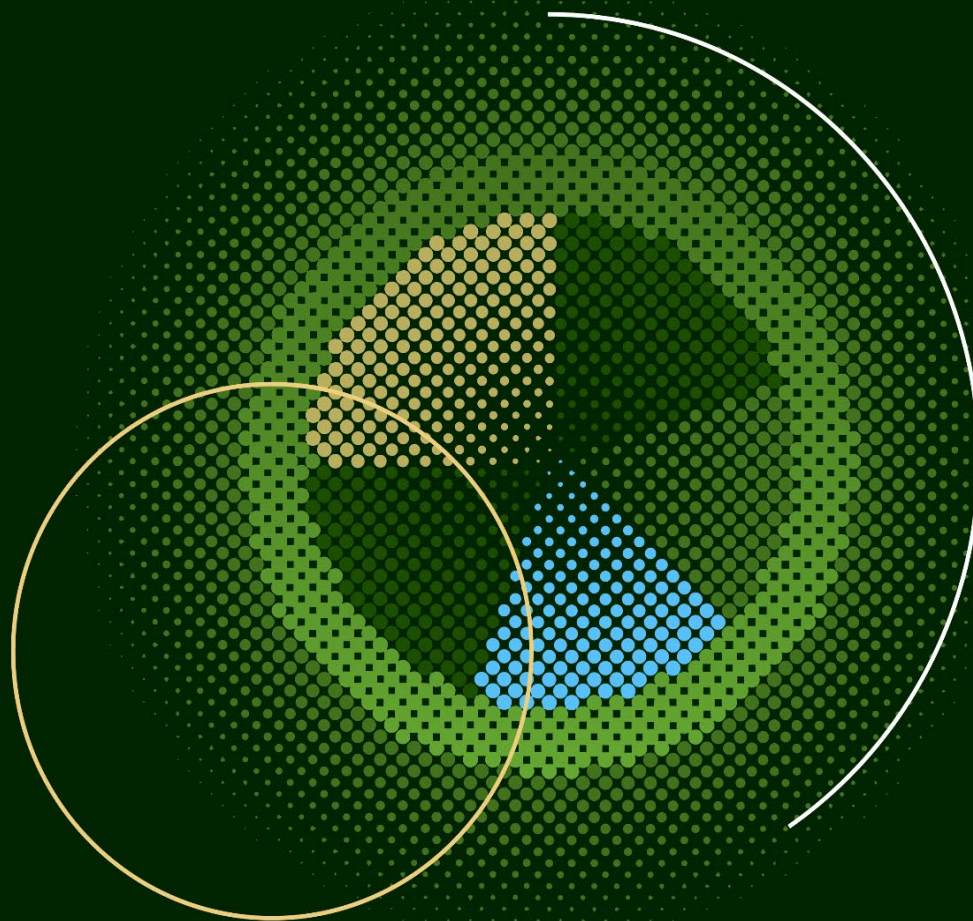


# Bittnet Group — Annual Preliminary Results **BNET 2024**



bittnet  
group

## Preliminary Results 2024 - Bittnet Group

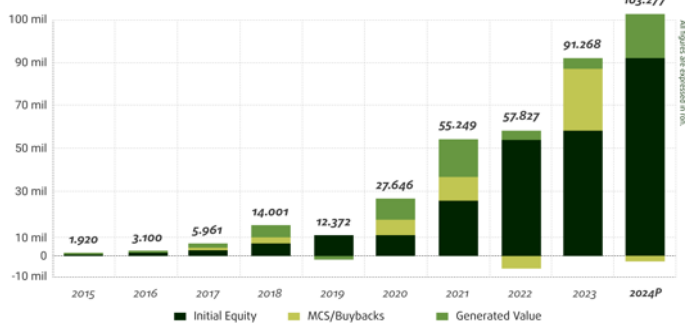
For the financial year	01.01.2024 - 31.12.2024
Report date	February 28th , 2025
Company name	BITTNET SYSTEMS SA
Headquarters	44 Sergent Ion Nutu Street, One Cotroceni Park, Building A and Building B, 4th floor, sector 5, Bucharest
Correspondence address / Work point	44 Sergent Ion Nutu Street, One Cotroceni Park, Building A and Building B, 4th floor, sector 5, Bucharest
Telephone/fax number	021.527.16.00 / 021.527.16.98
Unique registration code at the Trade Register Office	21181848
Serial number in the Trade Register	J40/3752/2007
The regulated market on which the issued securities are traded	Bucharest Stock Exchange, Main Market / Standard Category
Subscribed and paid-up share capital	RON 63,417,671.40
The main characteristics of the securities issued by the company	634,176,714 shares at the face value of 0.10 ron per share
Trading Symbol	BNET - shares BNET26E, BNET27A, BNET28, BNET28A - bonds
ISIN code	ROBNETACNOR1
Contact	<a href="mailto:investors@bittnet.ro">investors@bittnet.ro</a>

# Key Information

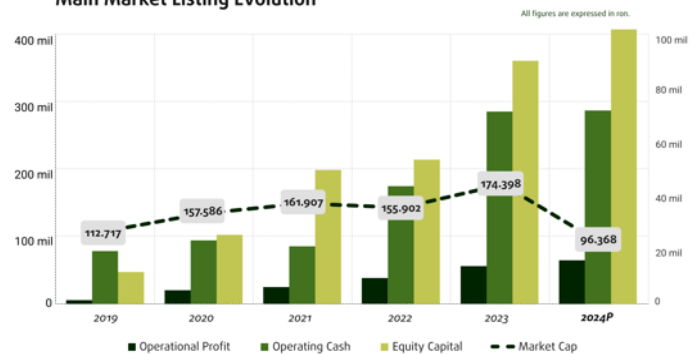
Year	Revenue	Operating Profit	Net Profit	Operational-CashFlow	Assets	Cash position	Share Capital	Market Cap.	ROE
2014	8,180	582	115	394	5,428	813	865	7,896	
2015	9,993	1,608	889	471	8,253	3,008	1,920	8,108	122%
2016	13,667	1,929	870	-1,768	10,446	2,355	3,100	21,418	61%
2017	27,682	2,743	1,206	373	30,898	11,060	5,961	31,941	66%
2018	47,891	1,319	4,408	3,397	59,069	13,048	14,001	55,530	86%
2019	99,750	838	-4.458	8,502	88,462	20,824	12,372	112,717	-12%
2020	109,192	5,930	1,025	8,120	102,353	24,873	27,646	157,586	49%
2021	112,591	3,879	13,021	4,242	133,961	23,405	55,249	161,907	61%
2022	192,156	8,372	-2,192	17,995	220,596	42,300	57,494	155,902	9%
2023	375,532	12,140	609	60,989	305,452	73,013	91,374	174,398	7%
<b>2024 Preliminary</b>	<b>418,870</b>	<b>13,873</b>	<b>9,256</b>	<b>16,882</b>	<b>359,658</b>	<b>73,355</b>	<b>103,277</b>	<b>96,368</b>	<b>15%</b>
CAGR	48%	37%	56%	47%	52%	57%	61%	41%	46%
Year-on-year	<b>11,5%</b>	<b>13,5%</b>	<b>1023%</b>	<b>-69%</b>	<b>19%</b>	<b>5%</b>	<b>14%</b>	<b>-45%</b>	
Main MARKET	324%	1562%	469%	122%	306%	252%	738%	-15%	28%

In this chart, we have summarized the essence of our operating model that we have followed so far and our investment thesis proposal. The chart shows the evolution of revenues, assets, market capitalization and operating profit, providing a visual insight into our performance and strategic direction in terms of investments.

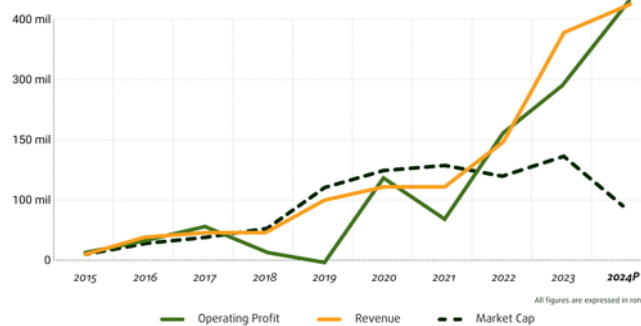
**Initial Equity vs. Generated Value** ROE med. 9 yrs.: **+46%**



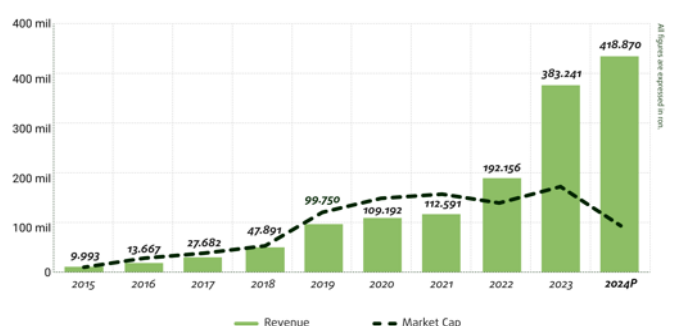
**Main Market Listing Evolution**



**Operating Profit & Revenue vs. Market Cap**



**Revenue vs. Market Cap**



<i>Key Information</i> .....	3
<i>Letter from the CEO</i> .....	5
Key events in 2024.....	6
Investor Day and General Meeting of Shareholders.....	7
<i>Current Bittnet group structure – January 2025</i> .....	8
<i>Analysis of the activity and performance of business segments</i> .....	9
<b>The Digital Infrastructure Pillar</b> .....	9
Administrative Structure.....	10
Brand structure.....	11
Operational.....	11
Business.....	12
Next in 2025?.....	12
<b>Education Pillar</b> .....	13
<b>Business Apps/ Platforms &amp; Software Development pillar</b> .....	15
Elia & Kepler.....	15
Messy & Nonlinear.....	16
<b>Cybersecurity - FORT</b> .....	18
Costs allocated to the group.....	19
<i>Analysis of preliminary consolidated financial results</i> .....	20
Consolidated profit and loss account.....	20
Consolidated balance sheet items.....	22
Consolidated cash flow.....	23
<i>Achievement of budgeted targets in 2024</i> .....	24
<i>Indicative budget for FY2025</i> .....	25
<i>BNET Investment Thesis</i> .....	26
<i>Annex 1 – “Alternative Performance Measurements” about alternative performance indicators</i> .....	26
<i>Preliminary, consolidated, unaudited financial statements</i> .....	27
Consolidated statement of comprehensive income.....	27
Consolidated statement of financial position.....	28
Consolidated statement of cash flows.....	29
For questions or feedback, please write at the following email address:.....	30
investors@bittnet.ro.....	30

