquisition of companies in the amount of RON 22.7 million, to repay bonds worth RON 10 million and bank credits of RON 9.5 million, without affecting our cash position. On the contrary, the cash in the accounts available on 30.06.2023 records the highest historical value: RON 52 million, approximately one third of the market capitalization.

	30 June 2023	30 June 2022	30 June 2021
<b><i>Cash flow from operating activities:</i></b>			
<b>Gross profit</b>	<b>-5,439,055</b>	<b>-679,905</b>	<b>2,038,932</b>
Adjustments for:			
Depreciation expenses	3,812,498	1,514,613	1,401,713
Expenses related to disposed assets	4,240		86.016
Benefits granted to SOP employees	443,724	543,725	401,249
Interest expenses and other financial costs	2,428,984	1,571,590	1,620,250
Interest expenses and other financial costs - leasing	793,841	158,617	230,140
Interest income and other financial income	(115,503)	-17,839	-73,060
Investment income	517,632	2,194,936	-2,511,393
Equity securities gain	17,861	-92,864	-448,033
<b>Operating profit before working capital change</b>	<b>2,713,503</b>	<b>5,192,983</b>	<b>2,745,815</b>
Variance of the receivables accounts balances and other receivables	31,014,373	- 5,097,335	3,564,247
Variance of the inventory accounts balances	5,433,602	-2,505,051	-502,477
Variation in trade liabilities and other liabilities accounts	-17,496,520	2,711,906	-4,513,685
<b>Cash generated from operation</b>	<b>21,664,958</b>	<b>302,504</b>	<b>1,293,899</b>
Profit tax paid	-1,213,048	-687,150	-146,157
<b>Net cash from operating activities</b>	<b>20,451,910</b>	<b>-384,646</b>	<b>1,147,743</b>
<b><i>Cash flow from investing activities:</i></b>			
<b>Payments for the purchase of subsidiaries, less purchased cash</b>	<b>-21,838,806</b>	<b>-6,787,942</b>	
<b>Payments for the purchase of participation interests</b>	<b>-841,345</b>	<b>-830,127</b>	<b>-1,075,236</b>
<b>Proceeds from the sale of participating interests</b>		<b>7,859,959</b>	
Loans granted to related entities	-450,000	240,000	-240,000
Acquisitions of tangible and intangible assets	-1,179,782	-762,998	-739,583
Other investments in financial instruments		-4,179,500	-1,865,800
Proceeds from other financial investments		4,602,608	1,427,555
Collected dividends	68,661	134,220	385,082

	Interest received	102,681	39.143	73.060
<b>Net cash from investment activities</b>		<b>-24,138,591</b>	<b>315,362</b>	<b>-2,034,922</b>
<i>Cash flow from financing activities:</i>				
	Proceeds from share issue	29,701,386		10,412,024
	Repurchases/sales of own shares	4,550,607	25.715	166.200
	Drawings from bank loans	(9,514,547)		0
	Repayments of bank loans	4,885,127	-1,277,548	-1,610,281
	Repayments of bond issues	(10,000,000)		-4,500,000
	Payment of finance lease liabilities	(2,646,748)	-639.434	-720.646
	Interest paid	(2,748,895)	-1,386,756	-1,450,254
	Dividends paid / received	(615,600)	-1,019,176	-39.266
<b>Net cash from financing activities</b>		<b>13,611,330</b>	<b>-4,297,308</b>	<b>2,257,776</b>
<b>Net increase in cash and cash equivalents</b>		<b>9,924,649</b>	<b>-4,366,592</b>	<b>1,370,597</b>
Cash and cash equivalents at the beginning of the financial year		42,300,365	23,403,197	24,872,655
Cash and cash equivalents at the end of the financial year		52,225,014	19,036,605	26,243,252



### 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 2022 versus 2021 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	Q1 2020	Q1 2021	Q1 2022	Q1 2023
Current liquidity rate	Current assets /current liabilities	1.52	1.84	1.46	1.12
Rapid liquidity ratio	(Current assets - Inventories) /Current liabilities	1.41	1.79	1.39	0.89
Average duration of collection of customers (DSO)	Balance from customers / Capital turnover * 180	110	91	100	95

Current liquidity and fast liquidity are two of the most important financial ratios of a company and measure its ability to pay short-term liabilities using short-term available assets.

For the first time in history, the rapid liquidity rate registers a subunit value, which is significantly influenced by the Inventory situation, especially at Dataware: suppliers have credited us with Inventory(stocks) of ±37 million lei, to be invoiced to the customer, partly in Q3 partly in Q4 2023. Although unusual, this is a good thing, as this way we will be able to meet our contractual obligations while maintaining both the security of delivery and the estimated gross margins at the tender. For example, in the months of July and August alone, stocks of approximately RON 8 million lei were unloaded, in projects with combined revenues (goods plus services) of RON 28 million. If we had invoiced these amounts on 30.06, the quick liquidity would record the historically comparable value of 1.19

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.

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. The company concluded such a contract with One United Properties, for a space in the One Cotroceni Park building.

As of H1 2022, this contract started to be accounted for – generating a long-term asset and liability of RON 18 million, according to IFRS16. These are not real asset acquisitions.

The increase in tangible assets compared to 30.06.2022 is almost entirely explained by the expansion of the consolidation perimeter with the new companies: TopTech, 2Net and Dataware. The Group operates in an industry where capital expenditure is naturally low – around 1% of turnover.

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.

There are no market elements that we are aware of that have significant effects on the Group's activity. Each company has common challenges and opportunities, specific to their professional activity (winning some low-margin clients, losing some high-margin clients, etc.) but we do not notice a common trend at group level, on the contrary, while some companies win projects related to PNRR other companies experience delays related to PNRR (clients are waiting for funding to run projects, some funding axes open later than others, etc.).

We believe that none of these items are material at the group level

## 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.

### Shareholders Structure as at 30 June 2023

The shareholding structure on June 30, 2023, according to the information from the Central Depository is:

Shareholder	Percentage of capital and voting rights
AGISTA INVESTMENTS	13,6958 %
IMPETUM INVESTMENTS	13,3320 %
Individuals	63,5687 %
Legal entities	9,4035 %

## 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:

### Bittnet deliveries to the companies in the group:

- RON 606,567, re-invoicing of overhead expenses
- RON 125,295, services and goods resold to customers

### Dendrio deliveries to the companies in the group:

- RON 41,904, re-invoicing of overhead expenses
- RON 119,947, goods and services resold to customers.

### Equatorial deliveries to the companies in the group:

- RON 19,295, re-invoicing of overhead expenses
- RON 154,355, goods and services resold to customers.

### Elian deliveries to the companies in the group:

- RON 819,856, ERP services for internal use

### Nenos deliveries to the companies in the group:

- RON 121,998, re-invoicing of overhead expenses

### Global Resolution Experts (Fort) deliveries to the companies in the group:

- RON 116,951 services resold to customers

### TopTech deliveries to the companies in the group:

- RON 737,935 services resold to customers

### IT Prepared deliveries to the companies in the group:

- RON 1,428,432 services resold to customers

### zNET deliveries to the companies in the group:

- RON 56,385 goods resold to customers

## 6. Degree of target achievement for 2022

Profit and loss account [RON], consolidated	Expected value 2022	Reported value Q1 2022	% of output after Q1
<b>Turnover</b>	<b>300,020,046</b>	<b>146,052,496</b>	<b>48%</b>
Direct expenses	-200,410,452	-122,507,431	61%
Indirect expenses	-52,319,417	-28,337,021	54%
<b>EBITDA</b>	<b>24,729,569</b>	<b>2,883,203</b>	<b>11%</b>
Amortization	-6,676,928	-3,812,498	57%
<b>Operating profit</b>	<b>18,052,641</b>	<b>(954,078)</b>	<b>-5%</b>
Financial Result	-330,440	-3,816,755	1155%
SOP adjustments	-890,381	-443,724	50%
<b>Gross profit</b>	<b>16,831,820</b>	<b>-5,439,055</b>	<b>-32%</b>
Number of shares	634.176.714	634.176.714	

A relevant observation regarding the achievement of targets is that the usual seasonality of the business divides the revenues approximately 45% in H1 and 55% in H2. This history is supported by the current pipeline confirmed by the managers of the companies in the group, which amounts to RON 185 million for H2 2023. We further present a sensitivity analysis to the fluctuation of the gross margin as a percentage of sales, and to the amount of indirect expenses in H2. The resulting table shows the operating profit at the end of the year, taking into account the assumptions in the gross margin row, combined with the indirect costs value column.

H2 Revenue, RON, mil	185				
Gross Margin %	18%	22%	25%	29%	33%
<b>Gross Margin RON, mil</b>	<b>33.3</b>	<b>40.7</b>	<b>46.25</b>	<b>53.65</b>	<b>61.05</b>
<b>Fixed Costs, RON, mil</b>					
<b>29</b>	3.3	10.7	16.3	23.7	31.1
<b>28</b>	4.3	11.7	17.3	24.7	32.1
<b>27</b>	5.3	12.7	<b>18.3</b>	25.7	33.1
<b>26</b>	6.3	13.7	19.3	26.7	34.1
<b>25</b>	7.3	14.7	20.3	27.7	35.1

## 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 transactions*

Most studies and articles dedicated to the topic of M&A (acquisition and merger processes of other companies/businesses) show a statistic that holds no promise for acquiring companies: overwhelmingly, M&A processes destroy value for both companies (especially for the purchasers). This element takes on an even more negative dimension when in acquisitions, companies pay with shares of the acquiring company, as it is the case with our group. There is a significant risk that the processes we run will have the same negative long-term consequences. Management seeks to build each investment with a high degree of safety ("margin of safety") and to align the interests of the 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 M&A processes 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 RON 100 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, 2019, 2020 and 2021, the General Assembly approved a plan to incentivise 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 4000 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, legislation and 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 unclarity 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.

### *Litigation risk*

Over the years, the companies of the Bittnet Group have fulfilled their contractual obligations and have therefore not been sued by their contractual partners. As the group expands, and more companies join the group, it is possible that their partners may consider that the new financial position of these group members has become more relevant to be sued.

During 2021, according to the mandate given by the GMS in November 2020, Bittnet requested Anchor Grup – the owner of the building at 26 Bd Timisoara to extend the office space, under the same contractual conditions, to accommodate with the new workspace regulations (distance between people), and with the team to be expanded as a result of the M&A transactions. Taking into account that the offer received from Anchor Group was considered as non-compliant, we notified them of the application of the “break-up” clause in the contract, and according to the mandate given by the GMS to the CEO during the meeting of 26.11.2020, Bittnet Group negotiated with the present suppliers in 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.

During 2021, the Group became aware of the existence of file no. 30598/3/2021 at the Bucharest Court, in contradiction with the owner of the former office space - Bucharest Mall Development and Management S.R.L. The court ruled on 04.08.2023, the solution in short: "Partially admits the request, as stated. It obliges the defendant to pay to the

plaintiff the sum of RON 102,627.51, by way of delay penalties. He rejects the other claims as unfounded. Compensates in part the court costs due to each party and, consequently, obliges the defendant to pay to the plaintiff the sum of 3,203.92 lei, as court costs. With appeal within 30 days of communication. The appeal is submitted to the Bucharest Court - VI Civil Section." As of the date of this report, the judgment has not been communicated to the parties. Consequently, the Group recorded a provision in the amount of RON 105,831.42 in the financial statements from 06/30/2023.

#### *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.

In previous years, the company has offered fixed interest bonds, and subsequently reimbursed some of them. At the end of 2021, more than 75% of the long-term debt had a fixed interest rate of 9%. Analyzing the total interest-bearing debt, more than 70% has fixed interest at 9% per annum. During 2023, all 3 currently existing bond issues come to maturity. During 2022 and 2023 the Issuer would have to refinance partially or fully these bond issues, and this exposes us to the risk of borrowing at higher interest rates, depending on the economic environment at the time of the transactions. The bank financing has fully variable interest rates, such as "ROBOR + a margin", which additionally exposes us to the risk of interest fluctuation. The company is in constant contact with the banking financial institutions in order to improve the financing structure.

The weighted cost of borrowed capital is around 8% per year. We believe that the next financial period (2022 - 2024) 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.

Mihai Alexandru Constantin Logofătu, as the President of the Board of Directors 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 27.04.2023 amending the Articles of Incorporation of the Company

Considering that:

1. The Convening Notice for the EGMS published on the Company's website - (<https://investors.bittnet.ro/>) and on the BVB website (<https://www.bvb.ro/>) on 23.03.2023, in The Official Gazette of Romania, Part IV, number 1396 of 24.03.2023 and in the National newspaper of 24.03.2023;
2. The provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and additions (Law no. 31/1990);
3. The provisions of Law no. 297/2004 on the capital market, with subsequent amendments and additions (Law no. 297/2004);
4. The provisions of Law no. 24/2017 regarding issuers of financial instruments and market operations, with subsequent amendments and additions (Law no. 24/2017);
5. The provisions of ASF Regulation no. 5 of 2018 on securities issuers and operations, with subsequent amendments and additions (Regulation no. 5/2018);
6. Provisions of CNVM Regulation no. 6/2009 regarding the exercise of certain shareholder rights during general meetings of commercial companies, with subsequent amendments and additions (Regulation no. 6/2009)

Following the debates, the Company's shareholders adopted the following resolutions on the amendments to the Articles of Association:

#### **For item 2 on the Assembly Agenda:**

The amendment of art. is approved. 9.14. from the Company's Incorporation Act, which will have the following content: "9.14. The Board of Directors may be authorized for the period of three (3) years from the date of approval of the delegation at the Extraordinary General Meeting of Shareholders to decide to increase the subscribed capital through one or more share issues up to a value that does not exceed half of the subscribed share capital, existing at the time of authorisation."

This resolution was adopted with a quorum representing 74.95% of the total voting rights and with the affirmative vote of the shareholders representing 99.27% of the total votes cast.

#### **For item 3 on the Assembly Agenda:**

The introduction of a new article 9.15 in the Constitutive Act is approved, which will have the following content: "9.15. Exclusively in order to increase the share capital under the



conditions mentioned in article 9.14. above, the Board of Directors may be authorized, according to an approval during the Extraordinary General Meeting of Shareholders, for each of the capital increases carried out up to the level of the authorized capital, the power to decide the restriction or lifting of the pre-emptive right of the existing shareholders on the date the corresponding increase in the social capital." The rest of the sub-articles within art. 9 – The reduction or increase of the share capital will be renumbered.

This decision was adopted with a quorum representing 74.95% of the total voting rights and with the affirmative vote of the shareholders representing 99.18% of the total votes cast.

**For item 6 on the Assembly Agenda:**

The amendment of art. is approved. 9.17 of the Company's Constitutive Act, which will have the following content: "9.17. The decision of the meeting regarding the increase of the share capital is effective only to the extent that it was carried out within 18 months from its date."

This decision was adopted with a quorum representing 74.95% of the total voting rights and with the affirmative vote of the shareholders representing 99.52% of the total votes cast.

**For item 7 on the Assembly Agenda:**

The amendment of art. is approved. 14.1. from the Company's Constitutive Act, which will have the following content: "14.1 For the validity of the deliberations of the ordinary general meeting, at the first convocation, the presence of shareholders (in person, by representation or voting by mail) is required, representing at least 25% of the total number of voting rights, and the decisions to be taken by the shareholders holding 50%+1 of the votes cast by the shareholders present (in person, represented or who voted by mail)."

This decision was adopted with a quorum representing 74.95% of the total voting rights and with the affirmative vote of the shareholders representing 98.91% of the total votes cast.

**For item 8 on the Assembly Agenda:**

The amendment of art. is approved. 17.12 of the Company's Constitutive Act, which will have the following content: "17.12. On the date of this Constitutive Act, the Board of Directors consists of 5 (five) members, as follows:

- (i) Ivylon Management SRL, Romanian legal entity, with headquarters in Bucharest, Drumul Sării no. 45 (formerly no. 27), approx. 1, sector 6, registered at the Commercial Registry Office at the Bucharest Court with no.

- order J40/7852/2019 and unique registration code 41260660, represented by Mr. Logofătu Mihai Alexandru Constantin - Romanian citizen, domiciled in Bucharest, identified with CI series [·] no. [·] issued by [·] on [·], CNP [·] – President;
- (ii) Mr. Anghel Lucian Claudiu, Romanian citizen, born in Bucharest on [·], domiciled in [·], holder of CI series [·] no. [·] issued by [·] on [·], CNP [·]- Vice President;
  - (iii) Mr. Logofătu Cristian Ion, Romanian citizen, born in Bucharest on [·], domiciled in [·], holder of CI series [·] no. [·] issued by [·] on [·], CNP [·] - Member;
  - (iv) Dynamic DataDrawings S.R.L., Romanian legal entity, with headquarters in Bucharest, Sector 1, Șoseaua București-Târgoviște, no. 22B, Block 1, Stair A, apartment 405, registered at the Trade Registry Office next to the Bucharest Court with no. order J40/13489/2019 and unique registration code 41741710, represented by Anca Manițiu - Romanian citizen, domiciled in Bucharest, identified with CI series [·] no. [·] issued by [·] on [·], CNP [·] - Member;
  - (v) Rudolf-Paul Vizental - Romanian citizen, domiciled in Bucharest, identified with CI series [·] no. [·] issued by [·] on [·], CNP [·] - Member.

The term of office of the elected administrators is at most 4 (four) years from the date of appointment.

This decision was adopted with a quorum representing 74.95% of the total voting rights and with the affirmative vote of the shareholders representing 99.33% of the total votes cast.

## Annex 2 – ‘Alternative Performance Measurements’

The ESMA guidelines require us to explain any indicator we have used in assessing the financial or non-financial results of the company, if that indicator is not found in the IFRS or XBRL standards, published by ESEF. In our financial statements, we used the following indicators:

Indicator	Definition/Calculation method	Why is it relevant?
<b>Operating profit</b>	<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> <ol style="list-style-type: none"> <li>1. Financial result elimination (expenses addition to the gross profit, and financial-type incomes subtraction)</li> <li>2. Non-cash IFRS adjustment elimination, related to the Stock Option Plan</li> <li>3. Elimination of positions such as other incomes and other expenses (non-repeatable items, not related to the basic activity)</li> <li>4. In the case of 2021, restated in 2023, with the application of the new conceptual framework, IFRS 3 business combinations – the costs of successful M&amp;A that were previously capitalized, They were derecognized from assets by P&amp;L – this retroactive restatement was excluded from the calculation of operating profit</li> </ol>	<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>
<p>‘Gross Margin’, or ‘gross margin’, or ‘GM’, or ‘margin’</p>	<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 4 - 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, 2023

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STATEMENT OF COMPREHENSIVE INCOME

	For the period of 6 months	
	30 June 2023	30 June 2022
Revenues from contracts with clients	146,052,496	69,482,899
Cost of Sales	(122,507,431)	(51,605,347)
<b>Gross margin</b>	<b>23,545,065</b>	<b>17,877,553</b>
Other income	3,169,656	561,852
Sales expenses	(8,445,234)	(5,949,782)
General and administrative expenses	(19,642,505)	(9,440,441)
Other expenses	(249,282)	(707,777)
Profit/(loss) – Equivalent securities	(17,861)	92,864
Financial income	(402,129)	(2,177,098)
Financial expenses	(3,396,765)	(1,644,853)
<b>Gross profit</b>	<b>(5,439,055)</b>	<b>(1,387,682)</b>
Tax	31,689	235,621
<b>Net profit, out of which:</b>	<b>(5,407,366)</b>	<b>(1,152,062)</b>
Atributable to Parent company	(6,564,665)	(3,211,976)
Non-controlling interests	1,157,299	2,059,914
<b>Net profit</b>	<b>(5,407,366)</b>	<b>(1,152,062)</b>
Other items of the consolidated result	-	-
<b>Total consolidated result</b>	<b>(5,407,366)</b>	<b>(1,152,062)</b>
Atributable to Parent company	(6,564,665)	(3,211,976)
Non-controlling interests	1,157,299	2,059,914

The interim consolidated financial report with notes was approved and signed on August 25, 2023

Mihai Logofatu  
CEO

Adrian Stanescu  
CFO



**STATEMENT OF THE FINANCIAL POSITION**

	<u>30 June 2023</u>	<u>31 Dec 2022</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Goodwill	73,998,774	57,528,189
Other intangible assets	9,316,732	9,077,001
Tangible assets	32,957,034	27,808,467
Equivalent securities	2,901,080	2,918,940
Other financial assets	3,458,689	2,426,167
Deferred tax	2,782,815	1,271,824
<b>Total non-current assets</b>	<b>125,415,123</b>	<b>101,030,589</b>
<b>Current assets</b>		
Inventories	37,857,155	2,777,973
Trade receivables and other receivables	77,008,719	60,697,390
Financial assets	13,204,091	13,790,384
Cash and equivalents	52,225,013	42,300,365
<b>Total current assets</b>	<b>180,294,977</b>	<b>119,566,112</b>
<b>TOTAL ASSETS</b>	<b>305,710,101</b>	<b>220,596,701</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	63,417,671	52,848,060
Issuance premiums	31,934,768	9,738,583
Other equity items	(6,460,513)	(11,390,433)
Reserves	1,324,823	1,324,823
Retained Earnings	(5,679,546)	1,149,789
<b>Parent company equity</b>	<b>84,537,203</b>	<b>53,670,822</b>
Non-controlling interests	5,157,620	3,823,943
<b>Total equity and reserves</b>	<b>89,694,824</b>	<b>57,494,765</b>
<b>Long-term liabilities</b>		
Bonds	14,539,562	9,609,806
Bank loans	21,287,096	11,166,109
Leasing debts	20,250,377	19,290,728
Deferred income tax liabilities	-	-
<b>Total long-term liabilities</b>	<b>56,077,035</b>	<b>40,066,644</b>
<b>Current liabilities</b>		
Bonds	14,829,812	25,194,352
Bank loans	15,305,894	13,998,791
Leasing debts	5,821,634	4,693,525
Dividend	553,423	500,942
Corporate tax liabilities	1,139,026	284,250
Trade liabilities and other liabilities	122,288,453	78,363,431
<b>Total current liabilities</b>	<b>159,938,242</b>	<b>123,035,292</b>
<b>Total liabilities</b>	<b>216,015,277</b>	<b>163,101,936</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>305,710,101</b>	<b>220,596,701</b>