## Letter from the CEO

In 2024 Bittnet group achieved consolidated revenues of 418.8 million ron, +11,5% compared to the previous year. Gross margin achieved 79 million ron, +20% compared to 2023, and EBITDA reached 24.4 million ron, up 15% compared to the previous year. In 2024, the operating profit is 13.8 million ron, +14% yoy.

The non-operating (financial) result is a loss of 800 thousand ron, which includes, as in previous years, a mark-to-market adjustment of Bittnet's holding in Softbinator (BSE:CODE), amounting to -4 million ron. Thus, the consolidated gross result of the Bittnet group, at the end of the year, is 11 million ron, while the net profit is 9.2 million ron.

At the beginning of 2024, we made the promise that we would restructure and simplify the group, which at that time was organized into 4 business pillars (business units), 9 commercial brands and 16 companies – a size achieved following the M&A processes from period 2018-2023. Thanks to the decisions taken in 2024, this year begins for Bittnet Group with a more clear and more efficient structure, composed of 3 business pillars and 5 commercial brands, reflecting a coherent and future-oriented vision.

We also made a promise to focus on profitability, both operational and net profit. This objective guided us towards an ambitious budget, and today we can say that we achieved it at 97% level for budgeted revenues and EBITDA and 184% for net profit.

Thus, we mark the 17th consecutive year of growth, exceeding the 400 million ron threshold for the first time. Moreover, we recorded increases in all essential financial indicators, a clear proof of the solidity and health of our business.

Looking at each business pillar in detail, we see that **Digital Infrastructure** and **Platforms & Business Apps** were the performers last year. It was a challenging year, especially in the **Education** area, as we have also mentioned in the periodic reports throughout the year. However, the current size of the group has given the Education team the necessary space to adjust the strategy for 2025-2027. In a context where the budgets of traditional clients in this sector were largely frozen in 2023 and 2024, this recalibration is essential for us to adapt and continue to grow.

Our vision remains clear: we want **Dendrio** (in the Digital Infrastructure pillar) to become one of the largest, modern and well-managed IT systems integrators in Romania and, why not, in the region. To achieve this goal, in 2024 we focused on simplifying the operational structure, creating synergies between the companies in the cluster and group, but also diversifying and modernizing the portfolio of solutions and partners.

Every year comes with its challenges, and 2025 is no exception. It began in a tense geopolitical context, with a direct impact on the business environment and financial markets. However, even in a difficult economic climate, we maintain our sustained growth direction over the past 17 years and remain consistent with our principle of continuous growth. For 2025, we propose an expansion-oriented budget - even though we sold the cybersecurity pillar in 2024 - with a consolidated turnover estimated at 446 million ron for 2025, an increase of +11% (excluding one-offs and the sold business pillar). The gross margin is estimated at 83.5 million ron, and the operating profit at 14.7 million ron and net profit of 6.5 million ron. We are convinced that these objectives are achievable and that, by the end of the year, we will confirm once again our ability to generate value in a constantly changing business environment.

## Key events in 2024

- ✓ We have exceeded, for the first time in Bittnet's history, the threshold of 400 million ron in consolidated turnover, the 17th year of uninterrupted business growth – of which over 100 million ron represents revenues from IT services – reinforcing what we have always maintained that we are a group of IT companies focused on service delivery. We will continue to pursue those projects in which the provision of services represents a significant component.
- ✓ Almost 10 years after the IPO on the AeRO market and 5 years after the transfer to the Main Market, the consolidated turnover is 51 times higher than in the year preceding the listing and 4 times higher than in the year preceding the transfer to Main Market
- ✓ The gross margin generated reached 79 million ron - over 80% of the entire consolidated turnover of 2019, and the operating profit is higher than the turnover of 2016, while the EBITDA recorded in 2024 has a similar level as the entire turnover of 2017.
- ✓ We simplified the group structure by consolidating the companies around **Dendrio** (in the Digital Infrastructure pillar) and **Elian** (Platforms/Business Apps & Software Development). Thus, from the second half of 2024, Dendrio Solutions fully took over the subsidiaries Dendrio Innovations and Dendrio Technology, and Elian Solutions fully integrated the company Kepler Management Systems (rebranded: Elian Development Systems), acquired in december 2023.
- ✓ We simplified the group structure through two mergers by absorption. In the **Education** pillar, Computer Learning Center and Equatorial Training were integrated into Equatorial Gaming. In the **Digital Infrastructure** pillar, zNet Computer was absorbed by Dendrio Technology (formerly TopTech).
- ✓ In the process of consolidating the Digital Infrastructure companies under the Dendrio umbrella, we also rebranded them. Dataware Consulting became Dendrio Innovations, and TopTech changed its name to Dendrio Technology. These changes were formalized at the Trade Register, clearly reflecting our direction of simplification and strategic alignment.
- ✓ Successfully achieving the first exit in the history of the Bittnet group: the sale of the cybersecurity pillar – Fort together with the subsidiaries GRX-Advisory and ISEC Associates, a strategic decision to optimize the company portfolio and which was achieved with a net return of almost 100%.
- ✓ We have concluded a new corporate bond IPO, ticker BNET28A, worth 6.62 million ron with a fixed interest rate of 9% per annum.
- ✓ The operating profit recorded the value of 13.8 million ron, +14% yoy, the same as the entire turnover in 2016, and the net profit, worth 9.2 million ron, is almost double the one budgeted at the beginning of the year. If we were to exclude the effects of one-off events (non-cash and cash), including the FORT sale transaction, we would have achieved a gross profit of 6.5 million ron. In line with the net profit estimated in the 2024 BVC.
- ✓ In August, we launched the first BNET share buyback program, through which we purchased 4,000,000 shares by the end of the year. The program continues into 2025, with the goal of canceling the repurchased shares. To date, we have repurchased 5,369,000 shares.
- ✓ We are exploring the possibility of introducing a public offer buyback program, subject to FSA approval. This would allow us to acquire a larger volume of shares in a shorter time, complementary to the current program, which respects the daily limits of the spot market.

## Investor Day and General Meeting of Shareholders

In 2025, Bittnet celebrates 10 years since the IPO at Bucharest Stock Exchange, opening a new chapter for technology companies in Romania. It has been a journey in which we have not only grown, but also redefined what it means to be a listed company in the IT sector. On April 15th, we will celebrate this moment with our traditional event dedicated to our investors and the capital market, **BNET Investor Day**, organized at Bittnet's headquarters in One Cotroceni Park.

Also, the **General Meeting of Shareholders** is scheduled for April 28th, and, as in previous years, will be organized in partnership with eVote, ensuring electronic access for all those who want to take part in the group's decisions.

But, beyond numbers and strategies, Bittnet is about people. I am grateful to all my 300 colleagues, with whom I have gone through a challenging year, but with solid results. The success of 2024 is, above all, their merit.

If the first 10 years as a public company were about innovation and growth, the next 10 years will be about consolidation and impact. I invite you to review the preliminary financial statements and send us your questions or feedback at: [investors@bittnet.ro](mailto:investors@bittnet.ro).



*Mihai Logofătu*  
*CEO and Co-Founder*  
*Bittnet Group*

## Current Bittnet group structure – January 2025

The current structure of the Group contains 10 companies within the consolidation perimeter, organized into 5 commercial brands and 3 business pillars. At the end of 2024, Bittnet sold the cybersecurity pillar, organized around Fort, and received the resolutions from the Trade Register regarding the merger projects filed in 2024, namely the merger of the companies: Computer Learning Center and Equatorial Training into Equatorial Gaming, and zNet Computer into Dendrio Technology. These actions taken in 2024 are part of the Bittnet group's strategy to simplify the group structure and optimize functions and costs. Given that the sale of Fort was completed in December 2024, Fort, together with its subsidiaries GRX-Advisory and ISEC Associates, were consolidated at the profit and loss (P&L) level and deconsolidated at the balance sheet level, on 31.12.2024, according to the common procedures for these types of exit transactions.

Currently, the group "picture" looks like this:

**bittnet**  
group

Business Pillars  
Jan 2025

Your Value.  
Upgraded.