## STATEMENT OF CASH FLOWS

	For the period of 6 months	
	30 June 2023	30 June 2022
<b>Gross profit</b>	<b>(5,439,055)</b>	<b>(1,387,682)</b>
Adjustments for:		
Depreciation expenses	3,812,498	1,514,613
Expenses related to disposed assets	4,240	-
Benefits to SOP employees	443,724	543,725
Expenses related to the acquisition of participating interests	249,282	707,777
Interest expenses and other financial costs	2,428,984	1,571,590
Interest income and other financial income	678,338	140,888
Investment gains	517,632	2,194,936
Profit from equivalent securities	17,861	(92,864)
<b>Operating profit before working capital change</b>	<b>2,713,503</b>	<b>5,192,983</b>
Variance of the receivables accounts balances	31,014,373	(5,097,334)
Variance of the inventory accounts balances	5,433,602	(2,505,051)
Variance of the debts accounts balances	(17,496,520)	2,711,906
<b>Cash generated from operation</b>	<b>21,664,958</b>	<b>302,504</b>
Profit tax paid	(1,213,048)	(687,150)
<b>Net cash from operating activities</b>	<b>20,451,910</b>	<b>(384,646)</b>
<b>Investments:</b>	(21,838,806)	(6,787,942)
Payments for purchasing participation interests	(841,345)	(830,127)
Proceeds from sale of participating interests	-	7,859,959
Loans granted to related entities	(450,000)	240,000
Acquisitions of tangible and intangible assets	(1,179,782)	(762,998)
Proceeds from other financial investments	-	423,108
Collected dividends	68,661	134,220
Interest received	102,681	39,143
<b>Net cash from investment activities</b>	<b>(24,138,591)</b>	<b>315,362</b>
<b>Financing activities:</b>		
Income from the issue of shares	29,701,386	-
Repurchases/sales of own shares	4,550,607	25,715
Repayments of bank loans	(9,514,547)	(1,277,548)
Receipts/Repayments from bond issue	(5,114,873)	-
Payments of finance lease liabilities	(2,646,748)	(639,544)
Interest paid	(2,748,895)	(1,386,756)
Paid dividends	(615,600)	(1,019,176)
<b>Net cash from financing activity</b>	<b>13,611,330</b>	<b>(4,297,308)</b>
<b>Net cash increase and cash equivalents</b>	<b>9,924,649</b>	<b>(4,366,592)</b>
Cash and cash equivalents at the beginning of the financial year	42,300,365	23,403,197
<b>Cash and cash equivalents at the end of the financial year</b>	<b>52,225,014</b>	<b>19,036,605</b>

for 6 months ended on June 30, 2021, according to the Order of the Ministry of Public Finance No. 2844/2016  
(all amounts are expressed in RON, unless otherwise specified)

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Issuance premium	Other equity items	Legal reserve	Carried forward result	Total equity	Interests non-controlling	Total equity
<b>Dec/31/2021</b>	<b>48,043,690</b>	<b>14,542,953</b>	<b>(19,082,504)</b>	<b>1,114,139</b>	<b>6,719,360</b>	<b>51,337,639</b>	<b>1,164,851</b>	<b>52,502,490</b>
Net profit	-	-	-	-	(3,211,976)	(3,211,976)	2,059,914	(1,152,062)
Other items of the overall result	-	-	-	-	-	-	-	-
<b>Total overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,211,976)</b>	<b>(3,211,976)</b>	<b>2,059,914</b>	<b>(1,152,062)</b>
Share capital increases	4,804,369	(4,804,369)	(9,895)	-	-	(9,895)	-	(9,895)
Own shares transactions	-	-	(19,790)	-	-	(19,790)	-	(19,790)
Benefits to SOP employees	-	-	543,725	-	-	543,725	-	543,725
Sell of minority interests	-	-	6,787,022	-	-	6,787,022	300,462	7,087,484
Dividend distribution	-	-	-	-	-	-	(1,045,684)	(1,045,684)
Legal reserve distribution	-	-	-	179,754	(179,754)	-	-	-
<b>30 June 2021</b>	<b>52,848,060</b>	<b>9,738,583</b>	<b>(11,781,441)</b>	<b>1,293,894</b>	<b>3,327,631</b>	<b>55,426,726</b>	<b>2,479,542</b>	<b>57,906,269</b>
	Share capital	Issuance premium	Other equity items	Legal reserve	Carried forward result	Total equity	Interests non-controlling	Total equity
<b>Dec/30/2022</b>	<b>52,848,060</b>	<b>9,738,583</b>	<b>(11,390,433)</b>	<b>1,324,823</b>	<b>1,149,789</b>	<b>53,670,822</b>	<b>3,823,943</b>	<b>57,494,765</b>
Net profit	-	-	-	-	(6,564,665)	(6,564,665)	1,157,299	(5,407,366)
Other items of the overall result	-	-	-	-	-	-	-	-
<b>Total overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,564,665)</b>	<b>(6,564,665)</b>	<b>1,157,299</b>	<b>(5,407,366)</b>
Share capital increases	10,569,612	22,196,185	(64,411)	-	-	32,701,386	-	32,701,386
Own shares transactions	-	-	4,550,607	-	-	4,550,607	-	4,550,607
Benefits to SOP employees	-	-	443,724	-	-	443,724	-	443,724
Minority interests	-	-	-	-	-	-	1,452,390	1,452,390
Dividend distribution	-	-	-	-	(264,669)	(264,669)	(1,276,012)	(1,540,681)
Legal reserve distribution	-	-	-	-	-	-	-	-
<b>30 June 2023</b>	<b>63,417,671</b>	<b>31,934,768</b>	<b>(6,460,513)</b>	<b>1,324,823</b>	<b>(5,679,546)</b>	<b>84,537,203</b>	<b>5,157,620</b>	<b>89,694,824</b>

**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. Sergent Ion Nutu, nr. 44, One Cotroceni Park, Corp A & B, 4 floor, District 5, Bucharest, and the following subsidiaries, all subsidiaries being registered in Romania:

<b>Subsidiary - %</b>	<u><b>30 Jun 2023</b></u>	<u><b>31 Dec 2022</b></u>
Dendrio Solutions	88,001%	88.001%
Elian Solutions	51.02%	51.02%
Equatorial Gaming	98.99%	98.99%
Equatorial Training, prin Equatorial Gaming	100%	100%
Computer Learning Center	100%	100%
ISEC Associates	69.992%	69.992%
IT Prepared	50.2%	50.2%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%
Global Resolution Experts	60%	60%
GRX Advisory, prin Global Resolution Experts	60%	60%
Top Tech, 46% through Dendrio Solutions	86%	86%
zNet Computer, through Dendrio Solutions	100%	100%
Dataware Consulting, 51,13% through Dendrio Solutions	70%	-
 <b>MINORITY INTERESTS</b>		
E-Learning Company	23%	23%

The group has over 400 employees and collaborators, working for one of the 5 companies included in the group (Bittnet Systems, Dendrio Solutions, Elian Solutions, Equatorial Gaming, Equatorial Training, Computer Learning Center, ISEC Associates, IT Prepared, Nenos Software, Nonlinear, Global Resolution Experts, GRX Advisory, Top Tech, zNet Computer, Dataware Consulting).

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, Computer Learning Center, ISEC Associates, IT Prepared, Nenos Software, Nonlinear – August 2021, Global Resolution Experts si GRX Advisory – Decembrie 2021 , Top Tech si zNet Computer – September 2022, Dataware Consulting – May 2023).

**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 Căpățînă, 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.

In June 2022, Bittnet Systems informed the Market, through current report no. 25/14.06.2022, that an institutional investor was co-opted in the shareholding of Dendrio Solutions SRL. The operation was carried

out by selling an 11.999% stake in Dendrio to the investment fund Agista Investments for the amount of RON 7,499,982.76. Considering the transaction price, the market valuation of the IT&C integrator Dendrio Solutions amounts to RON 62.5 million. With the addition of Agista as a shareholder, Dendrio starts the road to becoming a public company through the capital market either through a private placement or an initial public offer at BSE, or through a merger procedure with a company listed on a regulated market or on a SMT from a European Union member country.

#### **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.

#### **Computer Learning Center & ISEC Associates**

In August 2021, the Group informed investors about the signing of share sale-purchase contracts for the takeover of the cyber security company - ISEC Associates SRL and the IT training company - Computer Learning Center. The purchase price for 100% of the Computer Learning Center (CLC) company was RON 725,000, the amount which was settled in 2 tranches: the first tranche, worth RON 225,000, was paid during August 2021, and tranche 2 - in the amount of RON 500,000, conditional on the removal from CLC's patrimony of assets that are not relevant for the company's current activity (noncore assets) - was paid in January 2022.

Bittnet Group thus strengthens its Education Division and expands the portfolio of certifications, 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. Following the entry of Bittnet Systems into the shareholding, a loan agreement was signed by the parties in September 2021 by which the Issuer made available to Computer Learning Center the amount of RON 560,000 for working capital for a maximum period

of 3 years and an interest of 9% per year. The loan was successively increased to the amount of RON 1,935,000 in the period October 2021 - February 2022.

The purchase price for 69.99% of ISEC Associates was RON 295,000, the amount which was paid in one installment, by bank transfer, to the founding shareholder, Alexandru Andriescu. ISEC Associates is a company founded in 2003, specializing in cyber security audit, consulting and testing services. ISEC helps companies identify, secure and manage information security. By acquiring ISEC, Bittnet is developing its position on the cyber security market. Following the entry of Bittnet Systems into the shareholding, a loan agreement was signed by the parties through which the Issuer made available to ISEC Associates the sum of RON 370,000 for financing the working capital for a maximum period of 3 years and an interest rate of 9% per year. The loan was increased to the amount of RON 470,000 in February 2022.

Computer Learning Center and ISEC Associates were consolidated in the financial statements starting from September 2021.

### **IT Prepared**

In August 2021, Bittnet informed the investors and the Market about the closing negotiations and signing of the agreement for acquisition of a majority stake in the IT Prepared SRL company. The transaction price amounts to USD 776,290 for 50.2% of the company and will be paid through a mix of cash and BNET shares in 3 tranches as follows:

- The first tranche, in the amount of USD 265,200, was paid in RON immediately after the signing of the share purchase agreement, by bank transfer to the two founding shareholders of IT Prepared;
- Tranches 2 and 3, in the amount of USD 368,290 (the updated amount following the closing of the IT Prepared financial statements on 12/31/2021), respectively USD 142,800 (the amount to be updated following the closing of the IT Prepared financial statements on 12/31/2022), will be paid to the founders of IT Prepared by settlement in BNET shares in a future capital increase operation. The actual number of shares to be issued will be determined in accordance with the provisions of art. 210(2) of Law 31/1990 and art. 87-88 of Law 24/2017 regarding issuers of financial instruments and market operations and art. 174 of the ASF Regulation no. 5/2018.

The transaction of taking over the majority stake in ITPrepared SRL was approved by the Shareholders in EGSM on November 26, 2020. Taking into account that the financial and operational situation of IT Prepared SRL changed between the moment of approval granted by EGSM and the moment of signing the investment agreement, the parameters of the transaction were renegotiated in favor of Bittnet, the final valuation being reduced by half (thus Bittnet took over the majority package), and the payment being dependent on the confirmation of positive operational results in 2021 and 2022. ITPrepared SRL was consolidated in the financial statements starting from September 2021.

### **Nenos Software & Nonlinear**

In August 2021, the Group informed the capital market about the completion of negotiations and the signing of contracts for the acquisition of the majority shares in the software developer Nenos Software SRL and in Nonlinear SRL.

The value of the transaction for the purchase of 60.97% of Nenos Software is RON 4,850,000, price settled in two installments, as follows:

- 50% of the transaction price (the amount of 2,425,000 lei) was paid by bank transfer to the sole associate of Nenos Software;
- 50% of the transaction value will be settled through the allocation of Bittnet shares to an operation that will be completed through a capital increase. The actual number of BNET shares that will be issued will be determined in accordance with the provisions of art. 210(2) of Law 31/1990 and art. 87-88 of Law 24/2017 regarding issuers of financial instruments and market operations and art. 174 of the ASF Regulation no. 5/2018.

For the purchase of 60% of the company Nonlinear SRL, the transaction price is RON 120 and is equal to the nominal value of the transferred shares. In 2020, Nonlinear had a turnover of RON 392,442 and a net profit of RON 115,018, employing 4 programmers.

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

By taking over the majority shares in Nenos Software SRL and Nonlinear SRL, Bittnet strengthens its position in the software development division, also entering the artificial intelligence sector. Nenos Software and Nonlinear were consolidated in the financial statements starting September 2021.

#### **Global Resolution Experts (GRX) & GRX Advisory (GRX-A)**

Global Resolution Experts S.A. (CUI 34836770), owned 60% by Bittnet Systems, is a professional services company in the area of cybersecurity, which offers penetration tests, but also design, implementation and maintenance of cybersecurity solutions. GRX fully owns GRX Advisory SRL (CUI 43813325), with similar services.

The Group initially acquired, in December 2021, a 74% stake in the shares of the "mother" company - GRX, and later at the end of 2021 it attracted a number of financial investors, by selling 14% of GRX shares. The price paid for 74% of GRX shares is RON 11,425,600, of which RON 5,150,400 were paid in December 2021 and RON 6,275,200 were paid between March and April 2022, after the completion of the audit for the financial results of 2021. The sale price for 14% of the shares held in GRX was RON 3,472,631, the amount received in full in December 2021 – January 2022. The services offered by GRX are similar to those offered by ISEC: professional services in the area of cybersecurity: IT compliance audit, Penetration test services for Web applications and IT infrastructure, for beneficiaries from Romania and the European Union; Design, implementation and maintenance services of IT management systems and informational security for compliance with ISO27001, ISO9001, ISO20000 standards; Design services of controls and IT security systems to be implemented (VPN, Antivirus/AntiX, DLP, NAC, IDS/IPS); Architectural design services for IT infrastructure technical solutions regarding the integration of financial IT systems in the Public Cloud; Architectural design services of technical IT infrastructure solutions for the implementation of complex IT systems in the public sector (without participation in the implementation of the respective solutions by the beneficiaries).

GRX and GRX-A were consolidated in the financial statements from 12.31.2021 only at the balance sheet level. Starting with January 2022, GRX and GRX-A have been fully consolidated in the Group's financial statements.



## Top Tech

Founded in 1992, Top Tech SRL (CUI: 2114184) is a Romanian company, integrator of IT&C products and services, with business in Transylvania. Currently, TopTech has partnerships with some of the most important technology manufacturers, such as Dell or HP, for the delivery of equipment, solutions and technological services. The company has over 80 employees and collaborators, being one of the most important IT integrators in the central and western part of Romania. TopTech has open offices in Deva, Sibiu, Timișoara, Cluj-Napoca, Alba-Iulia and Mediaș. Following this transaction, the Bittnet Group expanded its geographic reach nationwide in the IT&C integration industry.

After the signing of the closing at the beginning of September 2022 and the registration of the mentions in the Trade Register regarding the new shareholding structure, Dendrio Solutions SRL owns 60% of Top Tech, and Bittnet Systems SA 40%. The total value of the transaction price is RON 12,874,306, of which RON 5,000,000 (tranche 2) would be settled in BNET shares in a future capital increase; the cash component, in the amount of RON 7,874,306 (tranche 1), was paid in full in September 2022. In March 2023, the parties signed an additional deed to the share purchase agreement, by which they agreed that the sum of RON 2,000,000.11, related to tranche 2, to be paid in cash by payment order, and the amount of RON 2,999,999.89 to be converted into BNET shares in the capital increase carried out in quarter 1, 2023. The bank transfer was carried out in March 2023, and the allocation of BNET shares to the founder of Top Tech in April 2023.

In December 2022, Bittnet Systems announced to investors about the co-optation of Agista Investments fund into the Top Tech shareholding. The transaction was carried out through the sale by the daughter company Dendrio Solutions SRL of a number of 56 shares, representing 14% of the share capital and voting rights of Top Tech, for the amount of RON 3,000,000. Following the co-optation of Agista as an investor in Top Tech, the Top Tech shareholding structure is as follows: Bittnet Systems owns 160 shares, representing 40% of Top Tech, and Dendrio Solutions SRL owns a number of 184 shares, representing 46% of Top Tech. Top Tech was consolidated in the financial statements starting October 2022.

## 2Net Computer

2NET Computer SRL (CUI 8586712) is a Romanian company with over 20 years of experience in the provision of IT&C products and services mainly in the Brașov area and the center of the country for local and international clients with a presence in Brașov, Harghita and Covasna counties. 2Net Computer provides technology products and solutions from the main international vendors, among the competencies are: design and implementation of technical security systems; technology solutions & services for configuring equipment, servers, storage, networking, software, virtualization, hardware & software security; the sale of hardware components / PC / printers, copiers & multifunctions / scanners. The total value of the transaction price is RON 5,241,931, the amount paid in full in September 2022. 2Net Computer SRL was consolidated in the financial statements starting October 2022.

## Dataware Consulting

Dataware Consulting SRL (CUI 27895927) entered the Bittnet group starting in June 2023 through the acquisition by the Group of a 70% stake in the shares (following the M&A transaction, Bittnet Systems owns 18.87% and Dendrio Solutions owns 51.13%). Dataware is one of the most important integrators of technology solutions and services regarding the implementation and configuration of IT infrastructures, data networks, storage and security solutions from the main international technology vendors. The total price of the transaction was 19,861,795 lei, of which the equivalent of 5,000,000 lei in BNET shares that would have been allocated to the 2 co-founders of Dataware in a future capital increase. Through an addendum to the

share purchase agreement, the cash payment of this installment was agreed during June 2023. Dataware Consulting was consolidated in the financial statements starting June 2023.

### **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 January 29, 2020, the General Assembly approved the amendment of the company's articles of incorporation for the purposes of its administration by a Board of Directors consisting of 3 members. Considering the current size of the Group, the General Meeting of Shareholders from April 20, 2023 approved the expansion of the Board of Directors to 5 members.

The composition of the Council is according to the election results and has been completed with the two new members:

- 1) **Ivylon Management Srl** by **Mihai Alexandru Constantin Logofatu**. At the time of writing this note, Mihai Logofatu owns 56.341.882 shares, which represents 8.88% of the share capital and voting rights. Mihai Logofatu is the co-founder of Bittnet Systems.
- 2) **Cristian Ion Logofatu**, who owns 53.592.812 shares, which represents 8.45% 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** – who owns 5,468,395 shares of the Issuer, meaning a percentage of 0.86% of the voting rights.
- 4) **Rudolf Paul Vizental** – does not own shares at 29.06.2023.
- 5) **Dynamic Data Drawings SRL** – through **Anca Mănițiu**. Anca Mănițiu owns on 29.06.2023 a number of 763,237 shares of the Issuer, representing 0.12% of the share capital

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 Berceanu**, 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. **Berceanu** 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 2023** 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 2021.

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.

**Economic context**

The Coronavirus pandemic represented a serious threat to public health, and the Government instituted restrictions on natural and legal persons. The significant development and spread of the Coronavirus did not occur until January 2020. The impact on businesses and the measures adopted are presented below. Considering the exit from the state of alert and the lifting of the restrictions, it is expected that the impact for the financial year 2022 will be reduced.

**Measures adopted**

Using the technology solutions from the Dendrio portfolio, as of March 2020, approximately 90% of the Bittnet Group team is working from home, without significant interruptions to daily activities. This measure was taken for an indefinite period. If it is necessary for all 100% of the team members to work from home, the Group does not foresee any significant administrative impediment in its day-to-day activity, and the work schedule will continue under conditions as close as possible to the usual schedule.

**The impact on business**

The event that marked the years 2020-2021 is the global 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 the fears of consumers and companies about a future recession or economic crisis. However, it seems that the monetary measures taken by governments and central banks have given enough confidence to the business environment so that a 'credit crunch' does not occur. The group closely monitors liquidity indicators - conversion of receivables into cash, transactions with customers and suppliers, etc.

The effects resulting from this general environment are:

- The semiconductor crisis has significantly affected projects that include hardware components. Although in the first quarter and even the first 6 months of 2021 there were moments of recovery

in component supply flows (processors/chips), starting from May 2021 this trend entered a downward spiral (more information: <https://www.bloomberg.com/news/articles/2021-05-18/wait-for-chip-deliveries-increased-in-sign-shortage-persists> and here: <https://www.bloomberg.com/news/articles/2021-08-23/chip-shortage-set-to-worsen-as-covid-rampages-through-malaysia>). When will we be able to consider this situation over? Certainly not in the near future: <https://www.bloomberg.com/graphics/2021-chip-production-why-hard-to-make-semiconductors/>

- Human factors pressure – the global pandemic has introduced a flexibility in the way companies contract and interact with employees and collaborators. As more and more global projects are delivered with delocalized resources, geographic location is now only of purely fiscal significance. As a result, Romanian IT companies, including the companies from the group's technology division, face extremely aggressive global competition, in a market where skilled labor is scarce and increasingly mobile.
- The consistent digitization of work processes in the last two years leads to a significant increase in the demand for expertise in the Cybersecurity space. Considering that Dendrio offers a wide spectrum of solutions and services in the area of cybersecurity, but also the fact that starting from August 2021 the technology division began to include other companies with exceptional cyber expertise, such as: IT Prepared, Global Resolution Experts ( GRX), or iSec Associates (iSec) – we can consider that at this moment the technology division and the Bittnet group are in an extremely favorable position for the next period.

### 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.

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.

### Corrections for previous periods

The Group's unaudited interim consolidated financial statements reported for the first half of 2022 have been corrected as a result of:

- reanalyzing the principles of recognizing the costs of pre-acquisition participation interests (specialized M&A consultancy, financial and legal due-diligence services, legal services, etc.) in accordance with the provisions of the IFRS 3 standard, "Business Combinations";

- the reanalysis of the provisions of the IFRS 15 standard ("Revenue from contracts with customers"), correlated with those mentioned in the interpretation ("agenda decision") provided by the IFRS Standards Interpretation and Maintenance Committee ("IFRIC - IFRS Interpretation Committee") in May 2022 regarding the resale of software licenses ("software resellers"). According to what is mentioned in the policy included in Note 7 to the consolidated financial statements for the year 2022, the Group has identified 5 categories of software licenses that represent resales of standard software licenses ("resale of standard software licenses"), in that in these cases the Group does not sell the rights associated with these software licenses in combination with its own value-added services, but only mediates their sale from manufacturers / distributors to end customers. As such, starting from 31.12.2022, the Group decided to amend the revenue recognition policy for the above-mentioned categories of standard software licenses resold on a stand-alone basis (i.e. without being combined with own value-added services), considering that in these cases act as Agent. Revenues from the resale of these standard software licenses were recognized on a "net" basis, i.e. the resulting gross margin was fully recognized as revenue with zero selling costs.