### Digital Infrastructure

Dendrio Solutions  
dendrio.com

**dendrio**<sup>®</sup>

Optimizor  
optimizor.com

**Optimizor**  
Enhanced IT Services

### Education

Bittnet Training  
bittnet.ro

**bittnet**  
Your skills. Upgraded.

### Digital Platforms

Elian Solutions  
elian-solutions.ro

**ELIAN**  
a bittnet company

Nenos Software  
nenos-software.ro

**nenos**  
software



## Analysis of the activity and performance of business segments

The Group's continuous evolution process, both through the launch of new products and services and through continuous acquisitions, has led to the current size in which the activity is organized in centers ("cells") as independent as possible, in areas of interest "development pillars" or "business units", which represent subdomains of activity in the IT&C Services area. Bittnet is today a conglomerate that offers investors exposure to the entire IT&C industry in Romania. Each pillar (business unit) will be able to access direct and independent financing from the capital market or the banking industry, cooperating with the other companies in the group to provide greater added value to both our customers and employees or partners. Starting with the end of 2023, we began efforts to simplify the group structure by analyzing the reduction of the total number of companies through absorption/merger processes. The first such processes were completed in 2024.

### The Digital Infrastructure Pillar

This pillar contains 4 companies that offer complex IT solutions to clients in the corporate, large corporate, enterprise and public sector segments from all over the country but also from abroad (especially CEE and the USA).

The solutions offered start from the physical communications infrastructure, perimeter security, video systems, digital signage systems and computing and printing systems and continue with the design and implementation of complex IT architectures such as data center/hybrid or cloud, enterprise networking, cyber security platforms and the implementation of related software platforms, including collaboration platforms (modern workplace).

The services offered are both project-based and managed services, with managed services being delivered primarily to clients in mature markets, Europe and the United States. The companies currently part of this pillar are:

- **Dendrio Solutions SRL** (CUI 11973883), owned by Bittnet Systems in a proportion of 96.501%, is the only multi-cloud integrator in Romania, a partner certified to the highest standards by Cisco, Microsoft, Google, Amazon Web Services, but also by many other vendors, is the company that brings together the IT&C integration activities from Bittnet, Gecad Net and Crescendo.
- **Dendrio Innovations SRL (formerly Dataware Consulting SRL)**(CUI 27895927) – is 100% owned by Dendrio Solutions. The company implements technological solutions such as data networks, block & file storage, storage area network, disaster recovery and business continuity solutions, forensic software and security solutions. The company has partnerships with major manufacturers in the field, such as Fujitsu, Cisco, Brocade and M-Files. Dataware offers clients IT services starting from the consultancy, analysis and design phase to implementation, support and testing, especially for complex projects.
- **Dendrio Technology (formerly Top Tech SRL)**(CUI 2114184), 100% owned by Dendrio Solutions is a company with a 30-year history, which integrates IT infrastructures (communications, data processing, physical security systems) from vendors such as Dell, HP, Xerox or Microsoft, with a regional presence, having 6 branches in Transylvania and Banat and a team of over 86 specialists. At the end of 2024, Dendrio Technology absorbed its sister company 2Net Computer. The decision was made considering the profile of the two companies and the geography in which they operate.

- **Optimizer** – ITPrepared SRL (CUI 35456175), 50.2% owned by Bittnet Systems, is an entrepreneurial managed services company established in 2016, providing IT support services primarily to the US market. Optimizer's client portfolio is primarily based on US companies, but also contains a number of local clients.

As in previous years, the Digital Infrastructure business unit represents the largest share of the group's total revenues (approx. 87%).

Digital Infrastructure	December 31, 2024	December 31, 2023	Evolution
<b>Revenue from contracts with customers</b>	<b>365,637,028</b>	<b>323,154,211</b>	<b>13.1%</b>
Service provision	57,278,630	57,519,297	-0.4%
Sale of goods	308,358,398	265,634,914	16.1%
<b>Cost of sales</b>	<b>305,420,106</b>	<b>273,751,861</b>	<b>11.6%</b>
Goods/materials	264,651,835	236,849,695	11.7%
Services	20,762,969	19,466,316	6.7%
Man-hours	20,005,303	17,435,850	14.7%
<b>Gross margin</b>	<b>60,216,922</b>	<b>49,402,350</b>	<b>21.9%</b>
<b>Other income</b>	<b>1,920,660</b>	<b>1,509,928</b>	<b>27.2%</b>
<b>Sales/distribution expenses</b>	<b>14,980,333</b>	<b>11,343,858</b>	<b>32.1%</b>
Man-hours	13,074,453	9,939,070	31.5%
Advertising and other sales expenses	1,905,879	1,404,788	35.7%
<b>Administrative expenses, of which:</b>	<b>32,570,222</b>	<b>23,533,786</b>	<b>38.4%</b>
Man-hours	16,105,603	10,904,729	47.7%
Amortization	6,730,975	5,721,166	17.7%
Other third-party services	4,044,698	3,898,655	3.7%
Miscellaneous	5,688,945	3,009,236	89.0%
<b>Operating profit (without one-offs)</b>	<b>14,587,028</b>	<b>16,034,635</b>	<b>-9%</b>
<b>EBIT</b>	<b>14,587,028</b>	<b>16,034,635</b>	<b>-9%</b>
<b>EBITDA</b>	<b>21,318,003</b>	<b>21,755,801</b>	<b>-2%</b>

In 2024, the group's Digital Infrastructure pillar continued the integration and consolidation process, while maintaining an accelerated pace of business growth and optimization of operational activities.

With a consolidated turnover of almost 370 million ron at the end of 2024, we can say that the Digital Infrastructure pillar is in the top 3 players in the industry, being extremely well positioned to maintain the growth rate in the coming years.

### Administrative Structure

At the organizational structure level, we focused on simplifying it both in terms of ownership within the companies, but also in the number of companies/subsidiaries operated within the pillar:

- We simplified the organizational structure, by fully absorbing zNet Computer (Braşov) into Dendrio Technology (formerly TopTech). In December 2024, at the end of this process, the Braşov team became an integral part, thus joining the rest of the cluster's subsidiaries.
- The cluster structure at national level was also simplified, by closing the Dendrio Technology branches in Mediaş and zNet in Covasna and taking over the operations of the respective entities in Sibiu and Braşov respectively. Following this process, the group's branches at national level are: Bucharest, Alba-Iulia, Braşov, Cluj-Napoca, Deva, Galaţi, Iaşi, Sibiu and Timişoara.

## Brand structure

The brand structure at the pillar level has been significantly simplified. In this sense, the cluster has moved from a brand structure based on 5 distinct brands: Dendrio Solutions, Dataware, TopTech, znet and Optimizor to a brand structure based on only two brands: DENDRIO and OPTIMIZOR.



We propose that from now on, when we refer to the Digital Infrastructure cluster, we will only refer to these two brands: Dendrio and Optimizor.

The companies under the Dendrio brand deliver "Professional services" projects – high value-added services delivered on the basis of complex projects – while Optimizor focuses on delivering recurring services, "Managed Services". Since the end of 2023, we have aimed to gradually have as many technology clients as possible use the services offered by both entities and, in the long term, by the entire group structure.

The implications of this brand simplification are multiple, bringing more clarity to the entire pillar ecosystem: aligning internal teams, simplifying communication with partners, simplifying the relationship with customers and, why not, simplifying communication with the group's shareholders.

## Operational

In 2024, we continued to unify and simplify processes at the pillar level:

1. We started the year with a broad process of reorganization and restructuring of the teams in the country, from a structure focused on autonomous branches (each regional branch with its own operational structure), to unified teams at national level. Thus, we currently have a unified structure for sales, technical, project-management, finance, people & culture, marketing and logistics.
2. We unified the entire leadership structure of the pillar

3. We have established a new department, “Business Process & Integration”, dedicated to the digitalization pillar. Its main objective is to harmonize processes within member companies, as well as to implement solutions that ensure a better allocation of costs, both human and material. Another essential role of the department is to manage the integration of acquired companies, both from a process and team perspective.
4. We are in the process of increasing the level of automation by implementing AI technology in everyday business flows.
5. Aligned processes at the pillar level – in 2024 we conducted an extensive analysis of processes and workflows and aligned the processes in Dendrio Technology (formerly TopTech) with those existing in the Bittnet group (sales, pre-sales, delivery, project-management office, etc.)
6. Optimizor placed a strong emphasis on standardizing the way they work, which allowed for rapid and smooth implementations of Microsoft solutions for new customers. By adopting efficient methodologies and well-defined processes, the team was able to improve delivery times and reduce the risks associated with complex IT implementations.

## Business

In 2024, over 2,200 unique clients were served at the pillar level – an increase of over 40% compared to 2023 (clients to whom we successfully delivered projects). From the perspective of projects delivered, during 2024 we delivered over 11,300 projects, also an increase of approximately 40% compared to 2023. This increase was due to a structured way of approaching projects (team coordination, focus on execution/delivery), capitalizing on existing opportunities at the market level. Projects were also delivered at the national level, financed by the World Bank, projects in the area of Smart City solutions, but also the first Agentic AI solutions, in collaboration with the company Nenos Software, within the group.

In 2024, we focused on increasing revenue through cross-selling between pillar companies, delivering over 10 large-scale projects (over 1 million ron) with at least 2 companies involved. Also, over 309 joint projects were delivered throughout the year.

The year 2024 was one of growth and consolidation for Optimizor, both in terms of market presence, operational efficiency and team development. To support the sales process and increase brand visibility, Optimizor launched a new website in 2024, modernized and optimized to provide clear information about the company's solutions and services. Optimizor also participated in multiple reference conferences in the Tech and Banking fields, where it had the opportunity to interact with potential clients and partners, thus strengthening its brand identity and market position. In 2024, Optimizor signed 15 new collaborations, both for one-off projects and for subscription contracts with monthly support. This growth reflects the trust of clients in the expertise and quality of services offered by Optimizor and confirms the success of the strategy adopted by the company.

## Next in 2025?

The year 2025 began under the sign of strong uncertainty, both at the national and regional/global levels, in an unpredictable political and social environment. However, we believe that such periods can also offer additional business development opportunities. Both Bittnet Group and the digitalization pillar have a strong entrepreneurial background and we want to approach this period with confidence and pragmatism:

- We have a pipeline of projects that give us confidence that we can achieve business growth in 2025 as well.
- We have been expanding our solution portfolio since 2024, focusing on those innovative solutions that can bring increased efficiency to our customers (automation solutions, IoT and even AI-based platforms)

- We have a department that will focus on increasing internal efficiency, aiming at constant improvement of internal processes

## Education Pillar

This business pillar contains 4 companies, which offer training to adults in two areas: Technical Skills and Human Skills, both in classic, face-to-face, Virtual Remote but instructor-led format or in eLearning format. These are:

- **Bittnet Systems SA**(CUI 21181848): the parent company of the group, listed on the BVB Regulated Market. It carries out the holding activity and additionally the IT Training activity, being the undisputed leader of this market in Romania.
- **Equatorial Gaming SRL**(CUI 30582237), currently 100% owned by Bittnet, is a game-based learning company, which offers soft skills training for the IT industry, both in classic and gamified formats. At the end of 2024, Equatorial Gaming absorbed the group companies, Computer Learning Center and Equatorial Training.
- **The eLearning company SA**(CUI 30760571), 23% owned by Bittnet, is an entrepreneurial company that offers eLearning courses for companies. ELC is not within the scope of financial consolidation except for minority interests.

Education	December 31, 2024	December 31, 2023	Evolution
Revenue from contracts with customers	10,537,664	13,612,094	-22.6%
Cost of sales	5,107,320	7,157,491	-28.6%
Cost of goods sold	261,488	898,331	-70.9%
Services	4,014,466	4,834,075	-17.0%
Man-hours	831,366	1,425,085	-41.7%
Gross margin	5,430,343	6,454,603	-15.9%
Other income	86,076	(815,935)	-110.5%
Sales/distribution expenses	3,764,201	4,712,228	-20.1%
Man-hours	3,088,967	3,851,982	-19.8%
Advertising and other sales expenses	675,234	860,247	-21.5%
Administrative expenses, of which:	3,258,939	6,095,753	-46.5%
Man-hours	604,363	3,190,349	-81.1%
Amortization	1,637,959	1,698,164	-3.5%
Other third-party services	702,303	1,413,580	-50.3%
Miscellaneous	3314,313	(206,339)	252.3%
Operating profit (without one-offs)	(1,506,721)	(5,169,314)	-70.9%
EBIT	(1,506,721)	(5,169,314)	-70.9%
EBITDA	131,239	(3,471,150)	103.8%

The year 2024 was still challenging from the perspective of education budgets “frozen” by clients, but it was a year in which the optimization of the training division’s working model reached a final formula with which we will operate in the coming years. We optimized the division’s total costs, restructured the team and the way we do business, and have a stable blueprint. The largest recurring clients in the education area slowed down and, some of them, even completely stopped their training budgets in 2024. This situation implied the following things from the pillar:

- We had to replace 1.2 million euro of “frozen” budgets from recurring clients
- The profile of the buying customer in 2024 has changed:
  - The average value of an opportunity has decreased from 5,100 euro to 2,900 euro, which means we work almost twice as hard to close the same 1,000 euro and have more open opportunities won, with lower value.
  - We built a historic pipeline in 2024: we have projects in the works totaling over 9.5 million euro - which we hope to deliver, for the most part, in 2025 and 2026.

In 2024, the Product Development team expanded the course portfolio and strengthened partnerships with vendors. Video learning programs were developed, we expanded the offer in the areas of Agile, Scrum and Project Management and concluded strategic partnerships with Certiport and ECDL for training and certifications in digital literacy, as well as AGRC for compliance and governance courses. Two academic programs were launched for Full Stack Web Developers and Python Developers, and the cybersecurity offer was strengthened through the CyberShield program. Campaigns and webinars attracted over 2,500 participants, and projects developed with vendors generated revenues of 436,000 euro. At the same time, regional partnerships with LLPA contributed 150,000 euro to the company's revenues.

During 2024, Marketing efforts were focused on optimizing conversions and reducing the impact caused by the implementation of the Digital Markets Act at the European Union level. The implemented strategies included SEO, SEM, email marketing, UX/UI web design, PR, online and offline events, all of which were correlated with cost optimizations. Summary of the final situation for 2024: 674 MQL (+47% compared to 2023), 364 SQL (+41% compared to 2023), pipeline generated of 1.0 million euros (+10% compared to 2023), 264K euro earned from generated SQL (+33% compared to 2023), the largest active pipeline in history, approximately 500K euro (+150% compared to 2023), with which we enter 2025.

In the Inbound team, we focused our activities on converting 364 SQL (Sales Qualified Leads) from the 674 MQL (Marketing Qualified Leads – sourced from Marketing) to the sales team, achieving a conversion of 54% qualified leads, keeping us within the objective set at the beginning of the year. In the Outbound team, we continued the touchpoints to prospects and doubled the number of companies proactively approached from industries such as IT, Banking & Finance and Automotive compared to 2023. The final result was translated into 98 identified business opportunities.

We ended 2024 with a total of 601 sales opportunities won, 25% more than the previous year, and the number of active customers was 152, up 10% compared to 2023. Against the backdrop of a market where IT training demand was affected due to canceled budgets, the sales team's forces were focused on attracting new customers and maintaining the existing customer portfolio. For 2025, the goal is to increase both the number of active customers and turnover by 20% compared to the previous year, by delivering IT training with emerging technologies.

The BID Department strengthened its position in the public sector, following a strategy focused on tenders and accessing projects with European funding. During the year, the team focused on identifying and participating in relevant tenders, accessing projects financed through PNRR and other European funds, as well as optimizing the bidding process to reduce delivery costs. In 2024, we analyzed and applied for a number of 25 strategic tenders. As a result of this effort, we closed projects with a total value of 297,000 euro. Optimizing delivery costs contributed to increasing the competitiveness of offers and improving the success rate in tenders, thus strengthening the team's position.

In 2024, the Training Delivery team's activity was focused on increasing delivery capacity and continuously improving the quality of the delivery methodology. The team expanded delivery capacity with 30 new trainers, 12 of whom have already delivered courses, and the focus was on optimizing processes through coaching sessions, continuous feedback and the activities of the Trainers Academy. Final results for 2024: 396 classes delivered, with 3,293 learners, and management of over 550 requests. In addition, the quality of delivery was confirmed by the success achieved following the external audit of education management systems, in which the team was appreciated for the well-implemented processes. These actions contributed to generating revenue and reducing costs, with a significant performance throughout the year.

## Business Apps/ Platforms & Software Development pillar

Currently, this business unit includes the following companies:

- **Eliau Solutions SRL**(CUI: 23037351), led by Iulian Motoi, is a company founded in 2008 and owned by Bittnet Systems SA in a proportion of 61.6878%. The percentage of ownership increased from 51% following a share capital increase through the conversion of certain liquid and due receivables resulting from the transfer of Bittnet's ownership in Kepler Management to Eliau. Eliau is a Gold certified partner by Microsoft for ERP solutions.
- **Eliau Development Systems SRL (formerly Kepler Management Systems)**(CUI: 21562125) is a company with a similar field of activity and business to Eliau, which joined the Bittnet group at the end of 2023. It is 100% owned by Eliau.
- **Nenos Software SRL**(CUI: 29612482), founded and led by Toader Toporău, is a company owned by Bittnet in a proportion of 61% (the rest by the founder) is a custom software development company, with a focus on the field of Artificial Intelligence and Machine Learning (AI/ML).
- **Nonlinear SRL**(CUI: 37758005) is an SPV established to access European financing, 60% owned by Bittnet and led by Mr. Toporău. The activity is one of product-based software development, focused on developing a platform for digitizing and automating processes within small and medium-sized companies using low code/no code and machine learning technologies.

### Eliau & Kepler

In 2024, the consolidated turnover of Eliau Solutions, together with the Kepler subsidiary – rebranded in February 2025 Eliau Development Systems – was 25.4 million ron. The turnover is composed of the same 3 traditional types of income:

1. Licensing revenue: 35% of turnover
2. Revenue from implementation services: 33% of turnover
3. Support and maintenance revenue: 32% of turnover

In 2024, Eliau's focus was concentrated, as we announced in the previous period, on new Microsoft technologies and SaaS (Software as a service) licensing. This effort is reflected in the figures achieved from licensing: if at the end of 2023, SaaS licensing meant 9 customers, with a total of 148 users, 2024 was closed with 32 customers licensed in SaaS and a total of 507 users. Revenues generated from SaaS licensing meant 20% of total licensing revenues in 2024.

In the services area, the focus was on delivering large-scale projects, with a large number of users and licensing on the new technology (reflected in the dynamics presented above). The team delivered 41 projects for 38 clients, of which 29% were for Eliau's own solutions (Localization, Logistics/Transport Solution, WMS Solution (warehouse management),

Retail Solution, PJ e-invoice for 250 companies, e-transport solution and PF e-invoice). Also, 25% of the projects delivered were upgrade projects of existing solutions (solutions in older system versions) to the latest Microsoft technology, with a share of 80% SaaS licensing. The difference of 46% were analysis and implementation projects (with licensing in a proportion of approx. 70% in SaaS).