The effects of the corrections on results and equity for the first half of 2022 are shown in the tables below:

<b>Result</b>	<b>Correct</b>	<b>Reported</b>	
Revenue from contracts with customers	69,482,899	69,933,394	(450,495)
Cost of sales	(51,605,347)	(52,055,842)	450,495
Gross margin	17,877,553	17,877,553	-
Other incomes	561,852	561,852	-
Selling costs	(5,949,782)	(5,949,782)	-
Administrative costs	(9,440,441)	(9,440,441)	-
Other expenses	(707,777)		(707,777)
Financial result	(3,729,087)	(3,729,087)	-
Tax	235,621	122,376	113,244
<b>Net result correction</b>			<b>(594,533)</b>

<b>Share capital</b>	<b>Corectat</b>	<b>Raportat</b>	<b>Diferențe</b>
Goodwill	41,234,676	42,181,893	(947,217)
Deferred tax	1,172,753	909,993	262,760
Receivable	37,408,526	38,721,488	(1,312,962)
<b>Share capital correction</b>			<b>(1,997,419)</b>

**NOTA 3. SIGNIFICANT EVENTS AND TRANSACTIONS**

**Essential Reasoning**

- Revenue recognition – the principal/agent relationship;
- Recognition of the Bittnet brand;
- Recognition of the employee/collaborator loyalty program by offering actions – "SOP"
- Reclassification of Softbinator Technologies investment from equity securities into securities at fair value through the profit and loss account

**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 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 and CLC** 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, Elian, IT Prepared, Nenos Software & Nolinear, ISEC Associates, GRX & GRX-A**. 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 2023			6 months ended on 30 June 2022		
	Education	Technology	Total	Education	Technology	Total
Total income	5,945,984	143,725,888	149,671,872	11,667,159	59,099,123	70,766,283
Revenue between segments	(186,953)	(3,432,423)	(3,619,376)	(289,690)	(993,694)	(1,283,383)
Revenues from contracts with clients	<b>5,759,031</b>	<b>140,293,466</b>	<b>146,052,497</b>	<b>11,377,470</b>	<b>58,105,430</b>	<b>69,482,899</b>
<b>Gross margin</b>	<b>3,039,914</b>	<b>20,505,151</b>	<b>23,545,065</b>	<b>4,142,669</b>	<b>13,734,883</b>	<b>17,877,553</b>
Allocated selling costs	(2,480,065)	(5,965,170)	(8,445,234)	(2,095,460)	(3,854,322)	(5,949,782)
<b>Margin, after selling costs</b>	<b>559,849</b>	<b>14,539,981</b>	<b>15,099,831</b>	<b>2,047,209</b>	<b>9,880,562</b>	<b>11,927,771</b>
Other income	1,174,858	1,994,799	3,169,656	493,544	68,308	561,852
Unallocated operational expenses			(19,642,505)			(9,440,441)
Other expenses			(249,282)			(707,777)
Financial income/expenses			(3,816,755)			(3,729,087)
<b>Gross result</b>			<b>(5,439,055)</b>			<b>(1,387,682)</b>

ASSETS / LIABILITIES	30 June 2023			30 June 2022		
	Education	Technology	Total	Education	Technology	Total
Assets per segment	60,781,020	244,929,081	305,710,101	61,388,109	157,022,345	218,405,454
Unallocated assets			-			2,191,247
<b>Total assets</b>			<b>305,710,101</b>			<b>220,596,701</b>
Segment liabilities	11,093,297	170,417,172	181,510,469	28,291,543	131,670,540	159,962,083
Unallocated liabilities			34,504,808			3,139,853
<b>Total liabilities</b>			<b>216,015,277</b>			<b>163,101,936</b>

**NOTA 5. INCOME**

	6 months ended at:	
	30 June 2023	30 June 2023
Training services	5,759,031	11,377,470
IT solutions integration services	29,887,297	21,279,269
<b>Revenues from the provision of services</b>	<b>35,646,327</b>	<b>32,656,739</b>
Sale of goods for IT solutions integration	90,223,460	21,520,238
Resold licenses	20,182,709	15,305,923
<b>Sale of goods</b>	<b>110,406,169</b>	<b>36,826,161</b>
<b>Total</b>	<b>146,052,496</b>	<b>69,482,899</b>

**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 6. EXPENSES CLASSIFICATION BY NATURE**

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

	6 months ended at:	
	30 June 2023	30 June 2022
Materials and equipments	83,609,659	18,701,124
Resold licenses	16,277,723	12,288,624
Personnel expenses	21,193,683	10,177,598
Expenses with collaborators	10,698,812	8,363,938
Amortization	3,812,498	1,514,613
Cloud services	2,725,548	2,654,728
Rents	262,149	394,199
Commissions and fees	253,992	227,712
Advertising	1,322,528	1,160,502
Travel and transportation	457,065	105,969
Insurances	195,973	88,241
Postal services and telecommunications	212,520	83,117
Donations	277,035	203,428
Receivables adjustments	-	-
Bank charges	121,791	70,746
Third party services	7,234,939	10,016,653
Provisions	105,831	-
Others	1,833,426	944,377
<b>Total operational expenses</b>	<b>150,595,171</b>	<b>66,995,570</b>

NOTA 7. FINANCIAL INCOME & EXPENSES

FINANCIAL INCOME	30 iunie 2023	30 iunie 2022
Interest Income	115,503	17,839
Investment Income	68,661	(594,140)
Income from securities valuation	(586,293)	(1,600,796)
<b>Total</b>	<b>(402,129)</b>	<b>(2,177,098)</b>

FINANCIAL EXPENSES	30 iunie 2022	30 iunie 2021
Bank interest	1,254,713	419,745
Factoring	1,203	1,212
Bonds interest	1,173,068	1,150,633
Leasing	670,619	176,900
Net income/expenses exchange rate	297,162	(103,637)
<b>Total</b>	<b>3,396,765</b>	<b>1,644,853</b>

**NOTA 8. EQUIVALENT SECURITIES**

*a) Equivalent securities*

	30 iunie 2023	31 dec 2022
E-Learning Company	2,901,079	2,918,939
<b>Total</b>	<b>2,901,079</b>	<b>2,918,939</b>

**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 associated entity, namely in January 2021. In applying the equity method, financial information as of January 31, 2021 was used.

*b) Other financial assets (securities) at fair value*

	30 iunie 2023	31 dec 2022
Softbinator Technologies	11,352,785	12,308,834
Safetech Innovations	-	-
Arctic Stream	1,851,306	1,481,550
Chromosome Dynamics	-	-
<b>Total</b>	<b>13,204,091</b>	<b>13,790,384</b>

**Softbinator Technologies**

In December 2020, Bittnet Group acquired a 25% stake in Softbinator Technologies for the amount of 8,127,500 lei, the group's first investment in a software development company. At the time of December 2020, Bittnet held 22,500 shares, with a nominal value of 1 lei per share, from a total subscribed and paid-up capital of 90,000 lei, divided into 90,000 shares. Softbinator is a product development company, specializing in the design, development and market launch of software products mainly in the fields of Fintech, MedTech/HealthTech and EdTech for clients in Europe, North America and Asia.

Softbinator is involved in the development of software products, web and mobile solutions for the digitization of the education process, lifestyle/medical and health, e-payments, electronic commerce, online gaming and in 2020 ticked off areas unexplored in previous years through digital banking ( including crypto), Internet of Things (IoT), Automotive and explored a new vertical in e-commerce expertise: marketplaces. Softbinator Technologies share listing (trading symbol: CODE) At the end of August 2021, Softbinator Technologies announced its intention to list on the AeRO market of the Bucharest Stock Exchange (under the trading symbol CODE) by the end of the year. Before the listing, Softbinator Technologies also announced its intention to carry out a private placement to attract capital in order to expand the company internationally. In order to carry out the private placement for the sale of shares, as well as in order to admit to trading on

the AeRO-SMT market of BVB for CODE shares, several pre-placement operations were carried out, as follows:

a) General Meeting of Shareholders:

The shareholders of Softbinator Technologies decided on 09.09.2021 to reduce the nominal value of a Softbinator Technologies share from the value of 1 lei per instrument to the value of 0.1 lei per instrument. As a result of the reduction/splitting of the nominal value, new shares were issued for the benefit of the existing shareholders in a ratio of 9:1 (nine new shares issued for each share held on the date of registration). Following this operation, Bittnet Systems held a number of 225,000 shares, representing 25% of the 900,000 shares issued by Softbinator Technologies.

b) Increase in capital by the amount of 10,000 lei

The shareholders of Softbinator Technologies decided on 09.09.2021 to increase the share capital by the amount of 10,000 lei, the amount that was allocated from the undistributed profit, by issuing a number of 100,000 shares with a nominal value of 0.1 lei. The shares were allocated proportionally to the holdings of each of the shareholders. As a result of the increase, the Softbinator Technologies social capital reached a subscribed and paid capital of 100,000 lei, divided into 1,000,000 shares, and the Bittnet Systems shareholder was allocated 25,000 new shares free of charge, with a nominal value of 0.1 lei per share and a total nominal value of 2,500 lei. Following this operation, Bittnet Systems held a number of 250,000 shares, representing 25% of the total shares of Softbinator Technologies.

c) Transfer of newly issued shares as treasury shares

The shareholders of Softbinator Technologies unanimously decided on 09.09.2021 that a percentage of 10% of the total number of shares held, i.e. all the shares issued and allocated following the capital increase operation described above, should be made available to Softbinator Technologies as treasury shares for the purpose of trading within the private placement. In this regard, the Bittnet Systems shareholder transferred to the Softbinator Technologies treasury a number of 25,000 CODE shares at a nominal value of 0.1 lei per share, for which he received a consideration of 2,500 lei - the nominal value. Following this operation, Bittnet Systems held a number of 225,000 shares, representing 22.5% of the total Softbinator Technologies shares, and 25% of the voting rights and participation in the benefits, taking into account that treasury shares do not have voting rights and do not can receive dividends.

d) Transfer of Softbinator shares

At the end of September 2021, prior to the private placement, Bittnet Systems sold a total of 36,020 Softbinator Technologies shares to various individuals and legal entities. The transfer of shares was made at the maximum placement price (60 lei per share), outside of the capital market mechanisms, and represents 3.602% of the share capital and Softbinator Technologies shares. Following these transactions, Bittnet Systems collected the amount of 2.16 million RON. Following these operations, Bittnet holds a number of 188,980 shares, representing 18.898% of the total shares of Softbinator Technologies.

e) Implementation of private placement

As part of the private placement, a total of 100,000 CODE shares, respectively 10% of the company's share capital (shares ceded by the Softbinator Technologies shareholders to the company's treasury as described above), were offered to investors at a price between 50 and 60 lei per action. 143 individual and professional investors participated in the placement, and the offer closed early on the first day, against the background of almost 8 times oversubscription, investors placing orders in total value of over 49 million lei. The final

price per share was set at the maximum value of the offer, i.e. 60 lei. Following the processing of the transaction, Softbinator attracted a cash contribution of 6 million lei.

Softbinator shares are available for trading, on the AeRO SMT market, under the symbol CODE.

### **Essential considerations - Reclassification of Softbinator Technologies investment from equity-based securities to securities at fair value through the profit and loss account**

Following the operations described above, the Bittnet Group reanalyzed the investment in Softbinator Technologies on 30.09.2021. Thus, taking into account the fact that at the time of Bittnet's investment in Softbinator, one of the essential elements of the operational construction was Bittnet's access to the capital market, to support Softbinator's development projects, and this differentiating element disappeared with the direct access of Softbinator on the capital market by carrying out the private placement with CODE shares, the management of the Group took the decision to give up involvement in the management of the Softbinator Technologies activity. Otherwise, the 188,980 shares held on 30.09.2021, representing 18.898% of Softbinator Technologies' capital, will remain in the Group's portfolio for sale. Also, in December 2021, the Group formally relinquished the position held within the Board of Directors of Softbinator Technologies through Ivylon Management.

The group analyzed from the perspective of the provisions of IAS28, art. 6 a)-e), the criteria for exercising significant influence over the entities in which there is a holding, concluding the following:

- The group no longer holds a position within the Board of Directors of Softbinator Technologies;
- The Group does not participate in the process of making strategic decisions for Softbinator Technologies (including those related to dividend distributions);
- There are no significant transactions between the Group and Softbinator Technologies; - The Group and Softbinator Technologies do not have common management;
- There is no essential technical information exchanged between the Group and Softbinator Technologies.

As such, the Group Management has come to the conclusion that it no longer exercises and does not intend to exercise a significant influence over Softbinator Technologies starting with 30.09.2021. As such, the Group decided to reclassify the remaining holding in Softbinator Technologies on 30.09.2021 as securities held at fair value. On 30.06.2022, the investment in Softbinator Technologies shares was revalued using the average trading price on the AeRO market from 30.06.2022.

### **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.

On 31.12.2021, the investment in Safetech Innovations shares was revalued using the average trading price on the AeRO market from 31.12.2021.

During the first quarter of 2022, the Group liquidated the rest of the holding in Safetech Innovations, so that at the end of the reporting period the Group no longer held SAFE shares in its portfolio.

### **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.

On 06/30/2022, the investment in Arctic Stream shares was revalued using the average trading price on the AeRO market as of 06/30/2022.

### **Chromosome Dynamics**

In August 2021, the Group's management decided to invest together with Impetum Group in a company that seeks to develop IT and artificial intelligence solutions for clients in the agribusiness industry, according to the partnership announced at the end of 2019. Bittnet's contribution to the capital Social capital of Chromosome Dynamics amounts to 150,000 lei for 1.5% of shares and 1.5% of CHRD voting rights, including issue premiums. Later, Chromosome Dynamics carried out a private placement of shares with a view to listing on the AeRO-SMT market of the Bucharest Stock Exchange, which was concluded early. Within the offer, 111,929 CHRD shares were issued, with a total value of 3,357,870 lei, the price being 30 lei. The offer reached the threshold of success, being supplemented with another 882,870 lei. The date of the transaction was 04.10.2021, settlement taking place on 06.10.2021 through the Central Depository system. Following the private placement, Bittnet Systems owns 1.22% of CHRD shares and voting rights. Chromosome Dynamics develops solutions oriented towards the needs of farmers in order to process technology. CHRD is the developer of the AGROBAZAR APP, which models the consulting-selling-buying process in agribusiness,



representing a one stop shop for farmers in Romania. The application offers farmers consulting in agribusiness, agricultural machinery and inputs - seeds, pesticides, fertilizers, having up to now more than 10,000 active users. According to the investment agreement, the Bittnet group will have the first option to deliver technology projects together with CHRD. Both on 31.12.2021 and on 31.03.2022, the investment in CHRD shares was revalued by reference to the price per share from the private placement concluded in advance. CHRD shares entered trading on 05.05.2022 on the AeRO-SMT market of BVB. On 06/30/2022, the investment in CHRD shares was revalued using the average trading price on the AeRO market on 06/30/2022.

**NOTA 9. EQUITY AND RESERVES**

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

	<u>30 June 2023</u>	<u>31 Dec 2022</u>
Share capital	63,417,671	52,848,060
Agio on issue	31,934,768	9,738,583
Legal reserves	(6,460,513)	(11,390,433)
Other equity items	1,324,823	1,324,823
Legal reserve	885,119	6,508,677
Carried forward result	(6,564,665)	(5,358,890)
Current global result		
<b>Total</b>	<b><u>84,537,203</u></b>	<b><u>53,670,822</u></b>

**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:

<b>Shareholders and held %</b>	<u>30 June 2023</u>	<u>31 Dec 2022</u>
IMPETUM INVESTMENTS S.A.	13.33%	6.86%
AGISTA INVESTMENTS S.R.L.	13.69%	7.98%
Mihai Logofatu	8.88%	10.85%
Cristian Logofatu	8.45%	10.14%
Others	55.65%	79.01%

*Increase of share capital with new cash contributions – March 2023*

In Q1 a new capital increase operation was successfully carried out, as a result of which the capital increased by the amount of RON 32,765,796.89, corresponding to a number of 105,696,119 new shares. Within this financing operation, 96,018,700 new shares were subscribed, through new cash contributions, in the amount of RON 29,765,797 (90.84% of the entire volume of the offer), the difference representing the conversion of receivables resulting from the activity of M&A carried out in recent years. As part of this operation, the Company's management decided to pay the counter value of the receivables resulting from the M&A activity partly in cash and partly by conversion into BNET shares. Thus, following the signing of the additional documents with the sellers from the M&A transactions, the value of the receivables converted into shares at the price of RON 0.31 was RON 2,999,999.89 and represented the non-cash part of the purchase price of Top Tech SRL . The cash payments made in March 2023 refer to the payment of the consideration of the receivables resulting from the acquisitions of stakes in ITPrepared, The ELearning Company, Nenos Software

and Top Tech. Following the procedures necessary to register the new share capital and the new number of shares at the Trade Registry Office, the Financial Supervision Authority, the Central Depository and the Bucharest Stock Exchange, the subscribed and paid-up share capital of Bittnet Systems SA is RON 63,417,671.40 , related to a number of 634,176,714 ordinary shares.

*Increase of share capital by incorporation of reserves – July 2022*

The share capital was increased by the amount of RON 4,804,369.10 by incorporating the issue premiums and issuing a number of free shares for the benefit of the shareholders from the date of registration (1 free share for every 10 held), according to ESSM Decision no. 2 of April 2022 and the additional voting procedures. Shareholders from the date of registration - July 21, 2022 - could opt online, between July 29 and August 4, to leave these new shares at the disposal of the Company to be used in the incentive programs for key persons, approved in previous years by the GMS, in this case receiving a cash distribution of RON 0.15 per 10 shares held on the date of registration. During the voting period, the Issuer received a number of 234 options from 234 shareholders, representing a total of 205,693,904 voting rights, i.e. 43.34% of the total voting rights of the Issuer. Among the options expressed, 105 shareholders representing 175,297,189 voting rights, i.e. 36.93% of the total voting rights, opted for OPTION 1 - i.e. for cash distribution and leaving the newly issued shares at the disposal of the company. The company will distribute to these shareholders the amount of 2,629,453.80 lei starting on September 12, 2022, through the Central Depository system, with Banca Transilvania as payment agent. The Central Depository allocated, on 12.08.2022, the shares in Section 1 for the shareholders from the registration date who opted otherwise than for the cash distribution or did not undertake any voting steps during the voting period. Also at that time, the Central Depository charged a number of 17,529,692 treasury shares to the Issuer's account. Following this operation, the subscribed and paid-up capital of Bittnet, registered in the records of the Trade Register, ASF and the Central Depository, is 52,848,059.5 lei, divided into a number of 528,480,595 BNET shares, each with a nominal value of 0.1 lei .

**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 2020A & SOP2020B – SOP2020**

By Decision no. 3 of the OGSM of January 29, 2020 were voted: • the inclusion in the incentive plan with options of key persons, 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 president of the Board of Directors; and • the inclusion in the incentive plan with options of key persons, with a number of options equal to 0.75% of the total number of shares, annually, of the president of the Board of Directors. Additionally, by Decision no. 5 of the EGSM of April 29, 2020, the Company's shareholders voted for an incentive plan with options for key persons with a duration of 2 years, in the amount of a maximum of 5% of the Company's total shares. Within this incentive plan, 24 key persons notified the company regarding the purchase of a total number of 40,428,754 BNET shares according to the option contracts concluded within the incentive plans "SOP2020A" and "SOP2020B" approved by the above AGEA Decisions mentioned, hereinafter collectively referred to as "SOP2020". The exercise price of the options under SOP2020 was calculated, according to the approved incentive plans, taking as reference the market capitalization from 31.12.2019 for SOP2020A, i.e. the value of 113,000,000 RON, respectively the market capitalization from 21.04. 2020, for SOP2020B, i.e. the value of 101,445,399 RON. Thus, the resulting strike price is 0.235203 lei/share for SOP2020A, respectively 0.211152

lei/share for SOP2020B. Considering that the sums of money that should have been paid by the key persons to the company on account of the shares acquired under SOP2020 by exercising the options could have been paid by various methods, one of them being the sale in the market of a part representing the equivalent of approximately 65% of the shares that are the subject of SOP2020, and this additional volume could have unbalanced the balance between demand and supply, the Group's management made the decision that the 24 key people should be paid in shares the economic value of the options within the incentive program, i.e. a number of 26,020,845 shares. The economic value of the option is the difference between the market price and the purchase price from the SOP (strike price of the option), multiplied by the number of options. The total number of shares was calculated by dividing the economic value of the option at the price of 0.34 lei per share (the price approved by the GSM for running a buyback program). The allocation of the shares representing the counter value of the economic value of the option was made without the need for a cash consideration from the key persons. Thus, the 24 key persons were settled a number of 26,020,845 BNET shares, transferred by the Central Depository from among the Issuer's treasury shares.

**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.

**SOP2022**

By Decision no. 7 of the AGM of April 20, 2022, the Company's shareholders voted for an incentive plan with options for key persons with a duration of 2 years, in the amount of a maximum of 5% of the Company's total shares.

**SOP2023-2026 (Long-Term Incentive Plan through Participation in the Company's Capital)**

By Decision no. 11 of the EGMS of April 27, 2023, the shareholders approved an incentive plan for key people based on options for participation in the company's capital. Compared to the previous incentive plans, this one assumes a duration of 3 years and a value of 7.5% of the total shares of the Company.

**NOTA 10. BONDS**

Details regarding the bonds are presented in the following table:

	<u>30 June</u> <u>2023</u>	<u>Dec/31/202</u> <u>2</u>
BNET23	4,700,000	4,690,017
BNET23A	9,672,935	9,639,901
BNET23C	-	9,991,667
BNET26E	9,654,436	9,609,806
BNET 27A	4,885,127	-
Interest	456,877	872,768
<b>Total:</b>	<b><u>29,369,375</u></b>	<b><u>34,804,159</u></b>
Long term	<u>14,539,562</u>	<u>9,609,806</u>
Short term (interest)	<u>14,829,812</u>	<u>25,194,352</u>

The group carried out in 2016, 2017, 2018, 2022 and 2023 offers of bonds maturing in 2019, 2022 and 2023, 2025 and 2027 through which it obtained from the capital market an 'employed' financing of over RON 40 million (all issues are listed on BSE).