In the support area, the team continued to provide maintenance services for the client portfolio, generating annual revenues of 8.2 million ron. In addition to the maintenance and user assistance service, the support department delivered solutions to adapt client systems to the requirements and legislative changes valid in 2024 (PJ e-invoice for 250 companies, SAFT, e-invoice for PF – solution finalized in 2024 to enable its delivery without delay in 2025, from the entry into force of this legislative provision).

The 2024 turnover represented a 39% increase compared to the 2023 result. The result comes from increasing delivery capacity, increasing the customer portfolio by focusing on large projects with a large number of users (and a majority licensing in SaaS), as well as by adding the customer portfolio and resources of Kepler Management Systems.

For the coming period, we aim to accelerate the portfolio upgrade process and migration to the latest Microsoft technologies, in particular Dynamics 365 Business Central SaaS, as well as increase the number of new projects delivered. We are focusing on large projects and new business verticals (e.g. IFN, law firms, construction, infrastructure modernization and maintenance, energy infrastructure).

### Messy & Nonlinear

In a constantly changing market environment, in 2024 Nenos Software and Nonlinear continued their strategic transition from outsourcing to in-house product development, focusing on scalable and efficient solutions. This reorientation aimed to provide concrete value and real impact through the products delivered.

#### Products and Technological Developments:

- **Context:** One of the most important products developed by Nenos, Kontext, has continued to evolve. This framework allows the creation of production-ready AI agents, capable of collecting and analyzing complex data, generating reports, and optimizing organizational processes. The focus remains on automating business processes without requiring major changes to the customers' software infrastructure.
- **DeDupe for SharePoint:** The publication in the Azure marketplace confirmed the demand for this file deduplication solution, especially from large enterprises. In 2025, Nenos' priority is to eliminate installation complexity by launching the SaaS version, facilitating customer adoption of the solution.

#### Challenges and Opportunities

- **Market and Competition:** In a context where companies are migrating to more accessible markets, such as South Africa and South America, Nenos is adapting its sales and distribution strategies.
- **Tax Regulations:** The legislative changes that eliminated tax incentives require the identification of new methods of financial optimization and the prioritization of projects with high scaling potential.

For 2025, Nenos and Nonlinear are focused on developing and implementing solutions based on Agentic AI, with an emphasis on automating repetitive tasks through specialized virtual agents, transforming DeDup for SharePoint into a SaaS solution accessible directly from the Azure marketplace, and increasing Kontext adoption in various industries, through new partnerships and expanding AI functionalities.



Nenos Academy continued to offer industry-relevant training programs. In collaboration with Bittnet Training, the initiative will become a self-sustaining project, covering the costs of organization and promotion. The support provided to local hackathons and technology competitions demonstrates Nenos' commitment to the development of the tech community.

The year 2024 has reinforced Nenos Software's commitment to delivering innovative AI solutions and adapting the business to market realities. By developing our own products and optimizing internal processes, we aim to maintain a competitive advantage and provide real value to our customers.

As well as the results situation at pillar level:

Business platforms & Software development	December 31, 2024	December 31, 2023	Evolution
<b>Revenue from contracts with customers</b>	<b>28,197,937</b>	<b>22,322,883</b>	<b>26.3%</b>
Service provision	21,381,148	15,252,331	40.2%
Sale of goods	6,816,789	7,070,552	-3.6%
<b>Cost of sales</b>	<b>19,698,648</b>	<b>15,166,994</b>	<b>29.9%</b>
Cost of goods sold	5,616,961	4,625,295	21.4%
Services	(63,943)	426,332	-115.0%
Man-hours	14,145,629	10,115,367	39.8%
<b>Gross margin</b>	<b>8,499,289</b>	<b>7,155,889</b>	<b>18.8%</b>
<b>Other income</b>	<b>95,999</b>	<b>29,672</b>	<b>223.5%</b>
<b>Sales/distribution expenses</b>	<b>1,305,215</b>	<b>1,188,173</b>	<b>9.9%</b>
Man-hours	871,729	734,998	18.6%
Advertising and other sales expenses	433,486	453,175	-4.3%
<b>Administrative expenses, of which:</b>	<b>5,057,058</b>	<b>4,090,285</b>	<b>23.6%</b>
Man-hours	3,199,549	1,580,082	102.5%
Amortization	1,016,180	673,233	50.9%
Other third-party services	139,494	665,516	-79%
miscellaneous	701,716	1,171,454	-40.1%
<b>Operating profit (without one-offs)</b>	<b>2,233,015</b>	<b>1,907,103</b>	<b>17.1%</b>
<b>EBIT</b>	<b>2,233,015</b>	<b>1,907,103</b>	<b>17.1%</b>
<b>EBITDA</b>	<b>3,249,195</b>	<b>2,580,336</b>	<b>25.9%</b>

## Cybersecurity - FORT

All 3 companies that constituted the Group's Cybersecurity division, namely Fort SA, GRX-Advisory SRL and ISEC Associates SRL, were deconsolidated at balance sheet level on 31.12.2024, following the full sale of the Group's stake to alternative investment funds Agista Investmens and Impetum Investments. The 3 companies were consolidated at P&L level, given that the sale of the pillar was completed in December 2024.

The results of the Cybersecurity pillar are prepared according to international financial reporting standards - IFRS, in order to obtain consolidated IFRS results for the Bittnet group of companies. The Issuer Fort SA will publish, according to the financial calendar, consolidated and individual results prepared according to Romanian Financial Reporting Standards - RAS, which will differ from the results of the Cybersecurity pillar according to IFRS, mainly due to the different treatment of goodwill and long-term lease contracts.

Cybersecurity - FORT	December 31, 2024	InsureAI Project Dec 2024	December 31, 2023	InsureAI Project Dec 2023	Evolution
<b>Revenue from contracts with customers</b>	<b>14,497,445</b>	-	<b>16,442,991</b>	-	<b>-11.8%</b>
Service provision	11,187,524		11,923,496		-6.2%
Sale of goods	3,309,921		4,519,495		-25.8%
<b>Cost of sales</b>	<b>9,374,620</b>	-	<b>10,887,898</b>	<b>2,425,156</b>	<b>-14.7%</b>
Cost of goods sold	2,827,966		4,311,584		-33.4%
Services	1,733,018	-	1,658,987	-	-3.4%
Man-hours	4,813,636	-	4,917,327	2,425,156	-2.1%
<b>Gross margin</b>	<b>5,122,825</b>	-	<b>5,555,093</b>	<b>(2,425,156)</b>	<b>-5.4%</b>
<b>Other income</b>	<b>92,832</b>	-	<b>1,124,346</b>	<b>2,082,424</b>	<b>-91.7%</b>
<b>Sales/distribution expenses</b>	<b>914,800</b>	-	<b>807,297</b>	<b>2,969</b>	<b>13.3%</b>
Man-hours	447,925		356,302		25.7%
Advertising and other sales expenses	466,875	-	450,995	2,969	3.5%
<b>Administrative expenses, of which:</b>	<b>3,294,561</b>	-	<b>2,628,744</b>	<b>239,343</b>	<b>25.6%</b>
Man-hours	1,438,639	-	1,012,763	112,971	29.8%
Amortization	469,236	-	362,768	55,949	29.3%
Other third-party services	1,048,839	-	842,767	68,282	39.9%
miscellaneous	337,847	-	410,446	2,141	-17.7%
<b>Operating profit (without one-offs)</b>	<b>1,006,296</b>	-	<b>3,243,398</b>	<b>(585,044)</b>	<b>-69.0%</b>
<b>EBIT</b>	<b>1,006,296</b>	-	<b>3,243,398</b>	<b>(585,044)</b>	<b>-69.0%</b>
<b>EBITDA</b>	<b>1,475,532</b>	-	<b>3,606,166</b>	<b>(529,095)</b>	<b>-59.1%</b>

## Costs allocated to the group

In addition to the daily operational flows generated by the current activity of the companies that make up the consolidation perimeter, the group also incurs expenses specific to the holding-type organization as well as from M&A activity or expenses related to maintaining the trading of financial instruments issued on the BSE.

Costs allocated to the group	December 31, 2024	December 31, 2023	Evolution
<b>Income</b>	-	-	
Service provision	-	-	
Sale of goods	-	-	
<b>Cost of sales</b>	-	-	
Cost of goods sold	-	-	
Services	-	-	
man-hours	-	-	
<b>Gross margin</b>	-	-	
<b>Other income</b>	-	-	
<b>Sales/distribution expenses</b>	-	-	
man-hours	-	-	
Advertising and other sales expenses	-	-	
<b>Administrative expenses, of which:</b>	<b>2,445,960</b>	<b>3,212,111</b>	<b>-23.9%</b>
man-hours	0	1,077,262	-
amortization	692,474	536,056	29.2%
Other third-party services	1,631,993	1,431,023	14.0%
miscellaneous	121,493	167,770	-27.6%
<b>Operating profit (without one-offs)</b>	<b>(2,445,960)</b>	<b>(3,212,111)</b>	<b>-23.9%</b>
<b>EBIT</b>	<b>(2,445,960)</b>	<b>(3,212,111)</b>	<b>-23.9%</b>
<b>EBITDA</b>	<b>(1,753,486)</b>	<b>(2,676,055)</b>	<b>-34.5%</b>

# Analysis of preliminary consolidated financial results

## Consolidated profit and loss account

Bittnet group (consolidated situation)thread)	December 31, 2024	December 31, 2023	Evolution
<b>Revenue from contracts with customers</b>	<b>418,870,074</b>	<b>375,532,179</b>	11.5%
Revenue from the provision of services	100,334,164	97,635,729	2.8%
Sale of goods	318,535,910	277,896,450	14.6%
<b>Cost of sales</b>	<b>339,600,695</b>	<b>309,389,400</b>	9.8%
Cost of goods/materials sold	296,523,807	267,723,409	10.8%
Services	3,280,954	5,347,206	-38.6%
Man-hours	39,795,934	36,318,785	9.6%
<b>Gross margin</b>	<b>79,269,379</b>	<b>66,142,779</b>	19.8%
<b>Other income</b>	<b>2,196,342</b>	<b>5,169,765</b>	-57.5%
<b>Sales/distribution expenses</b>	<b>21,713,297</b>	<b>18,432,534</b>	17.8%
Man-hours	17,884,885	14,882,351	20.2%
Advertising and other sales expenses	3,828,412	3,550,183	7.8%
<b>Administrative expenses, of which</b>	<b>45,878,765</b>	<b>40,661,343</b>	12.8%
Man-hours	20,663,243	17,878,155	15.6%
Amortization	10,546,825	9,047,336	16.6%
Other third-party services	7,220,389	7,941,815	-9.1%
Miscellaneous	7,448,308	5,557,304	28.6%
<b>Operating profit (excluding one-offs)</b>	<b>13,873,669</b>	<b>12,218,668</b>	13.5%
<b>EBIT</b>	<b>13,873,669</b>	<b>12,218,668</b>	13.5%
<b>EBITDA</b>	<b>24,420,484</b>	<b>21,266,004</b>	14.8%

Year 2024 was the first year after an 8-year succession in which the consolidated results were not impacted by any M&A transaction. Thus, from a P&L perspective, the consolidation perimeter was the same at the beginning of the year as at its end. Even in this context, the registered turnover was 11.5% higher in 2024 compared to the previous year, marking for the first time for the Bittnet group, exceeding the 400 million ron revenues milestone.

A quarter of the revenues was generated from revenues from the provision of IT services – this component exceeding the 100 million ron mark for the first time (as much as the entire turnover of 2019). The cost of sales increased in line with the turnover but at a lower rate than this. The gross margin increased by 20% in 2024 vs. 2023, exceeding the threshold of 79 million ron.

Administrative expenses increased with business growth, reaching 47 million ron (+17% yoy). In analyzing administrative expenses, we consider their weighting in turnover relevant – a weighting that decreased from 12.5% (in 2022) to 10.7% (in 2023) and then slightly increased in 2024: to 11.2%. We continue to be focused to any increase in administrative expenses and aware of the importance of keeping them under control at all times.

Consolidated operating profit increased by 14%, once again recording the highest historical value: 13.8 million ron – while the EBITDA indicator reached 24.4 million ron (+15% vs 2023).

Bittnet group (consolidated situation)	December 31, 2024	December 31, 2023	Evolution
EBITDA	24,420,484	21,266,004	14.8%
Operating profit (excluding one-offs)	13,873,659	12,218,668	13.5%
One-off result	-	-	
EBIT	13,873,659	12,218,668	13.5%
SOP adjustment	(1,043,509)	(1,073,576)	-2.8%
Goodwill impairment	(2,078,990)	-	
Pre-acquisition M&As costs	(45,510)	(689,691)	-93.4%
Gain/loss on equity instruments	(39,095)	(121,055)	-67.7%
Income/expenses from securities valuation	(4,024,130)	(2,167,698)	85.6%
Other financial income	11,006,783	644,624	1607.5%
Financial expenses	(6,630,741)	(7,076,271)	-6.3%
<b>Gross profit</b>	<b>11,020,014</b>	<b>1,735,001</b>	<b>535.1%</b>
<b>Net profit</b>	<b>9,256,630</b>	<b>823,662</b>	<b>1023.8%</b>

Between operating profit and gross profit, as in recent years, the elements that had the greatest impact are non-cash – the adjustment related to SOP, approx. 1 million ron – similar in value recorded on 31.12.2023 and the revaluation of holdings in companies listed on the AeRO-BVB market (Softbinator, ticker: CODE) revaluations carried out quarterly according to market quotations. At the level of 2024, this non-cash adjustment was worth -4 million ron, given the negative evolution of the CODE share. By comparison, the non-cash adjustment with the revaluations of holdings in listed companies, at the level of 2023, was -2.1 million ron.

Another non-cash adjustment is the one with the goodwill impairment test, which required the recording of a negative value at the end of 2024: -2 million ron – due to the impairment for the investment in the ownership of the E-Learning Company (-1.4 million ron) as well as the impairment of the Equatorial Gaming brand (-650 thousand ron) according to IAS36.

The financial result is composed of financing costs (actual interest paid) of 6.6 million ron, non-cash adjustments of 7 million ron, and financial profit from the sale of Fort of 11 million ron (cash). Without one-off items (cash or non-cash), the gross profit would have been 6.5 million ron, 20% above the Budgeted.

In this context, the consolidated gross profit was 11 million ron (compared to 1.7 million ron in 2023) and the net profit was 9.2 million ron.

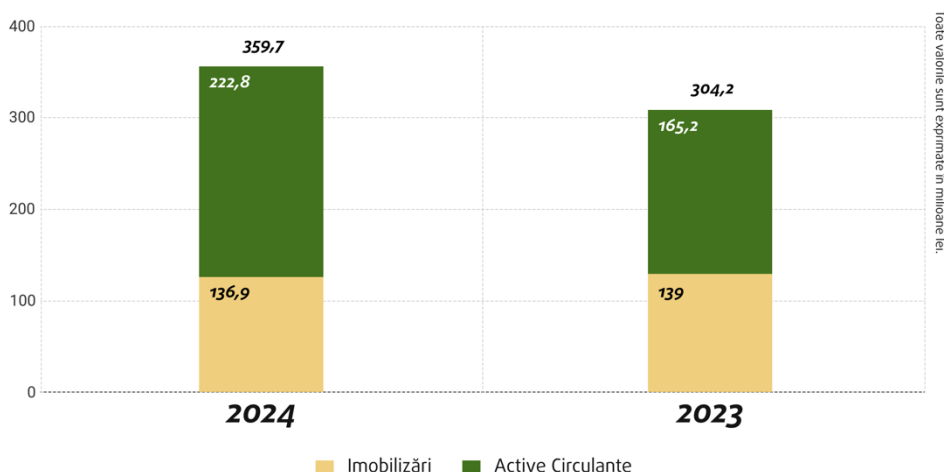
## Consolidated balance sheet items

Fixed assets did not have a significant fluctuation in 2024, given that in the past, this balance sheet position was appreciated – for the most part – from the positive fluctuation of goodwill as a result of successive M&A activities – company acquisitions. Given that no new acquisition agreement was signed in 2024, the value of this position remained constant. The only notable entry is the adjustment as a result of the testing of goodwill from E-Learning Company and Equatorial Gaming, a negative adjustment of 2 million ron. At the end of 2024, fixed assets were 136 million ron (-2% vs 2023).

Current assets recorded an appreciation of 35% yoy, an increase largely influenced by the increase in trade receivables from customers +74% yoy which stood at 138 million ron at the end of 2024. The inventory position remained relatively constant, 4.8 million ron at 31.12.2024 compared to 4.2 million ron at 31.12.2023. On December 31, cash and equivalents were 73 million ron. Thus, total current assets rose at the end of last year to 222 million ron, +35%. And the position of Total assets up to 359 million ron (+18% yoy)

In consolidating the financial statements at the balance sheet level, the values recorded by the companies part of the cybersecurity pillar, FORT SA, GRX-Advisory SRL and ISEC Associates – which were disposed of at the end of 2024 – were not taken into account. The consolidation with the companies from the former cybersecurity pillar was carried out only at the P&L level.

**Evoluție Imobilizări și Active Circulante**



Trade receivables from customers plus inventories plus cash in banks (approximately 217 million ron) covers short-term trade debts at a rate of 257%. By comparison, this rate was covered last year at a rate of “only” 145%. And trade receivables plus the value of inventories and cash cover the total short-term debt (commercial plus current) in proportion to 105%.

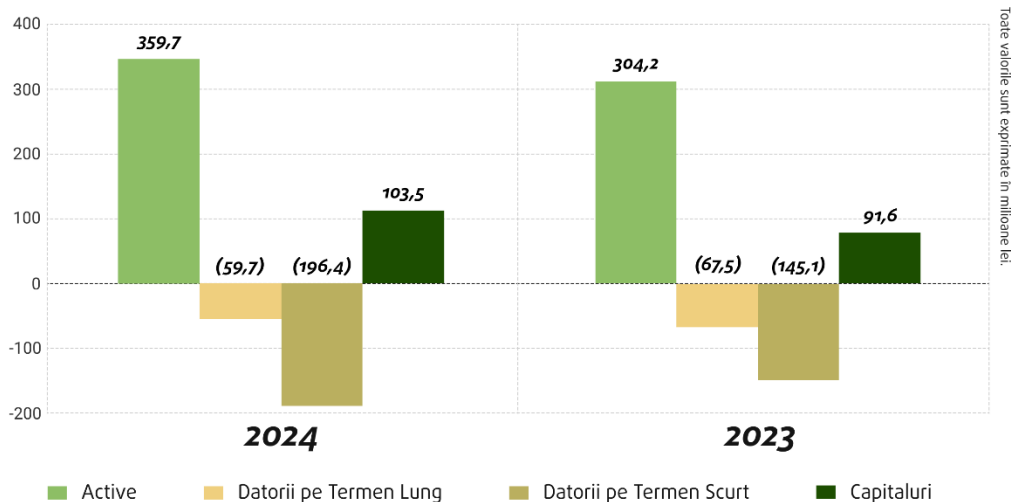
Short-term debts: this category of debts increased by 35% as a result of the increase in trade debts by a similar percentage (31%) – along with the growth of the group's business and receivables from customers. Also, an element that contributed to the increase in short-term debts are the draws on credit lines from the main bank financiers – amounts that we used to deliver specific projects to customers. Thus – the short-term bank loan element had an increase of 87% yoy, up to the value of 15.9 million ron. These amounts were partially reimbursed throughout Q1 2025, with the collection of projects financed from customers. In this context, total short-term debts amounted to 196 million ron at the end of 2024 (+35% vs 2023).