**BNET23**

On July 4, 2018, Bittnet successfully closed the third private placement of corporate bonds in the Company's history. As part of the private offer, which took place between June 26 and July 4, Bittnet attracted an investment of 4.7 million lei. Most of the borrowed capital was used to acquire a 51% stake in Elian Solutions and 25% in Equatorial Gaming, with the rest being used as working capital. The BNET23 bonds have a nominal value of 100 lei, a maturity of 5 years and an annual interest of 9%, payable quarterly. The placement was subscribed by 32 natural persons, 1 legal person and 3 open investment funds. Due to high interest, the offer was closed 9 days before the end of the subscription period, which was originally set for July 13. In accordance with the decision of the Extraordinary General Meeting of Shareholders of April 25, 2018, BNET23 bonds entered trading in November 2018 on the AeRO ATS-Bonds market operated by the Bucharest Stock Exchange, under the symbol BNET23.

The BNET23 bond issue was redeemed by the Issuer at maturity. Thus, on July 5, 2023, the nominal value was reimbursed to the holders and also then the last coupon related to this issue was paid.

**BNET23A**

On December 27, 2018, Bittnet successfully closed the fourth private placement of corporate bonds and the second of 2018. Following the BNET23A private placement, the Group obtained the amount of 9,703,700 lei from 20 natural person investors and one legal person. During the process, 21 transactions totaling a total of 97,037 registered, dematerialized, corporate, non-convertible, non-guaranteed bonds were settled through BVB mechanisms (POFBX market), with a nominal value of 100 lei/bond. The BNET23A bonds have a maturity of 5 years, a fixed interest rate of 9% per year, payable semiannually and the allocation date was 28.12.2018.

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The Group used the amounts raised in the BNET23A issue to finance the IT&C business transfer from Crescendo International SRL and its integration into the structure of the Bittnet Group, according to AGEA approval of December 17, 2018 and the investment contract described in the Current Report 10/22/15/2018 . The BNET23A bond issue entered trading on the ATS-Bonds market of the Bucharest Stock Exchange on February 18, 2019.

**BNET23C**

On 23<sup>rd</sup> of January 2023, Bittnet repaid the principal loan (face value) at maturity through the BNET23C bond issue. According to the Memorandum of admission to trading on the SMT-Bonds market of BVB, the redemption price was 100% of the nominal value of the issue, i.e. 10,000,000 lei. The registration date for the identification of the bondholders who benefited from the redemption of the nominal value was 16.01 .2023, and the Redemption Payment Date was 01/23/2023. The last trading session for BNET23C bonds was 12.01.2023. In addition to the repayment of the nominal value, the distribution of the last half-yearly coupon to the bondholders, coupon 8, with the same reference and payment data, was carried out.

**BNET26E**

Between December 21 and 27, 2022, the issuer launched a sale offer through private placement of an issue of corporate bonds, denominated in euros, in which 20,596 bonds were subscribed by 53 natural, legal and professional investors. The amount raised after this round of bond financing is 1,961,144 euro. The nominal value of the instrument is EUR 100/bond, and the total value of the issue is EUR 2,059,600. The annual coupon is 9% and will be paid quarterly through the T2S mechanism and the Central Depository. The repayment of the nominal value is in 3.5 years and will take place on 30.06.2026. The BNET26E bonds are traded on the BVB Regulated Market, the category dedicated to corporate bonds, starting with 03.07.2023.

**BNET27A**

Between May 30 and June 21, 2023, Bittnet Systems held the first public offering of corporate bonds from the Bucharest Stock Exchange when it offered for sale a maximum number of 50,000 corporate bonds, unsecured, with a nominal value of 100 lei, each investor interested party having the possibility to subscribe in the price range of 96 lei - 104 lei per bond, respectively between 96% and 104% of the nominal value of the instrument. During the offer period, a total number of 803 purchase orders were placed and the closing price of the offer was 100 lei, with a number of 71,814 bonds being subscribed. According to the Offer Prospectus, the allocation of shares to the accepted subscriptions (placed at the offer price and higher prices) was made pro-rata. Purchase orders at prices lower than the issue price will not be executed. The transaction execution date was June 22, 2023, and the transaction settlement date is June 26. On July 19, 2023, the BNET27A bonds began to be traded on the Regulated Market administered by BVB.

**NOTA 11. BANK LOANS**

Details on bank loans are presented in the following table:

	<u>30 June 2023</u>	<u>31 Dec 2022</u>
ProCredit long term credit (BNET & DEND)	758,680	1,795,128
BT investment loan (DEND)	7,626,100	9,621,839
ProCredit investment loan (DEND)	9,906,231	-
BT & Libra investment loans (DW)	1,132,437	-
ProCredit credit 4.5 RON (DEND)	4,500,000	4,500,000
BT credit 1.6 mil. EUR (DEND)	3,578,890	4,620,807
Raiffeisen credit 2.5 mil. (2NET)	1,012,086	-
BT credit (DW)	2,500,000	-
Raiffeisen IMM invest (EQG)	-	93,360
Raiffeisen IMM Invest (2NET)	918,719	1,822,660
BRD IMM Invest (TT)	1,659,846	2,711,107
OTP & BT IMM Invest (DW)	3,000,000	-
<b>Total:</b>	<b>36,592,990</b>	<b>25,164,901</b>
Long term	21,287,096	11,166,109
Short term	15,305,894	13,998,791

The group's bank lending structure is mainly made up of revolving overdrafts aimed at short-term financing of specific projects. As of the date of this report, the Group has loans for the financing of current activities, both in national currency and in euros, at the following financial institutions: ProCredit Bank, Banca Transilvania, BRD, OTP Bank, Unicredit Bank, Raiffeisen Bank, but also several products of the type non-cash ceilings for the issuance of various types of bank guarantee letters contracted from Procredit Bank and Banca Transilvania.



**NOTA 12. 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:	
	30 June 2023	30 June 2022
Management contracts	1,292,520	442,046
SOP Expenses	217,113	209,672
<b>Total</b>	<b>1,509,633</b>	<b>651,718</b>
Liabilities	30 June 2023	31 Dec 2022
Key employees	550,938	87,093
<b>Total</b>	<b>550,938</b>	<b>87,093</b>
Receivables and loans	30 June 2022	Dec/31/2021
E-Learning Company – main loan	450,000	-
<b>Total</b>	<b>12,822</b>	<b>-</b>
	<b>462,822</b>	<b>-</b>

The loan to the E-Learning Company was granted in March 2023 for a period of 1 year, with an interest rate of 10% per year.

**NOTA 13. CONTINGENT LIABILITIES**

File 30598/3/2021 – litigation with Bucharest Mall Development and Management

During the year 2021, the Group became aware of the existence of file 30598/3/2021 before the Bucharest Court, in contradiction with the owner of the former office space - Bucharest Mall Development and Management S.R.L. ("Anchor" or "Owner"). During February 2022, the Group (or the "Tenant") took note of the content of this file and the value of the claims, as follows:

- i) RON 267,214.96 representing rent, tax on services and utilities;
- ii) RON 100,109.95 representing late payment penalties related to the principal amount; and
- iii) RON 3,632,709.91 representing compensatory damages (criminal clause).

Considering the approval given by the EGMS in September 2021 regarding the expansion of office space and classrooms, in order to accommodate the team that will result from the M&A operations already carried out, plus those that have been approved to be carried out in the next 3 years, the Group exercised, pursuant to art. 4.1 of the Contract, the option to expand the Space with an additional area of 3,500 sqm of office space, unfragmented and on the same floor as the existing Space "inside the Building" or in another building" owned by the Owner or another company in its group (benefiting from similar commercial and technical conditions – i.e. to be a class A office building and to be located within walking distance of a metro station)", based on the notification sent to the Owner on 10.12.2020.

According to the contractual provisions mentioned above "The Tenant will notify the Owner of the need/intention to expand the Office Space, if necessary, 4 (four) calendar months before May 2021". Through the response communicated by email on 12.01.2021, the Owner informed the Group about the following:

- i) it does not have a free area for rent of the requested size, but a reduced area, namely 2,563.14 sqm of which only the area of 1,495.61 sqm has a certain availability, the difference of 1,067.53 sqm having an uncertain situation, respectively, its availability is conditional on the relinquishment (unlikely, as results from the communicated response) of its use by another tenant;
- ii) the availability of the space differs, there being a gap of 3 months between the space available on the same floor (in area of 1,495.61 sqm) and that located on a different floor (1,067.53 sq m); and
- iii) the proposed area is offered under other commercial and/or technical conditions than those on the basis of which the use of the existing space was agreed (i.e. different duration, the need to bear some remodeling costs, etc.).

On 18.01.2021, the Owner sent to the Group the Notification regarding the technical and commercial proposal for the expansion of the space, in accordance with the information previously communicated via the email of 12.01.2021. Consequently, the conditions for the unilateral termination of the contract, as notified by the Group on 01.27.2021, have been met. In the correspondence between the parties prior to the formulation of the

summons request, Anchor contested the unilateral notice of termination of the Group, and considering the Contract as being in force, continued to issue invoices after the termination of the Contract by unilateral termination. The group maintained and confirmed its position, refusing to pay invoices issued after the termination date, in the absence of a contractual relationship.

Through the Notice dated April 23, 2021, the Group requested Anchor to deduct the remaining rent payment amounts until the termination date of the contract as a result of the unilateral denunciation by Renters (i.e. the remaining rent payment amounts for the months of March - May 2021) with the Guarantee provided by the Tenant according to Annex 5 to the Contract, as it was increased by Additional Act no. 2/14.01.2019 to Bank Guarantee Letter no. 246/12.06.2017. On August 4, 2021, the plaintiff sent her own notice of termination of the Contract citing the fault of the Tenant for non-payment of invoices, at the same time requesting compensatory damages according to the penal clause. Also, on 1.09.2021, Anchor executed the Guarantee provided by the Renter according to Annex 5 to the Contract. On 23.09.2021 the Group notified the Owner regarding the fact that the Notice of Termination sent on 04.08.2021 is without object, considering that the said Contract was already terminated as a result of the Notice of Unilateral Denunciation sent by the Group on 27.01.2021, and Bittnet's unilateral manifestation of will, unequivocal and firm in the sense of denunciation, is sufficient to produce effects and operates legally and irrevocably from the date of its communication.

Therefore, the court will have to clarify the date and manner of termination of the Contract, respectively either on May 27, 2021 based on the unilateral denunciation by the Tenant, or on August 4, 2021 based on the termination invoked by the Owner, following that the material claims that are the subject of this action to be resolved according to the court's ruling in this regard.

At the first term of the trial on 10.06.2022, the court asked the plaintiff to indicate the amount of the annual rent owed under the rental contract and the method of calculating it, the corresponding documents, with the mention of proving the payment of the court fee of stamp, calculated at this value, until the next court term of 14.10.2022, under penalty of cancellation. The plaintiff requested the re-examination of the stamp duty, a request that was rejected. The plaintiff paid the stamp duty in full. By the conclusion of the session dated 24.10.2022, the court extended the ruling on the testimonial evidence after submitting the answers to the interrogation and an accounting expert was appointed in order to draw up the expert report with the following objectives, agreed to by the defendant:

1. The amount of Rent and Penalties owed by the Defendant outstanding on the date of the filing of the summons, reported on 27.05.2021 as the date of termination of the contract.
2. The amount of Rent and Penalties owed by the Defendant outstanding on the date of the submission of the request for summons reported to 24.08.2021 as the date of termination of the contract.
3. The separate value of the costs of utilities and services for the period March-May 2021 and of the penalties related to 27.05.2021 as the date of termination of the contract.
4. The separate value of the costs of utilities and services for the period June-August 2021 relative to 24.08.2021 as the date of termination of the contract.

5. The correctness of the method of calculation of the sums requested for payment through the summons request, respectively the sums of RON 267,214.96 lei, representing rent, service tax and utility costs, RON 100,109.95 representing late penalties and RON 3,632,709, 91, representing compensatory damages, according to the plaintiff's request.

The parties responded to the questioning and by the conclusion of the session dated January 27, 2023, the court approved the testimonial evidence with 2 witnesses who were heard in the session of 03.10.2023. Until the deadline of 10.03.2023, the appointed expert did not submit the expert report and requested a postponement without specifying a deadline for its completion. Due to the lack of the expert report, the court granted a new deadline of 21.04.2023.

The expert report was submitted on 16.06.2023, and the court remained in judgment for 30.06.2023. After successive postponements, the court ruled on 04.08.2023. The solution in short: "Accept the request in part, as stated. It obliges the defendant to pay to the plaintiff the sum of RON 102,627.51, by way of delay penalties. He rejects the other claims as unfounded. Compensates in part the court costs due to each party and, consequently, obliges the defendant to pay to the plaintiff the sum of RON 3203.92, as court costs. With appeal within 30 days of communication. The appeal is submitted to the Bucharest Court - VI Civil Section."

Until the date of this report, the sentence has not been communicated to the parties. The group recorded a provision in the amount of RON 105,831.42 in the financial statements from 30.06.2023.

**NOTA 14. SUBSEQUENT EVENTS**

**Repayment of the BNET23 bond issue On July 05, 2023**

Bittnet repaid the BNET23 bond issue (face value) at maturity through the BNET23 bond issue. According to the Memorandum of admission to trading on the BSE's SMT-Bonds market, the redemption price was 100% of the nominal value of the issue, RON 4,700,000. The registration date for the identification of the bondholders who benefited from the redemption of the nominal value was 29.06.2023, and the Payment Date for the redemption was 05.07.2023. The last trading session for BNET23 bonds was 27.06.2023. In addition to the repayment of the nominal value, the distribution of the last quarterly coupon, coupon 21, with the same reference and payment dates, was carried out to bond holders.

BITTNET SYSTEMS SA

INDIVIDUAL FINANCIAL STATEMENTS

In accordance with Order of the Minister of Public Finance no. 2844/2016 with subsequent amendments, for 6 months ended on June 30, 2023

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## Comprehensive Income Statement

	<u>30 June 2023</u>	<u>30 June 2022</u>
Revenue from customers	5,945,725	7,594,288
Sales costs	(3,141,705)	(3,416,797)
Gross margin	<b>2,804,020</b>	<b>4,177,490</b>
Other income	985,764	365,506
Selling expenses	(2,250,774)	(1,784,600)
General and administrative expenses	5,558,811	(3,173,749)
Profit/(loss) – Equity Method Holdings	(17,861)	92,864
Interest income	1,471,217	6,458,516
Financial expenses	(1,789,203)	(1,449,740)
<b>Gross profit</b>	<b>(4,355,647)</b>	<b>4,686,287</b>
Income tax	564,562	87,964
<b>Net profit</b>	<b>(3,791,085)</b>	<b>4,774,251</b>

The financial statements from page 1 to page 37 were approved and signed on August 25, 2023.

Mihai Logofatu  
CEO

Adrian Stanescu  
CFO



**STAMENENT OF FINANCIAL POSITION**

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Goodwill	7,036,876	7,070,347
Tangible fixed assets	8,512,957	10,462,845
Equivalent titles	44,393,103	38,813,490
Other financial assets	33,287,262	26,312,865
Deferred tax	1,002,239	437,677
<b>Total fixed assets</b>	<b>94,232,437</b>	<b>83,097,224</b>
<b>Current assets</b>		
Inventories	25,313	51,963
Comercial and other receivables	9,272,565	9,049,077
Financial assets	13,204,091	13,790,384
Cash and cash equivalents	19,329,260	13,470,129
<b>Total current assets</b>	<b>41,831,229</b>	<b>36,361,552</b>
<b>TOTAL ASSETS</b>	<b>136,063,666</b>	<b>119,458,777</b>
<b>EQUITY AND DEBT</b>		
Share capital	63,417,671	52,848,060
Issue premiums	31,934,768	9,738,583
Other equity items	(15,921,342)	(20,851,261)
Reserves	956,462	956,462
Reported result	3,870,399	7,661,485
<b>Total equity and reserves</b>	<b>84,257,960</b>	<b>50,353,329</b>
<b>Long-term debt</b>		
Bonds	14,539,562	9,609,806
Long term loans	-	-
Leasing	15,798,902	14,923,783
Long-term debt	-	-
Deferred income tax liabilities	-	-
<b>Long term debt</b>	<b>30,338,465</b>	<b>24,533,590</b>
<b>Current debts</b>		
Bonds	14,829,812	25,194,352
Long term loans	-	167,937
Leasing	3,188,865	2,646,803
Profit tax liabilities	-	-
Comercial and other payables	3,448,656	16,562,786
<b>Total current debts</b>	<b>21,467,241</b>	<b>44,571,858</b>
<b>Total debt</b>	<b>51,805,706</b>	<b>69,105,448</b>
<b>EQUITY AND DEBT - TOTAL</b>	<b>136,063,666</b>	<b>119,458,777</b>

**CASH FLOW STATEMENT**

	For 6 months	
	30 June 2023	30 June 2022
<b>Gross Profit</b>	<b>(4,355,647)</b>	<b>4,686,287</b>
Adjustments for:		
Depreciation expenses	987,790	494,629
Expenses on assigned assets	-	-
Benefits granted to employees – SOP	443,724	543,725
Interest expenses and other financial costs	1,192,828	1,213,164
Interest income and other financial income	(449,651)	(723,395)
Earnings from investments	(427,056)	(5,576,882)
Equivalent titles	17,861	(92,864)
<b>Operating profit before working capital change</b>	<b>(2,590,152)</b>	<b>544,665</b>
Variation of receivables account balances	3,876,672	(2,806,721)
Variation of stock account balances	26,650	(20,610)
Variation in debt account balances	(1,953,331)	1,001,786
<b>Cash generated from operation</b>	<b>(640,161)</b>	<b>(1,280,879)</b>
Profit tax	-	(278,513)
<b>Net cash from operating activities</b>	<b>(640,161)</b>	<b>(1,559,392)</b>
<b>Investment activities:</b>		
Payments for the purchase of participation interests	(13,758,345)	(7,618,069)
Sell of subsidiaries	-	7,859,959
Loans granted to related entities	(5,739,610)	1,559,364
Acquisitions of tangible and intangible assets	(475,857)	(366,827)
Proceeds from other financial investments	-	423,108
Dividends received	68,661	1,462,456
Interest received	793,279	743,771
<b>Net cash from investment activities</b>	<b>(19,111,872)</b>	<b>4,063,763</b>
<b>Financing activities:</b>		
Proceeds from the issue of shares	29,701,386	-
Sale of own shares	4,550,607	25,715
Repayments of bank loans	(167,937)	(475,299)
Receipts / repayments from the bond issue	(5,114,873)	-
Payments of debts related to financial leasing	(1,845,280)	(561,448)
Interest paid	(1,512,739)	(1,028,330)
Paid dividends	-	-
<b>Net cash from financing activities</b>	<b>25,611,165</b>	<b>(2,039,361)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,859,131</b>	<b>465,009</b>
Cash and cash equivalents at the beginning of the financial year	13,470,129	8,753,193
<b>Cash and cash equivalents at the end of the financial year</b>	<b>19,329,260</b>	<b>9,218,203</b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Issuance premium	Other equity items	Legal reserve	Carried forward result	Total equity
<b>Dec/31/2021</b>	<b>48,043,690</b>	<b>14,542,953</b>	<b>(19,082,504)</b>	<b>947,402</b>	<b>7,051,654</b>	<b>51,503,195</b>
Net profit	-	-	-	-	4,774,251	4,774,251
Other items of the overall result	-	-	-	-	-	-
<b>Total overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,774,251</b>	<b>4,774,251</b>
Share capital increases	-	-	-	-	-	-
Own shares transactions	4,804,369	(4,804,369)	(9,895)	-	-	(9,895)
Benefits to SOP employees	-	-	(19,790)	-	-	(19,790)
Sell of minority interests	-	-	543,725	-	-	543,725
Dividend distribution	-	-	-	-	-	-
Legal reserve distribution	<b>52,848,060</b>	<b>9,738,583</b>	<b>(18,568,463)</b>	<b>947,402</b>	<b>11,825,905</b>	<b>56,791,486</b>
<b>30 June 2021</b>						
	Capital social	Prime de emisiune	Alte elemente de capitaluri proprii	Rezerve legale	Rezultat reportat	Total capitaluri
<b>Dec/30/2022</b>						
Net profit	<b>52,848,060</b>	<b>9,738,583</b>	<b>(20,851,261)</b>	<b>956,462</b>	<b>7,661,485</b>	<b>50,353,329</b>
Other items of the overall result	-	-	-	-	(3,791,085)	(3,791,085)
<b>Total overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
					<b>(3,791,085)</b>	<b>(3,791,085)</b>
Share capital increases	-	-	-	-	-	-
Own shares transactions	10,569,612	22,196,185	(64,411)	-	-	32,701,386
Benefits to SOP employees	-	-	4,550,607	-	-	4,550,607
Minority interests	-	-	443,724	-	-	443,724
Dividend distribution	-	-	-	-	-	-
Legal reserve distribution	<b>63,417,671</b>	<b>31,934,768</b>	<b>(15,921,342)</b>	<b>956,462</b>	<b>3,870,399</b>	<b>84,257,960</b>
<b>30 June 2023</b>	<b>63,417,671</b>	<b>31,934,768</b>	<b>(6,460,513)</b>	<b>1,324,823</b>	<b>(5,679,546)</b>	<b>84,537,203</b>

**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. Sergent Ion Nutu, nr. 44, One Cotroceni Park, Corp A & B, 4 floor, District 5, Bucharest, and the following subsidiaries, all subsidiaries being registered in Romania:

	<u>30 Jun 2023</u>	<u>31 Dec 2022</u>
<b>Subsidiary - %</b>		
Dendrio Solutions	88,001%	88.001%
Elian Solutions	51.02%	51.02%
Equatorial Gaming	98.99%	98.99%
Equatorial Training, prin Equatorial Gaming	100%	100%
Computer Learning Center	100%	100%
ISEC Associates	69.992%	69.992%
IT Prepared	50.2%	50.2%
Nenos Software	60.97%	60.97%
Nonlinear	60%	60%
Global Resolution Experts	60%	60%
GRX Advisory, prin Global Resolution Experts	60%	60%
Top Tech, 46% through Dendrio Solutions	86%	86%
zNet Computer, through Dendrio Solutions	100%	100%
Dataware Consulting, 51,13% through Dendrio Solutions	70%	-
<b>MINORITY INTERESTS</b>		
E-Learning Company	23%	23%

The group has over 200 employees and collaborators, working for one of the 5 companies included in the group (Bittnet Systems, Dendrio Solutions, Elian Solutions, Equatorial Gaming, Equatorial Training, Computer Learning Center, ISEC Associates, IT Prepared, Nenos Software, Nonlinear, Global Resolution Experts, GRX Advisory).