Long-term debts decreased by 12% from 67.5 million ron to 59.6 million ron, mainly due to the decrease in bank debts through the monthly repayment of installments on investment loans for M&A projects in 2022 and 2023.

Thus, total debts increased by 20% yoy from 212 million ron on 31.12.2023 to 256 million ron on 31.12.2024.

The group's total equity exceeded the historical value of 100 million ron - standing at 103 million ron.at the end of 2024.

**Evoluție Activ Net Contabil**



## Consolidated cash flow

In 2023, we said that the significant percentage of large projects with strict annual budget execution with public sector beneficiaries, combined with the terms agreed with suppliers, generated a historic cash flow from operations at that time. This was further adjusted during 2024 – on December 31, cash from operations stood at 18.9 million ron – and net cash generated from current activities was 16.9 million ron.

The sale of the cybersecurity pillar, combined with the acquisition of the 11.7% stake in Dendrio Solutions at the end of 2024, were the main elements that fluctuated in cash flows from investing activities. The most important elements of cash flows from financing activities were the sale of treasury shares in January 2024 (2.8 million ron) combined with the share buyback activity carried out starting with August 2024 (approx. 766k ron), the payment of interest paid to bank creditors and bondholders (5.2 million ron) as well as the proceeds from the BNET28A bond issue (approx. 6.2 million ron).

In this context, the net increase in cash during the period is 3.3 million ron, and cash and cash equivalents at the end of 2024 were 73.3 million ron (of which 7.3 million ron cash restricted in cash-collateral deposits, mainly for lending products) - similar to 2023. We note that part of this cash position is used in Q1 2025 to balance the trade balance (supplier payables versus customer receivables)

## Achievement of budgeted targets in 2024

Bittnet consolidated	Completed 2023	Budgeted 2024E	Completed 2024	% 2024R vs 2024E	Completed 2024 (no one- off)	% 2024R(no one-off) vs 2024E
Revenue from contracts with cus- tomers	375,021,103	430,695,290	418,870,074	-3%	418,870,074	-3%
Direct expenses (COSTS OF SALES)	274,531,139	309,558,466	302,467,396	-2%	302,467,396	-2%
Other operating income	5,501,817	0	3,423,809			
<b>Gross Margin (M1)</b>	<b>100,489,964</b>	<b>121,136,824</b>	<b>116,402,678</b>	<b>-4%</b>	<b>116,402,678</b>	<b>-4%</b>
<b>% Gross Margin (M1)</b>	<b>26.8%</b>	<b>28.1%</b>	<b>27.8%</b>		<b>27.8%</b>	
IFRS direct costs	34,347,985	39,003,199	37,111,582	-5%	37,111,582	-5%
<b>Gross Margin (M2)</b>	<b>66,141,979</b>	<b>82,133,625</b>	<b>79,291,096</b>	<b>-3%</b>	<b>79,291,096</b>	<b>-3%</b>
<b>% Gross Margin (M2)</b>	<b>17.6%</b>	<b>19.1%</b>	<b>18.9%</b>		<b>18.9%</b>	
<b>Indirect expenses</b>	<b>49,892,060</b>	<b>57,161,991</b>	<b>56,606,245</b>	<b>-1%</b>	<b>56,606,245</b>	<b>-1%</b>
<i>Sales/distribution expenses</i>	<i>18,546,992</i>	<i>20,661,795</i>	<i>20,136,266</i>	<i>-3%</i>	<i>20,136,266</i>	<i>-3%</i>
<i>Human Resources - indirect costs</i>	<i>17,703,444</i>	<i>24,429,460</i>	<i>22,976,031</i>	<i>-6%</i>	<i>22,976,031</i>	<i>-6%</i>
<i>Other Administrative expenses</i>	<i>13,641,624</i>	<i>12,070,736</i>	<i>13,493,948</i>	<i>12%</i>	<i>13,493,948</i>	<i>12%</i>
<i>Other operating expenses</i>	<i>486,532</i>	<i>0</i>	<i>1,688,177</i>			
<b>EBITDA</b>	<b>21,265,204</b>	<b>24,971,634</b>	<b>24,420,483</b>	<b>-2%</b>	<b>24,420,483</b>	<b>-2%</b>
<b>%EBITDA</b>	<b>5.67%</b>	<b>5.80%</b>	<b>5.83%</b>		<b>5.83%</b>	
<i>amortization</i>	<i>9,049,370</i>	<i>10,111,156</i>	<i>10,546,825</i>	<i>4%</i>	<i>10,546,825</i>	<i>4%</i>
<b>EBIT</b>	<b>12,215,834</b>	<b>14,860,478</b>	<b>13,873,658</b>	<b>-7%</b>	<b>13,873,658</b>	<b>-7%</b>
<i>SOP &amp; M&amp;A costs</i>	<i>1,763,267</i>	<i>1,341,970</i>	<i>1,739,019</i>	<i>30%</i>	<i>1,089,019</i>	<i>-19%</i>
<i>Impairment of brands and hold- ings</i>						
<i>Financial Result</i>	<i>(8,719,552)</i>	<i>(7,571,016)</i>	<i>(1,116,173)</i>	<i>-85%</i>	<i>(6,218,521)</i>	<i>-18%</i>
<b>Gross Profit</b>	<b>1,733,015</b>	<b>5,947,492</b>	<b>11,018,466</b>	<b>85%</b>	<b>6,566,118</b>	<b>10%</b>
<i>Current income tax</i>	<i>911,340</i>	<i>951,599</i>	<i>1,761,883</i>	<i>85%</i>	<i>1,761,883</i>	<i>85%</i>
<b>Net profit</b>	<b>821,676</b>	<b>4,995,893</b>	<b>9,256,583</b>	<b>85%</b>	<b>4,804,235</b>	<b>-4%</b>
<b>%Net profit</b>	<b>0.2%</b>	<b>1.2%</b>	<b>2.2%</b>		<b>1.1%</b>	

The difference between Gross Margin M1 and M2 is given by IFRS direct costs (with the technical team) that component of direct costs that is not directly allocated to customer projects. The Issuer reports on Gross Margin (M2) when presenting financial results, this level of indicator being the result between revenues from customer contracts (turnover) minus total direct expenses.



## Indicative budget for FY2025

The Issuer makes available to investors a first draft of the indicative income and expenditure budget (BVC) for the year 2025. The final form of the BVC will be available to investors as a supporting document for the agenda of the General Meeting of Shareholders in April 2025.

BITTNET CONSOLIDATED GROUP	Indicative budget 2025E	Completed 2024 (without Fort/one- off)	2025E vs 2024R (without one-offs)
Revenue from contracts with customers	446,650,107	403,958,692	11%
Direct expenses (COSTS OF SALES)	363,091,501	329,920,581	10%
Gross Margin	83,558,606	74,038,112	13%
Gross Margin %	18.7%	18.3%	
Indirect expenses	57,999,055	52,760,779	10%
<i>Sales/distribution expenses</i>	21,038,217	19,221,465	9%
<i>Human Resources - indirect costs</i>	23,434,915	21,514,586	9%
<i>Other Administrative expenses</i>	13,525,923	12,024,727	12%
EBITDA	25,559,551	22,946,247	11%
%EBITDA	5.7%	5.7%	
<i>amortization</i>	10,824,357	10,069,693	7%
EBIT	14,735,194	12,876,554	14%
<i>SOP&amp;M&amp;A costs</i>	935,412	1,089,019	-14%
<i>Financial Result</i>	(5,989,797)	(6,195,717)	-3%
Gross Profit	7,809,984	5,591,818	40%
<i>Current income tax</i>	1,249,597	1,645,670	-24%
Net profit	6,560,387	3,946,148	66%
%Net profit	1.5%	1.0%	

## BNET Investment Thesis

*Invest in BNET shares for the medium and long term if you want exposure to the Romanian IT&C industry, a field of accelerated growth, alongside a management team that not only has skin in the game but has also demonstrated, in over 17 years, better results than the industry average, both operationally and in terms of capital management.*

Each of the decisions we make aims at building an antifragile group, so that we have the most powerful force – time – by our side (“Time is the friend of the wonderful business, the enemy of the mediocre”). The second element is the combination of 'good operations' and capital management capability, as described as the 'secret of success' in the book “The outsiders – 8 outstanding CEOs”. Some arguments for each of the components of this investment thesis:

- Choosing an industry with favorable prospects is a decision that makes both the work of investors much easier and reduces the importance of choosing competent management: “a rising tide lifts all boats.” There has been no industry in the last 20 years with a more accelerated continuous growth than the IT&C industry.
- The existence of a management team with 'significant skin in the game' solves the 'principal – agent' problem so much complained about by investors on the Romanian capital market. If the management's well-being comes from the same sources, through the same mechanisms as that of small shareholders, the most important conflict is eliminated. Thus, in our case, the value of BNET shares represents for the management both the largest part of personal wealth and the largest part of income (unlike salary, the compensation policy based on options aligns management's income with the wealth brought to shareholders).
- Proven track record from an operational point of view: in addition to numerous international recognitions (Deloitte Top 50 in Tech, Financial Times Top 1000 Fastest Growing Companies, EY Entrepreneur of the Year finalists, etc.)
- Proven track record in terms of capital management: the growth rate of equity capital historically attracted, through capital market mechanisms, is over 25%, which also strengthens our confidence in the adopted financial model, which we intend to continue applying as long as the results continue to be visibly better than the market average.