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, Computer Learning Center, ISEC Associates, IT Prepared, Nenos Software, Nonlinear – August 2021, Global Resolution Experts si GRX Advisory – Decembrie 2021).

**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 Căpățînă, 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.

#### **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 56.341.882 shares, which represents 8.88% of the share capital and voting rights. Mihai Logofatu is the co-founder of Bittnet Systems.
- 2) **Cristian Ion Logofatu**, who owns 53.592.812 shares, which represents 8.45% 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** – who owns 5,468,395 shares of the Issuer, meaning a percentage of 0.86% of the voting rights.
- 4) **Rudolf Paul Vizental** – does not own shares on 29.06.2023
- 5) **Dynamic Data Drawings SRL** – by Anca Manuțiu. At 29.06.2023, Anca owns 763.237 shares, meaning 0,12%

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 OF PREPARATION OF FINANCIAL STATEMENTS**

The Company's stand alone financial statements are prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("EU IFRS") and OMFP 2844/2016, respectively, as amended and supplemented, "for the approval of accounting regulations in accordance with International Financial Reporting Standards" , the transition date being January 1, 2016.

The unconsolidated reporting for the 6-month period ended June 30, 2021 has been prepared in accordance with IAS 34 for "Interim Financial Reporting". This report does not include all information and disclosures that would be required in a complete set of IFRS financial statements and should be read in conjunction with the 2020 annual financial statements.

The Company has applied the same accounting policies and valuation methods in the interim reporting as for the annual financial statements. There are no significant implications for amendments to IFRS 16 on Leasing Concessions. There are a number of standards, changes to standards and interpretations issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt in advance. The Company is currently assessing the impact of these new accounting standards and changes, but does not anticipate a significant impact.

The essential estimates and reasoning applied in the annual financial statements are continuously evaluated and consistently applied based on historical experience and other factors, including expectations regarding future events that are considered reasonable in those circumstances. In the future, the actual experience may differ from these estimates and assumptions. Estimates and assumptions that present 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**

- Income recognition - main/agent relationship;
- Bittnet brand recognition;
- Recognition of the loyalty program for employees/collaborators by offering actions in Stock Option Plans (SOP)
- Reclassification of Softbinator Technologies investment from equity securities into securities at fair value through the profit and loss account

**Estimates and assumptions**

- the fair value measurement of financial assets held for sale;
- Evaluation of the consideration related to the loyalty program of employees/collaborators by offering shares - "SOP";
- Evaluation of adjustments for impairment of receivables.

**NOTA 3. SIGNIFICANT EVENTS AND TRANSACTIONS****Economic context**

The event that marked the year 2020 is the global pandemic of Covid-19, and the restrictions on movement and activity ("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 the fears of consumers and companies on the subject of a future recession or economic crisis. However, it seems that the monetary measures taken by governments and central banks have given enough confidence to the business environment that a 'credit crunch' will not occur.

**Measures adopted**

Using the technology solutions from the Dendrio portfolio, as of March 2020, approximately 90% of the Bittnet Group team is working from home, without significant interruptions to daily activities. This measure was taken for an indefinite period. If it is necessary for all 100% of the team members to work from home, the Group does not foresee any significant administrative impediment in its day-to-day activity, and the work schedule will continue under conditions as close as possible to the usual schedule.

**The impact on business**

The event that marked the years 2020-2021 is the global 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 the fears of consumers and companies about a future recession or economic crisis. However, it seems that the monetary measures taken by governments and central banks have given enough confidence to the business environment so that a 'credit crunch' does not occur. The group closely monitors liquidity indicators - conversion of receivables into cash, transactions with customers and suppliers, etc.

The effects resulting from this general environment are:

- The semiconductor crisis has significantly affected projects that include hardware components. Although in the first quarter and even the first 6 months of 2021 there were moments of recovery in component supply flows (processors/chips ), starting from May 2021 this trend entered a downward spiral (more information: <https://www.bloomberg.com/news/articles/2021-05-18/wait-for-chip-deliveries-increased-in-sign-shortage-persists> and here: <https://www.bloomberg.com/news/articles/2021-08-23/chip-shortage-set-to-worsen-as-covid-rampages-through-malaysia>). When will we be able to consider this situation over? Certainly not in the near future: <https://www.bloomberg.com/graphics/2021-chip-production-why-hard-to-make-semiconductors/>
- Human factors pressure – the global pandemic has introduced a flexibility in the way companies contract and interact with employees and collaborators. As more and more global projects are delivered with delocalized resources, geographic location is now only of purely fiscal significance. As a result, Romanian IT companies, including the companies from the group's technology division, face extremely aggressive global competition, in a market where skilled labor is scarce and increasingly mobile.
- The consistent digitization of work processes in the last two years leads to a significant increase in the demand for expertise in the Cybersecurity space. Considering that Dendrio offers a wide spectrum of solutions and services in the area of cybersecurity, but also the fact that starting from



August 2021 the technology division began to include other companies with exceptional cyber expertise, such as: IT Prepared, Global Resolution Experts ( GRX), or iSec Associates (iSec) – we can consider that at this moment the technology division and the Bittnet group are in an extremely favorable position for the next period.

**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.

**NOTA 4. REVENUES FROM CUSTOMER CONTRACTS**

Revenues from customer contracts are detailed in the following table:

	6 months:	
	<u>30 June 2023</u>	<u>30 June 2022</u>
Training services	5,264,318	7,305,637
IT solutions integration services	117,476	153,638
<b>Revenues from the provision of services</b>	<b><u>5,381,794</u></b>	<b><u>7,459,275</u></b>
Selling goods integrating IT solutions	411,323	35,072
Resold licenses	152,609	99,941
<b>Sale of goods</b>	<b><u>563,931</u></b>	<b><u>135,013</u></b>
<b>Total</b>	<b><u>5,945,725</u></b>	<b><u>7,594,288</u></b>

**Training services**

Revenues from training services include expert access to technology by teaching IT skills, from basic (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 (2/4/6 hour courses, depending on the client's need). Each student receives access to dedicated equipment, official curriculum, as well as online and offline exams. Revenues are recognized at a specific time, at the end of the training as a result of fulfilling the execution obligation.

**IT solutions integration services**

The IT solutions provided by the Company include: general consulting services, IT evaluation services, implementation and migration services, maintenance and support services, infrastructure optimization services. The integrator business involves providing solutions and services 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, at the end of the implementation as a result of the fulfillment of the execution obligation.

**Revenues from the sale of goods and licenses**

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

**Income from a geographical perspective**

Revenues are significantly provided and goods delivered to entities in Romania.

NOTA 5. CLASSIFICATION OF EXPENSES BY NATURE

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

	6 months:	
	<u>30 June 2023</u>	<u>30 June 2022</u>
Materials and goods	637.893	249,472
Resold licenses	149.135	81,663
Staff expenditure	2.244.834	1,345,015
Expenses with collaborators	2.283.310	1,801,553
Amortization	987.790	494,629
Cloud services	66.171	41,512
Rent	3.990	15,046
Commissions and fees	142.870	133,595
Marketing	440.240	470,251
Travel and transportation	3.749	4,276
Insurance	22.357	19,207
Postal and telecommunications	17.887	18,952
Donations	245.777	188,197
Receivables adjustments	-	-
Bank charges	19.669	20,393
Services provided by third parties	2.610.472	3,038,425
Provisions	105.831	
Other expenses	969.315	452,960
<b>Total operating expenses</b>	<u><b>10,951,290</b></u>	<u><b>8,375,147</b></u>

NOTA 6. TITLES OF PARTICIPATION

	30 iun 2022	31 dec 2021
Dendrio Solutions	6,394,376	6,394,376
Elian Solutions	510,000	510,000
Equatorial Gaming	3,761,000	3,761,000
Computer Learning Center	866,001	866,001
ISEC Associates	436,001	436,001
IT Prepared	3,833,272	3,833,272
Nenos Software & Nonlinear	4,985,939	4,985,939
Global Resolution Experts	9,706,286	9,706,286
TopTech	5,401,675	5,401,675
Dataware	5,597,473	-
<b>Total</b>	<b>41,492,023</b>	<b>35,894,550</b>

**Dendrio Solutions - CUI 11973883**

During 2017, Bittnet 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 optimization 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 customers, products and services.

In June 2022, Bittnet Systems announced to the Market through current report no. 25/14.06.2022 that an institutional investor was co-opted in the shareholding of Dendrio Solutions SRL. The operation was carried out by selling an 11.999% stake in Dendrio to the investment fund Agista Investments for the amount of RON 7,499,982.76. Considering the transaction price, the market valuation of the IT&C integrator Dendrio Solutions amounts to 62.5 million lei. With the addition of Agista as a shareholder, Dendrio starts the road to listing on the capital market either through a private placement or an initial public offer at BVB, or through a merger procedure with a company listed on a regulated market or on a multilateral system of trading from a member country of the European Union.

**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.

**Computer Learning Center & ISEC Associates**

In August 2021, the Group informed investors about the signing of share sale-purchase contracts for the takeover of the cyber security company - ISEC Associates SRL and the IT training company - Computer Learning Center. The purchase price for 100% of the Computer Learning Center (CLC) company was RON 725,000, the amount which was settled in 2 tranches: the first tranche, worth RON 225,000, was paid during August 2021, and tranche 2 - in the amount of RON 500,000, conditional on the removal from CLC's patrimony of assets that are not relevant for the company's current activity (noncore assets) - was paid in January 2022.

Bittnet Group thus strengthens its Education Division and expands the portfolio of certifications, 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. Following the entry of Bittnet Systems into the shareholding, a loan agreement was signed by the parties in September 2021 by which the Issuer made available to Computer Learning Center the amount of RON 560,000 for working capital for a maximum period of 3 years and an interest of 9% per year. The loan was successively increased to the amount of RON 1,935,000 in the period October 2021 - February 2022.

The purchase price for 69.99% of ISEC Associates was RON 295,000, the amount which was paid in one installment, by bank transfer, to the founding shareholder, Alexandru Andriescu. ISEC Associates is a company founded in 2003, specializing in cyber security audit, consulting and testing services. ISEC helps companies identify, secure and manage information security. By acquiring ISEC, Bittnet is developing its

position on the cyber security market. Following the entry of Bittnet Systems into the shareholding, a loan agreement was signed by the parties through which the Issuer made available to ISEC Associates the sum of RON 370,000 for financing the working capital for a maximum period of 3 years and an interest rate of 9% per year. The loan was increased to the amount of RON 470,000 in February 2022.

Computer Learning Center and ISEC Associates were consolidated in the financial statements starting from September 2021.

### **IT Prepared**

In August 2021, Bittnet informed the investors and the Market about the closing negotiations and signing of the agreement for acquisition of a majority stake in the IT Prepared SRL company. The transaction price amounts to USD 776,290 for 50.2% of the company and will be paid through a mix of cash and BNET shares in 3 tranches as follows:

- The first tranche, in the amount of USD 265,200, was paid in RON immediately after the signing of the share purchase agreement, by bank transfer to the two founding shareholders of IT Prepared;
- Tranches 2 and 3, in the amount of USD 368,290 (the updated amount following the closing of the IT Prepared financial statements on 12/31/2021), respectively USD 142,800 (the amount to be updated following the closing of the IT Prepared financial statements on 12/31/2022), will be paid to the founders of IT Prepared by settlement in BNET shares in a future capital increase operation. The actual number of shares to be issued will be determined in accordance with the provisions of art. 210(2) of Law 31/1990 and art. 87-88 of Law 24/2017 regarding issuers of financial instruments and market operations and art. 174 of the ASF Regulation no. 5/2018.

The transaction of taking over the majority stake in ITPrepared SRL was approved by the Shareholders in EGSM on November 26, 2020. Taking into account that the financial and operational situation of IT Prepared SRL changed between the moment of approval granted by EGSM and the moment of signing the investment agreement, the parameters of the transaction were renegotiated in favor of Bittnet, the final valuation being reduced by half (thus Bittnet took over the majority package), and the payment being dependent on the confirmation of positive operational results in 2021 and 2022. ITPrepared SRL was consolidated in the financial statements starting from September 2021.

### **Nenos Software & Nonlinear**

In August 2021, the Group informed the capital market about the completion of negotiations and the signing of contracts for the acquisition of the majority shares in the software developer Nenos Software SRL and in Nonlinear SRL.

The value of the transaction for the purchase of 60.97% of Nenos Software is RON 4,850,000, price settled in two installments, as follows:

- 50% of the transaction price (the amount of 2,425,000 lei) was paid by bank transfer to the sole associate of Nenos Software;
- 50% of the transaction value will be settled through the allocation of Bittnet shares to an operation that will be completed through a capital increase. The actual number of BNET shares that will be issued will be determined in accordance with the provisions of art. 210(2) of Law 31/1990 and art. 87-88 of Law 24/2017 regarding issuers of financial instruments and market operations and art. 174 of the ASF Regulation no. 5/2018.

For the purchase of 60% of the company Nonlinear SRL, the transaction price is RON 120 and is equal to the nominal value of the transferred shares. In 2020, Nonlinear had a turnover of RON 392,442 and a net profit of RON 115,018, employing 4 programmers.

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

By taking over the majority shares in Nenos Software SRL and Nonlinear SRL, Bittnet strengthens its position in the software development division, also entering the artificial intelligence sector. Nenos Software and Nonlinear were consolidated in the financial statements starting September 2021.

### **Global Resolution Experts (GRX) & GRX Advisory (GRX-A)**

Global Resolution Experts S.A. (CUI 34836770), owned 60% by Bittnet Systems, is a professional services company in the area of cybersecurity, which offers penetration tests, but also design, implementation and maintenance of cybersecurity solutions. GRX fully owns GRX Advisory SRL (CUI 43813325), with similar services.

The Group initially acquired, in December 2021, a 74% stake in the shares of the "mother" company - GRX, and later at the end of 2021 it attracted a number of financial investors, by selling 14% of GRX shares. The price paid for 74% of GRX shares is RON 11,425,600, of which RON 5,150,400 were paid in December 2021 and RON 6,275,200 were paid between March and April 2022, after the completion of the audit for the financial results of 2021. The sale price for 14% of the shares held in GRX was RON 3,472,631, the amount received in full in December 2021 – January 2022. The services offered by GRX are similar to those offered by ISEC: professional services in the area of cybersecurity: IT compliance audit, Penetration test services for Web applications and IT infrastructure, for beneficiaries from Romania and the European Union; Design, implementation and maintenance services of IT management systems and informational security for compliance with ISO27001, ISO9001, ISO20000 standards; Design services of controls and IT security systems to be implemented (VPN, Antivirus/AntiX, DLP, NAC, IDS/IPS); Architectural design services for IT infrastructure technical solutions regarding the integration of financial IT systems in the Public Cloud; Architectural design services of technical IT infrastructure solutions for the implementation of complex IT systems in the public sector (without participation in the implementation of the respective solutions by the beneficiaries).

GRX and GRX-A were consolidated in the financial statements from 12.31.2021 only at the balance sheet level. Starting with January 2022, GRX and GRX-A have been fully consolidated in the Group's financial statements.

### **Top Tech**

Founded in 1992, Top Tech SRL (CUI: 2114184) is a Romanian company, integrator of IT&C products and services, with business in Transylvania. Currently, TopTech has partnerships with some of the most important technology manufacturers, such as Dell or HP, for the delivery of equipment, solutions and technological services. The company has over 80 employees and collaborators, being one of the most important IT integrators in the central and western part of Romania.

TopTech has open offices in Deva, Sibiu, Timisoara, Cluj-Napoca, Alba-Iulia and Medias. Following this transaction, the Bittnet Group has expanded its geographic coverage nationwide in the IT&C integration industry. After signing the closing at the beginning of September and registering the mentions in the Trade Register regarding the new shareholding structure, Dendrio Solutions SRL owns 60% of Top Tech, and Bittnet Systems SA 40%. The total value of the transaction price is RON 12,874,306, of which RON 5,000,000 (tranche 2) would be settled in BNET shares in a future capital increase; the cash component, worth 7,874,306 lei (tranche 1), was paid in full in September 2022. In March 2023, the parties signed an additional deed to the sale-purchase contract of social shares, by which they agreed that the sum of RON 2,000,000.11, related to tranche 2, to be paid in cash by payment order, and the amount of RON 2,999,999.89 to be converted into BNET shares in the capital increase carried out in quarter 1, 2023. The bank transfer was carried out in March 2023, and the allocation of BNET shares to the founder of Top Tech in April 2023.

In December 2022, Bittnet Systems announced to investors about the co-optation of the Agista Investments investment fund into the Top Tech shareholding. The transaction was realized through the sale by the daughter company Dendrio Solutions SRL of a number of 56 shares, representing 14% of the share capital and voting rights of Top Tech, for the amount of RON 3,000,000. Following the co-optation of Agista as an investor in Top Tech, the Top Tech shareholding structure is as follows: Bittnet Systems owns 160 shares, representing 40% of Top Tech, and Dendrio Solutions SRL owns a number of 184 shares, representing 46% of Top Tech.

### **zNET Computer**

zNET Computer SRL (CUI 8586712) is a Romanian company with over 20 years of experience in providing IT&C products and services, mainly in the Brasov area and the center of the country for local and international clients with a presence in Brasov, Harghita and Covasna counties. zNet Computer provides products and technology solutions from the main international vendors, among the competencies are: design and implementation of technical security systems; technology solutions & services for configuring equipment, servers, storage, networking, software, virtualization, hardware & software security; the sale of hardware components / PC / printers, copiers & multifunctional/scanners. The total value of the transaction price is RON 5,241,931, the amount paid in full in September 2022.

### **Dataware Consulting**

Dataware Cosnulting SRL (CUI 27895927) entered the Bittnet group starting in June 2023 through the acquisition by the Group of a 70% stake in the shares (Bittnet Systems owns 18.87%, Dendrio Solutions owns 51.13%). Dataware is one of the most important integrators of technology solutions and services regarding the implementation and configuration of data networks, storage and security solutions from the main international technology vendors. The total price of the transaction was RON 19,861,795, of which the equivalent of RON 5,000,000 in BNET shares that would have been allocated to the 2 co-founders of Dataware in a future capital increase. Through an addendum to the share purchase agreement, the cash payment of this installment was agreed during June 2023.



## B) Minority interests

### 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.

### c) Other financial assets (securities) at fair value

	30 iunie 2023	31 dec 2022
	<u>                    </u>	<u>                    </u>
Softbinator Technologies	11,352,785	12,308,834
Safetech Innovations	-	-
Arctic Stream	1,851,306	1,481,550
Chromosome Dynamics	-	-
<b>Total</b>	<b><u>13,204,091</u></b>	<b><u>13,790,384</u></b>

### Softbinator Technologies

In December 2020, Bittnet Group acquired a 25% stake in Softbinator Technologies for the amount of 8,127,500 lei, the group's first investment in a software development company. At the time of December 2020, Bittnet held 22,500 shares, with a nominal value of 1 lei per share, from a total subscribed and paid-up capital of 90,000 lei, divided into 90,000 shares. Softbinator is a product development company, specializing in the design, development and market launch of software products mainly in the fields of Fintech, MedTech/HealthTech and EdTech for clients in Europe, North America and Asia.

Softbinator is involved in the development of software products, web and mobile solutions for the digitization of the education process, lifestyle/medical and health, e-payments, electronic commerce, online gaming and in 2020 ticked off areas unexplored in previous years through digital banking (including crypto), Internet of Things (IoT), Automotive and explored a new vertical in e-commerce expertise: marketplaces. Softbinator Technologies share listing (trading symbol: CODE) At the end of August 2021, Softbinator Technologies announced its intention to list on the AeRO market of the Bucharest Stock Exchange (under the trading symbol CODE) by the end of the year. Before the listing, Softbinator Technologies also announced its intention to carry out a private placement to attract capital in order to expand the company internationally. In order to carry out the private placement for the sale of shares, as well as in order to admit to trading on the AeRO-SMT market of BVB for CODE shares, several pre-placement operations were carried out, as follows:

a) General Meeting of Shareholders:

The shareholders of Softbinator Technologies decided on 09.09.2021 to reduce the nominal value of a Softbinator Technologies share from the value of 1 lei per instrument to the value of 0.1 lei per instrument. As a result of the reduction/splitting of the nominal value, new shares were issued for the benefit of the existing shareholders in a ratio of 9:1 (nine new shares issued for each share held on the date of registration). Following this operation, Bittnet Systems held a number of 225,000 shares, representing 25% of the 900,000 shares issued by Softbinator Technologies.

b) Increase in capital by the amount of 10,000 lei

The shareholders of Softbinator Technologies decided on 09.09.2021 to increase the share capital by the amount of 10,000 lei, the amount that was allocated from the undistributed profit, by issuing a number of 100,000 shares with a nominal value of 0.1 lei. The shares were allocated proportionally to the holdings of each of the shareholders. As a result of the increase, the Softbinator Technologies social capital reached a subscribed and paid capital of 100,000 lei, divided into 1,000,000 shares, and the Bittnet Systems shareholder was allocated 25,000 new shares free of charge, with a nominal value of 0.1 lei per share and a total nominal value of 2,500 lei. Following this operation, Bittnet Systems held a number of 250,000 shares, representing 25% of the total shares of Softbinator Technologies.

c) Transfer of newly issued shares as treasury shares

The shareholders of Softbinator Technologies unanimously decided on 09.09.2021 that a percentage of 10% of the total number of shares held, i.e. all the shares issued and allocated following the capital increase operation described above, should be made available to Softbinator Technologies as treasury shares for the purpose of trading within the private placement. In this regard, the Bittnet Systems shareholder transferred to the Softbinator Technologies treasury a number of 25,000 CODE shares at a nominal value of 0.1 lei per share, for which he received a consideration of 2,500 lei - the nominal value. Following this operation, Bittnet

Systems held a number of 225,000 shares, representing 22.5% of the total Softbinator Technologies shares, and 25% of the voting rights and participation in the benefits, taking into account that treasury shares do not have voting rights and do not can receive dividends.

d) Transfer of Softbinator shares

At the end of September 2021, prior to the private placement, Bittnet Systems sold a total of 36,020 Softbinator Technologies shares to various individuals and legal entities. The transfer of shares was made at the maximum placement price (60 lei per share), outside of the capital market mechanisms, and represents 3.602% of the share capital and Softbinator Technologies shares. Following these transactions, Bittnet Systems collected the amount of 2.16 million RON. Following these operations, Bittnet holds a number of 188,980 shares, representing 18.898% of the total shares of Softbinator Technologies.

e) Implementation of private placement

As part of the private placement, a total of 100,000 CODE shares, respectively 10% of the company's share capital (shares ceded by the Softbinator Technologies shareholders to the company's treasury as described above), were offered to investors at a price between 50 and 60 lei per action. 143 individual and professional investors participated in the placement, and the offer closed early on the first day, against the background of almost 8 times oversubscription, investors placing orders in total value of over 49 million lei. The final price per share was set at the maximum value of the offer, i.e. 60 lei. Following the processing of the transaction, Softbinator attracted a cash contribution of 6 million lei.

Softbinator shares are available for trading, on the AeRO SMT market, under the symbol CODE.

**Essential considerations - Reclassification of Softbinator Technologies investment from equity-based securities to securities at fair value through the profit and loss account**

Following the operations described above, the Bittnet Group reanalyzed the investment in Softbinator Technologies on 30.09.2021. Thus, taking into account the fact that at the time of Bittnet's investment in Softbinator, one of the essential elements of the operational construction was Bittnet's access to the capital market, to support Softbinator's development projects, and this differentiating element disappeared with the direct access of Softbinator on the capital market by carrying out the private placement with CODE shares, the management of the Group took the decision to give up involvement in the management of the Softbinator Technologies activity. Otherwise, the 188,980 shares held on 30.09.2021, representing 18.898% of Softbinator Technologies' capital, will remain in the Group's portfolio for sale. Also, in December 2021, the Group formally relinquished the position held within the Board of Directors of Softbinator Technologies through Ivylon Management.

The group analyzed from the perspective of the provisions of IAS28, art. 6 a)-e), the criteria for exercising significant influence over the entities in which there is a holding, concluding the following:

- The group no longer holds a position within the Board of Directors of Softbinator Technologies;
- The Group does not participate in the process of making strategic decisions for Softbinator Technologies (including those related to dividend distributions);
- There are no significant transactions between the Group and Softbinator Technologies; - The Group and Softbinator Technologies do not have common management;
- There is no essential technical information exchanged between the Group and Softbinator Technologies.

As such, the Group Management has come to the conclusion that it no longer exercises and does not intend to exercise a significant influence over Softbinator Technologies starting with 30.09.2021. As such, the Group decided to reclassify the remaining holding in Softbinator Technologies on 30.09.2021 as securities held at fair value. On 30.06.2022, the investment in Softbinator Technologies shares was revalued using the average trading price on the AeRO market from 30.06.2022.

### **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.

On 31.12.2021, the investment in Safetech Innovations shares was revalued using the average trading price on the AeRO market from 31.12.2021.

During the first quarter of 2022, the Group liquidated the rest of the holding in Safetech Innovations, so that at the end of the reporting period the Group no longer held SAFE shares in its portfolio.

### **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.

On 06/30/2022, the investment in Arctic Stream shares was revalued using the average trading price on the AeRO market as of 06/30/2022.

### **Chromosome Dynamics**

In August 2021, the Group's management decided to invest together with Impetum Group in a company that seeks to develop IT and artificial intelligence solutions for clients in the agribusiness industry, according to the partnership announced at the end of 2019. Bittnet's contribution to the capital Social capital of Chromosome Dynamics amounts to 150,000 lei for 1.5% of shares and 1.5% of CHRD voting rights, including issue premiums. Later, Chromosome Dynamics carried out a private placement of shares with a view to listing on the AeRO-SMT market of the Bucharest Stock Exchange, which was concluded early. Within the offer, 111,929 CHRD shares were issued, with a total value of 3,357,870 lei, the price being 30 lei. The offer reached the threshold of success, being supplemented with another 882,870 lei. The date of the transaction was 04.10.2021, settlement taking place on 06.10.2021 through the Central Depository system. Following the private placement, Bittnet Systems owns 1.22% of CHRD shares and voting rights. Chromosome Dynamics develops solutions oriented towards the needs of farmers in order to process technology. CHRD is the developer of the AGROBAZAR APP, which models the consulting-selling-buying process in agribusiness, representing a one stop shop for farmers in Romania. The application offers farmers consulting in agribusiness, agricultural machinery and inputs - seeds, pesticides, fertilizers, having up to now more than 10,000 active users. According to the investment agreement, the Bittnet group will have the first option to deliver technology projects together with CHRD. Both on 31.12.2021 and on 31.03.2022, the investment in CHRD shares was revalued by reference to the price per share from the private placement concluded in advance. CHRD shares entered trading on 05.05.2022 on the AeRO-SMT market of BVB. On 06/30/2022, the investment in CHRD shares was revalued using the average trading price on the AeRO market on 06/30/2022

**NOTA 7. EQUITY AND RESERVES**

Details regarding the Group's capital reserves are presented in the following table:

	30 June 2023	31 December 2022
Share capital	63,417,671	52,848,060
Issue premiums	31,934,768	9,738,583
Legal reserves	(15,921,342)	(20,851,261)
Other equity items	956,462	956,462
Legal reserves	7,661,485	7,042,593
Reported result	(3,791,085)	618,891
Current overall result		
<b>Total</b>	<b>84,257,960</b>	<b>50,353,329</b>

**a) Share Capital**

The share capital of the Company 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:

Actionari si % detinute	30 June 2023	31 Dec 2022
IMPETUM INVESTMENTS S.A.	13.33%	6.86%
AGISTA INVESTMENTS S.R.L.	13.69%	7.98%
Mihai Logofătu	8.88%	10.85%
Cristian Logofătu	8.45%	10.14%
Alții	55.65%	79.01%
<b>Total</b>	<b>100%</b>	<b>100%</b>

*Capital increase with new cash contributions – March 2023*

In Q1 a new capital increase operation was successfully carried out, as a result of which the capital increased by the amount of RON 32,765,796.89, corresponding to a number of 105,696,119 new shares. Within this financing operation, 96,018,700 new shares were subscribed, through new cash contributions, in the amount of RON 29,765,797 (90.84% of the entire volume of the offer), the difference representing the conversion of receivables resulting from the activity of M&A carried out in recent years. As part of this operation, the Company's management decided to pay the counter value of the receivables resulting from the M&A activity partly in cash and partly by conversion into BNET shares. Thus, following the signing of the additional documents with the sellers from the M&A transactions, the value of the receivables converted into shares at the price of RON 0.31 was RON 2,999,999.89 and represented the non-cash part of the purchase price of Top Tech SRL . The cash payments made in March 2023 refer to the payment of the consideration of the

receivables resulting from the acquisitions of stakes in ITPrepared, The ELearning Company, Nenos Software and Top Tech. Following the procedures necessary to register the new share capital and the new number of shares at the Trade Registry Office, the Financial Supervision Authority, the Central Depository and the Bucharest Stock Exchange, the subscribed and paid-up share capital of Bittnet Systems SA is RON 63,417,671.40 , related to a number of 634,176,714 ordinary shares.

*Increase of share capital by incorporation of reserves – July 2022*

The share capital was increased by the amount of RON 4,804,369.10 by incorporating the issue premiums and issuing a number of free shares for the benefit of the shareholders from the date of registration (1 free share for every 10 held), according to ESSM Decision no. 2 of April 2022 and the additional voting procedures. Shareholders from the date of registration - July 21, 2022 - could opt online, between July 29 and August 4, to leave these new shares at the disposal of the Company to be used in the incentive programs for key persons, approved in previous years by the GMS, in this case receiving a cash distribution of RON 0.15 per 10 shares held on the date of registration. During the voting period, the Issuer received a number of 234 options from 234 shareholders, representing a total of 205,693,904 voting rights, i.e. 43.34% of the total voting rights of the Issuer. Among the options expressed, 105 shareholders representing 175,297,189 voting rights, i.e. 36.93% of the total voting rights, opted for OPTION 1 - i.e. for cash distribution and leaving the newly issued shares at the disposal of the company. The company will distribute to these shareholders the amount of 2,629,453.80 lei starting on September 12, 2022, through the Central Depository system, with Banca Transilvania as payment agent. The Central Depository allocated, on 12.08.2022, the shares in Section 1 for the shareholders from the registration date who opted otherwise than for the cash distribution or did not undertake any voting steps during the voting period. Also at that time, the Central Depository charged a number of 17,529,692 treasury shares to the Issuer's account. Following this operation, the subscribed and paid-up capital of Bittnet, registered in the records of the Trade Register, ASF and the Central Depository, is 52,848,059.5 lei, divided into a number of 528,480,595 BNET shares, each with a nominal value of 0.1 lei .

**b) Issue premiums**

The issue premiums resulted from financing in capital increases operations can be used to increase the share capital in future.

**c) Legal reserves**

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

**d) Other equity elements**

**Essential reasoning - recognition and evaluation of SOP**

The company assessed from the perspective of IFRS 2 whether share-based payment transactions with employees (SOP) are settled in cash or by issuing shares. The Company settles the transactions by issuing to the optionholders a number of shares that are equivalent (at the market price) to the financial value of the option.

The capital increase is made by raising the preference right and based on the Board of Director's Decision. As a result, although at an intermediate stage the "debt" regarding the settlement of the SOP is assessed, the economic substance of the transaction is that they are settled in shares.

As a result, the Company recognized the SOP transactions as settled in shares, and recognized and valued the services received in the Statement of Income and the corresponding increase directly in equity.

### Significant estimates - SOP evaluation

The company assessed from the perspective of IFRS 2 whether share-based payment transactions with employees (SOP) are settled in cash or by issuing shares. The Company settles the transactions by issuing to the holders of options a number of shares that are equivalent (at market price) to the financial value of the option. The capital increase is made by raising the preference right and based on the Administrator's Decision.

As a result, although at an intermediate stage the "debt" regarding the settlement of the SOP is assessed, the economic substance of the transaction is that they are settled in shares. As a result, the Company recognizes the SOP transactions as settled in shares, and recognizes and evaluates the services received in the Statement of comprehensive income and the corresponding increase directly in equity.

Transactions with employees and other employees providing similar services were valued at the fair value of the capital instruments provided, as it was usually not possible to reliably estimate the fair value of the services received. The measurement of the fair value at the grant date (according to IFRS 2) - the date of approval by the EGMS of each plan - is performed using the Black - Scholes model, using as values for the model:

- spot price on the GMS date, i.e. adjusted average price for splits at t-1
- strike price (at the registration date) according to each stock option plan
- volatility, according to the analysis of the daily price of BNET shares, adjusted for splits
- risk-free interest rate, ROBOR12M published on t-1
- the number of shares of the company from the date of granting
- the dilution percentage from the Stock Option Plan

The full value of each plan is recognized in costs over the course of each plan.

### SOP 2020A & SOP2020B – „SOP2020“

By Decision no. 3 of the OGSM of January 29, 2020 were voted: • the inclusion in the incentive plan with options of key persons, 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 president of the Board of Directors; and • the inclusion in the incentive plan with options of key persons, with a number of options equal to 0.75% of the total number of shares, annually, of the president of the Board of Directors. Additionally, by Decision no. 5 of the EGSM of April 29, 2020, the Company's shareholders voted for an incentive plan with options for key persons with a duration of 2 years, in the amount of a maximum of 5% of the Company's total shares. Within this incentive plan, 24 key persons notified the company regarding the purchase of a total number of 40,428,754 BNET shares according to the option contracts concluded within the incentive plans "SOP2020A" and "SOP2020B" approved by the above AGEA Decisions mentioned, hereinafter collectively referred to as "SOP2020". The exercise price of the options under SOP2020 was calculated, according to the approved incentive plans, taking as reference the market capitalization from 31.12.2019 for SOP2020A, i.e. the value of 113,000,000 RON, respectively the market capitalization from 21.04. 2020, for SOP2020B, i.e. the value of 101,445,399 RON. Thus, the resulting strike price is 0.235203 lei/share for SOP2020A, respectively 0.211152 lei/share for SOP2020B. Considering that the sums of money that should have been paid by the key persons



to the company on account of the shares acquired under SOP2020 by exercising the options could have been paid by various methods, one of them being the sale in the market of a part representing the equivalent of approximately 65% of the shares that are the subject of SOP2020, and this additional volume could have unbalanced the balance between demand and supply, the Group's management made the decision that the 24 key people should be paid in shares the economic value of the options within the incentive program, i.e. a number of 26,020,845 shares. The economic value of the option is the difference between the market price and the purchase price from the SOP (strike price of the option), multiplied by the number of options. The total number of shares was calculated by dividing the economic value of the option at the price of 0.34 lei per share (the price approved by the GSM for running a buyback program). The allocation of the shares representing the counter value of the economic value of the option was made without the need for a cash consideration from the key persons. Thus, the 24 key persons were settled a number of 26,020,845 BNET shares, transferred by the Central Depository from among the Issuer's treasury shares.

**SOP 2021**

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

**SOP 2022**

By Decision no. 7 of the AGM of April 20, 2022, the Company's shareholders voted for an incentive plan with options for key persons with a duration of 2 years, in the amount of a maximum of 5% of the Company's total shares.

**SOP 2023-2026 (Plan de Incentivare pe Termen Lung prin Participarea la Capitalul Societatii)**

By Decision no. 11 of the AGEA of April 27, 2023, the shareholders approved an incentive plan for key people based on options for participation in the company's capital. Compared to the previous incentive plans, this one assumes a duration of 3 years and a value of 7.5% of the total shares of the Company.

**NOTA 8. BONDS**

Details on loans from bond issues are presented in the following table:

	<u>30 iun 2023</u>	<u>31 dec 2022</u>
BNET23	4,700,000	4,690,017
BNET23A	9,672,935	9,639,901
BNET23C	-	9,991,667
BNET26E	9,654,436	9,609,806
BNET 27A	4,885,127	-
Interest	<u>456,877</u>	<u>872,768</u>
<b>Total:</b>	<b><u>29,369,375</u></b>	<b><u>34,804,159</u></b>
Long term	<u>14,539,562</u>	<u>9,609,806</u>
Short term (interest)	<u>14,829,812</u>	<u>25,194,352</u>

The company carried out in 2016, 2017, 2018, 2022 and 2023 offers of bonds maturing in 2019, 2022, 2023, 2026 and 2027 through which it obtained from the capital market a 'committed' financing of over RON 40 million (all issues are listed on BVB).

**BNET23**

On July 4, 2018, Bittnet successfully closed the third private placement of corporate bonds in the Company's history. As part of the private offer, which took place between June 26 and July 4, Bittnet attracted an investment of 4.7 million lei. Most of the borrowed capital was used to acquire a 51% stake in Elian Solutions and 25% in Equatorial Gaming, with the rest being used as working capital. The BNET23 bonds have a nominal value of 100 lei, a maturity of 5 years and an annual interest of 9%, payable quarterly. The placement was subscribed by 32 natural persons, 1 legal person and 3 open investment funds. Due to high interest, the offer was closed 9 days before the end of the subscription period, which was originally set for July 13. In accordance with the decision of the Extraordinary General Meeting of Shareholders of April 25, 2018, BNET23 bonds entered trading in November 2018 on the AeRO ATS-Bonds market operated by the Bucharest Stock Exchange, under the symbol BNET23.

The BNET23 bond issue was redeemed by the Issuer at maturity. Thus, on July 5, 2023, the nominal value was reimbursed to the holders and also then the last coupon related to this issue was paid.

**BNET23A**

On December 27, 2018, Bittnet successfully closed the fourth private placement of corporate bonds and the second of 2018. Following the BNET23A private placement, the Group obtained the amount of 9,703,700 lei from 20 natural person investors and one legal person. During the process, 21 transactions totaling a total of 97,037 registered, dematerialized, corporate, non-convertible, non-guaranteed bonds were settled through BVB mechanisms (POFBX market), with a nominal value of 100 lei/bond. The BNET23A bonds have a maturity of 5 years, a fixed interest rate of 9% per year, payable semiannually and the allocation date was 28.12.2018. The Group used the amounts raised in the BNET23A issue to finance the IT&C business transfer from Crescendo International SRL and its integration into the structure of the Bittnet Group, according to AGEA approval of December 17, 2018 and the investment contract described in the Current Report 10/22/15/2018. The BNET23A bond issue entered trading on the ATS-Bonds market of the Bucharest Stock Exchange on February 18, 2019.

**BNET23C**

On 23<sup>rd</sup> of January 2023, Bittnet repaid the principal loan (face value) at maturity through the BNET23C bond issue. According to the Memorandum of admission to trading on the SMT-Bonds market of BVB, the redemption price was 100% of the nominal value of the issue, i.e. 10,000,000 lei. The registration date for the identification of the bondholders who benefited from the redemption of the nominal value was 16.01.2023, and the Redemption Payment Date was 01/23/2023. The last trading session for BNET23C bonds was 12.01.2023. In addition to the repayment of the nominal value, the distribution of the last half-yearly coupon to the bondholders, coupon 8, with the same reference and payment data, was carried out.

**BNET26E**

Between December 21 and 27, 2022, the issuer launched a sale offer through private placement of an issue of corporate bonds, denominated in euros, in which 20,596 bonds were subscribed by 53 natural, legal and professional investors. The amount raised after this round of bond financing is 1,961,144 euro. The nominal value of the instrument is EUR 100/bond, and the total value of the issue is EUR 2,059,600. The annual coupon is 9% and will be paid quarterly through the T2S mechanism and the Central Depository. The repayment of the nominal value is in 3.5 years and will take place on 30.06.2026. The BNET26E bonds are traded on the BVB Regulated Market, the category dedicated to corporate bonds, starting with 03.07.2023.

**BNET27A**

Between May 30 and June 21, 2023, Bittnet Systems held the first public offering of corporate bonds from the Bucharest Stock Exchange when it offered for sale a maximum number of 50,000 corporate bonds, unsecured, with a nominal value of 100 lei, each investor interested party having the possibility to subscribe in the price range of 96 lei - 104 lei per bond, respectively between 96% and 104% of the nominal value of the instrument. During the offer period, a total number of 803 purchase orders were placed and the closing price of the offer was 100 lei, with a number of 71,814 bonds being subscribed. According to the Offer Prospectus, the allocation of shares to the accepted subscriptions (placed at the offer price and higher prices) was made pro-rata. Purchase orders at prices lower than the issue price will not be executed. The transaction execution date was June 22, 2023, and the transaction settlement date is June 26. On July 19, 2023, the BNET27A bonds began to be traded on the Regulated Market administered by BVB.



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**NOTA 9. BANKING LOANS**

Details banking loans:

	<u>30 June 2023</u>	<u>31 Dec 2022</u>
ProCredit credite TL	-	167,937
<b>Total:</b>	<u>-</u>	<u>167,937</u>
Long term debt	-	-
Short term debt	-	167,937

**NOTA 10. INFORMATION REGARDING RELATIONS WITH RELATED PARTIES**

Details on balances and related party transactions are set out below. The remuneration paid to the Key Management (identified in Note 1) is as follows:

	6 Months:	
	30 June 2023	30 June 2022
Management contracts	1,292,520	442,046
Stock Option Plan	217,113	209,672
<b>Total</b>	<b>1,509,633</b>	<b>651,718</b>
<b>Debt</b>	<b>30 iun 2023</b>	<b>31 dec 2022</b>
Key persons	550,938	87,093
<b>Total</b>	<b>550,938</b>	<b>87,093</b>
<b>Creante si imprumuturi</b>	<b>30 iun 2023</b>	<b>31 dec 2022</b>
E-Learning Company – imprumut principal	450,000	-
	12,822	
<b>Total</b>	<b>462,822</b>	<b>-</b>

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**NOTA 11. CONTINGENT DEBT**

File 30598/3/2021 – litigation with Bucharest Mall Development and Management

During the year 2021, the Group became aware of the existence of file 30598/3/2021 before the Bucharest Court, in contradiction with the owner of the former office space - Bucharest Mall Development and Management S.R.L. ("Anchor" or "Owner"). During February 2022, the Group (or the "Tenant") took note of the content of this file and the value of the claims, as follows:

- i) RON 267,214.96 representing rent, tax on services and utilities;
- ii) RON 100,109.95 representing late payment penalties related to the principal amount; and
- iii) RON 3,632,709.91 representing compensatory damages (criminal clause).

Considering the approval given by the EGMS in September 2021 regarding the expansion of office space and classrooms, in order to accommodate the team that will result from the M&A operations already carried out, plus those that have been approved to be carried out in the next 3 years, the Group exercised, pursuant to art. 4.1 of the Contract, the option to expand the Space with an additional area of 3,500 sqm of office space, unfragmented and on the same floor as the existing Space "inside the Building" or in another building" owned by the Owner or another company in its group (benefiting from similar commercial and technical conditions – i.e. to be a class A office building and to be located within walking distance of a metro station)", based on the notification sent to the Owner on 10.12.2020.

According to the contractual provisions mentioned above "The Tenant will notify the Owner of the need/intention to expand the Office Space, if necessary, 4 (four) calendar months before May 2021". Through the response communicated by email on 12.01.2021, the Owner informed the Group about the following:

- i) it does not have a free area for rent of the requested size, but a reduced area, namely 2,563.14 sqm of which only the area of 1,495.61 sqm has a certain availability, the difference of 1,067.53 sqm having an uncertain situation, respectively, its availability is conditional on the relinquishment (unlikely, as results from the communicated response) of its use by another tenant;
- ii) the availability of the space differs, there being a gap of 3 months between the space available on the same floor (in area of 1,495.61 sqm) and that located on a different floor (1,067.53 sq m); and
- iii) the proposed area is offered under other commercial and/or technical conditions than those on the basis of which the use of the existing space was agreed (i.e. different duration, the need to bear some remodeling costs, etc.).

On 18.01.2021, the Owner sent to the Group the Notification regarding the technical and commercial proposal for the expansion of the space, in accordance with the information previously communicated via the email of

12.01.2021. Consequently, the conditions for the unilateral termination of the contract, as notified by the Group on 01.27.2021, have been met. In the correspondence between the parties prior to the formulation of the summons request, Anchor contested the unilateral notice of termination of the Group, and considering the Contract as being in force, continued to issue invoices after the termination of the Contract by unilateral termination. The group maintained and confirmed its position, refusing to pay invoices issued after the termination date, in the absence of a contractual relationship.