## Annex 1 – “Alternative Performance Measurements” about alternative performance indicators

ESMA guidelines require us to explain any indicator we use in assessing the company's financial or non-financial results, if this indicator is not found in the IFRS or XBRL standards published by ESEF. In the case of our financial reports, we use the following indicators:

Indicator	Definition / Calculation method	Why is it relevant?
<b>Operating Profit</b>	<p>It's about the profit of the core business, the business of serving our customers.</p> <p>It takes into account all income and expenses associated with current activity and ignores financial income and expenses, or those related to holding-type activity (of the group, our existence as a listed company).</p> <p>It is obtained by eliminating from the results of each business line the income and expense items (cash or non-cash) that are not related to the current activity.</p> <p>The most significant adjustments (differences between gross profit and Operating Profit) are:</p> <ol style="list-style-type: none"> <li>1. Elimination of the financial result (adding expenses to gross profit and subtracting financial income)</li> <li>2. Elimination of IFRS non-cash adjustments related to the Stock Option Plan</li> </ol>	<p>Operating activity (also called 'current' or 'core') represents the company's business.</p> <p>This is how business performance and activity are measured versus competition, regardless of the tax environment, the accounting reporting framework, or the company's financing method (the mix of equity and debt, the costs of maintaining the stock market share, etc.).</p> <p>In other words, this is the result that the company (or each business segment) would have if it operated as a company financed entirely from its own sources (from "equity" - shareholders' capital).</p>
<b>"Gross margin" / "GM" / "margin"</b>	<p>The calculation formula for this indicator is "Revenue MINUS direct expenses" ("revenue minus COGS (cost of goods sold)").</p> <p>Thus, from the invoices issued to customers, the value of the expenses directly associated with those projects (obtaining those revenues) is deducted. As an example, in the case of software license resale projects, we buy a license for 90 ron and sell it to the customer for 100 ron. The difference is the "Gross Margin".</p> <p>If we bill a client for cloud project implementation services, the gross margin represents the difference between the revenue billed to the client and the cost of the man-hours required for the implementation, regardless of whether the engineer performing the implementation is our employee or a subcontractor.</p>	<p>This indicator is the company's "GDP", it is the "added value" that we produce for our partners.</p> <p>This indicator reflects not only what value we bring to customers, but, looking inside the company, it reflects the amounts of money we have available to cover fixed expenses.</p>

# Preliminary, consolidated, unaudited financial statements

## Consolidated statement of comprehensive income

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	418,870,074	375,532,179
Cost of sales	(339,600,695)	(309,389,400)
<b>Gross margin</b>	<b>79,269,379</b>	<b>66,142,779</b>
Other income	2,196,342	5,169,765
Sales/distribution expenses	(21,713,297)	(18,432,534)
General and administrative expenses	(46,922,273)	(41,734,919)
Other expenses	(695,510)	(689,691)
Gain/(loss) on equity-accounted securities	(39,095)	(121,055)
Financial income	6,982,653	(1,523,074)
Financial expenses	(8,059,731)	(7,076,271)
<b>Gross profit</b>	<b>11,018,467</b>	<b>1,735,001</b>
Income tax	(1,761,838)	(911,339)
<b>Net profit, of which:</b>	<b>9,256,630</b>	<b>823,662</b>
related to the parent company	6,513,200	(4,604,953)
related to minority interests	2,743,430	5,428,615
<b>Other elements of the overall result</b>	<b>-</b>	<b>-</b>
<b>Total overall result</b>	<b>9,256,630</b>	<b>823,662</b>
related to the parent company	6,513,200	(4,604,953)
related to minority interests	2,743,430	5,428,615
<b>Earnings per share</b>		
base	0.0103	(0.0076)
diluted	0.0094	(0.0069)

## Consolidated statement of financial position

	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
<b>Assets</b>		
<b>Fixed assets</b>		
Goodwill	93,924,049	89,398,454
Other intangible assets	8,868,063	9,653,554
Tangible fixed assets	28,388,475	32,699,563
Equivalent securities	1,272,299	2,797,885
Other financial assets	187,164	695,988
Deferred tax	4,090,915	3,796,271
<b>Total fixed assets</b>	<b>136,730,965</b>	<b>139,041,714</b>
<b>Current assets</b>		
Inventory	4,811,756	4,226,836
Advance expenses	15,324,838	6,858,701
Trade and other receivables	123,724,895	72,703,279
Financial assets	5,710,669	11,356,744
Cash and equivalents	65,776,495	64,470,636
restricted cash	7,578,909	5,542,535
<b>Total current assets</b>	<b>222,927,562</b>	<b>165,158,731</b>
<b>TOTAL ASSETS</b>	<b>359,658,527</b>	<b>304,200,445</b>
<b>CAPITAL AND LIABILITIES</b>		
Share capital	63,417,672	63,417,672
Issue premiums	31,934,768	31,934,768
Other equity items	(2,695,212)	(5,830,661)
Legal reserves	1,618,879	1,355,734
Retained earnings	2,499,309	(3,750,746)
<b>Capital related to the parent company</b>	<b>96,775,416</b>	<b>87,126,767</b>
Non-controlling interests	6,501,596	4,485,519
<b>Total capital and reserves</b>	<b>103,277,012</b>	<b>91,612,286</b>
<b>Long-term debts</b>		
Loans from bond issues	30,718,474	24,340,699
Bank loans	12,525,114	18,976,363
Lease liabilities	16,438,850	19,184,756
Long-term liabilities for the acquisition of subsidiaries	-	5,000,000
<b>Total long-term debt</b>	<b>59,682,437</b>	<b>67,501,819</b>
<b>Short-term debts</b>		
Loans from bond issues	167,365	47,458
Bank loans	15,974,109	8,542,343
Lease liabilities	6,397,784	6,419,839
Dividends to be paid	544,411	3,265,428
Income tax liabilities	801,394	622,641
Deferred income	19,038,100	7,878,495
Trade and other debts	152,829,273	116,878,932
Provisions	946,642	1,431,205
<b>Total current liabilities</b>	<b>196,699,078</b>	<b>145,086,340</b>
<b>Total debts</b>	<b>256,381,515</b>	<b>212,588,160</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>359,658,527</b>	<b>304,200,445</b>

## Consolidated statement of cash flows

	2024	2023
<b>Gross profit</b>	<b>11,018,467</b>	<b>1,735,001</b>
Adjustments for:		
Depreciation expenses	10,546,825	9,047,336
Impairment of goodwill	2,078,990	-
Expenses related to assets disposed of	606,497	11,021
Benefits granted to SOP employees	1,043,509	1,073,576
Adjustments for impairment of receivables	(7,098)	285,407
Adjustments for inventory depreciation	(111,516)	94,994
Provisions	(484,563)	
Expenses related to acquisitions of participating interests	45,510	689,691
Interest expenses and other financial costs	5,554,530	6,852,862
Interest income	895,619	(547,343)
Gain (loss) on securities investments	(6,521,598)	2,070,416
Gain (loss) on equity-accounted securities	39,095	121,055
<b>Operating profit before changes in working capital</b>	<b>24,702,720</b>	<b>21,433,816</b>
Variation in accounts receivable balances	(63,247,853)	32,566,404
Variation in inventory account balances	(618,988)	38,968,927
Variation in debt account balances	58,031,815	(28,351,874)
<b>Cash generated from operations</b>	<b>18,867,695</b>	<b>64,617,273</b>
Income tax paid	(1,986,721)	(3,685,917)
<b>Net cash from operating activities</b>	<b>16,880,974</b>	<b>60,931,356</b>
<b>Cash flows from investing activities:</b>		
Net payments for the acquisition of subsidiaries/businesses	(24,485,735)	(28,298,984)
Payments for the acquisition of participating interests	-	(841,345)
Proceeds from the sale of participating interests	19,012,761	-
Loans to related entities	150,000	(600,000)
Acquisitions of tangible and intangible assets	(2,017,581)	(1,710,863)
Other investments in financial assets	-	(119,071)
Proceeds from other financial investments	1,467,912	413,635
Dividends received	78,225	68,661
Interest received	482,221	509,905
<b>Net cash from investing activities</b>	<b>(5,312,199)</b>	<b>(30,578,062)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from share issues	-	31,260,944
Sales of own shares	2,857,998	4,550,607
Share buybacks	(766,058)	-
Bank loan withdrawals	980,516	10,000,000

Bank loan repayments	-	(24,868,831)
Withdrawals from the bond issue	6,197,011	14,636,689
Repayments from bond issues	-	(24,403,700)
Leasing-related interest	(1,321,496)	(1,367,887)
Payment of leasing debts	(7,032,430)	(5,863,987)
Interest paid	(5,253,859)	(5,968,724)
Dividends paid to minority interests	(3,889,770)	(615,600)
<b>Net cash from financing activities</b>	<b>(8,228,089)</b>	<b>(2,640,488)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,340,686</b>	<b>27,712,806</b>
Cash at the beginning of the financial year	70,013,172	42,300,365
<b>Cash at the end of the financial year</b>	<b>73,353,857</b>	<b>70,013,171</b>

For questions or feedback, please write at the following email address:

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