Through the Notice dated April 23, 2021, the Group requested Anchor to deduct the remaining rent payment amounts until the termination date of the contract as a result of the unilateral denunciation by Renters (i.e. the remaining rent payment amounts for the months of March - May 2021) with the Guarantee provided by the Tenant according to Annex 5 to the Contract, as it was increased by Additional Act no. 2/14.01.2019 to Bank Guarantee Letter no. 246/12.06.2017. On August 4, 2021, the plaintiff sent her own notice of termination of the Contract citing the fault of the Tenant for non-payment of invoices, at the same time requesting compensatory damages according to the penal clause. Also, on 1.09.2021, Anchor executed the Guarantee provided by the Renter according to Annex 5 to the Contract. On 23.09.2021 the Group notified the Owner regarding the fact that the Notice of Termination sent on 04.08.2021 is without object, considering that the said Contract was already terminated as a result of the Notice of Unilateral Denunciation sent by the Group on 27.01.2021, and Bittnet's unilateral manifestation of will, unequivocal and firm in the sense of denunciation, is sufficient to produce effects and operates legally and irrevocably from the date of its communication.

Therefore, the court will have to clarify the date and manner of termination of the Contract, respectively either on May 27, 2021 based on the unilateral denunciation by the Tenant, or on August 4, 2021 based on the termination invoked by the Owner, following that the material claims that are the subject of this action to be resolved according to the court's ruling in this regard.

At the first term of the trial on 10.06.2022, the court asked the plaintiff to indicate the amount of the annual rent owed under the rental contract and the method of calculating it, the corresponding documents, with the mention of proving the payment of the court fee of stamp, calculated at this value, until the next court term of 14.10.2022, under penalty of cancellation. The plaintiff requested the re-examination of the stamp duty, a request that was rejected. The plaintiff paid the stamp duty in full. By the conclusion of the session dated 24.10.2022, the court extended the ruling on the testimonial evidence after submitting the answers to the interrogation and an accounting expert was appointed in order to draw up the expert report with the following objectives, agreed to by the defendant:

1. The amount of Rent and Penalties owed by the Defendant outstanding on the date of the filing of the summons, reported on 27.05.2021 as the date of termination of the contract.
2. The amount of Rent and Penalties owed by the Defendant outstanding on the date of the submission of the request for summons reported to 24.08.2021 as the date of termination of the contract.
3. The separate value of the costs of utilities and services for the period March-May 2021 and of the penalties related to 27.05.2021 as the date of termination of the contract.



4. The separate value of the costs of utilities and services for the period June-August 2021 relative to 24.08.2021 as the date of termination of the contract.

5. The correctness of the method of calculation of the sums requested for payment through the summons request, respectively the sums of RON 267,214.96 lei, representing rent, service tax and utility costs, RON 100,109.95 representing late penalties and RON 3,632,709, 91, representing compensatory damages, according to the plaintiff's request.

The parties responded to the questioning and by the conclusion of the session dated January 27, 2023, the court approved the testimonial evidence with 2 witnesses who were heard in the session of 03.10.2023. Until the deadline of 10.03.2023, the appointed expert did not submit the expert report and requested a postponement without specifying a deadline for its completion. Due to the lack of the expert report, the court granted a new deadline of 21.04.2023.

The expert report was submitted on 16.06.2023, and the court remained in judgment for 30.06.2023. After successive postponements, the court ruled on 04.08.2023. The solution in short: "Accept the request in part, as stated. It obliges the defendant to pay to the plaintiff the sum of RON 102,627.51, by way of delay penalties. He rejects the other claims as unfounded. Compensates in part the court costs due to each party and, consequently, obliges the defendant to pay to the plaintiff the sum of RON 3203.92, as court costs. With appeal within 30 days of communication. The appeal is submitted to the Bucharest Court - VI Civil Section."

Until the date of this report, the sentence has not been communicated to the parties. The group recorded a provision in the amount of RON 105,831.42 in the financial statements from 30.06.2023.

**NOTA 12. SUBSEQUENT EVENTS****Repayment of the BNET23 bond issue On July 05, 2023**

Bittnet repaid the BNET23 bond issue (face value) at maturity through the BNET23 bond issue. According to the Memorandum of admission to trading on the BSE's SMT-Bonds market, the redemption price was 100% of the nominal value of the issue, RON 4,700,000. The registration date for the identification of the bondholders who benefited from the redemption of the nominal value was 29.06.2023, and the Payment Date for the redemption was 05.07.2023. The last trading session for BNET23 bonds was 27.06.2023. In addition to the repayment of the nominal value, the distribution of the last quarterly coupon, coupon 21, with the same reference and payment dates, was carried out to bond holders.

**Date de identificare ▶**

\* Campuri obligatorii

\* Entitatea

BITTNET SYSTEMS SA

FORMULAR VALIDAT

\* Cod Unic de Inregistrare

21181848

\* Numar inregistrare in Registrul Comertului

J40 3752 2007

Cod LEI(Legal entity identifier)

315700VUQHM9VEDRO36

\* 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

SERG. ION NUTU

Numar

44

Bloc

ONE COTROCENI

Scara

PARK,CORP A SI CORP B

Apartament

Telefon

0215271600

e-mail

\* Județ

Municipiul Bucuresti

Sector

Sector 5

\* Localitatea

Bucuresti

Bifați dacă este cazul

 Mari contribuabili care depun  
bilanțul la București Sucursala Activ net mai mic de  
jumătate din valoarea  
capitalului subscris**Semnaturi ▶**

\* Campuri obligatorii

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

Semnatura electronica

Digitally signed  
by DRAGAN  
CATALIN VIVI  
Date:  
2023.08.11  
10:24:58 +03'00'**Administrator**

\* Nume si prenume

IVYLON MANAGEMENT  
SRL PRIN LOGOFATU  
MIHAI ALEXANDRU

Semnatura

**Intocmit**

\* Nume si prenume

DCA Financial  
Zone SRL

\* Calitatea

22--Persoana juridica autorizata\*\*

Nr.de inregistrare in organismul profesional

10554

Cod de identificare fiscala

35431677

Semnatura

\*) Raportare contabilă la data de 30 iunie 2023 întocmită de entitățile cărora le sunt incidente Reglementările contabile conforme cu Standardele Internaționale de Raportare Financiară aprobate prin Ordinul ministrului finanțelor publice 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

84.257.960

Profit/ pierdere

-3.791.084

Capital subscris

63.417.671

**COD 10. SITUAȚIA ACTIVELOR, DATORIILOR ȘI CAPITALURILOR PROPRII la data de 30.06.2023 (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:	
			01.01.2023	30.06.2023
A		B	1	2
<b>A. ACTIVE IMOBILIZATE</b>				
<b>I. IMOBILIZARI NECORPORALE</b>				
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	6.986.734	6.772.016
03	3. Fond comercial (ct. 2071)	03		
04	4. Avansuri (ct. 4094 - 4904)	04	83.613	264.860
05	5. Active necorporale de explorare și evaluare a resurselor minerale (ct. 206 - 2806 - 2907)	05		
06	<b>TOTAL (rd. 01 la 05)</b>	06	<b>7.070.347</b>	<b>7.036.876</b>
<b>II. IMOBILIZĂRI CORPORALE</b>				
07	1. Terenuri și construcții (ct. 211 + 212 - 2811 - 2812 - 2911 - 2912)	07		829.697
08	2. Instalații tehnice și mașini (ct. 213 + 223 - 2813 - 2913)	08	38.525	33.185
09	3. Alte instalații, utilaje și mobilier (ct. 214 + 224 - 2814 - 2914)	09	31.976	50.493
10	4. Investiții imobiliare (ct. 215 + 251* - 2815 - 285* - 2915 - 295*)	10		
11	5. Imobilizări corporale în curs de execuție (ct. 231 - 2931)	11	2.655.123	1.132
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	<b>TOTAL (rd. 07 la 15)</b>	16	<b>2.725.624</b>	<b>914.507</b>
17	<b>III. ACTIVE BIOLOGICE PRODUCTIVE</b> (ct. 241 + 227 - 284 - 294)	17		
303	<b>IV. DREPTURI DE UTILIZARE A ACTIVELOAR LUATE ÎN LEASING</b> (ct. 251* - 285* - 295*) <sup>1</sup>	18	7.737.221	7.598.449
<b>V. IMOBILIZĂRI FINANCIARE</b>				
18	1. Acțiuni deținute la filiale (ct. 261 - 2961)	19	35.894.551	41.492.024

A		B	1	2
19	2. Împrumuturi acordate entităților din grup (ct. 2671 + 2672 - 2964)	20	18.060.181	24.050.674
20	3. Acțiunile deținute la entitățile asociate și la entitățile controlate în comun (ct. 262 + 263 - 2962)	21	2.918.939	2.901.079
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	8.690.361	10.238.828
24	<b>TOTAL (rd. 19 la 24)</b>	25	<b>65.564.032</b>	<b>78.682.605</b>
25	<b>ACTIVE IMOBILIZATE – TOTAL (rd. 06 + 16 + 17 + 18 + 25)</b>	26	<b>83.097.224</b>	<b>94.232.437</b>
<b>B. ACTIVE CIRCULANTE</b>				
<b>I. STOCURI</b>				
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	0	
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	51.963	25.313
30	5. Avansuri (ct. 4091 - 4901)	31		
31	<b>TOTAL (rd. 27 la 31)</b>	32	<b>51.963</b>	<b>25.313</b>
<b>II. CREANȚE</b>				
32	1. Creanțe comerciale (ct. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 411 + 413 + 418 + 4642 - 491 - 494)	33	4.220.844	5.582.575
33	2. Avansuri plătite (ct. 4092 - 4902)	34	7.726	38.312
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	3.916.878	2.356.679
38	7. Capital subscris și nevărsat (ct. 456 - 495*)	39		
301	8. Creanțe reprezentând dividende repartizate în cursul exercițiului financiar (ct. 463)	40		
39	<b>TOTAL (rd. 33 la 40)</b>	41	<b>8.145.448</b>	<b>7.977.566</b>

40	<b>III. INVESTIȚII PE TERMEN SCURT</b> (ct. 505 + 506 + 507 + 508* - 595 - 596 - 598 + 5113 + 5114)	42	13.790.384	13.204.091
41	<b>IV. CASA ȘI CONTURI LA BĂNCI</b> (ct. 508* + 5112 + 512 + 531 + 532 + 541 + 542)	43	13.470.129	19.330.998
42	<b>ACTIVE CIRCULANTE – TOTAL (rd. 32 + 41 + 42 + 43)</b>	44	<b>35.457.924</b>	<b>40.537.968</b>
43	<b>C. CHELTUIELI ÎN AVANS</b> (ct. 471 + 474) ( rd. 46 + 47) , din care	45	<b>903.628</b>	<b>1.293.261</b>
44	Sume de reluat într-o perioadă de până la un an (ct. 471* + ct.474*)	46	903.628	1.293.261
45	Sume de reluat într-o perioadă mai mare de un an (ct. 471* + ct.474*)	47		
<b>D. DATORII: SUMELE CARE TREBUIE PLATITE INTR-O PERIOADA DE PANA LA UN AN</b>				
46	1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile (ct. 161 + 1681 - 169)	48	25.194.352	14.829.813
47	2. Sume datorate instituțiilor de credit (ct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	49	167.937	
48	3. Avansuri încasate în contul comenzilor (ct. 419)	50	11.297	11.297
49	4. Datorii comerciale - furnizori (ct. 401 + 404 + 408 + 4641)	51	7.440.485	5.578.087
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 + 467 + 473*** + 4761*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	56	11.420.243	453.987
56	<b>TOTAL (rd. 48 la 56)</b>	57	<b>44.234.314</b>	<b>20.873.184</b>
57	<b>E. ACTIVE CIRCULANTE NETE/DATORII CURENTE NETE (rd. 44 + 46 - 57 - 74 - 77 - 80)</b>	58	<b>-8.166.569</b>	<b>20.513.556</b>
58	<b>F. TOTAL ACTIVE MINUS DATORII CURENTE (rd. 26 + 47 + 58)</b>	59	<b>74.930.655</b>	<b>114.745.993</b>
<b>G. DATORII: SUMELE CARE TREBUIE PLĂTITE ÎNTR-O PERIOADĂ MAI MARE DE UN AN</b>				
59	1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile (ct. 161 + 1681 - 169)	60	9.609.806	14.539.562
60	2. Sume datorate instituțiilor de credit (ct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	61		
61	3. Avansuri încasate în contul comenzilor (ct. 419)	62		
62	4. Datorii comerciale - furnizori (ct. 401 + 404 + 408 + 4641)	63	14.923.783	15.798.903

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 + 467 + 4761*** + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	68		
69	<b>TOTAL (rd. 60 la 68)</b>	69	<b>24.533.589</b>	<b>30.338.465</b>
	<b>H.PROVIZIOANE</b>			
70	1. Provizioane pentru beneficiile angajaților (ct. 1517)	70		
71	2. Alte provizioane (ct. 1511 + 1512 + 1513 + 1514 + 1518)	71	43.737	149.568
72	<b>TOTAL (rd. 70 + 71)</b>	72	<b>43.737</b>	<b>149.568</b>
	<b>VENITURI ÎN AVANS</b>			
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	293.807	444.489
77	Sume de reluat într-o perioadă de până la un an (ct. 472*)	77	293.807	444.489
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	<b>TOTAL (rd. 73 + 76 + 79)</b>	82	<b>293.807</b>	<b>444.489</b>
	<b>J. CAPITAL ȘI REZERVE</b>			
	<b>I. CAPITAL</b>			
83	1. Capital subscris vărsat (ct. 1012)	83	52.848.060	63.417.671
84	2. Capital subscris nevărsat (ct. 1011)	84		

85	3. Capital subscris reprezentând datorii financiare(ct. 1027) <sup>2</sup>		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	3.077.691	3.521.415
89		SOLD D	90	0	0
90	<b>TOTAL (rd. 83 + 84 + 85 + 86 + 87 - 88 + 89 - 90)</b>		91	<b>55.925.751</b>	<b>66.939.086</b>
91	<b>II. PRIME DE CAPITAL</b> (ct. 104)		92	9.738.583	31.934.768
92	<b>III. REZERVE DIN REEVALUARE</b> (ct. 105)		93		
	<b>IV. REZERVE</b>				
93	1. Rezerve legale (ct. 1061)		94	956.462	956.462
94	2. Rezerve statutare sau contractuale (ct. 1063)		95		
95	3. Alte rezerve (ct. 1068)		96		
96	<b>TOTAL (rd. 94 la 96)</b>		97	<b>956.462</b>	<b>956.462</b>
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	2.397.075	2.249.839
100	Câștiguri legate de instrumentele de capitaluri proprii (ct. 141)		101	4.575.934	8.992.997
101	Pierderi legate de instrumentele de capitaluri proprii (ct. 149)		102	26.107.811	26.185.915
102	<b>V. REZULTAT REPORTAT, CU EXCEPȚIA REZULTATULUI REPORTAT PROVENIT DIN ADOPTAREA PENTRU PRIMA DATA A IAS 29</b> (ct. 117)	SOLD C	103	6.241.631	7.661.485
103		SOLD D	104		
104	<b>VI. REZULTAT REPORTAT PROVENIT DIN ADOPTAREA PENTRU PRIMA DATA A IAS 29</b> (ct. 118)	SOLD C	105	810.024	
105		SOLD D	106		
106	<b>VII. PROFITUL SAU PIERDEREA LA SFÂRȘITUL PERIOADEI DE RAPORTARE</b> (ct. 121)	SOLD C	107	618.891	
107		SOLD D	108		3.791.084



108	Repartizarea profitului (ct. 129)	109	9.061	
109	<b>CAPITALURI PROPRII – TOTAL</b> (rd. 91 + 92 + 93 + 97 + 98 - 99 - 100 + 101 - 102 + 103 - 104 + 105 - 106 + 107 - 108 - 109)	110	50.353.329	84.257.960
110	Patrimoniul privat (ct. 1023) <sup>3</sup>	111		
111	Patrimoniul public (ct. 1026)	112		
112	<b>CAPITALURI - TOTAL (rd. 110 + 111 + 112)</b>	113	50.353.329	84.257.960
FORMULAR VALIDAT				
Suma de control Formular 10: 1768580930 / 3110362833				

**Semnaturi** ▶

**Administrator**

Nume si prenume

IVYLON MANAGEMENT  
SRL PRIN LOGOFATU  
MIHAI ALEXANDR

Semnatura

**Intocmit**

Nume si prenume

DCA Financial  
Zone SRL

Calitatea

22--Persoana juridica autorizata\*\*

Nr.de inregistrare in organismul profesional

10554

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 ȘI CHELTUIELILOR la data de 30.06.2023 (lei)**

se vor avea în vedere rândurile și corelațiile din coloana Nr. rând și nu cele cuprinse în coloana CodRd

codRd	Denumirea indicatorilor	Nr. rând	Perioada de raportare	
			01.01.2022 - 30.06.2022	01.01.2023 - 30.06.2023
A		B	1	2
01	1.Cifra de afaceri netă (rd. 03 + 04 - 05 + 06)	01	7.594.288	5.945.725
306	- din care, cifra de afaceri netă corespunzătoare activității preponderente efectiv desfășurate	02	7.594.288	5.945.725
02	Producția vândută (ct. 701 + 702 + 703 + 704 + 705 + 706 + 708 - 6815*)	03	7.485.297	5.381.794
03	Venituri din vânzarea mărfurilor (ct. 707 - 6815*)	04	135.013	563.931
04	Reduceri comerciale acordate (ct. 709)	05	26.022	
05	2.Venituri din subvenții de exploatare aferente cifrei de afaceri nete (ct. 7411)	06		
06	Venituri aferente costului producției în curs de execuție(ct. 711 + 712 + 713)	SOLD C	99.110	0
07		SOLD D	0	33.038
08	3.Venituri din producția de imobilizări și investiții imobiliare (rd. 10 + 11)	09		
09	Venituri din producția de imobilizări necorporale și corporale (ct. 721 + 722)	10		
10	Venituri din producția de investiții imobiliare (ct. 725)	11		
11	4.Venituri din activele imobilizate (sau grupurile destinate cedării) deținute în vederea vânzării (ct. 753) (rd.13 + rd.14)	12		
310	Câștiguri din evaluarea activelor deținute în vederea vânzării ( ct.7531)	13		
311	Venituri din cedarea activelor deținute în vederea vânzării (ct.7532)	14		
12	5.Venituri din reevaluarea imobilizărilor (ct. 755)	15		
13	6.Venituri din investiții imobiliare (ct. 756)	16		
14	7.Venituri din active biologice și produse agricole (ct. 757)	17		
15	8.Venituri din subvenții de exploatare (ct. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	18		
16	9.Alte venituri din exploatare (ct. 758 + 751), din care	19	365.505	985.764
17	- venituri din subvenții pentru investiții (ct. 7584)	20		
301	- câștiguri din cumpărări în condiții avantajoase (ct. 7587)	21		
18	<b>VENITURI DIN EXPLOATARE - TOTAL (rd. 01 + 07 - 08 + 09 + 12 + 15 + 16 + 17 + 18 + 19)</b>	22	<b>8.058.903</b>	<b>6.898.451</b>
19	10.a) Cheltuieli cu materiile prime și materialele consumabile (ct. 601 + 602)	23	1.052	
20	Alte cheltuieli materiale (ct. 603 + 604 + 606 + 608)	24	219.368	259.026

	A	B	1	2
21	b) Cheltuieli privind utilitățile (ct. 605), din care:	25		44.125
307	- cheltuieli privind consumul de energie (ct. 6051)	26		30.221
312	- cheltuieli privind consumul de gaze naturale (ct. 6053)	27		12.151
22	c) Cheltuieli privind mărfurile (ct. 607)	28	110.714	528.512
23	Reduceri comerciale primite (ct. 609)	29	43.985	14.818
24	11.Cheltuieli cu personalul (rd. 31 + 32), din care:	30	1.179.932	1.933.086
25	a) Salarii și indemnizații (ct. 641 + 642 + 643 + 644)	31	1.162.773	1.879.856
26	b) Cheltuieli privind asigurările și protecția socială (ct. 645 + 646)	32	17.159	53.230
27	12.a) Ajustări de valoare privind imobilizările (rd. 34 + 35 - 36)	33	494.629	987.789
28	a.1) Cheltuieli cu amortizările și ajustările pentru depreciere (ct. 6811 + 6813 + 6816 + 6817 + din ct. 6818)	34	201.895	246.088
303	a.2) Cheltuieli cu amortizarea activelor aferente drepturilor de utilizare a activelor luate în leasing (ct. 685)	35	292.734	741.701
29	a.3) Venituri (ct. 7813 + 7816 + din ct. 7818)	36		
30	b) Ajustări de valoare privind activele circulante (rd. 38 - 39)	37		
31	b.1) Cheltuieli (ct. 654 + 6814 + din ct. 6818)	38		
32	b.2) Venituri (ct. 754 + 7814 + din ct. 7818)	39		
33	13.Alte cheltuieli de exploatare (rd. 41 la 44 + 47 + 48 + 49 + 50 + 51)	40	6.512.546	7.074.700
34	13.1. Cheltuieli privind prestațiile externe (ct. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628 )	41	5.920.127	5.968.449
35	13.2. Cheltuieli cu alte impozite, taxe și vărsăminte asimilate; cheltuieli reprezentând transferuri și contribuții datorate în baza unor acte normative speciale (ct. 635 + 6586)	42	4.411	2.566
36	13.3. Cheltuieli cu protecția mediului înconjurător (ct. 652)	43		
37	13.4. Cheltuieli legate de activele imobilizate (sau grupurile destinate cedării) deținute în vederea vânzării (ct. 653) (rd. 45 + rd. 46 )	44		
313	13.4.1. Pierderi din evaluarea activelor deținute în vederea vânzării (ct. 6531)	45		
314	13.4.2. Cheltuieli cu cedarea activelor deținute în vederea vânzării (ct. 6532)	46		
38	13.5. Cheltuieli din reevaluarea imobilizărilor (ct. 655)	47		
39	13.6. Cheltuieli privind investițiile imobiliare (ct. 656)	48		
40	13.7. Cheltuieli privind activele biologice (ct. 657)	49		

41	13.8. Cheltuieli privind calamitățile și alte evenimente similare (ct. 6587)	50		
42	13.9. Alte cheltuieli (ct. 651 + 6581 + 6582 + 6583 + 6584 + 6585 + 6588 )	51	588.008	1.103.685
43	Ajustări privind provizioanele (rd. 53 - 54)	52		105.831
44	- Cheltuieli (ct. 6812)	53		105.831
45	- Venituri (ct. 7812)	54		
46	<b>CHELTUIELI DE EXPLOATARE – TOTAL (rd. 23 la 25 + 28 - 29 + 30 + 33 + 37 + 40 + 52)</b>	55	<b>8.474.256</b>	<b>10.918.251</b>
<b>PROFITUL SAU PIERDEREA DIN EXPLOATARE:</b>				
47	- Profit (rd. 22 - 55)	56	0	0
48	- Pierdere (rd. 55 - 22)	57	415.353	4.019.800
49	14.Venituri din acțiuni deținute la filiale (ct. 7611)	58	1.422.472	944.688
50	15.Venituri din acțiuni deținute la entități asociate ( ct. 7612)	59	134.220	68.661
51	16.Venituri din acțiuni deținute la entități asociate și entități controlate în comun (ct. 7613)	60		
52	17.Venituri din operațiuni cu titluri și alte instrumente financiare (ct. 762)	61	120.910	
53	18.Venituri din operațiuni cu instrumente derivate (ct. 763)	62		
54	19.Venituri din diferențe de curs valutar (ct. 765)	63	171.545	434.830
55	20.Venituri din dobânzi (ct. 766)	64	791.364	752.052
56	- din care, veniturile obținute de la entitățile din grup	65	783.145	
57	21.Venituri din subvenții de exploatare pentru dobânda datorată (ct. 7418)	66		
58	22.Venituri din investiții financiare pe termen scurt ( ct. 7617)	67		
308	23.Venituri din amânarea încasării peste termenele normale de creditare (ct. 7681)	68		
59	24.Alte venituri financiare (ct. 7615 + 764 + 767 + 7688)	69	12.519.481	1.357.690
60	<b>VENITURI FINANCIARE – TOTAL (rd. 58 la 64 + 66 la 69)</b>	70	<b>15.159.992</b>	<b>3.557.921</b>
61	25.Ajustări de valoare privind imobilizările financiare și investițiile financiare deținute ca active circulante (rd. 72 - 73)	71		
62	- Cheltuieli (ct. 686)	72		
63	- Venituri (ct. 786)	73		

64	26.Cheltuieli privind operațiunile cu titluri și alte instrumente financiare (ct. 661)	74		
65	27.Cheltuieli privind operațiunile cu instrumente derivate (ct. 662)	75		
66	28.Cheltuieli privind dobânzile (ct. 666)	76	1.160.697	1.169.443
67	- din care, cheltuielile în relația cu entitățile din grup	77	8.969	
309	29.Cheltuieli cu amânarea plății peste termenele normale de creditare (ct. 6681)	78		
304	30.Cheltuieli privind dobânzile aferente contractelor de leasing (ct. 6685)	79	167.807	532.407
68	31.Alte cheltuieli financiare (ct. 663 + 664 + 665 + 667 + 6682 + 6688)	80	8.729.848	2.191.917
69	<b>CHELTUIELI FINANCIARE – TOTAL (rd. 71 + 74 + 75 + 76 + 78 + 79 + 80)</b>	81	<b>10.058.352</b>	<b>3.893.767</b>
<b>PROFITUL SAU PIERDEREA FINANCIAR(Ă):</b>				
70	- Profit (rd. 70 - 81)	82	5.101.640	0
71	- Pierdere (rd. 81 - 70)	83	0	335.846
72	<b>VENITURI TOTALE (rd. 22 + 70)</b>	84	<b>23.218.895</b>	<b>10.456.372</b>
73	<b>CHELTUIELI TOTALE (rd. 55 + 81)</b>	85	<b>18.532.608</b>	<b>14.812.018</b>
<b>PROFITUL SAU PIERDEREA BRUT(Ă):</b>				
74	- Profit (rd. 84 - 85)	86	4.686.287	0
75	- Pierdere (rd. 85 - 84)	87	0	4.355.646
76	32.Impozitul pe profit curent (ct. 691)	88		
77	33.Impozitul pe profit amânat (ct. 692)	89	-87.964	-564.562
78	34.Venituri din impozitul pe profit amânat (ct. 792)	90		
305	35.Cheltuieli cu impozitul pe profit, determinate de incertitudinile legate de tratamente fiscale (ct. 693)	91		
315	36.Cheltuieli cu impozitul pe profit rezultat din decontările în cadrul grupului fiscal în domeniul impozitul pe profit (ct. 694)	92		
316	37.Venituri din impozitul pe profit rezultat din decontările în cadrul grupului fiscal în domeniul impozitului pe profit (ct. 794)	93		
302	38.Impozitul specific unor activități (ct. 695)	94		
79	39.Alte impozite neprezentate la elementele de mai sus (ct. 698)	95		
<b>PROFITUL SAU PIERDEREA NET(Ă) A PERIOADEI DE RAPORTARE:</b>				
80	- Profit (rd. 86 - 88 - 89 + 90 - 91 - 92 + 93 - 94 - 95)	96	4.774.251	0

81	- Pierdere (rd. 87 + 88 + 89 - 90 + 91 + 92 - 93 + 94 + 95); (rd. 88 + 89 + 91 + 92 - 93 - 90 + 94 + 95 - 86)	97	0	3.791.084
FORMULAR VALIDAT		Suma de control Formular 20: 259008777 / 3110362833		

**Semnături ►**

**Administrator**

Nume si prenume

IVYLON MANAGEMENT  
SRL PRIN LOGOFATU  
MIHAI ALEXANDR

Semnatura

**Intocmit**

Nume si prenume

DCA Financial  
Zone SRL

Calitatea

22--Persoana juridica autorizata\*\*

Nr.de inregistrare in organismul profesional

10554

Semnatura

\*) Conturi de repartizat după natura elementelor respective.

La rândul 31 - 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”.

<b>COD 30. DATE INFORMATIVE la data de 30.06.2023 (lei)</b> <i>se vor avea în vedere rândurile și corelațiile din coloana Nr. rând și nu cele cuprinse în coloana codRd</i>					
<b>codRd</b>	<b>I. Date privind rezultatul înregistrat</b>	<b>Nr. rând</b>	<b>Nr.unitati</b>	<b>Sume</b>	
	<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>	
01	Unități care au înregistrat profit	01	0	0	
02	Unități care au înregistrat pierdere	02	1	3.791.084	
03	Unități care nu au înregistrat nici profit, nici pierdere	03	0	0	
	<b>II. Date privind plățile restante</b>	<b>Nr. rând</b>	<b>Total (col.2 + 3)</b>	<b>Din care:</b>	
	<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>	<b>3</b>
04	Plăți restante – total (rd.05 + 09 +15 la 17 + 19), din care:	04	28.661	28.661	
05	Furnizori restanți – total (rd. 06 la 08), din care:	05	28.661	28.661	
06	- peste 30 de zile	06	26.174	26.174	
07	- peste 90 de zile	07	2.487	2.487	
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			
	<b>III. Număr mediu de salariați</b>	<b>Nr. rând</b>	<b>30 iunie 2022</b>		<b>30 iunie 2023</b>
	<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>	
19	Număr mediu de salariați	20		21	24
20	Numărul efectiv de salariați existenți la sfârșitul perioadei, respectiv la data de 30 iunie	21		23	31

	A	B	1	
	<b>IV. Redevențe plătite în cursul perioadei de raportare, subvenții încasate și creanțe restante</b>	Nr. rand	<b>Sume(lei)</b>	
	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 <sup>1)</sup>	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		
35	- creanțe restante de la entități din sectorul majoritar sau integral de stat	38		
36	- creanțe restante de la entități din sectorul privat	39	2.852.649	
	<b>V. Tichete acordate salariaților</b>	Nr. rand	<b>Sume(lei)</b>	
	A	B	1	
37	Contravaloarea tichetelor acordate salariaților	40	50.738	
302	Contravaloarea tichetelor acordate altor categorii de beneficiari, alții decât salariații	41		
			<b>Sume(lei)</b>	
	<b>VI. Cheltuieli efectuate pentru activitatea de cercetare – dezvoltare**)</b>	Nr. rand	<b>30 iunie 2022</b>	<b>30 iunie 2023</b>
	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		
	<b>VII. Cheltuieli de inovare ***)</b>	Nr. rand	<b>Sume(lei)</b>	
	A	B	<b>30 iunie 2022</b>	<b>30 iunie 2023</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		
	<b>VIII. Alte informații</b>	Nr. rand	<b>Sume(lei)</b>	
	A	B	<b>30 iunie 2022</b>	<b>30 iunie 2023</b>
			1	2
46	Avansuri acordate pentru imobilizări necorporale (ct. 4094), din care:	52	76.868	264.860
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	42.419.816	68.453.437
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	33.763.920	44.393.103
50	- acțiuni necotate emise de rezidenți	60	17.224.679	16.368.365
51	- părți sociale emise de rezidenți	61	16.539.241	28.024.738
52	- acțiuni și 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	8.655.896	24.060.334

55	- creanțe immobilizate în lei și exprimate în lei, a căror decontare se face în funcție de cursul unei valute (din ct. 267)	66	8.655.896	24.060.334
56	- creanțe immobilizate 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	7.127.850	14.862.294
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	159.535	327.933
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	609.173	2.852.649
60	Creanțe în legătură cu personalul și conturi asimilate (ct. 425 + 4282)	72		
61	Creanțe în legătură cu bugetul asigurărilor sociale și bugetul de stat (din ct. 431 + 436 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (rd.74 la 78), din care:	73	903.596	1.294.357
62	- creanțe în legătură cu bugetul asigurărilor sociale (ct. 431 + 437 + 4382)	74	68.009	72.552
63	- creanțe fiscale în legătură cu bugetul de stat (ct. 436 + 441 + 4424 + 4428 + 444 + 446)	75	835.587	1.221.805
64	- subvenții de încasat (ct. 445)	76		
65	- fonduri speciale - taxe și vărsăminte asimilate (ct. 447)	77		
66	- alte creanțe în legătură cu bugetul de stat (ct. 4482)	78		
67	Creanțele entității 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 de stat 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	1.634.329	3.270.031
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	1.634.329	3.264.901

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	18.667.636	24.050.674
79	Investiții pe termen scurt, în sume brute (ct. 505 + 506 + 507 + din ct. 508), din care:	92	15.301.841	13.204.091
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	1.041	1.041
86	- în lei (ct. 5311)	100	1.041	1.041
87	- în valută (ct. 5314)	101		
88	Conturi curente la bănci în lei și în valută (rd. 103 + 105), din care:	102	9.217.163	19.328.220
89	- în lei (ct. 5121), din care:	103	4.756.204	17.603.381
90	- conturi curente în lei deschise la bănci nerezidente	104		
91	- în valută (ct. 5124), din care:	105	4.460.959	1.724.839
92	- conturi curente în valută deschise la bănci nerezidente	106	29.406	30.548
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	25.516.321	22.285.820
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	24.469.379	21.388.286
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	159.535	192.896
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	91.015	223.094
112	Datorii în legătură cu bugetul asigurărilor sociale și bugetul de stat (ct. 431 + 436 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481), (rd. 129 la 132), din care:	128	75.155	180.964
113	- datorii în legătură cu bugetul asigurărilor sociale (ct. 431 + 437 + 4381)	129	54.668	126.389
114	- datorii fiscale în legătură cu bugetul de stat (ct.436 + 441 + 4423 + 4428 +444 + 446)	130	20.487	54.575
115	- fonduri speciale – taxe și vărsăminte asimilate (ct. 447)	131		
116	- alte datorii în legătură cu bugetul de stat (ct.4481)	132		
117	Datoriile entității în relațiile cu entitățile afiliate(ct. 451), din care:	133	383.969	0
118	- datorii cu entități afiliate nerezidente <sup>2)</sup> (din ct. 451), din care:	134		
310	- cu scadența inițială mai mare de un an	135		

119	- datoriile comerciale cu entităţi afiliate nerezidente indiferent de scadenţă (din ct. 451)	136		
120	Sume datorate acţionarilor/asociaţilor (ct. 455), din care:	137		
121	- sume datorate acţionarilor/asociaţilor persoane fizice	138		
122	- sume datorate acţionarilor/asociaţilor persoane juridice	139		
123	Datorii din operaţiuni cu instrumente derivate (ct. 4651)	140		
124	Alte datorii (ct. 269 + 453 + 456 + 457 + 4581 + 462 + 4661+ 467 + 472 + 473 + 4761 + 478 + 509), din care:	141	496.803	493.476
125	- decontări cu entităţile asociate şi entităţile controlate în comun, decontări cu acţionarii/ asociatii privind capitalul, dividende şi decontări din operaţii în participaţie (ct. 453 + 456 + 457 + 4581 + 467)	142		
126	- alte datorii în legătură cu persoanele fizice şi persoanele juridice, altele decât datoriile în legătură cu instituţiile publice (instituţiile statului) <sup>3)</sup> (din ct. 462 + ct. 4661+ din ct. 472 + din ct. 473)	143	496.803	493.476
127	- subvenţii nereluate la venituri (din ct. 472)	144		
128	- vărsăminte de efectuat pentru imobilizări financiare şi investiţii pe termen scurt (ct. 269 + 509)	145		
129	- venituri în avans aferente activelor primite prin transfer de la clienţi (ct. 478)	146		
130	Dobânzi de plătit (ct. 5186), din care:	147		
311	- către nerezidenţi	148		
315	Dobânzi de plătit către nerezidenţi (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	52.848.060	63.417.671
133	- acţiuni cotate <sup>4)</sup>	152	52.848.060	63.417.671
134	- acţiuni necotate <sup>5)</sup>	153		
135	- părţi sociale	154		
136	- capital subscris vărsat de nerezidenţi (din ct.1012)	155		
137	Brevete si licenţe (din ct.205)	156	5.800.518	5.790.355
			<b>Sume(lei)</b>	
	<b>IX. Informaţii privind cheltuielile cu colaboratorii</b>	Nr. rand	<b>30 iunie 2022</b>	<b>30 iunie 2023</b>
	A	B	1	2
138	Cheltuieli cu colaboratorii (ct. 621)	157	247.713	322.225
			<b>Sume(lei)</b>	
	<b>X. Informaţii privind bunurile din domeniul public al statului</b>	Nr. rand	<b>30 iunie 2022</b>	<b>30 iunie 2023</b>

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				
<b>XI. Informații privind bunurile din proprietatea privată a statului supuse inventarierii cf. OMFP nr. 668/2014</b>		Nr. rand	<b>Sume(lei)</b>			
			<b>30 iunie 2022</b>	<b>30 iunie 2023</b>		
A		B	1	2		
142	Valoarea contabilă netă a bunurilor <sup>6)</sup>	161				
XII. Capital social vărsat	Nr. rand	30 iunie 2022		30 iunie 2023		
		Suma (col.1)	% <sup>7)</sup> (col.2)	Suma (col.3)	% <sup>7)</sup> (col.4)	
A	B	1	2	3	4	
143	Capital social vărsat (ct. 1012) <sup>7)</sup> (rd. 163 + 166 + 170 + 171 + 172 + 173), din care:	162	52.848.060	x	63.417.671	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	6.852.009	12,97	24.300.003	38,32
153	- deținut de persoane fizice	172	45.996.051	87,03	39.117.668	61,68
154	- deținut de alte entități	173		0		0

A		B	1	2
		Nr. rand	Sume (lei)	
	A	B	2022	2023
	<b>XIII. Dividende distribuite acționarilor/ asociatilor din profitul reportat</b>	Nr. rand	Sume (lei)	
	A	B	2022	2023
313	- Dividende distribuite acționarilor/ asociatilor în perioada de raportare din profitul reportat	174		
	<b>XIV. Repartizări interimare de dividende potrivit Legii nr. 163/2018</b>	Nr. rand	Sume (lei)	
	A	B	2022	2023
312	- dividendele interimare repartizate <sup>8)</sup>	175		
	<b>XV. Creanțe preluate prin cesionare de la persoane juridice *****)</b>	Nr. rand	Sume (lei)	
			30 iunie 2022	30 iunie 2023
	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		
	<b>XVI. Venituri obținute din activități agricole *****)</b>	Nr. rand	Sume (lei)	
			30 iunie 2022	30 iunie 2023
	A	B	1	2
172	Venituri obținute din activități agricole	180		
		Nr. rand	Sume (lei)	
	A	B	1	2
			30 iunie 2022	30 iunie 2023
322	<b>XVII. Cheltuieli privind calamitățile și alte evenimente similare (ct. 6587), din care:</b>	181		
323	- inundații	182		
324	- secetă	183		
325	- alunecări de teren	184		

FORMULAR VALIDAT

Suma de control Formular 30: 1082773126 / 3110362833

Semnaturi ►

Administrator

Nume și prenume

IVYLON MANAGEMENT

SRL PRIN LOGOFATU

MIHAI ALEXANDR

Semnatura

**Intocmit**

Nume si prenume

DCA Financial

Zone SRL

Calitatea

22--Persoana juridica autorizata\*\*

Nr.de inregistrare in organismul profesional

10554

Semnatura

\*) Subvenții pentru stimularea ocupării forței de muncă (transferuri de la bugetul de stat 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 care intră în sfera de reglementare contabilă a Băncii Naționale a României, respectiv a Autorității 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, înaintea 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 entitățile 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 înscrive 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 , cf. cu OMF nr. 2195/ 2023, în col. 2 și col. 4 entitățile vor înscrive 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.



COD40. SITUATIA ACTIVELOR IMOBILIZATE la data de 31.12.2021						-lei
Elemente de imobilizari	Nr. rand	Valori brute				
		Sold initial	Cresteri	Reduceri		Sold final (col.5 = 1 + 2 - 3)
				Total	Din care: dezmembrari si casari	
A	B	1	2	3	4	5
<b>I. Imobilizări necorporale</b>						
Cheltuieli de dezvoltare	01				X	
Active necorporale de explorare și evaluare a resurselor minerale	02				X	
Alte imobilizări	03				X	
Avansuri acordate pentru imobilizări necorporale	04				X	
<b>TOTAL (rd. 01 la 04)</b>	<b>05</b>				<b>X</b>	
<b>II. Imobilizări corporale</b>						
Terenuri și amenajări de terenuri	06				X	
Construcții	07					
Instalații tehnice și mașini	08					
Alte instalații, utilaje și mobilier	09					
Investiții imobiliare	10					
Active corporale de explorare și evaluare a resurselor minerale	11					
Plante productive	12					
Imobilizări corporale în curs de execuție	13					
Investiții imobiliare în curs de execuție	14					
Avansuri acordate pentru imobilizări corporale	15					
<b>TOTAL (rd. 06 la 15)</b>	<b>16</b>					
<b>III. Active biologice productive</b>	17				X	
<b>IV. Drepturi de utilizare a activelor luate în leasing</b>	18				X	
<b>V. Imobilizări financiare</b>	19				X	
<b>ACTIVE IMOBILIZATE –TOTAL (rd. 05 + 16 + 17 + 18 + 19)</b>	<b>20</b>					

<b>► SITUAȚIA AMORTIZĂRII ACTIVEI LOR IMOBILIZATE</b>					
<b>Elemente de imobilizari</b>	<b>Nr. rand</b>	<b>Sold initial</b>	<b>Amortizare in cursul anului</b>	<b>Amortizare aferenta imobilizarilor scoase din evidenta</b>	<b>Amortizare la sfarsitul anului (col.9 = 6+7-8)</b>
<b>A</b>	<b>B</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>I. Imobilizări necorporale</b>					
Cheltuieli de dezvoltare	21				
Active necorporale de explorare și evaluare a resurselor minerale	22				
Alte imobilizări	23				
<b>TOTAL (rd. 21 + 22 + 23)</b>	<b>24</b>				
<b>II. Imobilizări corporale</b>					
Amenajări de terenuri	25				
Construcții	26				
Instalații tehnice și mașini	27				
Alte instalații, utilaje și mobilier	28				
Investiții imobiliare	29				
Active corporale de explorare și evaluare a resurselor minerale	30				
Plante productive	31				
<b>TOTAL (rd. 25 la 31)</b>	<b>32</b>				
<b>III. Active biologice productive</b>	<b>33</b>				
<b>IV. Drepturi de utilizare a activelor luate în leasing</b>	<b>34</b>				
<b>AMORTIZĂRI – TOTAL (rd. 24 + 32 + 33 + 34)</b>	<b>35</b>				

<b>► SITUATIA AJUSTARILOR PENTRU DEPRECIERE</b>					
<b>Elemente de imobilizari</b>	<b>Nr. rand</b>	<b>Sold initial</b>	<b>Ajustari constituite in cursul anului</b>	<b>Ajustari reluate la venituri</b>	<b>Sold final (c.13 = 10+11-12)</b>
<b>A</b>	<b>B</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
<b>I. Imobilizări necorporale</b>					
Cheltuieli de dezvoltare	36				
Active necorporale de explorare și evaluare a resurselor minerale	37				
Alte imobilizări	38				
Avansuri acordate pentru imobilizări necorporale	39				
<b>TOTAL (rd. 36 la 39)</b>	<b>40</b>				
<b>II. Imobilizări corporale</b>					
Terenuri și amenajări de teren	41				
Construcții	42				
Instalații tehnice și mașini	43				
Alte instalații, utilaje și mobilier	44				
Investiții imobiliare	45				
Active corporale de explorare și evaluare a resurselor minerale evaluate la cost	46				
Plante productive	47				
Imobilizari corporale în curs de execuție	48				
Investiții imobiliare în curs de execuție	49				
Avansuri acordate pentru imobilizari corporale	50				
<b>TOTAL (rd. 41 la 50)</b>	<b>51</b>				
<b>III. Active biologice productive</b>	<b>52</b>				
<b>IV. Drepturi de utilizare a activelor luate în leasing</b>	<b>53</b>				
<b>V. Imobilizări financiare</b>	<b>54</b>				
<b>AJUSTĂRI PENTRU DEPRECIERE – TOTAL (rd. 40 + 51 + 52 + 53 + 54)</b>	<b>55</b>				
FORMULAR VALIDAT		Suma de control Formular 40: 0 / 3110362833			

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**Semnaturi ▶****Administrator**

Nume si prenume

IVYLON MANAGEMENT

SRL PRIN LOGOFATU

MIHAI ALEXANDR

Semnatura

**Intocmit**

Nume si prenume

DCA Financial

Zone SRL

Calitatea

22--Persoana juridica autorizata\*\*

Nr.de inregistrare in organismul profesional

10554

Semnatura